MUNDORO

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2020

Expressed in Canadian Dollars

1. INTRODUCTION

Mundoro Capital Inc. ("Company", "MCI", and "Mundoro") is a Canadian based mineral acquisition, exploration and development company (see discussion under "Summary of Activities"). The Company's common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN.

This management discussion and analysis ("MD&A") should be read in conjunction with the Company's consolidated financial statements and supporting notes for the period ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

On March 11, 2020, The World Health Organization (WHO) declared COVID-19 a global pandemic. The impact of COVID-19 remains uncertain, current circumstances are dynamic and the impact of the pandemic on our business operations, including the duration and effect on our future exploration and access to various levels of government cannot be reasonably estimated at this time. The Company's operation continues with precautions and strictly adheres to the health guidelines of the Governments in the jurisdictions we work.

This document has been reviewed by the Audit Committee of the Board of Directors of the Company and has been approved by the Board of Directors on April 30, 2021. All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relating to Mundoro is available on our website at www.mundoro.com and on the Canadian Securities Administrators website at www.sedar.com.

2. FORWARD LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A and in particular the "Outlook" section, contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of April 30, 2021.
- Readers are cautioned not to place undue reliance on these forward-looking statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

The material assumptions that were applied in making the forward looking statements in this MD&A include: expectations as to the Company's future strategy and business plan; and execution of the Company's existing plans, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

3. SUMMARY OF ACTIVITIES

Overview and Outlook

Mundoro is a Canadian listed (TSX-V:MUN) precious and base metal company focused on building value through directly investing in mineral projects that have the ability to generate future returns for shareholders. Mundoro has generated an attractive portfolio of mineral properties in eastern Europe focused on copper and gold. Potential future returns, for our shareholders, from our mineral properties can be in various forms such as discovery of mineral resources, royalties, advance royalty payments from partners, operator fees, option payments, property payments, milestone payments, an interest in production, dividend payments or sale of our interest in a mineral property.

Our business model is to leverage our expertise in identifying emerging exploration regions for exploration and packaging projects with targets that are attractive to mining companies to form joint ventures, strategic alliances, options and asset sales, such as:

- In 2015, Mundoro had optioned the Company's four South Timok licenses to First Quantum Minerals Limited for a period of 6 months.
- In 2016, an earn-in agreement with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") (the "**JOGMEC Agreement**") in which Mundoro granted to JOGMEC an earn-in option on the exploration license, Borsko Jezero, located within the northern portion of the Timok Magmatic Complex ("**TMC**") in northeastern Serbia.
- In 2018, Mundoro optioned to ESAN the Saje Project for a period of 7 months.
- In 2018, an earn-in agreement with Freeport-McMoRan Exploration Corporation ("**Freeport**"), in which Mundoro granted to Freeport an earn-in option on the Savinac and Bacevica exploration licenses located within the southern portion of the TMC.
- In 2019, a strategic alliance with JOGMEC in Bulgaria.
- In 2019, an earn-in agreement with Vale Canada Limited (**"Vale"**), in which Mundoro granted to Vale an earn-in option on Sumrakovac, Osnic, Dubrava and Padina exploration licenses located within the TMC.
- In 2020, a binding Memorandum of Understanding ("**MOU**") with Vale for the option of two of Mundoro's projects in Timok, Serbia.

In Serbia, Mundoro methodically staked a district-scale land position in the prolific Timok mining camp which hosts significant Gold-Copper deposits. The Serbian exploration properties are all located near the town of Bor, a mining community which services the current operating mining operations, both open pit and underground, as well as a smelting and processing facility. The area has good infrastructure, well serviced roads and grid power. In Bulgaria, Mundoro proactively applied for a land position in underexplored regions known for base metal and precious metal deposits. Mundoro also has a minority investment in a private gold mining company.

SERBIA PORTFOLIO

The Company holds nine mineral exploration license areas in the Republic of Serbia ("Serbia") total 555 square kilometers (sq.km) and are located in northeastern Serbia, approximately 100 km east of Belgrade, the capital of the country. The mineral exploration licenses are within the well-known Timok Magmatic Complex ("TMC"), a segment of the Tethyan Metallogenic Belt which runs from Eastern Europe to southeast Asia. The western portion of the Tethyan Belt hosts significant gold (Au) – copper (Cu) porphyry deposits (Bor, Majdanpek, Veliki Kreveli, etc.) and related Cu-Au epithermal deposits (Bor, Cukaru Peki, Chelopech, etc.). The nine mineral exploration licenses are held through the Company's 100%-owned Serbian subsidiaries.

Vale-Mundoro Projects

In October 2019, Mundoro entered into an Agreement with Vale Canada Limited ("**Vale**") in which Mundoro granted to Vale an option to earn-in to four of Mundoro's exploration licenses located within central portion of Timok. The parties received government approvals in 2020 and commenced exploration activity.

Skorusa license

- Skorusa license is a 91 sq.km area located 5km southwest of the Bor Mine Complex and is adjacent on the west side of Zijin's Cukaru Peki deposit which is slated for production in 2021.
- In 2020, a total of 439 soil samples, including standards and field duplicates have been collected at Skorusa. All assays were received, and new targets have been identified for field follow up. The soil sampling was followed by geological mapping and rock sampling covering an area of approximately 79 sq.km.
- In 2020, ground magnetic geophysics has been completed over the entire license, totaling 394.5 line/km.

