



MINDORO
RESOURCES LTD

Condensed Consolidated Interim Financial Statements
(Unaudited)
&
Management's Discussion and Analysis
For the three months ended March 31, 2014
(Expressed in Canadian Dollars)

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Mindoro trades on the TSX Venture Exchange under the symbol MIO;
on the Australian Securities Exchange under the symbol MDO;
on the Frankfurt Stock Exchange under the symbol OLM



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Management's Discussion and Analysis

For the three months ended March 31, 2014

As reported on May 13, 2014

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CAUTION FORWARD LOOKING INFORMATION

This Management Discussion & Analysis contains certain forward-looking statements relating to, but not limited to, Mindoro's expectations, intentions, plans, and beliefs. Forward-looking information can often be identified by forward-looking words such as 'anticipate', 'believe', 'expect', 'goal', 'plan', 'intend', 'estimate', 'may' and 'will' or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future outcomes, or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects, and timing of commencement of operations and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied.

Shareholders and potential investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Mindoro undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Statements relating to mineral reserve and resource estimates are expressions of judgment, based on knowledge and experience, and may require revision based on actual production experience. Such estimates are necessarily imprecise and depend to some extent on statistical inferences and other assumptions, such as metal prices, cut-off grades and operating costs, which may prove to be inaccurate. Information provided relating to projected costs, capital expenditure, production profiles, and timelines are expressions of judgment only and no assurances can be given that actual costs, production profiles or timelines will not differ materially from the estimates contained in this announcement.

TECHNICAL DISCLOSURES

Mindoro's exploration programs are prepared and/or designed and carried out under the supervision of Tony Climie, P.Geol., who is a qualified person as defined by National Instrument 43-101(Canada) and is a competent person as defined by the JORC Code (Australia), and who has reviewed and verified the pertinent disclosure of exploration related technical information contained in this document. Mr. Climie is the CEO and a Director of Mindoro and has more than 43 years of experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which he has undertaken. Mr. Climie is also Mindoro's representative on the TVIRD-operated joint ventures, and monitors these on behalf of Mindoro. Mr. Climie has consented to the release of the technical information in the form and context in which it appears.



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1. COMPANY PROFILE AND STRATEGY

During the three months ended March 31, 2014 (the "period"), Mindoro Resources Ltd. ("Mindoro" or the "Company") focused on monitoring its TVI Resource Development Phils., Inc. ("TVIRD") operated joint ventures, , reducing overhead costs, working with new major shareholder Prime Resources Holdings Inc. ("PRHI") of the Philippines on a future strategy for Mindoro, and securing financing to fund its general administrative and corporate expenses for 2014. The Company also disposed most of its holdings in Red Mountain Mining of Australia.

This Management's Discussion and Analysis ("MD&A") presents the operating results and financial status of the Company for the three months ended March 31, 2014, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements ("Interim Financial Statements") for the three months ended March 31, 2014 and the audited consolidated financial statements for the year ended December 31, 2013 ("Annual Financial Statements"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian Dollars.

The Company trades on the TSX Venture Exchange, Australian Securities Exchange ("ASX"), and Frankfurt Exchange as MIO, MDO, and OLM respectively. Additional information related to the Company is available in the Company's Annual Information Form ("AIF"), on SEDAR at www.sedar.com, and on the Company's website at www.mindoro.com.

2. OVERVIEW FOR THE THREE MONTHS ENDED MARCH 31, 2014

PRHI ACQUISITION OF INTEREST IN MINDORO

After December 31, 2013, PRHI disclosed that it had acquired approximately 25.42% of Mindoro's issued and outstanding common shares through a secondary trade in the market. According to PRHI, it acquired 75,605,083 shares in two trades on January 16 and February 21, 2014 at a price of \$0.021 per share.

AGATA DSO DEVELOPMENT PLANS

Work continued on securing the remaining permits required to commence production. The operator of the Agata Project, TVIRD, acquired the Declaration or Mining Project Feasibility, and the Foreshore Lease Permit (to construct the port). Most required permtting is now in hand and development is anticipated to start in the very near future.

PAN DE AZUCAR COPPER-GOLD-SULPHUR PROJECTS

TVIRD may earn a 60% interest in the Pan de Azucar Mining Joint Venture ("PDAMJV") by: (i) making minimum aggregate expenditures of \$2 million prior to the first anniversary of the date that a declaration of mining project feasibility ("DMPF") is issued in respect of that project (the Feasibility Declaration Date); and (ii) solely funding the PDA mining project to the point of commercial production, prior to the third anniversary of the Feasibility Declaration Date. TVIRD must make minimum expenditures before withdrawal of \$500,000 prior to December 31, 2014, with such expenditures being creditable against the \$2 million of aggregate expenditures noted above.

TVIRD has the right to earn up to a 60% interest in the Pan de Azucar Processing Joint Venture ("PDAPJV") in two stages as follows: (i) a 51% interest, by making minimum aggregate expenditures of \$2 million in respect of the PDA processing project on or prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of the processing project (the Processing Declaration Date; and (ii) a 9% interest by making additional minimum aggregate expenditures of \$3 million in respect of the processing project on or prior to the fourth anniversary of the Processing Declaration Date.

Before withdrawal, TVIRD must make expenditures in respect of the PDA processing of \$500,000, prior to December 31, 2014, with such expenditures being creditable against the \$2 million of aggregate expenditures noted above.

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TVIRD must also maintain the tenements in good standing, including applying for a DMPF with the Department of Environment and Natural Resources in 2014.

Only community relations work was carried out by the operator TVIRD during the period.

RED MOUNTAIN INVESTMENT

During the first quarter of 2014, Mindoro reduced its interest in Red Mountain to 6.5% through the return of 4 million Red Mountain shares in exchange for the Tapian San Francisco tenements, and through the sale of 51.8 million Red Mountain shares for net proceeds of \$873,000.

Subsequent to March 31, 2014 Mindoro has sold an additional 38 million Red Mountain shares for net proceeds of \$486,000, reducing its interest in Red Mountain to less than 1%.

FINANCIAL

Net income of \$55,000 in the first quarter of 2014 represents a reduction in expenses and one time gains on the sale of Red Mountain shares in the period compared to the net loss of \$24,000 in the same period of 2013. The Company realized a gain of \$655,000 on the sale of 51.8 million Red Mountain shares for net proceeds of \$873,000 in the quarter. At March 31, 2014, the cash balance was \$783,000 and working capital was \$328,000, excluding warrants and share-based liabilities, compared with \$198,000 and a deficit of \$607,000 at December 31, 2013.

Subsequent to March 31, 2014, the Company has repaid the loan from TVI.

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3. ACTIVITIES FOR THE THREE MONTHS ENDED MARCH 31, 2014

TABLE 1

January	Prime Resource Holdings Inc acquires 13.3% interest in Mindoro through on-market purchase
February	Prime Resource Holdings Inc increases 13% interest in Mindoro to 25.4% through on-market purchase.
March	100 million Red Mountain shares released from escrow, 4 million Red Mountain shares returned to reacquire Tapian San Francisco tenements
	30 million Red Mountain shares sold
	Nickel production commenced at Pilot Plant
	Financial results released for the year ended December 31, 2013
April	51.8 million Red Mountain shares sold
	Agata Mining Joint Venture receives Declaration of Mining Project Feasibility and Approval to Develop Port Facility for the Agata High Iron DSO Project

4. MILESTONES TARGETED FOR 2014

AGATA NICKEL DEVELOPMENT PROJECT AND PAN DE AZUCAR EXPLORATION:

The Company is a party to Joint Ventures with TVIRD in respect of the Agata Nickel and Pan de Azucar projects (refer to note 5 of the Interim Financial Statements). The objectives of the joint ventures, subject to final agreements, are as follows:

- Stage 1: establish DSO production.
- Stage 2: advance preferred processing technology to pilot testing, and then complete a definitive feasibility study
- Pan de Azucar: evaluation of merits of using pyrite for sulphuric acid production for Agata nickel laterite processing operation

Mindoro intends to finalize the option agreement with Minimax Mineral Exploration to acquire their 25% interest in the Agata project.



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5. SUMMARY OF QUARTERLY RESULTS

TABLE 2: SUMMARY OF QUARTERLY RESULTS

	2012-Q2	2012-Q3	2012-Q4	2013-Q1	2013-Q2	2013-Q3	2013-Q4	2014-Q1
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total revenue	-	-	-	-	-	-	-	-
General and administrative expenses	(443)	(561)	(537)	(188)	(132)	(195)	(239)	(135)
Salaries and employee benefits	(239)	(183)	(384)	(70)	(63)	(107)	(95)	(97)
Interest expense	-	-	-	-	-	(11)	(16)	(22)
Stock based compensation	54	(8)	20	4	1	(1)	2	-
Depreciation and amortization	(32)	(34)	(70)	(12)	(4)	(4)	(1)	(2)
Operating Expenses	(660)	(786)	(971)	(266)	(198)	(318)	(349)	(256)
Finance income	10	5	3	1	-	-	-	-
Remeasurement of warrants liability	-	-	737	357	240	(151)	152	(345)
Gain on sale of Red Mountain shares	-	-	-	-	-	-	-	655
Impairment of investment held for distribution	-	-	-	(645)	(6,100)	(1,314)	(98)	-
Impairment of exploration and evaluation assets	(9,562)	2,280	(322)	-	-	-	(9,979)	-
Foreign exchange	121	(95)	513	537	(1,463)	(47)	(317)	1
Loss on disposal of equipment	-	-	-	(8)	-	-	-	-
Income (loss) before income taxes	(10,091)	1,404	(40)	(24)	(7,521)	(1,830)	(10,591)	55
Income taxes	-	-	(91)	-	-	-	(5)	-
Net income (loss) for the period	(10,091)	1,404	(131)	(24)	(7,521)	(1,830)	(10,596)	55
Basic and diluted net income (loss) per share (\$)	(0.040)	0.006	(0.000)	(0.000)	(0.025)	(0.006)	(0.036)	0.000

NET INCOME AND LOSSES

The Company recognised net income of \$55,000 in the first quarter of 2014 period compared to a loss of \$24,000 in the same period of 2013. This reflects one time gains realised on the disposal of Red Mountain shares, an unrealised loss from an increase in the fair value of the warrants liability compared to a decrease in the same period of 2013. The Company's general and administration expenses were lower in the current quarter than in the first quarter of 2013. However salaries and employee benefits, and interest expense were both higher than in the first quarter of 2013. The Company's quarterly operating expenses were lower in the first quarter of 2014 compared to the fourth quarter of 2013 and the first quarter of 2013, and are below the average operating loss in the last eight quarters (\$476,000).

The breakdown of losses on a quarterly basis reflects the timing of specific events noted below:

- Changes in key management in the third and fourth quarters of 2012;
- Corporate transactions with Red Mountain and TVIRD in the third and fourth quarters of 2012;
- The closure of the Melbourne, Australia office in first quarter 2013; and
- Impairment of the Company's Agata and Surigao Regional tenements in the fourth quarter of 2013;



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Further commentary on operating expenses in the fourth quarter and full year of 2013 with respective comparatives:

- In the first quarter of 2014, operating expenses were lower (\$256,000) compared to the same period in 2013 (\$266,000). The Company spent less on rent, legal, audit and other general and administration expenses in the current quarter compared to the same period of 2013.
- The Company incurred additional salaries and employee benefits charges due to an increased staffing and the recognition of directors fees in the current period compared to the same period of 2013.
- The Company also incurred interest expenses in the current period as a result of the loans disclosed in note 8 of the Interim Financial Statements.
- Remeasurement of the warrants liability has resulted in the recognition of a loss of \$345,000 compared to a gain of \$357,000 in the same period of 2013. The current period loss resulted from the strengthening of the Company' share price compared to a weakening in the first quarter of 2013.
- As noted above, the Company realized a gain of \$655,000 in the first quarter of 2014 upon disposal of 55.8 million Red Mountain shares for the return of Tapian San Francisco and net cash proceeds of \$873,000. In the first quarter of 2013, the Company recognized an unrealised loss on the Red Mountain shares of \$645,000.
- Variations in interest income over the last eight quarters have largely been due to changes in the Company's cash balances, which were \$2,043,000 at March 31, 2012 and drawn down to \$198,000 at December 31, 2013 before increasing to \$783,000 at March 31, 2014.

