



Mundoro Capital Inc.
MANAGEMENT DISCUSSION AND ANALYSIS

September 30, 2021
Expressed in Canadian Dollars

1. INTRODUCTION

Mundoro Capital Inc. ("Company", "MCI", and "Mundoro") was incorporated on March 6, 2008 under the Business Corporations Act of the Province of British Columbia. The Company's common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN. The Company's head office and principal address is 14th floor - 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H1.

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 September 30, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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 November 23, 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 Administrator's 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 November 23, 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 (TSXV: MUN | OTCQB: MUNMF) royalty generator company with a portfolio of projects focused on base metal and precious metal properties that can generate royalties and near-term payments. To drive value for shareholders, Mundoro has generated a portfolio of mineral projects primarily focused on copper and gold systems in Serbia and Bulgaria. 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 exploration targets that are attractive to mining companies to form joint ventures, strategic alliances, options and asset sales, such as:

- In 2021, an option agreement with Vale Canada Limited ("**Vale**") in which Mundoro granted to Vale an earn-in option on Savinac and Bacevica exploration licenses located within the Timok Magmatic Complex in northeastern Serbia.
- In 2019, an earn-in agreement with Vale, in which Mundoro granted to Vale an earn-in option on Skorusa, Oblez, Branik and Padina exploration licenses located within the Timok Magmatic Complex.
- In 2019, a strategic alliance with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") in Bulgaria.
- 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 2018, Mundoro optioned to ESAN the Saje Project for a period of 7 months.
- In 2016, an earn-in agreement with 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 in northeastern Serbia.
- In 2015, Mundoro had optioned four of the Company's exploration licenses, in the southern portion of the Timok Magmatic Complex, to First Quantum Minerals Limited for a period of 6 months.

In Serbia, Mundoro methodically applied for a district-scale land position in the prolific Timok Magmatic Complex which hosts significant Gold-Copper deposits. The Serbian exploration properties are located near the town of Bor, a mining community which services various 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 thirteen mineral exploration license areas in the Republic of Serbia ("Serbia") totaling 864 square kilometers (sq.km) in eastern and central Serbia, approximately 150 km east and southeast of Belgrade, the capital of the country. The mineral exploration licenses are primarily within the well-known Timok Magmatic Complex, 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 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 in which Mundoro granted to Vale an option to earn-in to four of Mundoro's exploration licenses located within the central portion of the Timok Magmatic Complex. The parties received government approvals in 2020 and commenced exploration activity.

Skorusa

- The 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.
- The Skorusa copper-gold porphyry system was partially tested in 2015 and 2016 in two separate drill campaigns, with exploration primarily concentrated in the Skorusa West Zone.
- In 2020, the Vale funded exploration program undertook:
 - a total of 439 soil samples, including standards and field duplicates, have been collected, assayed, and interpreted for new target areas for field follow up. The soil sampling was followed by geological mapping and rock sampling covering an area of approximately 79 sq.km.
 - a ground magnetic geophysics survey was completed over the entire license, totaling 395 line km.
- In 2021, the Phase I Vale funded drill program at Skorusa was designed to test six targets and was completed with a total of 3,464m of diamond drilling. Assay results were received and released in July 2021 ([please see press release dated: July 6, 2021](#)).
- The Phase II drill program and budget at Skorusa is currently being finalized.

Oblez

- The Oblez license totals 91 sq.km and is located directly south of Skorusa license.
- In 2020, the Vale funded program undertook:
 - a total of 381 soil samples have been collected in a grid over the entire Oblez license. From the interpretation work completed on a workspace that integrated soil geochemistry, geological mapping and rock sampling, several new targets have been identified for field follow up.
 - a ground magnetics survey for a total of 481 line km was completed over the entire license.
- In Q2-2021, the Vale funded program undertook:
 - a audio-frequency Magneto-telluric (AMT) geophysical survey on portions of the license. A total of 77 km was completed over 13 lines. Based on interpretation models for concealed epithermal and porphyry copper-gold mineralization beneath the sediments and agglomerates from the upper Cretaceous stratigraphy, four priority targets were selected for drill testing at Oblez.
 - the Phase I drill program commenced in September 2021 and total of 1,200 meters of diamond drilling has been completed from a budgeted program of 3,600 meters. Final assays results are expected in Q1-2022.

Padina

- The Padina license 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.
- In Q2-2021, the Vale funded program undertook:
 - an IP (Induced polarization) geophysics survey for a total of 12 line km of IP was completed. As a result of the interpretation modeling, one geophysical target has been tested to a depth of 450 metres.

Complete assays for drill hole 21-PAD-01 were received and there were no significant intersections reported.

- additional geophysical targets are being reviewed for further drill testing at Padina.

Branik

- The Branik exploration area is located along the eastern side of the Bor Mine Complex and the Veliki Kraveli open-pit mining operation, in the highly prospective, world-class Bor mining camp. The project area is currently under application.