Oblez license

- Oblez license totals 91 sq.km and is located directly south of Skorusa license.
- In 2020, a total of 381 soil samples, including standards and field duplicates have been collected in a grid over the entire Oblez license. Together with the soil geochemistry, geological mapping and rock sampling have been undertaken and several new targets have been identified for field follow up.

- In addition, in 2020, ground magnetics for a total of 481 line kilometres was completed as well as 18.2 line kilometres of audio-frequency Magnetotellurics (**AMT**) geophysics has been completed at Oblez. The AMT geophysics will continue during Q1-2021 with the geophysical models completed in Q2-2021.

Branik license

- Branik totals 55 sq.km and wraps around the eastern side of the Bor Mine Complex and the Veliki Kreveli open-pit mining operation, in the highly prospective, world-class Bor mining camp.
- The 2015 exploration activity consisted of an AMT geophysical survey over the southern portion of the license.
- In 2020, data review and re-interpretation of the geophysical models has been completed by Vale.
- Several targets have been identified for follow up.

Padina license

- Padina is located 4km east of the Bor Mine Complex, adjacent to Branik to the east, and totals 12 sq.km.
- Data review including structural interpretation, geophysical surveys of ground magnetics, CSAMT, IP and gravity data, as well as alteration and geochemistry analysis have been undertaken by Vale and one drill target has been planned for 2021.

In October 2020, Mundoro signed a binding Memorandum of Understanding (the "**MOU**") with Vale setting out the commercial terms for an option on the two exploration licenses, Savinac and Bacevica. The two license areas located within the southern portion of Timok and are directly adjacent to the Oblez and Skorusa licenses currently in option with Vale. During Q3-2020, Freeport returned 100% of the two license areas to Mundoro for no consideration. The data from these two projects will be evaluated to define additional drill testing.

Savinac

- The Savinac license is located 15 km southwest of the Bor Mine Complex. The property contains a significant elongated north-south area of hydrothermal alteration covering 14 sqkm which hosts epithermal and porphyry targets marked by Cu-Mo-Au-Ag-Pb-Zn geochemical anomalies.
- The hydrothermal alteration defined over a 9 km strike in mapping coincides with an elongate zone of demagnetization of the host volcanic rocks. Within the hydrothermal alteration, exploration work identified the Tilva Rosh epithermal gold target which contains a trench assaying **30 g/t gold and 171 g/t silver over 12m**.
- Drill results from Tilva Rosh identified the continuation of the main north-south trending mineralized structure which strikes towards the north and under a lithocap that remains untested.

Bacevica

- The Bacevica license is located directly south of the Savinac license. The property contains 8 km of hydrothermal alteration directly linked to the Savinac hydrothermal alteration to the north.
- The project area has four identified targets that have geological mapping, rock and soil sampling, ground magnetics, IP and CSAMT geophysical surveys, limited reverse circulation scout drilling and diamond drilling.

Mundoro Projects Available for Option in Serbia

Borsko Jezero Project

- Borsko Jezero ("Borsko") is a 35 sq.km license area located in the central portion of the Timok Magmatic Complex and is directly adjacent to and west of the producing Bor copper porphyry mine.
- In Q1-2020, Mundoro contracted a geophysics review by a geophysical consulting company with expertise in utilizing geophysics for undercover exploration. Interpretation from the geophysics review identified further drill targets to follow up at Target 1 and additional locations to test on the license. In Q3-2020, a Leapfrog model of the alteration envelopes at Target 1 was completed. This model was compared with the existing sectional interpretation and the modelled alteration solid was further refined. All work commitments have been met for the JOGMEC-Mundoro JV Project during this term.
- JOGMEC sole-funded US$4 million of exploration expenditures and as a result, identified Target 1 within the Borsko license. Target 1 is an undercover preserved advanced argillic alteration lithocap covering an area approximately 1.6 km in strike length, discovered using a combination of geophysical techniques. The Target 1 system contains elevated copper-gold-arsenic indicative of high sulphidation epithermal type mineralisation, while the weak potassic alteration with elevated copper identified at the bottom of the lithocap suggests a porphyry source beyond the immediate area drill tested to date.
- From March 2016 to April 2020, JOGMEC sole funded a total of US$5.8 million (C$8.1 million) for the JOGMEC-Mundoro JV Projects. The joint venture is now at a proportionate funding stage. The JV Partners have agreed to seek a new partner for further exploration funding at Borsko. An online data room with a 3D model for the project has been opened for interested third parties which have signed a confidentiality agreement with the Company.

Zeleznik Project

- Mundoro has available for partnership the exploration licenses known as the Zeleznik Project at the northern tip of the Timok complex.
- Zeleznik group of licenses are located 1.5 km directly north of the Majdanpek mine and 45 km northwest of the Bor Mine Complex.
- Mundoro has been approached by third parties regarding this property. Any work carried out on Zeleznik license was primarily focused on facilitating third party discussions and maintaining the project in good standing.
- To date, the systematic exploration program at Zeleznik has identified four main target areas: West Zone, East Zone, Central Zone, and North Zone.
- West and East Zone targets are partly tested and have similarities with the Majdanpek deposit in sharing similar geology, structural settings and mineralization - porphyry and skarn/massive sulphides.
- The Central Zone and North Zone targets have yet to be drill tested.