CASH FLOWS

In the first quarter of 2014, the Company used \$266,000 in operating activities compared to \$245,000 in the first quarter of 2013. This reflects a decrease in non-cash working capital of \$31,000 in the current quarter compared to a \$16,000 increase in non-cash working capital in the first quarter of 2013 and lower corporate and employee benefit expenses noted above.

In the first quarter of 2014, the Company received \$873,000 from the sale of 51.8 million Red Mountain shares. The Company spent \$29,000 on exploration and development assets in the current quarter, of which \$22,000 was recovered from TVIRD. This compares to \$106,000 spent on exploration and evaluation assets and cost recoveries from TVIRD of \$123,000 in the first quarter of 2013. Most of the exploration expenditures in the current quarter relate to technical support provided to TVIRD related to the Agata Mining Joint Venture.

GOING CONCERN

The Company earned net income of \$55,000 (March 31, 2013 – loss of \$24,000) and operating cash outflows of \$339,000 (March 31, 2013 – \$245,000). At March 31, 2014, the Company has a net working capital of \$328,000 (March 31, 2013 - \$245,000, excluding warrants and share-based liabilities). In addition to its on-going working capital requirements, mining and exploration licences held by the Company have annual expenditure obligations to maintain their 'good standing' status. The majority of these expenditure obligations have been assumed by TVI Resource Development Phils., Inc. ("TVIRD").

The Company and TVIRD entered into joint venture agreements where TVIRD has the right to earn a 60% interest in Agata and regional nickel projects by sole funding a direct shipping ore ("DSO") project to production and completing a Definitive Feasibility Study ("DFS") on a Nickel processing project, and up to 60% in the Pan De Azucar sulfide project by meeting certain expenditure and earn-in objectives (note 5 of the interim financial statements).

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These joint venture agreements require TVIRD to finance Mindoro's mineral property annual expenditure obligations and maintain the tenements in good standing. Refer to further details included in note 5 of the Interim Financial Statements. Although management considers it unlikely that TVIRD would withdraw from the joint ventures, in the event that TVIRD were to withdraw, the Company would be required to fund the project obligations itself, acquire a new funding joint venture partner, or withdraw from the projects. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles to a going concern.

In December 2013, the Company signed a bridging loan (the "Loan") with a group of shareholders who provided an additional \$175,000 for use as general working capital. In March 2014, the Company raised \$879,000, net of broker fees, through the sale of 54% of its Red Mountain Mining Ltd. ("Red Mountain") shares. Subsequent to quarter end, in April 2014 the Company sold an additional 38 million Red Mountain shares for proceeds of \$486,000 net of brokers fees (note 15 of the interim financial statements). These undertakings are not sufficient in and of themselves to enable the Company to fund all aspects of its operations for the next 12 months, and, therefore, the ability of the Company to continue as a going concern is dependent on obtaining additional funding to finance ongoing operating activities.

Accordingly, management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going concern. Management believes that it will be able to secure the necessary financing through the issue of new equity or debt instruments or the sale of its remaining shares of Red Mountain (note 15 of the interim financial statements). Nevertheless, there is no assurance that these initiatives will be successful and until the Company begins to receive positive cash flow from the TVIRD joint ventures there is material uncertainty related to events or conditions that may cast significant doubt as to whether the Company will be able to continue as a going concern.

The board of directors believe that sufficient funds will be available for the Company to meet its obligations for the next twelve months and consider the Company to be a going concern, but recognize that it is dependent upon its ability to raise additional funds, repay existing borrowings, obtain the support of partners, sell investments, sell interests in or relinquish mining tenements held by the Company, and ultimately generate positive cash flows from operations. These Interim Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues, expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

6. DISCUSSION OF PROJECTS

AGATA NICKEL PROJECT (75% ECONOMIC INTEREST, OPTIONS FOR 100%)

The Company has entered into a joint venture with TVI Resource Development (Phils.), Inc. ("TVIRD"), whereby TVIRD may earn up to 60% interest from Mindoro in the Agata Nickel Project by progressing a two stage development strategy. Mindoro has the option to acquire an additional 25% from its partner Minimax Mineral Exploration Corporation. If all options are exercised, TVIRD will have a 60% interest in the Agata Project and Mindoro 40%.

TVIRD may earn its 60% interest in the joint ventures through achieving direct shipping ore ("DSO") production and completing a Definitive Feasibility Study ("DFS"). Mindoro would be carried to production for the DSO joint venture, and through the feasibility study for the processing joint venture. Details of Mindoro's joint venture arrangements are described in the Mindoro releases of September 27, and October 12, 2012, and June 24, 2013.



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Prime Resources Holdings, Inc., a Philippines corporation and wholly-owned subsidiary of Prime Asset Ventures, Inc., has purchased a 68.42% direct equity interest in TVIRD and TVI holds a 30.66% indirect interest.

The Agata mining project includes the following opportunities:

- a near-term high Fe laterite DSO;
- a near-term limestone DSO;
- a medium-term lime production facility;
- a medium-term nickel processing plant project.

High Fe and Limestone DSO/Lime Production Facility

The high iron laterite and limestone deposits occur within one kilometre of the coast, which is expected to positively impact transportation costs due to the close proximity of the mine pit to the port. The upper portions of the laterite profile comprise the ferruginous zone and limonite zone, both rich in iron. It is estimated that there are approximately ten million wet metric tonnes (wmt) of high Fe material with iron grades between 45% and 52%. These historical estimates are set out in the Agata Report referred to above. The deposit is expected to be developed as a surface mining operation with the high Fe material sold to the Chinese iron ore market.

Beneath the ferruginous and limonite zone is the higher nickel grade saprolite zone, which will be the dominant feed for a new nickel processing facility currently under consideration by the Project Execution/Technology Development team. The high iron DSO operation would be expected to generate early cash flow until the nickel processing plant is built and becomes operational, but shipments are expected to continue after this until the high iron material is exhausted. The high iron DSO operation already has an existing ECC; however, other permits such as a port permit and a DMPF are also required.

The limestone occurring at the coast is a massive recrystallized limestone of very high purity levels with CaCO₃ of greater than 95% according to the Agata Report. Five (5) holes were drilled into the limestone horizon by Mindoro but the number of holes drilled is not considered sufficient to classify a mineral resource. The limestone is estimated in the Agata Report to be up to 50 metres thick. The potential quantity and grade is conceptual in nature, because there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. The initial plan is to develop a resource, and mine and ship limestone DSO utilizing the infrastructure developed initially for the high iron DSO.

Currently no permits are in place for mining the limestone. Since the quality of limestone quarried at Agata is expected to be high, the Project Execution/Technology Development team also plans to construct a lime production facility at the Agata project site. The lime produced would be used in the nickel processing plant, offsetting the costs of imported lime while also creating potential for some to be sold. The lime processing facility is a medium-term project currently expected to come online in mid-2015 pending the receipt of all required permits, among other things.

Activities planned for the Limestone Project include;

- further drilling on the limestone deposits to delineate resource to NI 43-101 standards.
- preliminary concepts and mining plans for the limestone.
- confirming markets for limestone and lime products.
- metallurgical test works.

On April 28, 2014, Mindoro Resources Ltd. and TVI's Philippine affiliate, TVI Resource Development (Phils.), Inc. ("TVIRD") jointly announced today that the Agata Mining Joint Venture (the "AMJV") has received the Declaration



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of Mining Project Feasibility ("DMPF") and clearance to develop a port facility for the proposed DSO operation of the high-iron laterite resources at the Agata Project, located in Agusan del Norte, Mindanao, the Philippines.

Receipt of the DMPF authorizes the AMJV to proceed to development, including the extraction and sale of iron, nickel and other associated minerals in the contract area. Site development is expected to commence in May 2014 and shipping of the high-iron laterite would then commence through the third quarter of 2014, subject to receipt of remaining port approvals and financing.

The DMPF, granted by the Philippine Mines and Geosciences Bureau of the Department of the Environment and Natural Resources, also confirms that the AMJV has complied with requirements of approval, which include, among other things:

- Provision of a Mining Project Feasibility Study Report;
- Receipt of an Environmental Compliance Certificate;
- Provision of a three (3) year Development and/or Utilization Program;
- Provision of an Environmental Protection and Enhancement Program, and Final Mine Rehabilitation and/or Decommissioning Plan; and,
- Proof of technical competence and financial capability,

Clearance to develop a private non-commercial port facility has also been received from the Philippine Ports Authority. Construction of the port facility may commence upon securing the permit to construct, the application for which has commenced and will be followed also by an application for the permit to operate.

On September 10, 2013, TVIRD and Mindoro completed a NI 43-101 compliant Feasibility Study indicating robust economics for a DSO operation of the high-iron laterite resources at the Agata Project. The Feasibility Study concluded:

- Low initial start-up capital of US\$10.1 million, high Internal Rate of Return of 187% and payback within first year of operation;
- Post-tax Net Present Value (10% discount) of US\$37.9 million;
- DSO product to grade 48% Fe and 0.9% Ni. - a product in consistent demand;
- Shipping rates to accelerate to 2.5M wet metric tonnes per annum in 2015.

The National Instrument 43-101 Compliant Mineral Resource estimate for the Agata Nickel Project, released on April 10, 2013 and available on www.sedar.com, and www.mindoro.com, shows the Agata DSO project to have reported Proven and Probable Reserves of 9.70 million wmt grading of 48% Fe with 0.9% Ni.

Economic Assessment

Below is a summary of the Agata DSO feasibility study economic assessment for 100% of the project:



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High Iron Limonite DSO sale price (FOB)	USD/wmt	\$22
NPV (10% discount rate) post-tax	USD (M)	\$37.9
Payback Period	Years	1.0
IRR post-tax	%	187%

The High Iron limonite DSO sale price of US\$22 per wet metric tonne (wmt FOB) is 10% lower than the average sale price realized by off-takers shipping similar ore over the past 18 months.

Capital and operating cost estimates have been developed to $\pm 15\%$ precision. The inputs to the Feasibility Study were developed by Dallas Cox, MAusIMM (CP), of Crystal Sun Consulting Limited, based on estimates from local Philippine contractors, TVIRD's current suppliers and service providers.

Installed capital cost estimates include the Port Loading Facility, general infrastructure, mining-related capital costs, duties and taxes for equipment, sustaining capital and an estimate of working capital. A 10% contingency has been allowed within the capital cost estimate.

Operating cost estimates include mining, infrastructure, government charges, royalties, administration, security, community relations and environmental costs. Cash flows are calculated on an after-tax basis applying the current Philippine taxation regime.

Mineral Reserve Estimate and DSO Production Targets

The NI 43-101 Compliant Mineral Resource estimate for the Agata Nickel Project, released on April 10, 2013, (available on www.sedar.com, www.mindoro.com), forms the basis of the Mineral Reserve estimate for the Feasibility Study and the following DSO production targets:

Year	WMT	Ni%	Fe%
2013	-	-	-
2104	2,000,000	0.9	48
2105	2,500,000	0.9	48
2016	1,800,000	0.9	48
2017+	500,000	0.9	48

The resource estimation method applied to the Mineral Resources was ordinary kriging. Cut-off grades applied were 0.5% nickel within the Limonite zone and 0.8% nickel within the Saprolite zone.