In Q2-2021, the Company entered into an option agreement with Vale, in which Mundoro has granted to Vale an option on two exploration licenses. These two licenses are located within the southern portion of the Timok Magmatic Complex and are directly adjacent to the west of the Oblez and Skorusa licenses currently in option with Vale. These two licenses were previously returned by Freeport during Q3-2020 for no consideration.

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 sq.km 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 12 metres**.
- 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

- The 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.
- 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. As of March 31, 2021, Mundoro has 51.28% while JOGMEC has 48.72% ("JV Partners").
- Exploration has identified several targets of which, 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 mineralization with elevated copper at the bottom of the lithocap suggesting a porphyry source beyond the immediate area.
- 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 for targeting.
- The JV Partners have agreed to seek a new partner for further exploration funding at Borsko. An online data room with a 3D Leapfrog model for the project has been opened for interested third parties which have signed a confidentiality agreement with the Company.

- In Q2-2021 the Company received a two year license extension.

Zeleznik Project

- Mundoro has available for partnership the exploration licenses known as the Zeleznik Project at the northern tip of the Timok complex.
- The 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 remain to be drill tested.

Vitanovac

- The 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 mineralization from porphyry and epithermal related systems.
- Stream sediment program over the entire Vitanovac license has been completed that yielded several drainage areas with elevated geochemistry for follow up.

Ponor

- The Ponor license is a 93 sq.km area located about 60 km south-southeast of the Bor mine Complex.
- Geology at Ponor comprises Cretaceous volcano-sedimentary lithologies intruded by late Cretaceous latite intrusions and partly overlain by Paleogene sediments. The volcanic-intrusive lithologies form part of the northwest-southeast L-shape striking Cretaceous magmatic arc of Eastern Serbia.
- The favorable geological setting at Ponor initiates stream sediment sampling program that yields several drainage areas anomalous for gold, copper, lead and zinc within two outlined targets internally named Ponor North and Ponor South, respectively.
- Follow up work on stream sediment anomalies is being planned.

GT7 Copper

- The GT7 Copper Project occupies 97 sq.km and is in the northern portion of the Serbo-Macedonian Metallogenic Province, which is part of the Tethyan Orogenic Belt. The area is considered highly prospective for copper porphyry and related epithermal mineralization. The GT7 Copper Project contains exposures of diorite porphyry copper-gold type quartz stockwork mineralization and is related to precious and base metals veins hosted within surrounding sedimentary country rocks.
- The field work completed to date identified two areas of anomalous copper-gold-molybdenum in soil geochemistry (i) North Zone and (ii) South Zone, respectively. Quartz B-type veins with magnetite and chalcopyrite, typically forming stockwork in porphyry copper-gold deposits, were found in diorite porphyry outcrop from the stream beds at the North Zone. At about 1.5 km to the south (South Zone), historical workings and several outcrop of base-metal vein type mineralization within andesitic volcanic part of the cover rock were found.
- Results from soil sampling, alteration mapping and rock samples from prominent mineralization are being interpreted for targeting and follow up exploration.

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, the capital and largest city of Bulgaria. 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 several 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.

JOGMEC Generative Alliance

In March 2019 Mundoro entered into a Generative Program Agreement (the "Generative Agreement") in the Republic of Bulgaria with 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. One of the Designated Projects located in western Bulgaria is considered highly prospective for sediment-hosted copper stratiform type deposits, like that in the Kupferschiefer region of Germany and Poland and the Central African Copperbelt of Zambia and DRC. There are around 60 known copper-lead-zinc mineral occurrences and several historical mines in this area. The area is in the final stage of the application process.

4. RESULTS OF OPERATIONS

The Company ended Q3-2021 with \$3,885,749 in cash and cash equivalents. Mundoro has no long-term debt.

Summary of Quarterly Results

C\$ Thousands	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19
Exploration and project evaluation costs	638	866	840	570	471	512	1,230	2,027
Recoveries from partners	(215)	(646)	(632)	(357)	(237)	(105)	(1,093)	(1,739)
Net Exploration and project evaluation costs	423	220	208	213	234	407	137	288
Corporate expenses ⁽¹⁾	234	193	131	163	149	151	208	159
Operator fees earned ⁽²⁾	(21)	(65)	(63)	(36)	(24)	(8)	(109)	(174)
Net Corporate Expenses	212	128	68	127	125	143	99	(15)
Loss before other (expenses) income	636	348	276	340	359	550	236	273
Other (income) expense ⁽³⁾	(161)	223	9	596	108	(50)	(312)	(138)
Net loss (income) for the period	475	571	285	936	467	500	(76)	135
Gain (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)

1. Corporate Expenses include accounting and audit, regulatory and 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.

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 include: (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.