Vitanovac

- Vitanovac license is a 41 sq. km area located 40 km southwest of the Bor Mine Complex and directly south of the Bacevica license. The license area is part of the southern extension of the Timok Magmatic Complex.
- The northern and southern parts of the license are covered by Paleogene sediments interlayered with Paleogene pyroclastic volcanic and agglomerate, while the central area consists of Upper Cretaceous sediments and volcanics. Hornblende Andesite that intrudes the Upper Cretaceous sediments from the central portion of the license area are considered potential for copper-gold mineralisation from porphyry and epithermal related systems.

Mundoro Generative Program in Serbia

The Company has an ongoing target generation program where we evaluate both existing and new target areas. The Company has several areas under application in Serbia awaiting government approval.

GT7 Copper Project

Subsequent to year end, in March 2021 Mundoro was granted an exploration license in central Serbia (see press release on March 30, 2021). The GT7 Copper Project is a copper-gold area totaling 98 sq. km located in the northern portion of the Serbo-Macedonian Metallogenic Province, which is part of the Tethyan Belt. The area is considered highly prospective for copper porphyry and related epithermal mineralisation. The GT7 Copper Project contains exposures of diorite porphyry copper-gold type quartz stockwork mineralization and is related to precious and base metals veins in surrounding sedimentary country rocks. Historical data collection is underway with an exploration program planned for Q3 2021.

BULGARIA PORTFOLIO

The Company has an ongoing generative program where we evaluate both existing and new project areas in the Republic of Bulgaria ("**Bulgaria**"). The Company has areas under application in Bulgaria which are under review by the Ministry of Energy. One of these areas is **Svoboda,** which is located in the Panagyurishte Region approximately 100 km south-east of Sofia. Svoboda covers 189 sq. km of the south-eastern portion of the Panagyurishte Metallogenic Zone ("**Panagyurishte**"). The Panagyurishte Belt is the most prospective belt for copper and gold porphyry and epithermal high sulphidation deposits in Bulgaria. It is part of the upper Cretaceous Banat-Timok-Srednogorie Belt which hosts a number of economically viable porphyry and epithermal copper and gold deposits such as the: Moldova Nova, Majdanpek, Bor and Chelopech. The Company's local subsidiary was announced in September 2017 as the winner of the Svoboda Tender. Certain legal and administrative procedures must be completed in order for an exploration contract to be entered into between the Company's subsidiary and the Ministry of Energy.

The Company held two mineral exploration contracts in Bulgaria, through its 100%-owned subsidiary Bulgaria Alpha EAD: (i) Zvezda and (ii) Byalo ("Exploration Area of Interest"). The Exploration Area of Interest is located in the Southeastern Rhodopes region which is a well-known mineral district that has been underexplored for epithermal low sulphidation Au-Ag veins, as well as disseminated, sediment hosted gold and porphyry copper-gold deposits. Key deposits in this area are Chala, Kumovgrad (Ada-tepe), and Rozino. The exploration Area of Interest is located over the Borovitsa Volcanic Complex which is host to a currently producing gold mine owned by a private Bulgarian company in which Mundoro owns a 2.9% equity interest. Several prospects within the Exploration Area of Interest showed prospectivity, of which the Chuka porphyry copper-gold target was subject to a 1000 m drill program in three inclined diamond drill holes which successfully intersected a porphyry style system and copper mineralization (see press release dated January 9, 2017). Due to the prospectivity of the Exploration Area of Interest, in 2020, the Company applied for a subset of the exploration areas under one new application in order to consolidate the exploration area.

JOGMEC Generative Alliance

In March 2019 Mundoro entered into a Generative Program Agreement (the **"Generative Agreement"**) in the Republic of Bulgaria with Japan Oil, Gas and Metals National Corporation (**"JOGMEC"**). The purpose of this program was to establish a generative program, whereby Mundoro carried out mineral exploration activities in Bulgaria under the direction of a joint Technical Committee with the view to identifying areas of interests that merit additional exploration and/or development work. JOGMEC sole funded the Strategic Alliance. The generative program has been completed and JOGMEC has selected a few Designated Projects to proceed to the next stage of the Generative Agreement.

4. RESULTS OF OPERATIONS

The Company ended its 2020 fiscal year with $2,083,665 in cash and cash equivalents. Mundoro has no long-term debt.