The Mineral Reserve estimate in the table below, based on open-pit optimization and designs by Dallas Cox, reflects the economic parameters in the Feasibility Study and is expressed in both dry metric tonnes (dmt) and wet metric tonnes (wmt).

Classification	Horizon	M (dmt)	M (wmt)	Ni%	Co%	Fe%	Al%	Mg%	SiO ₂ %
Proven	Limonite	0.18	0.26	1.00	0.11	47.1	3.0	1.6	5.6
Probable	Limonite	6.61	9.44	0.93	0.11	48.3	3.4	0.5	3.0
Proven + Probable	TOTAL	6.79	9.70	0.93	0.11	48.0	3.4	0.5	3.0

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Capital and Operating Costs

The project capital and operating costs are presented in the following tables:

Capital Cost Estimate for Agata Nickel DSO Project

Description	Capital Costs (Million USD)
Mobilisation	0.15
Site Preparation	0.04
Road Construction/Upgrading/Widening	1.14
Causeway Construction	2.62
Building Construction	1.89
General Services and Transportation	0.21
Mechanical/Electrical Equipment	0.07
Laboratory and Equipment/Apparatus	0.24
Office Equipment	0.06
Miscellaneous	0.20
Subtotal	6.62
Working Capital	2.64
Sustaining Capital	0.95
Subtotal	3.59
Contingency	0.93
VAT Payable (@ 12%)	1.31
Total	12.45

Operating Cost Estimate

Description	LOM Costs (Million USD)	USD/wmt Shipped
Mining & Haulage Costs	33.5	3.45
Ore Drying	6.5	0.67
Stockpile Load & Haulage Cost	16.8	1.73
Barging	21.7	2.24
Roads, Drainage & Rehabilitation	9.7	1.00
G&A	17.9	1.84
Fees & Royalties	7.5	0.78
MPSA Compensation & Rates	3.0	0.31
VAT Payable (@ 12%)	10.9	1.12
Total Operating Costs	127.4	13.14

AGATA NICKEL PROCESSING PLANT

The Agata Ni processing plant is a medium-term growth opportunity which TVIRD, as operator, currently expects could come into production in 2016, dependent on such things as a successful metallurgical testing program and pending receipt of the required permits and financing. The plant would initially be designed to have a 20-year life, and would be built in modules with the ability to add capacity over time by adding further modules to increase throughput and Ni production. The Project Execution/ Technology Development team is proposing the use of innovative, low cost leaching and downstream Ni recovery and purification technology rather than the traditional high cost HPAL processes used in the laterite nickel industry. TVIRD's team of technical staff engaged to deal with



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The Mindoro joint venture projects are the developers of this leaching and downstream Ni recovery and purification technology and their expertise will be used to fast-track the processing plant.

The laterite feed to the processing plant comprising limonite material and saprolite material would be mixed with sulphuric acid and undergo numerous steps to ultimately produce a nickel hydroxide product. This intermediate nickel product could either be sold as is or further processed to produce metallic nickel. The estimated capital cost for the nickel processing plant plus associated infrastructure (port, water, power, etc.) is targeted to be less than US\$100 million. The cash operating costs are targeted to be approximately US\$4 per lb Ni (approximately US\$9,000/t Ni), assuming the use of imported sulphuric acid. If the Pan de Azucar pyrite project can be successfully commercialized, then the opportunity exists to self-produce sulphuric acid at the nickel plant site, thereby further reducing operating costs, and with the added benefits of by-product electricity and steam. Site infrastructure is excellent with local sources of labour, fresh water and power (supplemented by back-up generators). The processing plant will be located within two kilometers of the port, thereby simplifying acid transport and other logistics, as well as keeping operating costs down. Deep water for ships up to 50,000 tonne capacity occurs within 250 metres of the coastline.

A number of activities relating to the Agata Ni Processing Plant are underway and include:

- internal project feasibility scoping;
- external laboratory testing at BGRIMM of a representative bulk sample taken from the Agata Ni deposit, including:
 - crushing and grinding tests
 - pre-leach thickener settling tests
 - primary and secondary leaching tests
 - leach residue preliminary settling and filtration tests
- establishment of laboratory and pilot testing facility (in the Philippines):
 - bench-scale laboratory equipment has been installed and test work results confirm the Agata material is highly amenable to acid leaching with a high rate of nickel extraction achieved at a low acid consumption rate.
 - pilot plant scale testing of Agata laterite is complete and results confirm excellent leachability.
- the process flowsheet has been identified and confirmed by laboratory tests;
- process flow diagrams are near completion;
- mass and energy balance have been developed in METSIM, using laboratory test data to calibrate the model;
- environmental and leached ore storage facilities designs are well advanced;
- preliminary infrastructure design is underway, including:
 - port/jetty design, including reagent storage facilities
 - water source identification
 - road design
 - process plant location and preliminary layout

On April 10, 2013, an updated NI 43-101 technical report entitled "Independent Report on the Nickel Laterite Resource - Agata North, Philippines" was filed. The report was prepared by Mark G. Gifford, MSc (Hons), FAusIMM, of Margaret River, Western Australia.

The updated NI 43-101 reflects an updated and reclassified resource estimate for the Agata North nickel laterite resource. The new resource provides a robust foundation for moving forward, initially, with a DSO operation of



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high-iron limonite (upper laterite horizon), followed by atmospheric leach processing of the underlying saprolite horizon.

- Measured and Indicated resources increase to 33.9 million dry metric tonnes (dmt) at 1.1% nickel
- compared to the previous 31.8 million dmt at 1.05% nickel;
- Inferred resources are 2.0 million dmt at 1.04% nickel;
- Estimated contained nickel is 391 thousand tonnes.

This current resource estimate gives a superior grade-tonnage distribution. Sufficient high-iron limonite has been defined for approximately five years of DSO production at approximately 2m dmt / year. During this period it is expected that the nickel processing plant will be in operation.

The table below shows results of the resource estimate at a cut-off grade of 0.5% nickel for the limonite horizon and 0.8% nickel for the saprolite horizon. This resource estimate is exclusive of the other regional nickel laterite deposits Agata South, Bolo-bolo and Karihatag.

Classification	Sub-Domain	kTonnes	Ni	Co	Fe	Al	Mg	SiO ₂	CaO	Cr ₂ O ₃	MnO
Measured	Upper Limonite	211	0.98	0.11	49.7	3.11	0.5	2.8	0.03	3.67	1.01
	Lower Limonite	27	1.13	0.15	35.5	2.57	5.1	21.1	0.22	2.86	0.85
	Total Limonite	238	1.00	0.11	48.1	3.05	1.0	4.9	0.05	3.58	1.00
	Upper Saprolite	478	1.19	0.03	11.3	0.39	17.9	41.6	0.32	0.89	0.23
	Lower Saprolite										
	Total Saprolite	478	1.19	0.03	11.3	0.39	17.9	41.6	0.32	0.89	0.23
	Measured Sub-Total	716	1.13	0.06	23.5	1.27	12.3	29.4	0.23	1.78	0.49
Indicated	Upper Limonite	8,360	0.93	0.11	47.9	3.45	0.6	3.3	0.21	3.13	0.92
	Lower Limonite	1,403	1.00	0.12	36.3	3.01	3.6	15.8	0.23	2.58	0.83
	Total Limonite	9,764	0.94	0.11	46.3	3.39	1.0	5.1	0.22	3.05	0.90
	Upper Saprolite	23,411	1.16	0.03	11.9	0.55	16.5	40.3	0.35	0.91	0.25
	Lower Saprolite	48	0.84	0.02	8.9	0.35	19.4	41.1	0.33	0.70	0.18
	Total Saprolite	23,459	1.16	0.03	11.9	0.55	16.5	40.3	0.35	0.91	0.25
	Indicated Sub-Total	33,222	1.10	0.05	22.0	1.38	11.9	30.0	0.31	1.54	0.44
Measured & Indicated	Grand Total	33,938	1.10	0.05	22.0	1.38	11.9	30.0	0.31	1.55	0.44
Inferred	Upper Limonite	178	1.05	0.11	47.7	3.38	0.8	5.5	0.03	3.16	0.93
	Lower Limonite	79	1.15	0.10	35.7	2.97	3.9	21.7	0.14	2.73	0.82
	Total Limonite	258	1.08	0.11	44.0	3.25	1.8	10.5	0.06	3.03	0.90
	Upper Saprolite	1,828	1.04	0.03	12.4	0.63	16.2	41.5	0.35	0.99	0.26
	Lower Saprolite	0.02	1.11	0.02	7.3	0.21	18.9	42.7	0.28	0.65	0.16
	Total Saprolite	1,828	1.04	0.03	12.4	0.63	16.2	41.5	0.35	0.99	0.26
	Grand Total	2,086	1.04	0.04	16.3	0.96	14.4	37.7	0.32	1.24	0.34

The mineral resource estimates were produced by Mark Gifford MSc (Hons), who is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM) and an independent qualified person as defined by NI 43-101, in conjunction with Quantitative Group Pty Ltd (QG) in Perth, Australia. A total of 593 drill holes were completed at Agata North for 10,851 metres, and 11,100 core samples were used in the resource estimate. The resource estimation method applied was Ordinary Kriging. Cut-off grades applied to the resource were 0.5% nickel within the Limonite zone and 0.8% nickel within the Saprolite zone.

Sample preparation and assaying were performed by Intertek Testing Services, Phils., Inc. ("ITS"). The ITS Phils. facility is among Intertek's global network of mineral testing laboratories. Each sample is analyzed for nickel (Ni), cobalt (Co), iron (Fe), magnesium (Mg), aluminum (Al), silica (SiO₂), CaO, Cr₂O₃, K₂O, MnO, Na₂O, P₂O₅, and TiO₂.



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Whole rock analyses are done using X-ray Fluorescence (XRF). The samples are fused using lithium metaborate. XRF analysis determines total element concentrations that are reported as oxides. ITF mineral testing laboratories implement quality protocols. Normal Quality Control and Quality Assurance procedures were carried out, using a system of repeat analyses plus split sample analyses and the use of standard reference materials and blanks. Assay verification was carried out using standard samples and re-assaying field and pulp duplicates.

On June 5, 2013, as a result of positive bench-scale test work carried out at the Agata Nickel Processing project, pilot-plant testing was commissioned and commenced operation to further define the technological parameters to be used in producing a Bankable Feasibility Study with the goal of building a commercial processing plant.

The positive test work on nickel (Ni) laterite, from the Agata nickel laterite deposit, confirms the Agata laterite is highly amenable to acid leaching with a high rate of nickel extraction achieved at a low acid consumption rate. The process technology TVIRD is developing, and which has produced these results, aims to achieve maximum nickel recovery and low acid consumption which translates into increased metal production and lower operating costs.

Approximately one tonne of laterite material was sent to the Beijing General Research Institute of Mining & Metallurgy ("**BGRIMM**") for the purposes of conducting bench-scale crushing, scrubbing, screening and leaching tests to confirm the optimal circuit configuration and to validate the processing process identified by TVIRD. A team of three TVIRD metallurgists was seconded to the BGRIMM team for the duration of the test work campaign. TVIRD also setup a bench-scale laboratory in Manila. All optimum conditions as identified in the BGRIMM tests have been validated, with excellent reproducibility of results between the TVIRD and BGRIMM tests.

More than 70 leach tests have been conducted. These tests conclusively illustrate that the Agata mineralized material is highly amenable to acid leaching. Overall extractions of 94% Ni has been obtained at a relatively low acid consumption rate of 650 kg/t. This translates to approximately 49 t acid/t Ni produced for grades of 1.5% Ni. The acid utilization efficiency is encouraging when compared to other atmospheric acid leach processes.