Review of Operations for the Nine Months Ended September 30, 2021 Compared to the Nine Months Ended September 30, 2020

For the nine months ended September 30, 2021, the Company recorded a net loss of \$1,331,177, compared to a net loss of \$891,495 (\$0.01 per share) for the nine months ended September 30, 2020.

The exploration expenditures, the majority of which are sole-funded by partners, were slightly higher for the nine months ended September 30, 2021 at \$2,343,774 compared to \$2,213,508 for the nine months September 30, 2020. Recoveries from option partners during the nine months ended September 30, 2021 and 2020, amounted to \$1,492,611 and \$1,434,645, resulting in net exploration costs of \$851,163 and \$778,863 respectively. During the nine months ended September 30, 2021 and 2020, the Company also received operator fees of \$149,261 and \$139,985 for its role as the operator on partner funded programs.

During the nine months ended September 30, 2021, the Company recorded \$51,324 in higher corporate expenses due to slightly higher overall general and administrative costs.

Share-based payments expenses were higher due to a higher number of incentive stock options granted and vested during the period ended September 30, 2021. The Company recognized a foreign exchange loss of \$116,225 during the nine months ended September 30, 2021, compared to a loss of \$602,838 in the prior comparative period. These FX gains and losses are due to exchange rate fluctuations primarily related to the Company's US dollar working capital. The Company recorded a positive change of \$80,520 in the fair value of its equity investment in a privately held gold producing company in Bulgaria during the nine months ended September 30, 2021 compared to a higher positive change of \$201,188 in the comparative period. The Company recorded a write-down of its mineral properties during the nine months ended September 30, 2020, and there were none in the current period.

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

Review of Operations for the Quarter Ended September 30, 2021 Compared to the Quarter Ended September 30, 2020

For the quarter ended September 30, 2021, the Company recorded a loss of \$475,489 (\$0.01 per share), compared to a net loss of \$467,783 (\$0.01 per share) for the quarter ended September 30, 2020. There were a number of offsetting changes. The increases below, plus higher share-based costs were primarily offset by the reduction in write-down of mineral properties.

During the quarter ended September 30, 2021, total exploration expenditures, the majority of which are sole-funded by partners, were higher at \$638,423 compared to \$471,358 during the quarter ended September 30, 2020. Recoveries from option partners during the three months ended September 30, 2021 and 2020, amounted to \$212,660 and \$236,828, resulting in net exploration costs of \$423,763 and \$234,530, respectively. The higher exploration costs were spent on project generation.

During the quarter, the Company recorded higher corporate expenses primarily from higher corporate communication expenditures and corporate governance costs.

Liquidity and Capital Resources

The Company's principal source of liquidity as at September 30, 2021 was cash and cash equivalents totaling \$3,885,749 (December 31, 2020 – \$2,083,665).

During the nine months ended September 30, 2021, the Company's cash used through operating activities amounted to \$1,299,079 compared to cash used in operating activities of \$1,073,637 during the nine months ended September 30, 2020, with the increase attributable to higher project generation costs, administrative costs, partially offset by higher interest income from a higher cash balance and a change in non-cash working capital.

During the nine months ended September 30, 2021, the Company undertook a private placement, which was oversubscribed and issued 19,287,500 units at a price of \$0.16 per unit for gross proceeds of \$3,086,000. The private placement undertaken during the nine months ended September 30, 2021, along with the existing cash position, provide sufficient capital for the Company to meet its budgeted requirements in 2021. The Company will continue to explore appropriate financing routes which may include additional issuance of share capital; funding through additional joint ventures or strategic partnership; project debt; convertible securities; or other financial instruments.

With the exception of interest earned on its cash balance 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 the date of this MD&A, the Company has 101,749,296 common shares outstanding, 8,208,205 stock options granted at exercise prices ranging from \$0.12 to \$0.23, expiring between January 2022 and May 2026, and 15,681,738 share purchase warrants outstanding with exercise prices of \$0.20 and \$0.30 per share respectively; all expiring between December 2021 and February 2023.

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:

For the nine months ended (C\$)	September 30, 2021	September 30, 2020
Directors' fees	\$ 65,000	\$ 48,300
Short-term management salaries and benefits	328,161	360,084
Share based payments - Directors	60,806	22,446
Share based payments - Management	63,292	24,983
	\$ 517,659	\$ 399,553

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 currently 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.

The Company is exposed to insignificant interest rate risk with respect to its cash and cash equivalents given the extremely low market interest rates. The majority of the Company's cash has been placed with a Canadian Chartered Bank and held in GICs, bankers' acceptances and other money market instruments issued by Canadian Federal and Provincial governments and other entities with a Dominion Bond Rating Service credit rating of R1M or higher.

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 mineralization 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 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 several 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 favorable or unfavorable, 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 favorable. 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 favorable 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 unfavorable 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 mineralization 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 mineralization 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 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. Khrichev, 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.