Summary of Quarterly Results

C$ Thousands	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Exploration and project evaluation	(570)	(471)	(512)	(1,230)	(2,027)	(917)	(622)	(1,369)
Recoveries from partners	357	237	105	1,093	1,739	688	397	940
Net Exploration and project evaluation	(213)	(234)	(407)	(137)	(288)	(229)	(225)	(429)
Corporate expenses (1)	(163)	(149)	(151)	(208)	(159)	(190)	(230)	(222)
Operator fees earned (2)	36	24	8	109	174	69	34	102
Net Corporate Expenses	(127)	(125)	(143)	(99)	15	(121)	(196)	(120)
Loss before other (expenses) income	(340)	(359)	(550)	(236)	(273)	(350)	(421)	(549)
Other income (expense) (3)	(596)	(108)	50	312	138	(52)	(275)	(143)
Loss for the period	(936)	(467)	(500)	76	(135)	(402)	(696)	(692)
Loss per share:								
Basic	$(0.01)	$(0.01)	$(0.01)	$0.01	$(0.01)	$(0.01)	$(0.01)	$(0.01)
Diluted	$(0.01)	$(0.01)	$(0.01)	$0.01	$(0.01)	$(0.01)	$(0.01)	$(0.01)

Fluctuations in exploration and project evaluation costs depend on the Company's activities from period to period. The other principal factors that cause fluctuations in the Company's results relate to non-cash items including: (i) the timing of stock option grants; (ii) the write-down of mineral properties; and (iii) any changes in the fair value of the Company's investments in equity instruments.

Results of Operations

	For the years ended December 31		
	2020	2019	2018
From operations:			
Exploration and project evaluation	$ (2,783,953)	$ (4,934,083)	$ (4,222,393)
Recoveries from partners	1,791,842	3,764,037	3,123,735
Net Exploration and project evaluation	(992,111)	(1,170,046)	(1,098,658)
Corporate expenses (1)	(668,970)	(801,096)	(842,352)
Operator fees earned (2)	175,705	378,653	283,560
Net Corporate Expenses	(493,265)	(422,443)	(558,792)
Loss before other expenses	(1,485,376)	(1,592,489)	(1,657,450)
Other income (expense) (3)	(342,220)	(332,757)	53,362
Loss for the year	(1,827,596)	(1,925,246)	(1,604,088)
Basic and diluted loss per share	$ (0.02)	$ (0.03)	$ (0.02)

(expressed in Canadian Dollars – except as noted otherwise)

1. Corporate Expenses include accounting and audit, corporate governance, corporate communication, and general and administrative expenses.
2. Under Earn-In Agreements, Mundoro is paid a fee for its role as the operator.
3. Other income (expense) includes share-based compensation, the impact of foreign exchange fluctuations, and the change in the fair value of the Company's investments.

Annual Financial Information

	As at December 31, 2020	As at December 31, 2019	As at December 31, 2018
Total Assets	$ 3,088,069	$ 5,186,465	$ 6,066,384
Total Long-Term Liabilities	Nil	Nil	Nil
Cash Dividends per Share	Nil	Nil	Nil
Loss per share	$ (0.02)	$ (0.03)	$ (0.02)

Review of Operations for the Year ended December 31, 2020 Compared to the Year ended December 31, 2019

For the year ended December 31, 2020, the Company recorded a loss of $1,827,596 ($0.02 per share), compared to a net loss of $1,925,246 ($0.03 per share) for the year ended December 31, 2019.

The Company's exploration activities during fiscal year 2020 included drilling programs in Serbia and a generative program in Bulgaria. The Company's exploration costs were lower for the year ended December 31, 2020 at $2,783,953 compared to $4,934,083 for the year ended December 31, 2019 due COVID related restrictions on programs for a portion of the year. Exploration costs related to the JOGMEC-Mundoro Projects, Freeport-Mundoro Projects, and Vale-Mundoro Projects were sole-funded by option partners. Recoveries from option partners during the years ended December 31, 2020 and 2019, amounted to $1,791,842 and $3,764,037, resulting in net exploration costs of $992,111 and $1,170,046, respectively.

During the year ended December 31, 2020 corporate expenses were higher in comparison to the costs incurred during the year ended December 31, 2019 by approximately $71,000 due to less operator fees earned as a result of decreased exploration activity by partners due to COVID related restrictions. Excluding operator fees, corporate expenses were lower by approximately $132,000 during the year ended December 31, 2020 compared to the year ended December 31, 2019 due to reduced corporate governance, accounting and audit, and corporate communication expenses.

During the year ended December 31, 2020, Mundoro incurred lower share-based payments expense in 2020 due to a lower number of incentive stock options granted. The Company recognized a foreign exchange gain of $116,342 during fiscal year 2020 compared to a loss of $334,752 during the comparative year due to fluctuations primarily related to Mundoro's US dollar denominated cash deposits and also recognized a gain of $123,954 for the year ended 2020 due to an increase in the fair value of the Company's equity interest in a privately held gold producing company in Bulgaria. The Company wrote down $413,872 in mineral interests due to the expiration of certain license terms.

All other costs incurred by the Company remained relatively consistent between the two periods.

Review of Operations for the Quarter Ended December 31, 2020 Compared to the Quarter Ended December 31, 2019

For the quarter ended December 31, 2020, the Company recorded a loss of $936,100 ($0.01 per share), compared to a net loss of $134,752 ($0.01 per share) for the quarter ended December 31, 2019.

The Company's exploration activities during the quarter ended December 31, 2020 included a drilling program in Serbia. The Company's exploration costs were lower during the three months ended December 31, 2020 at $570,445 compared to $2,026,742 during the three months ended December 31, 2019. Exploration costs related to the Vale-Mundoro Projects were sole-funded by the option partner. Total exploration cost recoveries from option partners during the three months ended December 31, 2020 and 2019, amounted to $357,197 and $1,739,002, resulting in net exploration costs of $213,248 and $287,740.