Approximately twelve tonnes of mineralized material were sent to BGRIMM in order to continuously operate a pilot plant that consists of, amongst others, primary leaching (atmospheric) and secondary leaching (low pressure autoclave). To date, all material has been blended, crushed, screened and milled. Leaching commenced on May 13, 2013 to test a high grade (1.5% Ni) and a medium grade (1.3% Ni) sample. Pregnant leach solution ("**PLS**") from the BGRIMM pilot plant was then shipped to the Philippines and processed in the TVIRD downstream Ni recovery pilot plant.

The process technology TVIRD is developing aims to achieve maximum nickel (Ni) recovery at an operating cost that could position the Agata process plant amongst the lowest cost producers - while best representing the requirement to contain capital costs of the project.

The process involves the treatment of higher Ni grade mineralization (>1.3% Ni). Much of the high iron (Fe) grade limonite will be directly shipped as part of a DSO operation. Therefore, the feed to the process plant is depleted of limonite. In addition, the higher grade Ni is associated mainly with the saprolite material (which occurs beneath the limonite in the mineralization profile) - therefore, once the higher grade material is considered, the ratio of limonite:saprolite that will be fed to the process plant is approximately 8% limonite:92% saprolite. The process consists of separating the material into a high Fe, low magnesium (Mg) fraction to feed the primary leaching stage and a low Fe, high Mg fraction, to feed the secondary leaching stage. Leaching is conducted in two stages to minimize acid consumption, as well as to clean the PLS of Fe.

PLS is recovered by a counter current decantation ("**CCD**") circuit and then further refined using ion exchange (IX), and finally precipitated and filtered to produce a nickel hydroxide product ("**NHP**") of 53% Ni content. This NHP is a

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versatile product since it is a refined intermediate product, and therefore, due to its purity, it is easily refined into Ni metal by potential off-takers.

Approximately thirty tonnes of material was mined from a variety of test pits that cover the Agata mineralization to provide the samples. Test pits were carefully selected from the available drill hole data to accurately reflect the material that is expected to feed the process plant. Limonite and saprolite horizons were separately mined, blended and loaded into sealed drums to preserve moisture.

On October 18, 2013, Mindoro provided an update on the positive test work results for its Agata Nickel Laterite project. The BGRIMM pilot plant operation was conducted from May to July 2013 and the results are encouraging and in line with expectations as obtained from positive bench-scale test work.

The key outcomes of the BGRIMM pilot plant were as follows:

- An overall nickel extraction of 93.5 - 94.5% may be consistently achieved at an acid consumption of 48-50 t acid/t Ni leached. This has been shown as a result of an extensive BGRIMM pilot plant campaign, in which 4,300 kg of feed was leached.
- Leaching performance achieved is near identical to that obtained during the bench-scale test campaigns conducted at BGRIMM and the in-house facility in Manila.
- The 2-stage leaching process proposed is robust and yielded similar results for the variety of mineralization types tested.
- The leaching pilot plant operation allowed determination of other circuit design data such as residence time, operating temperature, feed slurry density, etc.
- Vendor settling tests confirmed fast settling nature of the feed, and leach residue. Acceptable underflow density obtained means that the leach circuit can be operated at 35-40% solids and the CCD circuit can be designed to achieve 98-99% recovery of soluble Ni over 7 CCD stages. All design data for pre-leach and CCD thickener design has been obtained.
- Limestone and lime consumption were determined from the continuously operating pilot plant for the neutralization of the washed leach residue. Additionally, residence time and other design parameters were obtained.
- Vendor settling tests have confirmed the expectation that the filtration rate of the washed and neutralized leach residue is slow, but feasible to incorporate this unit operation in the full scale plant flowsheet. All data to allow the design of the residue filtration have been obtained.

Approximately 8,000L of the nickel-rich liquor from the BGRIMM pilot leaching plant was shipped to the Philippines for use as the feed stock to the TVIRD nickel purification and recovery pilot plant, established to produce a Nickel Hydroxide Product (NHP, containing about 50-53% Ni). The PLS was then processed in the TVIRD pilot plant as follows:

- All 8,000L of PLS was purified and the Ni concentration was increased by using the continuous countercurrent ion exchange ("IX") process developed by TVIRD. Ni recovery to eluate was 99.3%.
- The acid content of the IX eluate was then neutralized and the acid free eluate separated from the solid gypsum through a thickening stage and Ni then precipitated from this. After a 2nd precipitation stage, >99% of Ni in solution was precipitated.
- To ensure high product purity, the Ni product was harvested from the 1st Ni precipitation stage. Ni rich slurry from the 1st Ni precipitation stage was thickened and a portion of the thickener underflow stream recycled as seed to the feed of the 1st stage Ni precipitation, while the remainder was washed and filtered, thereby constituting the final NHP product.



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- NHP filter cake was successfully produced February 7th, 2014 with a 52% to 54% Ni grade at the TVIRD pilot plant. Impurities such as Fe, Ca and Mg are low enough for the NHP to be considered a refined intermediate product. This implies that NHP may be converted to nickel oxide and nickel metal without the need for additional refining, thereby offering possible offtakers with a versatile product alternative.

The successful testing now at the TVIRD pilot plant and the production of NHP will allow a comparison of processes and products to enable the selection of a final process route as part of the Bankable Feasibility Study that is currently underway.

The TVIRD pilot plant has already processed all of the 8,000L of PLS received from BGRIMM. NHP produced will be characterised by a 3rd party facility, and a NHP specification sheet will be developed. NHP, together with the specification sheet, will be sent to potential offtakers for evaluation.

The final stage of pilot plant operation will comprise of treatment of the barren solution from the IX plant to produce an effluent that is acceptable for disposal as well as ecological tests for residues.

PAN DE AZUCAR PYRITE PROJECT (75% ECONOMIC INTEREST)

The Pan de Azucar MPSA covers approximately 535 ha on Pan de Azucar Island and adjacent Panay Island. Mindoro has entered into joint venture agreements whereby TVIRD may earn up to 60% interest through achieving DSO production; and are earning 51% with an option to earn a further interest to 60% through expenditure on the processing joint venture. Details of the joint venture arrangements are described in the Mindoro releases of September 27, and October 12, 2012, and June 24, 2013.

As described in the Company's news release of February 8, 2012, the Pan de Azucar pyrite project located on the Island of Panay is a drill-defined exploration target, which comprises a pyrite-rich mineralized horizon of between 10 and 40 metres in thickness and dipping at a shallow 10 to 15 degrees. The mineralized horizon is exposed at the surface. Mindoro has drilled 30 holes into the mineralized horizon, showing a potential quantity of 8 million to 12.7 million dry metric tonnes with a grade range of 35% to 40% sulphur (70% to 90% pyrite). *The potential quantity and grade has been determined by averaging the intercepts from the drill assays and is conceptual in nature, because there has been insufficient exploration to define a mineral resource (including number of holes drilled) and it is uncertain if further exploration will result in the target being delineated as a mineral resource.*

The joint venture expects that commercializing the project may involve both the DSO export of pyrite material to China for the production of sulphuric acid and/or the self-production of sulphuric acid at the Agata Ni processing plant site. Currently there are no permits in place for the mining of the pyrite material.

Activities planned for the Pan de Azucar Pyrite Project include:

- laboratory testing of the pyrite samples as a suitable feed for a sulphuric acid plant
- preliminary concepts and mining plans
- confirming markets for products
- metallurgical test works
- community relations work is in progress

The Company is required to apply for a Declaration of Mining and Project Feasibility with the Department of Environment and Natural Resources prior to February 2015. TVIRD's earn-in obligations include maintaining the tenements in good standing and applying for the DMPF.

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No technical work was carried out during the period. Work was restricted to community relations programs.

7. EVENTS AFTER THE REPORTING PERIOD

On May 5, 2014 the Company reported that it has repaid the outstanding principal and accrued interest in the amount of \$399,000 due to TVIP, pursuant to the Grid Promissory Note entered into in June 2013. The Grid Promissory Note was due on June 24, 2014 but early repayment was allowed without penalty.

On April 28, 2014 the Company reported that the AMJV received the Declaration of Mining Project Feasibility ("DMPF") and clearance to develop a port facility for the proposed DSO operation on the high-iron laterite resource on the Agata Project. Receipt of the DMPF authorizes the AMJV to proceed to development, including the extraction and sale of iron, nickel and other associated minerals in the contract area. Site development is expected to commence in May 2014 and shipping of the high-iron laterite would then commence through the third quarter of 2014, subject to receipt of remaining port approvals and financing.

In April 2014, the Company paid two current independent directors \$40,000, including \$39,000 of accrued directors fees and \$1,000 of accrued interest.

In April 2014, the Company sold an additional 38 million Red Mountain shares for net proceeds of \$486,000 after brokers fees.

8. TRANSACTIONS BETWEEN RELATED PARTIES

The Interim Financial Statements include the financial statements of Mindoro and the following significant subsidiaries and investments:

	Country of Incorporation	Classification	% Ownership at	
			Mar. 31, 2014	Dec. 31, 2013
MRL Nickel Philippines Inc	Philippines	Active subsidiary	100%	100%
El Paso Corp	Philippines	Inactive subsidiary	100%	100%
Talahib Corp	Philippines	Inactive subsidiary	100%	100%
Batangas Metals and Mining Corp	Philippines	Inactive subsidiary	100%	100%
Red Mountain Mining Ltd	Australia	Financial Asset	6%	21%
Agata Mining Ventures Inc	Philippines	Investment in associate	17%	17%
Agata Processing Inc	Philippines	Investment in associate	22%	22%
Pan de Azucar Mining Ventures Inc	Philippines	Investment in associate	40%	40%
Pan de Azucar Processing Inc	Philippines	Investment in associate	40%	40%
Apmedoro Mining Corp	Philippines	Investment in associate	15%	15%

MRL Nickel owns equity interests in four joint venture companies related to the TVIRD joint ventures, and one joint company related to a Medusa which have been accounted for using the equity method.

TVIP has a 14% interest in Mindoro. In the first quarter of 2014, the Company recorded recoveries from the joint ventures with TVIRD, a Philippines Affiliate TVIP of \$22,000. As described in note 8.1 of the Interim Financial Statements, the Company has a note payable to TVI for \$395,000 borrowed on which it accrues 15% interest per annum. At March 31, 2014 the balance of the note payable includes \$37,000 of accrued interest expense in relation to this note payable. As described in note 15 of the Interim Financial Statements, the Company announced on May 5, 2014 that it has repaid the outstanding principal and accrued interest relating to this loan.

The Company has recorded debts payable to current and former non-executive directors totalling \$89,000 on which it pays 8% interest per annum (note 8.1 of the Interim Financial Statements). The balance at March 31, 2014

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includes \$4,000 of accrued interest. Subsequent to March 31, 2014, the Company has paid accrued fees and interest totalling \$40,000 (note 15 of the Interim Financial Statements).

The Company repaid a note payable to an executive director totalling \$32,000 in the first quarter of 2014 (note 8.1 of the Interim Financial Statements).

In December 2013, a director of the Company participated in a private placement of loans for \$25,000. The loan is due in December 2015 and pays interest at a rate equal to 15% per annum on a quarterly basis commencing March 31, 2014. The Company has reserved 100,000 common shares for issue to the director for entering into the loan agreement and recorded a share obligation of \$1,000 on the balance sheet. Pursuant to ASX listing rules, the Company must obtain shareholder approval prior to the issue of securities to a director of the Company (Note 8.2 of the Interim Financial Statements).

The following remuneration has been paid or is payable to directors and officers of the Company. Movements in stock based compensation relate to the remeasurements of the Company's cash settled options.

	March 31	
	2014	2013
	\$000	\$000
Salaries and directors fees	129	94
Stock based compensation	-	(4)
Key management compensation	129	90

9. SIGNIFICANT ACCOUNTING POLICIES

CRITICAL ACCOUNTING JUDGMENTS APPLIED IN THE COMPANY'S ACCOUNTING POLICIES

GOING CONCERN

Due to the financial condition of the Company at March 31, 2014 and the contractual commitments that are outstanding, judgment has been exercised in applying the assumption that the Company will continue as a going concern for the foreseeable future. Refer to note 4 of the 2013 annual financial statements for further disclosure.

EXPLORATION AND EVALUATION ASSETS

The future recoverability of capitalized exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related tenements itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes that could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), and changes to commodity prices and foreign exchange rates.

To the extent that capitalized exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalized if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalized expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.



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FUNCTIONAL CURRENCY DETERMINATION

The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity. Factors that the Company considers when determining its functional currency, and the functional currency of its subsidiaries, include: (i) the currency that the delivery of goods or services are contracted in, (ii) the currency used to conduct business in the region, (iii) the currency that mainly influences labour, material and other costs of providing goods or services, (iv) the currency in which receipts from operating activities are usually retained in. When the indicators are mixed and the functional currency of an entity is not obvious, management uses its judgment to determine the functional currency that most appropriately represents the economic effects of the underlying transactions, events and conditions. Judgment was applied in determining the functional currency of Mindoro, the parent company, to be Canadian dollars.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company has adopted the new and amended IFRS pronouncements listed below as at January 1, 2014, in accordance with the transitional provisions outlined in the respective standards.

IAS 36 IMPAIRMENT OF ASSETS

In May 2013, the IASB amended IAS 36 – Impairment of Assets, providing guidance on recoverable amount disclosures for non-financial assets.

This amendment did not have a significant impact on the Company's interim financial statements.

IFRIC 21 LEVIES

IFRIC 21, Levies, clarifies that an entity recognizes a liability for a levy when the activity that triggers payment occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the minimum threshold is reached.

The adoption of this interpretation did not have a significant impact on the Company's interim financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2013 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9, Financial Instruments, addresses, in its two finalized phases, the classification and measurement of financial assets and financial liabilities and hedge accounting, replacing the parts currently found in IAS 39, Financial Instruments: Recognition and Measurement. In the third and final outstanding phase of this standard, the IASB will address impairment of financial assets. The Company will quantify the effect when the final standard, including all phases, is issued.

There are no other standards or interpretations issued that are not yet effective that the Company anticipates will have a material impact on its financial statements once adopted.

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10. OUTSTANDING SHARE DATA

TABLE 3

Issued - Common shares	Common Shares	Stock Options	Purchase Warrants
December 31, 2013	297,437,399	4,735,000	61,826,578
Expired	-	(850,000)	-
May 13, 2013	297,437,399	3,885,000	61,826,578

In December 2013, pursuant to a private placement of loans, the Company issued 600,000 common shares to lenders as a bonus for entering into the loan agreements. The Company allocated \$9,000 of the loan proceeds as share capital. The Company also reserved 100,000 common shares for issue to one director as a bonus for entering into the loan agreement and recorded a share obligation of \$1,000 on the balance sheet. Pursuant to ASX listing rules, the Company must obtain shareholder approval prior to the issue of securities to a director of the Company.

11. RISKS AND UNCERTAINTIES

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk that, even with a combination of experience, knowledge, and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to new and developing enterprises, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company 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 the delay or indefinite postponement of further exploration and development of its properties or the Company no longer being able to operate.

The Company has secured a strategic partner, TVIRD, to advance the Agata Nickel project. While the Company considers the partnership to add value to existing shareholders, there are risks associated with a cornerstone strategic partner, including the potential for future dilution of interest in the projects and changes in management.

The Company's principal operations are located in the Philippines and are subject to the risks associated with operating in a developing country. These risks include, but are not limited to; economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, resource rent taxes, repatriation of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company's property interests are located in relatively remote, less developed areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development, and production facilities on mineral properties. Power may need to be generated on site.



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In its investments in Red Mountain, the Company is exposed to risk that it may not realize the expected returns from this investment. Market value of the shares may decline that could affect the valuation of the investments; and further losses may be incurred by Red Mountain that would require write-down in the value of the investment.

Continued strong market conditions for resource commodities over the past year has seen an increased global demand for mining professionals, equipment and related goods and services needed by the mining community.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

12. DISCLOSURE CONTROLS AND PROCEDURES

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management so that decisions can be made about timely disclosure of that information.

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as at March 31, 2014. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at March 31, 2014 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities.

13. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to give reasonable assurance regarding the reliability of financial reporting and preparation of its financial statements. Management has designed and maintains a system of internal controls over financial reporting to carry out its responsibility. Management believes that these controls provide reasonable assurance that financial records are reliable and form a proper basis for the preparation of financial statements. Due to its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Furthermore, projections for any evaluation of effectiveness for future periods subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies may deteriorate.

The Chief Executive Office and Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting as of March 31, 2014 based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations ("COSO").

A material weakness impacting the Company's financial statements for the year ended December 31, 2013 was identified in relation to the operation of internal controls over financial reporting. The material weakness resulted from inadequate number of finance and accounting personnel and resources in the financial reporting group, which is not uncommon for a company of Mindoro's size, and an inadequate understanding of certain agreements related to the TVIRD joint venture.



Management's Discussion and Analysis

For the three months ended March 31, 2014

(Expressed in Canadian Dollars unless otherwise noted)

Management has performed an evaluation of the internal control deficiency and intends to acquire additional experienced accounting staff, subject to available financing, in the second quarter of 2014, and to educate existing staff on the Company's agreements in order to increase the effectiveness of the Company's internal controls. However, given the small finance and management team there are limits to the Company's ability to have a robust and segregated control environment.



MINDORO

RESOURCES LTD

Consolidated Financial Statements

For the three months ended March 31, 2014

(Expressed in Canadian Dollars)

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Mindoro trades on the TSX Venture Exchange under the symbol MIO;
on the Australian Securities Exchange under the symbol MDO;
on the Frankfurt Stock Exchange under the symbol OLM

Disclosure of Non-Auditor Review of Interim Financial Statements

For the three months ending March 31, 2014



MINDORO
RESOURCES LTD

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Mindoro Resources Ltd. for the interim reporting period ended March 31, 2014, have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditors, PricewaterhouseCoopers, have not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Dated May 13, 2014

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MINDORO
RESOURCES LTD

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Condensed Consolidated Interim Balance Sheet

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



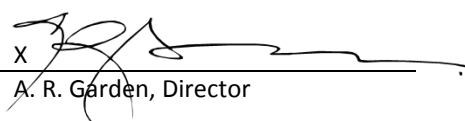
MINDORO
RESOURCES LTD

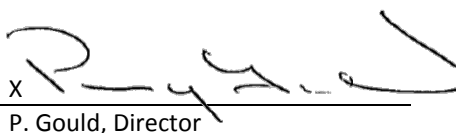
	As at Note	Mar. 31 2014	Dec. 31 2013
ASSETS			
Current assets			
Cash and cash equivalents		783	198
Trade and other receivables		79	69
Prepaid expenses and other current assets		29	36
Financial assets available for sale	4	544	285
Investment in held for distribution		-	-
		1,435	588
Non-current assets			
Exploration and evaluation assets	5	10,012	9,710
Property and equipment	6	2	4
Investment in associates	7	203	197
		10,217	9,911
TOTAL ASSETS		11,652	10,499
LIABILITIES			
Current liabilities			
Trade and other payables		623	719
Borrowings	8	484	476
Warrants liability	11	834	490
Share based liability	13	1	1
		1,942	1,686
Non-current liabilities			
Borrowings	8	166	166
Defined benefit retirement obligation		120	116
		286	282
TOTAL LIABILITIES		2,228	1,968
Equity attributable to owners of the parent			
Share capital	9	52,400	52,403
Share obligation	9	1	1
Other reserves	10	12,329	11,488
Accumulated losses		(55,306)	(55,361)
		9,424	8,531
TOTAL EQUITY		9,424	8,531
TOTAL LIABILITIES AND EQUITY		11,652	10,499

Going concern (Note 1)

Subsequent events (Note 15)

These condensed consolidated interim financial statements were authorised for issue by the audit committee on May 13, 2014 and are signed on its behalf.

X 
A. R. Garden, Director

X 
P. Gould, Director

Condensed Consolidated Interim Statements of Comprehensive Loss

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	Note	Three Months Ended March 31	
		2014	2013
Operating Expenses			
General and administration expenses		(135)	(188)
Salaries and other employee benefits		(97)	(70)
Interest Expense	8	(22)	-
Stock based compensation	12,13	-	4
Depreciation and amortization	6	(2)	(12)
Operating loss		(256)	(266)
Finance income		-	1
Remeasurement of warrants liability	11	(345)	357
Gain on sale of Red Mountain shares	4	655	-
Impairment of investment held for distribution		-	(645)
Impairment of exploration and evaluation assets		-	-
Foreign exchange gain (loss)		1	537
Loss on disposal of property and equipment	6	-	(8)
Loss before income tax		55	(24)
Income tax benefit (expense)		-	-
NET INCOME (LOSS)		55	(24)
Basic and diluted loss per share		\$ 0.000	\$ (0.000)
Weighted average number of common shares outstanding (thousands)		297,437	296,837
Loss for the year		55	(24)
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Actuarial Gains and Losses		-	-
Items that may be reclassified to profit and loss			
Remeasurement of financial assets available for sale	4	524	-
Exchange differences on translation of foreign operations		317	173
TOTAL COMPREHENSIVE INCOME (LOSS)		896	149

Condensed Consolidated Interim Statement of Changes in Equity

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	Note	Attributable to owners of the parent			Accumulated losses	Non-controlling interests	Total equity
		Share capital	Share obligation	Other reserves (note 10)			
Balance as at December 31, 2013		52,403	1	11,488	(55,361)	-	8,531
Income for the period		-	-	-	55	-	55
Re-measurement of financial assets available for sale	4	-	-	524	-	-	524
Translation adjustments		-	-	317	-	-	317
Comprehensive income (loss)		-	-	841	55	-	896
Common shares issued for:							
Private placement	9	(3)	-	-	-	-	(3)
Transactions with owners		(3)	-	-	-	-	(3)
Balance as at March 31, 2014		52,400	1	12,329	(55,306)	-	9,424
Balance as at December 31, 2012		52,864	-	11,251	(35,396)	7,765	36,484
Loss for the period		-	-	-	(24)	-	(24)
Translation adjustments		-	-	173	-	-	173
Comprehensive income (loss)		-	-	173	(24)	-	149
Proceeds from Red Mountain share issuance		-	-	142	-	959	1,101
Transactions with owners		-	-	142	-	959	1,101
Balance as at March 31, 2013		52,864	-	11,566	(35,420)	8,724	37,734

Condensed Consolidated Interim Statement of Cash Flows

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	Note	Three Months Ended March 31	
		2014	2013
Cash flows from operating activities			
Net income (loss)		55	(24)
Items not affecting cash			
Interest expense	8	22	-
Interest paid	8	(8)	-
Stock based compensation	12,13	-	(4)
Depreciation and amortization	6	2	12
Remeasurement of warrants liability	11	345	(357)
Gain on sale of RMX shares	4	(655)	-
Impairment of investment held for distribution		-	645
Impairment of exploration and evaluation assets	5	-	-
Unrealized exchange differences		(1)	(541)
Loss on disposal of property and equipment	6	-	8
Net change in non-cash working capital items		(99)	16
Net cash used in operating activities		(339)	(245)
Cash flows from investing activities			
Proceeds from sale of Red Mountain shares	4	946	-
Expenditure on exploration and evaluation assets	5	(29)	(106)
Cost recoveries from Joint Venture Partner	5	22	123
Proceeds from disposal of equipment	6	-	6
Purchases of equipment	6	-	-
Net cash used in investing activities		939	23
Cash flows from financing activities			
Issue of share capital, net of issuance costs	8,9	(3)	-
Deposits held for private placement	8,9	-	-
Cash received from borrowings	8	18	-
Loan repayments	8	(32)	-
Net cash generated from financing activities		(17)	-
Net increase (decrease) in cash and cash equivalents		583	(222)
Cash and cash equivalents at beginning of period		198	619
Exchange gains (losses) on cash and cash equivalents		2	4
Cash and cash equivalents at end of period		783	401

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2014

Unaudited

(Expressed in Canadian Dollars unless otherwise noted)



MINDORO
RESOURCES LTD

1. GENERAL INFORMATION AND GOING CONCERN

Mindoro Resources Ltd.'s (the "Company" or "Mindoro") principal activities are the acquisition, exploration and development of mineral properties in the Philippines.