The Company's corporate expenses incurred during the quarter ended December 31, 2020 were higher in comparison to the costs incurred during the quarter ended December 31, 2019 by approximately $142,000 due to less operator fees earned as a result of decreased exploration activity by partners due to COVID related restrictions. Excluding operator fees, corporate expenses were approximately the same during the two periods.

Mundoro also recognized a foreign exchange loss of $486,495 during Q4 2020 compared to a gain of $19,121 during Q4 2019 due to recalculation of foreign exchange for the year and recognized a loss of $77,234 in the quarter ended December 31, 2020 due to an increase in the fair value of the Company's equity interest in a privately held gold producing company in Bulgaria.

All other costs incurred by the Company remained relatively consistent between the two quarters.

Liquidity and Capital Resources

The Company's principal source of liquidity as at December 31, 2020 was cash and cash equivalents totaling $2,083,665 (December 31, 2019 – $2,744,516).

During the year ended December 31, 2020, the Company's cash used by operating activities amounted to $722,885 compared to cash used in operating activities of $2,964,667 during the year ended December 31, 2019, with the decrease primarily attributable to amounts receivable due from a joint venture partner which was received in January 2020. The Company also had an increase in accounts payable and advances from joint venture partners at December 31, 2020. On January 13, 2020, the Company closed the second tranche of a private placement of 735,473 units at a price of $0.135 per unit for gross proceeds of $99,289. Except for redeeming certain mineral property guarantee deposits in Bulgaria during the year ended December 31, 2020, the Company's other investing activities were limited in both periods.

The existing cash position provides sufficient capital for the Company to meet its business requirements over the next 12 months. The Company will continue to explore appropriate financing routes which may include additional issuance of share capital; funding through additional joint ventures or strategic partnerships; project debt; convertible securities; or other financial instruments.

With the exception of interest earned on investments and operator fees earned for its role as the operator in Earn-In Agreements, the Company does not generate income and relies upon current cash resources and future financings to fund its ongoing business and exploration activities.

As at December 31, 2020, the Company has 81,445,001 common shares outstanding, 6,662,500 stock options granted at exercise prices ranging from $0.12 to $0.14, expiring between June 2021 and June 2025, and 6,037,987 share purchase warrants outstanding with exercise prices of $0.20 per share; all expiring in December 2021.

5. RELATED PARTY TRANSACTIONS

Under IAS 24 "Related Party Disclosures", related parties include members of the key management personnel of the reporting entity and related party transactions encompasses compensation including short-term employee benefits such as wages, salaries, social security contributions and share-based payments.

Key management personnel include members of the Board of Directors and executive officers of the Company. The Company's directors receive annual retainers for services provided to the board and committees on which they sit, as well as compensation for meeting attendance. Executive officers, directors, employees and consultants of the Company also participate in the Company's share option program. The Company incurred the following expenses related to key management personnel:

(expressed in Canadian Dollars – except as noted otherwise)

Expenses by nature:	For the year ended	
	December 31, 2020	December 31, 2019
Directors' fees	$ 63,350	$ 69,300
Short-term management salaries and benefits	461,358	454,059
Share based payments - Directors	29,426	31,996
Share based payments - Management	30,222	37,112
	$ 584,356	**$ 592,467**

6. OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements for the Company.

7. USE OF FINANCIAL INSTRUMENTS

The Company is not in a situation where it needs to enter into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. The principal financial instruments affecting the Company's financial condition and results of operations are its cash and cash equivalents. The Company is exposed to foreign exchange rate fluctuations in respect of cash and cash equivalents held in foreign currencies.

Credit risk

The Company is exposed to credit risk with respect to its cash, cash equivalents, and other receivables. Cash, and cash equivalents have been placed on deposit with major Canadian financial institutions. Other receivables consist primarily of pending Value-Added Tax refunds filed in Serbia.

Credit risk arises from the non-performance of counter parties to contractual financial obligations. The Company manages credit risk, in respect of cash, cash equivalents and, short-term investments by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution. As well, the Company establishes alliance with partners only with high credit-worthiness with respect to exploration on its projects.

Concentration of credit risk exists as the majority of cash and short-term investments are held at a single Canadian financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk requirements for its exploration, development, and other corporate activities, by ensuring that it has sufficient cash and cash equivalents on hand to meet its short-term business requirements. Management and the Board of Directors annually review, plan and approve annual budgets and significant expenditures and commitments. The Company believes that it has sufficient cash and cash equivalents to meet its short-term business requirements. In the long-term, the Company will have to raise funds through the issuance of equity, assumption of debt, or other financing alternatives to complete development of its current projects and any projects acquired by the Company in the future. There are no assurances that the Company would be successful in its efforts to secure any required future financing.

The Company maintained sufficient cash and cash equivalents at December 31, 2020 in the amount of $2,083,665, in order to meet its business requirements for at least the next twelve months. At December 31, 2020 the Company had $205,009 in accounts receivable that were received during the first quarter of 2020 and accounts payable and accrued liabilities of $449,423, which are expected to be paid within three months. Subsequent to December 31, 2020, the

Company closed a private placement of 19,287,500 units at a price of $0.16 per unit for gross proceeds of $3,086,000.