Mindoro is a publicly listed company incorporated in Canada under the legislation of the Province of Alberta. The Company's shares are listed on the TSX Venture Exchange, Australian Securities Exchange, and Frankfurt Stock Exchange.

The Company's registered office is located at 2200, 10235 101 Street NW, Edmonton, Alberta, Canada, T5J 3G1 and the Company's Australian branch office is located at Unit 4, 12 Pendlebury Road, Cardiff, NSW 2285, Australia.

These condensed consolidated interim financial statements ("Interim Financial Statements") are prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company earned net income of \$55,000 (March 31, 2013 – loss of \$24,000) and operating cash outflows of \$339,000 (March 31, 2013 – \$245,000). At March 31, 2014, the Company has a net working capital of \$328,000 (March 31, 2013 - \$245,000, excluding warrants and share-based liabilities). In addition to its on-going working capital requirements, mining and exploration licences held by the Company have annual expenditure obligations to maintain their 'good standing' status. The majority of these expenditure obligations have been assumed by TVI Resource Development Phils., Inc. ("TVIRD").

The Company and TVIRD entered into joint venture agreements where TVIRD has the right to earn a 60% interest in Agata and regional nickel projects by sole funding a direct shipping ore ("DSO") project to production and completing a Definitive Feasibility Study ("DFS") on a Nickel processing project, and up to 60% in the Pan De Azucar sulfide project by meeting certain expenditure and earn-in objectives (note 5). These joint venture agreements require TVIRD to finance Mindoro's mineral property annual expenditure obligations and maintain the tenements in good standing. Refer to further details included in note 5. Although management considers it unlikely that TVIRD would withdraw from the joint ventures, in the event that TVIRD were to withdraw, the Company would be required to fund the project obligations itself, acquire a new funding joint venture partner, or withdraw from the projects. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles to a going concern.

In December 2013, the Company signed a bridging loan (the "Loan") with a group of shareholders who provided an additional \$175,000 for use as general working capital. In March 2014, the Company raised \$879,000, net of broker fees, through the sale of 54% of its Red Mountain Mining Ltd. ("Red Mountain") shares. Subsequent to quarter end, in April 2014 the Company sold an additional 38 million Red Mountain shares for proceeds of \$486,000 net of brokers fees (note 15). These undertakings are not sufficient in and of themselves to enable the Company to fund all aspects of its operations for the next 12 months, and, therefore, the ability of the Company to continue as a going concern is dependent on obtaining additional funding to finance ongoing operating activities.

Accordingly, management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going concern. Management believes that it will be able to secure the necessary financing through the issue of new equity or debt instruments or the sale of its remaining shares of Red Mountain (note 15). Nevertheless, there is no assurance that these initiatives will be successful and until the Company begins to receive positive cash flow from the TVIRD joint ventures there is material uncertainty related to events or conditions that may cast significant doubt as to whether the Company will be able to continue as a going concern.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2014

Unaudited

(Expressed in Canadian Dollars unless otherwise noted)



MINDORO
RESOURCES LTD

The board of directors believe that sufficient funds will be available for the Company to meet its obligations for the next twelve months and consider the Company to be a going concern, but recognize that it is dependent upon its ability to raise additional funds, repay existing borrowings, obtain the support of partners, sell investments, sell interests in or relinquish mining tenements held by the Company, and ultimately generate positive cash flows from operations. These Interim Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues, expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Interim Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. These Interim Financial Statements are for the consolidated group consisting of Mindoro Resources Ltd. (the "Parent") and its subsidiaries, collectively referred to as "Mindoro" or the "Company".

2.1 BASIS OF PRESENTATION

These Interim Financial Statements have been prepared in accordance with IAS 34 – Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited Consolidated Financial Statements of the Company for the Year Ended December 31, 2013, which are available on the Company's website (www.mindoro.com) and on SEDAR (www.sedar.org).

These interim financial statements have not been reviewed by the Company's auditor.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Interim Financial Statements are described in note 4.

(a) Changes in accounting policies and disclosures

These Interim Financial Statements follow the same accounting policies and methods of application as the audited consolidated financial statements for the year ended December 31, 2013 except for the adoption of the new standards and interpretations effective January 1, 2014 as outlined below.

(i) IAS 36 Impairment of Assets

In May 2013, the IASB amended IAS 36 – Impairment of Assets, providing guidance on recoverable amount disclosures for non-financial assets.

This amendment did not have a significant impact on the Company's interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2014

Unaudited

(Expressed in Canadian Dollars unless otherwise noted)



MINDORO
RESOURCES LTD

(ii) *IFRIC 21 Levies*

IFRIC 21, Levies, clarifies that an entity recognizes a liability for a levy when the activity that triggers payment occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the minimum threshold is reached.

The adoption of this interpretation did not have a significant impact on the Company's interim financial statements.

(b) **New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 2014 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) *IFRS 9 Financial Instruments*

IFRS 9, Financial Instruments, addresses, in its two finalized phases, the classification and measurement of financial assets and financial liabilities and hedge accounting, replacing the parts currently found in IAS 39, Financial Instruments: Recognition and Measurement. In the third and final outstanding phase of this standard, the IASB will address impairment of financial assets. The Company will quantify the effect when the final standard, including all phases, is issued.

There are no other standards or interpretations issued that are not yet effective that the Company anticipates will have a material impact on its financial statements once adopted.

3. **FINANCIAL RISK MANAGEMENT**

3.1 **CAPITAL MANAGEMENT**

The Company defines its capital as shareholders' equity. The Company's objectives in managing capital are to advance exploration and development of its mineral assets, meet annual expenditure requirements for its mining and exploration licenses, and to meet corporate expenditure requirements to maintain its operations.

Proceeds raised from financing activities, sale of financial assets and the Company's joint venture agreements are used to meet these requirements, as well as to service short and long-term borrowings.

The board of directors does not establish quantitative return on capital criteria for management. The Company does not currently pay dividends.

There has been no change with respect to the overall capital risk management strategy during the three months ended March 31, 2014.

3.2 **FOREIGN EXCHANGE RISK**

Business is transacted by the Company in three currencies: PHP, AUD and CAD. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction.

The Company was exposed to foreign exchange risk through the monetary assets and liabilities in the table below at March 31, 2014 and December 31, 2013. The Company has not hedged its exposure to currency fluctuations; however, foreign exchange risk is managed by holding cash and cash equivalents in different currencies in line with the anticipated expenditure requirements of the Company.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2014

Unaudited

(Expressed in Canadian Dollars unless otherwise noted)



MINDORO
RESOURCES LTD

	March 31, 2014		December 31, 2013	
	PHP 000	AUD 000	PHP 000	AUD 000
Cash and cash equivalents	1,082	399	2,129	4
Trade and other receivables	2,527	10	2,234	10
Financial assets available for sale	-	531	-	300
Trade and other payables	(21,224)	(30)	(21,240)	(23)
Net foreign currency exposure	(17,615)	910	(16,877)	291
Exchange rate	0.02469	1.02500	0.02395	0.94960
Foreign currency exposure (\$000)	(435)	933	(404)	276

Based on net exposures at March 31, 2014, and assuming all other variables remain constant, a 10% fluctuation in the exchange rate between the Canadian dollar and the Philippine peso would affect Mindoro's other comprehensive loss by \$44,000 (December 31, 2013 - \$40,000). A 10% fluctuation in the exchange rate between the Canadian dollar and Australian dollar would affect the Company's profit or loss for the year by \$93,000 (December 31, 2013 - \$27,000).

3.3 CREDIT RISK

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The majority of the Company's cash and cash equivalents are held with major financial institutions in Canada, Australia, and the Philippines. A significant portion of the Company's accounts receivable is due from TVIRD and from government agencies in Canada, Australia, and the Philippines. The resulting credit risk exposure is deemed immaterial by management of the Company.

3.4 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Trade and other payables are due within twelve months of the balance sheet date.

As at March 31, 2014, the Company has the following loans repayable at fixed rates of interest and maturity dates on an undiscounted basis:

	Principal Outstanding \$000	Interest accrued \$000	Interest rate %	Maturity
Current note payable	358	37	15	June 2014*
Non-current loan	175	0	15	December 2015

* As described in note 15, on May 5, 2014 the Company announced that has repayed the loan from TVIP.

Currently, the Company does not generate cash flow from operations. The Company's Interim Financial Statements are presented on a going-concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations (Note 1).

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2014

Unaudited

(Expressed in Canadian Dollars unless otherwise noted)



MINDORO
RESOURCES LTD

3.5 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company had \$783,000 in cash and cash equivalents at March 31, 2014 (December 31, 2013 - \$198,000), on which it earns variable rates of interest, and is therefore subject to a certain amount of interest rate risk. The resulting interest rate risk is not considered to be material to the Company.

At March 31, 2014, the Company had borrowings totalling \$642,000 (December 31, 2013 - \$642,000) on which it accrues interest expense at various fixed rates of interest.

Warrants that are classified as liabilities are financial liabilities but are not subject to interest rate risk.

	<u>March 31, 2014</u>		<u>December 31, 2013</u>	
	\$000	Weighted average effective interest rate	\$000	Weighted average effective interest rate
Financial assets				
Cash and cash equivalents	783	0.00%	198	0.32%
Trade and other receivables	79	0.00%	69	0.00%
	<u>862</u>		<u>267</u>	
Financial Liabilities				
Trade and other payables	(623)	0.00%	(719)	0.00%
Notes and loans payable (15%)	(561)	15.00%	(547)	15.00%
Notes payable (8%)	(89)	8.00%	(61)	8.00%
	<u>(1,273)</u>		<u>(1,327)</u>	
Net Exposure	<u>(411)</u>		<u>(1,060)</u>	

At March 31, 2014 if interest rates paid on cash and cash equivalents had increased/decreased by 100 basis points from the period end rates with all other variables held constant, loss for the period would have been \$1,000 (December 31, 2013: \$3,000) higher/lower, as a result of higher/lower interest income from cash and cash equivalents.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2014

Unaudited

(Expressed in Canadian Dollars unless otherwise noted)



MINDORO
RESOURCES LTD

4. FINANCIAL ASSETS AVAILABLE FOR SALE

During the three months ended March 31, 2014, the Company recorded the following transactions for its investment in Red Mountain:

	Note	Financial asset \$000	Remeasurement gain (loss) \$000	Foreign exchange gain (loss) \$000
December 31, 2013		285	-	-
Returned to Red Mountain to reacquire TSF	(a)	(69)	-	(1)
Sold through ASX	(b)	(391)	491	-
Remeasurement	(c)	26	-	26
Impact on loss for the period			491	25
Remeasurement	(c)	693	693	-
Impact on other comprehensive loss			693	-
March 31, 2014		544	1,184	25

- (a) On March 4, 2014, the Company returned 4 million Red Mountain shares to reacquire the contractual rights for several tenements in the Philippines including Tapanan San Francisco following their release from escrow and obtaining approval from Red Mountain shareholders (note 5);
- (b) In the first quarter of 2014, the Company sold 51.8 million Red Mountain shares through the facilities of the ASX for net proceeds of \$873,000. As a result of these sales, the Company recycled \$491,000 of accumulated other comprehensive income as a remeasurements gain in the current period.
- (c) Red Mountain's share price increased in the quarter to to \$0.012 (A\$0.012), resulting in a \$693,000 gain and \$26,000 foreign exchange gain during the first quarter of 2014.