Market Risk
The significant market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash equivalents include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2020. On December 31, 2020, the Company had $337,942 in interest bearing cash deposits. Based on this net exposure as at December 31, 2020, and assuming that all other variables remain constant, a 10% change in the interest rate the Company is currently receiving would result in an increase or decrease of approximately $101 in the Company's net loss.

Currency risk

The Company operates in Canada, Mexico, Serbia, Bulgaria and the Netherlands, and its expenses are incurred in CAD, USD, MXN, EUR, BGN and RSD. The Company is affected by currency transaction risk, which may affect the Company's operating results as exchange rates fluctuate. The Company has not hedged its exposure to currency risk.

The Company maintains its funds primarily in Canadian and United States dollars and purchases foreign currencies to meet current operating needs.

8. DISCLOSURE CONTROLS AND PROCEDURES UPDATE

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by Mundoro is accumulated and communicated to management, as appropriate, to allow for timely decisions regarding required disclosure.

9. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company is responsible for designing internal controls over financial reporting or causing them to be designed under the supervision of the CEO and CFO in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement, on a cost-effective basis, disclosure controls and procedures as well as internal controls over financial reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Although potential weaknesses exist in the Company's internal controls, due to the lack of segregation of incompatible duties, management and the board of directors' work to mitigate the risk of a material misstatement in financial reporting. However, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement occurring.

10. RISKS AND UNCERTAINTIES

The Company is a mineral acquisition, exploration, development and investment company and is exposed to a number of risks and uncertainties that are common to other companies in the same business. An investment in the securities of the Company is speculative due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from estimates described in forward-looking statements made by the Company. Prospective investors should carefully consider these risk factors as it is not always possible to fully insure against some or any of the risk factors. Risks to be considered include but are not limited to:

Exploration & Development

Exploration is highly speculative in nature and exploration projects involve many risks that even a combination of careful evaluation, experience and knowledge utilized by the Company may not eliminate. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible. Substantial expenditures are normally required to locate and establish mineral reserves and to permit and construct mining and processing facilities. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit. The Company has no production of minerals and its properties are all currently at the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine the presence of any such deposit.

It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs which may be affected by a number of factors. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and receipt of adequate financing. They typically require a number of years and significant expenditures during the development phase before production is possible. The economic feasibility of development projects is based on many factors such as: estimation of reserves; anticipated metallurgical recoveries; environmental considerations and permitting; future gold prices; and anticipated capital and operating costs.

Future development and operations in foreign countries may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. The effect of these factors cannot be accurately predicted.

Global Financial Condition

Financial conditions globally continue to experience significant volatility as governments globally incur unprecedented debt in response to the COVID-19 pandemic. This creates considerable uncertainty as governments take aggressive steps to avert a full-blown global financial crisis. These factors may impact the ability of the Company to issue debt and equity in the future and to issue it on terms that are reasonable to the Company. Although there have been certain signs of economic recovery, these increased levels of volatility and market turmoil may continue and, as a result, the Company's business, financial condition, results of operations and share price could be adversely impacted.

Foreign Country Political Environment

Mundoro operates in foreign countries and the Company's operations in these foreign jurisdictions may be subject to geopolitical, economic and other risks, as evidenced in Eastern Europe, China and Mexico, that may affect the Company's future operations and financial position. There is sovereign risk in investing in foreign countries, including the risk that the resource concessions may be susceptible to revision or cancellation by new laws or changes in direction by the government in question. It is possible that changes in applicable laws, regulations, or changes in their enforcement or regulatory interpretation could result in adverse changes to mineral operations. These are matters over which Mundoro has no control. There is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes respecting the development and ownership of resources. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and resource concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability to undertake exploration and development on the properties on which Mundoro holds royalty or other interests. In certain areas in which Mundoro has an interest, the regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of Mundoro and such changes may result in a material and adverse effect on Mundoro's results of operation and financial condition. Investors should assess the political risks of investing in a foreign country. Any variation from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Company. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by the government of the foreign country or by its court system.

Environmental Laws and Regulations

The Company's operations are subject to extensive environmental, health and safety regulations in the various jurisdictions in which it operates. Mundoro minimizes these risks by complying with all applicable and international environmental, health and safety standards and regulations. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. In addition, certain types of operations require the submission of environmental impact statements and approval by government authorities. Environmental legislation is evolving towards stricter standards, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Any future changes to these laws could adversely affect our financial condition, liquidity or results of operations. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation.

Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. The Company's business may be affected by amendments or changes to environmental laws, regulations and requirements in the host country. At any time, a number of draft environmental laws may be proposed. It is not possible to predict when or if a draft environmental bill will be enacted into law or what the final provisions of such law will be, if enacted. It is possible that the host country government will issue further decrees or otherwise attempt to modify existing environmental rights or other laws affecting the Company, its properties and its ability to operate in the host country. Any changes to host country environmental law may adversely affect the Company's ability to develop and operate its properties in the host country. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect Mundoro's operations.

Permits and Licensing

Exploration, development and operation of a mineral property are subject to laws and regulations governing health and worker safety, employment standards, environmental matters, mine development, project development, mineral production, permitting and maintenance of title, exports, taxes, labour standards, reclamation obligations, heritage and historic matters and other matters. The Company is required to have a wide variety of permits from government and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. The owners and operators of the properties in which Mundoro holds an interest require licenses and permits from various governmental authorities in order to conduct their operations. Future changes in such licenses and permits could have a material adverse impact on the costs Mundoro incurs. Such licenses and permits are subject to change in various circumstances and are required to be kept in good standing through a variety of means, including cash payments and satisfaction of conditions of issue. There can be no guarantee that Mundoro or the operators of those properties in which Mundoro holds an interest, will be able to obtain on a timely basis or maintain all necessary licenses and permits in good standing that may be required to explore, develop and operate the properties, commence construction or operation of mining operations that economically justify the cost. Any failure to comply with applicable laws and regulations, permits and licenses, or to maintain permits and licenses in good standing, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or fines, penalties or other liabilities accruing to the owner or operator of the project. Any such occurrence could cause the termination of operations on the property, and thereby have a material and adverse effect on Mundoro's results of operation and financial condition.

Competition

The mining industry is competitive with many companies competing for the limited number of mineral resource acquisition and exploration opportunities. The Company faces competition from other mining companies in connection with the acquisition of properties. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. Many companies are engaged in the search for and the acquisition of mineral interests, and there is a limited supply of desirable mineral interests. As a result of this competition, there can be no assurance that the Company will be able to acquire or maintain attractive mineral properties or operations on economically acceptable terms. Consequently, the Company's business, results of operations and financial condition could be materially adversely affected.

Hiring of Key Personnel

The success of Mundoro will be largely dependent on the performance of its management team. The loss of the services of these persons would have a materially adverse effect on Mundoro's business and prospects. There is no assurance Mundoro can retain the services of its officers or other qualified personnel required to operate its business. Mundoro's success depends on attracting and retaining qualified personnel in a competitive labour environment. The Company's operations are based in Mexico, Serbia and Bulgaria and finding or hiring qualified people or obtaining all necessary services for the Company's operations may be difficult.

Commodities

Mundoro's revenues, if any, are expected to be in large part derived from the sale of natural resource assets. The price of natural resource assets fluctuates widely and is affected by factors beyond the Company's control including, but not limited to, international economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of precious metals due to new mine developments, mine closures as well as advances in various production and use technologies of precious metals. All of these factors will have impacts on the viability of Mundoro's exploration projects that are impossible to predict.

Foreign Exchange

By virtue of its international operations, the Company incurs costs and expenses in a number of foreign currencies. The Company reports in Canadian dollars while the majority of operating and capital expenditures are denominated in the Mexican peso, Canadian dollar, U.S. dollar, Serbian dinar and the Bulgarian lev, which is pegged to the Euro. Fluctuations in exchange rates between the U.S. dollar and the Euro, the Canadian dollar and the Serbian dinar and Bulgarian lev, the Canadian dollar and the U.S. dollar, and the Canadian dollar and the Mexican Peso give rise to foreign exchange exposures, either favourable or unfavourable, which could have a material impact on the Company's results of operations and financial condition. The Company does not anticipate entering into hedging or derivative arrangements to manage its foreign exchange risk.

Financing

Mundoro has finite financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that Mundoro will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business activities and may result in a material adverse effect on Mundoro's profitability, results of operation and financial condition.

Price Volatility

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the common shares will be subject to market trends generally, notwithstanding any potential success of Mundoro in creating revenues, cash flows or earnings. The value of Mundoro's common shares will be affected by such volatility.

Dilution to Common Shares

During the life of the Company's outstanding stock options granted under its share-based compensation plans, the holders are given an opportunity to profit from an increase in the market price of the common shares with a resulting dilution in the interest of shareholders. The holders of stock options may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of common shares in the market, if all or part of these outstanding rights were exercised, and the possibility of sales of these additional shares may have a depressive effect on the price of the common shares.

Investments

The Company from time to time, intends to participate in a limited number of investments and, as a consequence, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of even a single investment. In addition, as the Company's investments are expected to be concentrated in the resource sector, the Company's performance will be disproportionately subject to adverse developments in the resource sector.

Conflicts of Interest

Certain of the directors of Mundoro also serve as directors or officers, or have significant shareholdings in, other companies involved in mineral property investments and, to the extent that such other companies may participate in ventures which Mundoro may participate in, a conflict may arise. The Company expects that any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable laws.

Insured and Uninsured Risks

The Company's business is subject to numerous risks and hazards, including severe climatic conditions, industrial accidents, equipment failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and other natural events such as earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in operations, monetary losses and possible legal liability. In order to eliminate or reduce certain risks, the Company purchases and maintains insurance coverage, subject to limits and deductibles that are considered reasonable and prudent. This insurance does not cover all potential risks because of customary exclusions and/or limited availability, and in some instances, the Company's view that the cost of certain insurance coverage is excessive in relation to the risk or risks being covered. Further, there can be no assurance insurance coverage will continue to be available on commercially reasonable terms, that such coverage will ultimately be sufficient, or that insurers will be able to fulfill their obligations should a claim be made. Losses arising from any such events that are not fully insured may cause the Company to incur significant costs that could have a material adverse effect on its business, financial condition and results of operations.