Subsequent to March 31, 2014, the Company sold 38.0 million Red Mountain shares for net proceeds of \$486,000 (Note 15).

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2014

Unaudited

(Expressed in Canadian Dollars unless otherwise noted)



MINDORO
RESOURCES LTD

5. EXPLORATION AND EVALUATION ASSETS

	Agata \$000	Surigao Regional \$000	Tapian San Francisco \$000	Pan de Azucar \$000	Total \$000
December 31, 2012	15,999	2,264	-	1,504	19,767
Acquisition	85	-	125	-	210
Exploration	141	3	-	6	150
Joint venture recoveries	(165)	-	-	(16)	(181)
Impairment	(7,741)	(2,238)	-	-	(9,979)
Currency translation	(206)	(29)	(2)	(20)	(257)
December 31, 2013	8,113	-	123	1,474	9,710
Exploration	21	-	8	-	29
Joint venture recoveries	(18)	-	-	(4)	(22)
Currency translation	247	-	4	44	295
December 31, 2014	8,363	-	135	1,514	10,012

The following table summarizes Mindoro's earned mineral property interests and future commitments at March 31, 2014:

Region	Project(s)	Interest Earned	Terms for Further Earn-In And Potential Future Commitments
Surigao	Agata and Surigao Regional (except Mat-I project)	75%*	(i) Option to earn additional 10%: pay 0.5% of mining reserve gross value with a minimum US\$5 million payment per mining reserve.** (ii) Option to earn additional 15% interest by issuing Common Shares (issued in 2006), making annual cash payments (US\$ 125,000 in 2011) until production, making a cash payment of 0.75% of mining reserve gross value, with a minimum payment of US\$ 7.5 million upon completion of a bankable feasibility study on mining reserve, and a 1% net smelter royalty.**
Surigao	Tapian San Francisco	75%	(i) Option to earn additional 10%: pay 0.5% of mining reserve gross value with a minimum US\$5 million payment per mining reserve.** (ii) Option to earn additional 15% interest by issuing Common Shares (issued in 2006), making annual cash payments (US\$ 125,000 in 2011) until production, making a cash payment of 0.75% of mining reserve gross value, with a minimum payment of US\$ 7.5 million upon completion of a bankable feasibility study on mining reserve, and a 1% net smelter royalty.**

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Region	Project(s)	Interest Earned	Terms for Further Earn-In And Potential Future Commitments
Surigao	Mat-I	10%*	(i) The Company can earn an additional 30% interest upon completion of expenditure requirement (15 million PHP) within two years from the execution of the Mineral Production Sharing Agreement (“MPSA”); the MPSA has not yet been approved as of this date. (ii) The Company may earn an additional 35% upon completion of the expenditure requirement (15 million PHP) within one year. (iii) Mat I is included in option agreements for the Surigao properties and the Company can earn up to 100%.
Surigao	Apical	15%	Apical is an exploration permit application which Mindoro has an interest in by way of an incorporated joint venture with Medusa Mining and Minimax Mining Corp, which Mindoro is free-carried to production on narrow vein exploration targets or to the completion of a bankable feasibility study on large volume exploration targets.
Panay	Pan de Azucar	75%*	The Company is required to apply for a declaration of mining project feasibility (“DMPF”) with the Philippines Department of Energy and Natural Resources (“DENR”) in 2014 in order to maintain this project in good standing.

* Where applicable, subject to the terms of the Joint Venture agreements described in note 5.1 below.

** Mindoro is renegotiating the 10% and 15% options on the Nickel Laterite deposits in Agata and the Surigao region to acquire the remaining 25% interest from its local partner. The proposed terms of the renegotiated option are that Mindoro will pay an upfront option payment of US\$200,000. The Company will also pay US\$1 million annually for four years commencing the first anniversary of production from the Agata DSO project provided that Mindoro receives at least US\$1 million annually from DSO operations net of all other costs. In the event that the total US\$4 million is not paid in full from DSO operations, any shortfall will be paid from processing cash flows at a future date. The partner will also receive a 0.5% net smelter royalty for the life of the processing operation, levied on 100% of production and paid from Mindoro’s 40% share of processing cash flow. The renegotiated terms remain subject to payment of the US\$200,000, of which the Company has advanced US\$80,000, as well as board and any requisite regulatory approvals.

The Company has made advance royalty payments to tenement holders in accordance with the terms of the executed royalty agreements; these payments are included in exploration and evaluation assets. In 2014, royalty payments amounted to \$Nil (2013 - \$Nil).

Management of the Company reviews exploration costs to ensure deferred expenditures included only costs and projects that are eligible for capitalization.

5.1 TVIRD JOINT VENTURES

On September 25, 2012, the Company and TVIRD signed the Agata Mining Joint Venture and Agata Processing Joint Venture agreements and the Pan de Azucar Mining Joint Venture and Pan de Azucar Processing Joint Venture

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agreements. These agreements were subsequently amended in June 2013. Details of the amended joint ventures are as follows:

Agata Mining Joint Venture (“AMJV”): TVIRD has the exclusive right and option to earn 60% of the AMJV by sole funding a mining project into commercial production within three years on the Agata MPSA or Surigao Regional tenements (excluding the Tapan San Francisco Tenements aka. “TSF tenements”). As at December 31, 2013, TVIRD has met its expenditure commitments on the AMJV, however it has yet to reach commercial production on the project. As TVIRD makes expenditures in the AMJV, it receives shares of the joint venture company which are placed in escrow until such time as it fully meets its earn in commitments. TVIRD will retain no interest in the AMJV if it withdraws prior to commencing a mining operation.

Agata Processing Joint Venture (APJV): TVIRD has exclusive right and option to earn up to 60% of the APJV and a 60% interest in the tenements by incurring a minimum expenditure of \$2 million by the first anniversary of the agreement and sole funding a definitive feasibility study (“DFS”), including pilot-scale metallurgical testing, third-party engineering studies and documentation, within four years. As at December 31, 2013, TVIRD has met its expenditure commitments on the APJV, however it has yet to complete a DFS on the project. As TVIRD makes expenditures in the APJV, it receives shares of the joint venture company which are placed in escrow until such time as it fully meets its earn in commitments. TVIRD will retain no interest in the APJV if it withdraws prior to completing the DFS. Mindoro is required to transfer its rights, titles, and obligations related to the tenements to the joint venture company. However, as at December 31, 2013, these transfers remain incomplete and subject to approval of the Philippines Mines and Geosciences Bureau (“MGB”).

Pan de Azucar Mining Joint Venture (“PMJV”): TVIRD has the exclusive right and option to earn 60% of the mining project by sole funding a mining project into commercial production within three years of receiving the declaration of mining project feasibility from the MGB on the Pan de Azucar MPSA. To exercise the option, TVIRD must maintain the tenements in good standing including applying for a DMPF with the DENR in 2014, spend a minimum of \$500,000 prior to December 31, 2014, and spend at least \$2 million within one year of receiving the declaration of mining project feasibility. TVIRD will retain no interest in the PMJV if it withdraws prior to commencing a Mining operation.

Pan de Azucar Processing Joint Venture (“PPJV”): TVIRD has the exclusive right and option to earn 51% of the PPJV and a 51% interest in the tenements by spending at least \$2 million within 2 years of receiving a declaration of mining feasibility from the MGB. In addition, TVIRD will have the exclusive right and option to earn an additional 9% interest by spending another \$3 million within 4 years of receiving a declaration of mining feasibility from the MGB, increasing its total interest to 60%. To exercise these option, TVIRD has committed to maintain the tenements in good standing including applying for a DMPF with the DENR in 2014, and must spend a minimum of \$500,000 before withdrawing from the project. Mindoro is required to transfer its rights and obligations related to Pan de Azucar MPSA to the joint venture company. However, as at December 31, 2013, these transfers remain incomplete and subject to approval of the MGB.

5.2 IMPAIRMENT

In 2013, Mindoro has recorded an impairment of the Agata and Surigao Regional projects exploration and evaluation assets of \$9,979,000. The Company has calculated the recoverable value of these projects based on the estimated costs that TVIRD will need to incur in order to earn its 60% interests in the AMJV and APJV, which implies a fair value of Mindoro’s interest in the projects. The Company anticipates that final approval to transfer the Company’s rights, obligations, and titles related to the Agata and Surigao regional tenements will be granted by the MGB in 2014 and at that time, the Company will record its carrying value of these projects as investments in the joint venture companies rather than exploration and evaluation assets.

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6. PROPERTY AND EQUIPMENT

	Office equipment & furnishings \$000	Computer software & hardware \$000	Vehicles \$000	Field equipment \$000	Building & leasehold improvements \$000	Total \$000
Cost						
December 31, 2012	105	239	125	55	223	747
Disposals	(22)	(20)	(33)	-	(223)	(298)
Translation adjustment	(1)	(3)	(2)	(1)	-	(7)
December 31, 2013	82	216	90	54	-	442
Disposals	(33)	(80)	(50)	(51)	-	(214)
Translation adjustment	2	6	3	1	-	12
March 31, 2014	51	142	43	4	-	240
Accumulated depreciation						
December 31, 2012	88	228	117	55	221	709
Depreciation	6	6	8	-	1	21
Disposals	(12)	(17)	(33)	-	(222)	(284)
Translation adjustment	(2)	(3)	(2)	(1)	-	(8)
December 31, 2013	80	214	90	54	-	438
Depreciation	1	1	-	-	-	2
Disposals	(33)	(80)	(50)	(51)	-	(214)
Translation adjustment	1	6	2	1	-	10
March 31, 2014	49	141	42	4	-	236
Net book value at:						
December 31, 2012	17	11	8	-	2	38
December 31, 2013	2	2	-	-	-	4
March 31, 2014	2	1	1	-	-	4

7. INVESTMENT IN ASSOCIATES

As discussed in notes 8 and 19 of the 2013 annual audited consolidated financial statements, property and equipment with a net book value of \$199,000 was reclassified as investments in associates in 2012. The Company transferred this property and equipment to the joint venture companies as part of its obligations under the terms of the APJV and PPJV, which provide TVIRD and the joint venture vehicles with the exclusive use of these assets for the exploration and development of the Agata and PDA projects.

The Company has determined that upon entering into the TVIRD joint ventures in 2012, several items of property and equipment owned by its subsidiary no longer met the definition of property and equipment because the Company had provided the joint venture with exclusive access and usage to explore and evaluate the Agata and PDA projects.