Mineral Resources and Reserves Estimates

The mineral reserves and resources identified on properties are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change. Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property. It should not be assumed that any part or all of the mineral resources on properties constitute or will be converted into reserves. Market price fluctuations of the applicable commodity, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralisation uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the operators to reduce their reserves and resources, which may result in a material and adverse effect on Mundoro's results of operation and financial condition.

Title to Properties

A defect in the chain of title to any of the underlying properties in which Mundoro may have an interest may arise to defeat the claim of the operator to a property. To the extent an owner or operator is not entitled to title on the property, it may be required to cease operations or transfer operational control to another party. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in which Mundoro has an interest and may result in a material and adverse effect on Mundoro's results of operation and financial condition.

Foreign Operations

The Company's operations consist of the acquisition, exploration, development and investment in mineral resource properties. The majority of the Company's operations and business are outside of Canada, and as such, the Company's operations are exposed to various political and other risks and uncertainties. The Company conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among Mundoro and such entities could restrict or impact the Company's ability to fund its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's business, financial condition and results of operations.

Security and Safety

The Company has projects located in the State of Chihuahua, Mexico. Although the Company has curtailed exploration activity in Mexico, we still maintain one concession. Criminal activities in the region or the perception that such activities are likely, may disrupt the Company's exploration programs, hamper the Company's ability to hire and keep qualified personnel, and impair the Company's access to sources of capital. Risks associated with conducting business in the region include risks relating to the safety of personnel and assets. Such risks may include but are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of Company or personal assets. These risks may result in serious adverse consequences including personal injuries, kidnappings or death, property damage or theft, limiting or disrupting exploration programs, restricting the movement of funds, impairing contractual rights, or causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability. Such events could have a material adverse effect on the Company's cash flows, earnings, results of operations and financial condition and make it more difficult for the Company to obtain required financing. Although the Company has developed precautions regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts are able to effectively mitigate risks and safeguard personnel and Company's property effectively.

Litigation

All industries, including mining, are subject to legal claims that can be with and without merit. Defense and settlement costs can be substantial, even for claims that have no merit. Potential litigation may arise with respect to a property in which Mundoro is in the process of evaluating as a strategic investment and/or holds an interest directly or indirectly in an exploring, developing and/or operating mineral property now or in the future (for example, litigation between joint venture partners or original property owners). Mundoro might not generally have any influence on the litigation, nor will it necessarily have access to data. To the extent that litigation results in the cessation or reduction of production from a property (whether temporary or permanent), it could have a material and adverse effect on Mundoro's results of operations and financial condition. The litigation process is inherently uncertain, so there can be no assurance that the resolution of a legal proceeding will not have a material adverse effect on our future cash flow, results of operations or financial condition.

Future Plans

As part of its overall business strategy, the Company examines, from time to time, opportunities to acquire and/or develop new mineral projects and businesses. A number of risks and uncertainties are associated with these potential transactions and Mundoro may not realize all of the anticipated benefits. The acquisition and the development of new projects and businesses are subject to numerous risks, including political, regulatory, design, construction, labour, operating, technical, and technological risks, as well as uncertainties relating to the availability and cost of capital. Failure to successfully realize the anticipated benefits associated with one or more of these initiatives successfully could have an adverse effect on the Company's business, financial condition and results of operations.

COVID-19

On March 11, 2020, The World Health Organization (WHO) declared COVID-19 a global pandemic. The impact of COVID-19 remains uncertain, current circumstances are dynamic and the impact of the pandemic on our business operations, including the duration and effect on our future exploration and access to various levels of government cannot be reasonably estimated at this time. The Company's operation continues with precautions and strictly adheres to the health guidelines of the Governments in the jurisdictions we work. This may have an adverse influence on the Company's budgeted exploration work, financial position, results of operations and cash flows in future periods.

QUALIFIED PERSONS & INFORMATION CONCERNING ESTIMATES OF RESOURCES

The exploration work programs described herein were supervised by Y. Khrischev, the Company's Exploration Manager in Serbia and Bulgaria who has also prepared the above technical information in this MD&A in accordance with Canadian regulatory requirements as set out in National Instrument 43-101. The above technical disclosure in this MD&A has been reviewed, verified and approved, by R. Jemielita, PhD, MIMMM, a Qualified Person as defined by NI 43-101 and consultant of the Company.

On April 15, 2013, Mundoro announced the completion of the NI 43-101 compliant technical report on the Company's 100%-owned Borsko Jezero Property in Bor, Serbia (the "Borsko Jezero Technical Report"). The Borsko Jezero Property is located in Northeastern Serbia and covers (46 sq.km). The Borsko Jezero Technical Report was prepared by D. Power-Fardy, P. Geo., EurGeol and Senior Geologist with Watts, Griffis and McOuat Limited, Consulting Geologists and Engineers of Toronto, Canada, and G. Magaranov, P. Geo., EurGeol, both of whom are a Qualified Person as defined by NI 43-101

This management discussion and analysis of financial results uses the terms 'measured resources', 'indicated resources' and 'inferred resources'. The Company advises investors that although these terms are recognized and required by Canadian regulations (under NI 43-101 Standards of Disclosure for Mineral Projects), the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, 'inferred resources' have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for Preliminary Assessments as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists or is economically or legally mineable. Mineral resources that are not classified as mineral reserves do not have demonstrated economic viability.