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8. BORROWINGS

8.1 SHORT TERM NOTES AND OTHER LOANS

<i>Note</i>	TVI Pacific Inc \$000 <i>(a)</i>	Directors fees \$000 <i>(b)</i>	Management fees \$000 <i>(c)</i>	Total \$000
December 31, 2012	-	-	-	-
Principal drawn	358	59	32	449
Interest accrued	23	2	-	25
December 31, 2013	381	61	32	474
Repayments	-	-	(37)	(37)
Principal drawn	-	26	5	31
Interest accrued	14	2	-	16
March 31, 2014	395	89	-	484

- (a) The Company and TVIP have signed a secured promissory note whereby TVIP may, but is not obligated to, lend the Company up to \$1.3 million in a series of drawdowns. The note will be payable 12 months from the first draw down, or June 24, 2014, and will pay interest equal to the greater of 15% and TVIP's cost of capital raised for this purpose. The note is secured by Mindoro's interest in its wholly owned subsidiary, MRL Nickel Philippines Inc. As discussed in note 15, the Company announced on May 5, 2014 that it has repayed the outstanding principal and accrued interest on this loan.
- (b) Since the fourth quarter of 2011, the payment of non-executive directors' fees ("Directors Fees") for board and committee work have been suspended until the financial condition of the Company improves. In 2013, the Board approved the re-instatement of Directors Fees on the condition that they should be accrued along with interest of 8% per annum until such time that the financial condition of the Company is improved. Subsequent to March 31, 2014, the Company has paid accrued fees and interest totalling \$40,000 (note 15).
- (c) In June 2013, the Company has entered into a management consulting agreement with an executive director of the Company whereby the director shall earn \$6,500 per month for her services, but that \$4,000 per month shall be deferred without interest until such time that the financial condition of the Company is improved. In March 2014, this debt was repaid and fees were no longer being deferred.

8.2 LONG TERM LOANS

In December 2013, the Company closed a private placement of loans aggregating \$175,000 maturing in December 2015 and bearing interest at a rate of 15% per annum to be paid quarterly commencing March 31, 2014. The Company also issued an aggregate 600,000 common shares to the lenders for entering into the loan agreements. The Company has allocated \$9,000 of the loan proceeds as share capital. In the first quarter of 2014, the Company incurred \$8,000 of interest expense. On March 31, 2014 the Company paid \$8,000 of accrued interest to the lenders

One director of the Company has participated in the loan financing for \$25,000. The Company has also reserved 100,000 common shares for issue to the director as a bonus for entering into the loan agreement and recorded a share obligation of \$1,000 on the balance sheet. Pursuant to ASX listing rules, the Company must obtain shareholder approval prior to the issue of securities to a director of the Company. The Company has not yet obtained shareholder approval.

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9. SHARE CAPITAL

	Number of shares	Share capital \$000
At December 31, 2012	296,837,399	52,864
Impact of change in parent's functional currency	-	(464)
Private placement	600,000	3
At December 31, 2013	297,437,399	52,403
Private placement issue costs not previously recognized	-	(3)
At March 31, 2014	297,437,399	52,400

The authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value and all issued shares are fully paid.

- (a) In December 2013, pursuant to a private placement of loans, the Company issued 600,000 common shares to lenders for entering into the loan agreements. The Company has allocated \$3,000 of the loan proceeds as share capital, net of share issuance costs of \$6,000. The Company has also reserved 100,000 common shares for issue to one director for entering into the loan agreement and recorded a share obligation of \$1,000 on the balance sheet. Pursuant to ASX listing rules, the Company must obtain shareholder approval prior to the issue of securities to a director of the Company.

10. OTHER RESERVES

		Employee benefit reserve	Warrants reserve	Currency reserve	Other comprehensive income	Transactions with NCI	Other reserves
	Note	\$000	\$000	\$000	\$000	\$000	\$000
December 31, 2013		5,120	5,912	856	(400)	-	11,488
Remeasurement of financial assets available for sale	4	-	-	-	524	-	524
Translation adjustments		-	-	317	-	-	317
March 31, 2014		5,120	5,912	1,173	124	-	12,329
December 31, 2012		5,162	5,961	324	(196)	-	11,251
Translation adjustments		-	-	173	-	-	173
Proceeds from Red Mountain share issuance		-	-	-	-	142	142
March 31, 2013		5,162	5,961	497	(196)	142	11,566

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11. WARRANTS

The following table summarizes information about Common Share purchase warrants outstanding and exercisable as at March 31, 2014:

Expiry date	Exercise price \$	December 31, 2013	Granted	Exercised	Expired	March 31, 2014
Jul 09, 2015	0.310	5,881,632	-	-	-	5,881,632
Jul 22, 2015	0.310	13,165,593	-	-	-	13,165,593
Sep 28, 2017	0.100	18,779,353	-	-	-	18,779,353
Oct 10, 2017	0.100	24,000,000	-	-	-	24,000,000
		61,826,578	-	-	-	61,826,578
Weighted average exercise price (\$)		0.165	-	-	-	0.165

The grant date fair values of common share purchase warrants are classified as either equity or liability and are recorded as an increase to warrants reserve or warrants liability respectively and a decrease to share capital as an issue cost of each private placement. There were no warrants issued in the first quarter of 2014 or in 2013. Warrants issued in 2012 had a fair value of \$1,825,000 on their grant date and were classified as financial liabilities since their exercise price was denominated in a currency other than the Company's functional currency at the time of initial recognition. All warrants issued before 2012 have been classified as equity.

The fair value of warrants classified as liabilities outstanding on the balance sheet date was \$834,000 or \$0.019 per warrant (2013 – \$490,000 or \$0.011 per warrant). A remeasurement loss of \$345,000 (2013 – gain of \$357,000) has been recognised in the statement of loss and comprehensive loss for the period. The fair value was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	March 31, 2014	December 31, 2013
Risk Free Interest Rate	1.34%	1.51%
Expected Life	3.51 years	3.76 years
Expected Volatility	134%	126%
Expected Dividend	-	-
Expected Forfeitures	-	-

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12. EQUITY SETTLED OPTIONS

Expiry date	Exercise price \$	December 31, 2013	Vested	Granted	Exercised	Expired	March 31, 2014
Feb 11, 2014	0.360	550,000	-	-	-	(550,000)	-
Apr 20, 2014	0.260	300,000	-	-	-	-	300,000
Aug 04, 2014	0.130	1,535,000	-	-	-	-	1,535,000
Aug 18, 2014	0.250	450,000	-	-	-	-	450,000
Jan 12, 2015	0.125	200,000	-	-	-	-	200,000
Mar 15, 2015	0.190	1,450,000	-	-	-	-	1,450,000
Jul 04, 2015	0.100	250,000	-	-	-	-	250,000
Options outstanding and exercisable		4,735,000	-	-	-	(550,000)	4,185,000
Weighted average exercise price (\$)		0.193	-	-	-	0.360	0.171

The Company has a stock option plan under which directors, officers, consultants and employees of the Company are eligible to receive equity settled options. The maximum number of shares reserved for issuance upon exercise of all equity settled options granted under the plan shall not exceed 8% of the issued and outstanding common shares. The Board of Directors shall determine the terms and provisions of the equity settled options at the time of grant.

The expiry date of the equity settled options granted shall not exceed ten years from the date of grant. The exercise price of each equity settled option shall not be less than the price permitted by any stock exchange on which the common shares are then listed.

No equity settled options were issued in the first quarter of 2014 or in 2013.

13. CASH SETTLED OPTIONS

Expiry date	Exercise price \$	December 31, 2013	Vested	Granted	Exercised	Expired	March 31, 2014
Aug 18, 2014	0.250	900,000	-	-	-	-	900,000
Options outstanding and exercisable		900,000	-	-	-	-	900,000
Weighted average exercise price (\$)		0.250	-	-	-	-	0.250

The Company has an incentive plan to issue cash settled options where the Company will, upon request from the option holder, make a cash payment to the holder equal to any excess in the share price above the exercise price for the options held at the date of exercise.

For the purposes of this incentive plan, the share price is interpreted as the closing weighted average price for common shares in the Company traded on TSX-V during the five trading days prior to the relevant date.

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No cash settled options were issued in the first quarter of 2014 or in 2013.

The fair value of outstanding cash settled options outstanding on the balance sheet date was less than \$0.001 per option (2013 – \$0.001). The fair value was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	March 31, 2014	December 31, 2013
Risk Free Interest Rate	1.02%	1.07%
Expected Life	0.38 years	0.63 years
Expected Volatility	181%	170%
Expected Dividend	-	-
Expected Forfeitures	-	-

14. RELATED PARTY TRANSACTIONS

These Interim Financial Statements include the financial statements of Mindoro and the following significant subsidiaries and investments:

	Country of Incorporation	Classification	% Ownership at	
			Mar. 31, 2014	Dec. 31, 2013
MRL Nickel Philippines Inc	Philippines	Active subsidiary	100%	100%
El Paso Corp	Philippines	Inactive subsidiary	100%	100%
Talahib Corp	Philippines	Inactive subsidiary	100%	100%
Batangas Metals and Mining Corp	Philippines	Inactive subsidiary	100%	100%
Red Mountain Mining Ltd	Australia	Financial Asset	6%	21%
Agata Mining Ventures Inc	Philippines	Investment in associate	17%	17%
Agata Processing Inc	Philippines	Investment in associate	22%	22%
Pan de Azucar Mining Ventures Inc	Philippines	Investment in associate	40%	40%
Pan de Azucar Processing Inc	Philippines	Investment in associate	40%	40%
Apmedoro Mining Corp	Philippines	Investment in associate	15%	15%

MRL Nickel owns equity interests in four joint venture companies related to the TVIRD joint ventures, and one joint company related to a Medusa which have been accounted for using the equity method.

TVIP has a 14% interest in Mindoro. In the first quarter of 2014, the Company recorded recoveries from the joint ventures with TVIRD, a Philippines Affiliate TVIP, of \$22,000. As described in note 8.1, the Company has a note payable to TVI for \$395,000 borrowed on which it accrues 15% interest per annum. At March 31, 2014 the balance of the note payable includes \$37,000 of accrued interest expense in relation to this note payable. As described in note 15, the Company announced on May 5, 2014 that it has repaid the outstanding principal and accrued interest relating to this loan.

The Company has recorded debts payable to current and former non-executive directors totalling \$89,000 on which it pays 8% interest per annum (note 8.1). The balance at March 31, 2014 includes \$4,000 of accrued interest. Subsequent to March 31, 2014, the Company has paid accrued fees and interest totalling \$40,000 (note 15).

The Company repaid a note payable to an executive director totalling \$32,000 in the first quarter of 2014 (note 8.1).

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In December 2013, a director of the Company participated in a private placement of loans for \$25,000. The loan is due in December 2015 and pays interest at a rate equal to 15% per annum on a quarterly basis commencing March 31, 2014. The Company has reserved 100,000 common shares for issue to the director for entering into the loan agreement and recorded a share obligation of \$1,000 on the balance sheet. Pursuant to ASX listing rules, the Company must obtain shareholder approval prior to the issue of securities to a director of the Company (Note 8.2).

The following remuneration has been paid or is payable to directors and officers of the Company. Movements in stock based compensation relate to the remeasurements of the Company's cash settled options.

	March 31	
	2014	2013
	\$000	\$000
Salaries and directors fees	129	94
Stock based compensation	-	(4)
Key management compensation	129	90

15. EVENTS AFTER THE REPORTING PERIOD

On May 5, 2014 the Company reported that it has repaid the outstanding principal and accrued interest in the amount of \$399,000 due to TVIP, pursuant to the Grid Promissory Note entered into in June 2013. The Grid Promissory Note was due on June 24, 2014 but early repayment was allowed without penalty.

On April 28, 2014 the Company reported that the AMJV received the Declaration of Mining Project Feasibility ("DMPF") and clearance to develop a port facility for the proposed DSO operation on the high-iron laterite resource on the Agata Project. Receipt of the DMPF authorizes the AMJV to proceed to development, including the extraction and sale of iron, nickel and other associated minerals in the contract area. Site development is expected to commence in May 2014 and shipping of the high-iron laterite would then commence through the third quarter of 2014, subject to receipt of remaining port approvals and financing.

In April 2014, the Company paid two current independent directors \$40,000, including \$39,000 of accrued directors fees and \$1,000 of accrued interest.

In April 2014, the Company sold an additional 38 million Red Mountain shares for net proceeds of \$486,000 after brokers fees.