Condensed Consolidated Interim Financial Statements
(Unaudited)
&
Management's Discussion and Analysis

For the three and nine months ended September 30, 2014

(Expressed in Canadian Dollars)

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

MINDORO
RESOURCES LTD

Management's Discussion and Analysis

For the three and nine months ended September 30, 2014

As reported on December 30, 2014

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Table of Contents

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

Dallas Cox, Principal Consultant of Crystal Sun Consulting Limited, has acted as the Qualified Person in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") reporting requirements with respect to all Mindoro projects contained in this Management's Discussion and Analysis. Mr. Cox is a member of The Australasian Institute of Mining and Metallurgy, a Chartered Professional (CP), and a qualified person under the guidelines of NI43-101. He has worked as a mining engineer for 28 years, including 10 years as an independent mineral industry consultant. Mr. Cox graduated with a degree in Mining Engineering at the University of New South Wales, Kensington in 1986. Mr. Cox has approved the scientific or technical information contained in this document and has confirmed compliance with NI 43-101 requirements.

1. COMPANY PROFILE AND STRATEGY

During the nine months ended September 30, 2014 (the "period"), Mindoro Resources Ltd. ("Mindoro" or the "Company") continued to monitor its joint ventures operated by TVI Resource Development (Phils.) Inc. ("TVIRD"). The Company also worked to finalize negotiations with Minimax Mineral Exploration Corporation ("Minimax") to acquire an additional 25% interest in the Agata and Tapian San Francisco projects. Mindoro disposed of most of its holdings in Red Mountain Mining of Australia and, from the proceeds of the sale, repaid TVI Pacific Inc. ("TVIP") for a loan advanced in 2013. Mindoro also delisted from the Australian Securities Exchange, effective June 30, 2014.

This Management's Discussion and Analysis ("MD&A") presents the operating results and financial status of the Company for the three and nine months ended September 30, 2014, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements ("Interim Financial Statements") for the three and nine months ended September 30, 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 information in this MD&A is current as of November 30, 2014

The Company trades on the TSX Venture Exchange and Frankfurt Exchange as MIO 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 AND NINE MONTHS ENDED SEPTEMBER 30, 2014

AGATA MINING JOINT VENTURE COMMENCES OPERATIONS

An initial offtake agreement was signed in June 2014 by Agata Mining Ventures Inc. ("AMVI"), a joint venture company held by Mindoro's Philippine subsidiary, MRL Nickel Phils., Inc., and joint venture partner TVIRD, and Tewoo Hoperay (Singapore) Pte. Ltd, a subsidiary of Tianjin Hoperay Mineral Limited Company, a major Chinese State Owned Enterprise, to sell one million wet metric tonnes of high-iron/low nickel DSO. A second agreement was signed in August 2014 to sell five hundred thousand wet metric tonnes. Advance payments of US$2 million were received by AMVI against the initial agreement to fund initial operating costs and a further US$1 million advance was received in the fourth quarter in connection with the second agreement.

Further to construction and mining contracts signed in June 2014, AMVI commenced development of the Agata DSO operation in the third quarter with heavy equipment arriving on site and quarrying of limestone for the causeway armouring and road surfacing. Construction of roads and camp facilities continued during the period as well as stockpiling of DSO material in preparation for shipping, which commenced October 2014.

TVIRD advised the Company it had fulfilled its earn-in obligations under the Agata Mining Joint Venture agreement and had acquired a 60% interest in the Agata DSO Project.

AMENDED AGATA OPTION AGREEMENT

On August 15, 2014, Mindoro announced that it has signed option agreements to acquire the remaining 25% interest in the Agata Mining and Agata Processing Joint Ventures from Minimax. If exercised, Mindoro will pay Minimax an aggregate of $10 million over five years to acquire the interest. Additionally, Mindoro will pay Minimax a 0.5% net smelter returns royalty on any production from the Agata Processing Joint Venture. Mindoro will pay an aggregate $497,000 to acquire the two option agreements. Mindoro has also signed an option agreement to acquire Minimax's 25% interest in Tapian San Francisco.

PRHI ACQUISITION OF INTEREST IN MINDORO

After December 31, 2013, Prime Resource Holdings, Inc. ("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.

RED MOUNTAIN INVESTMENT

In 2014, Mindoro sold 89.8 million Red Mountain shares for net proceeds of $1,363,000. Mindoro returned 4 million Red Mountain shares in exchange for the return to Mindoro of a 75% interest in the Tapian San Francisco project. The Company retains 6,198,400 Red Mountain shares, which on September 30, 2014, were worth $42,000.

FINANCIAL

Net loss of $907,000 in the first nine months of 2014 represents the recognition of a termination expense to the Company's former CEO, additional legal fees incurred renegotiating option agreements to acquire Minimax's 25% interest in the Agata and Tapian San Francisco projects, a loss on remeasurements of its warrants liability, and one-time gains on the sale of Red Mountain shares in the period compared to the net loss of $9,375,000 in the same period of 2013. The Company realized a gain of $833,000 on the sale of 89.8 million Red Mountain shares for net proceeds of $1,363,000 in the period.

Mindoro repaid $399,000 of principal and accrued interest previously lent to Mindoro by TVIP, as well as $44,000 of accrued directors' fees and interest to two directors of the Company and $32,000 of accrued management fees to one officer of the Company.

At September 30, 2014, the cash balance was $215,000 and working capital deficit was $1,249,000, excluding warrants and share-based liabilities, compared with a cash balance of $198,000 and a working capital deficit of $607,000 at December 31, 2013.

(Expressed in Canadian Dollars unless otherwise noted)

3. Activities for the Nine Months Ended September 30, 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
May	Repaid outstanding principal and interest in the amount of $399,176 due to TVI Pacific Inc., pursuant to a Grid Promissory Note signed in 2013
	Applied to be removed from the official list of the Australian Securities Exchange (ASX)
June	Delisted from the ASX, effective June 30, 2014.
	AMVI signs offtake agreement to sell one million wet metric tonnes of DSO laterite. US$2 million advance received by AMVI to fund initial operating costs
August	Signed agreements to acquire additional 25% interests in Agata and Tapian San Francisco Projects
	AMVI signs second offtake agreement to sell 500,000 wet metric tonnes of DSO laterite.
	US$1 million advance received by AMVI against second offtake agreement.
September	Penny Gould appointed CEO following retirement and resignation of Tony Climie
	New director and corporate secretary appointed
October	New director appointed
	First shipment of high-iron low-nickel laterite DSO completed at Agata
November	Second shipment of high-iron low-nickel laterite DSO completed at Agata

4. Milestones Targeted for 2014

- Establish DSO production at Agata (complete)
- Complete the Agata processing definitive feasibility study in Q4
- Finalize the option agreement to acquire additional 25% interest in the Agata and Tapian San Francisco projects. (complete)
- Continue shipments of approximately 55,000 wmt of high-iron low-nickel DSO material approximately every three to four weeks.
- Investigate opportunities to direct ship the abundant limestone at Agata.

5. Summary of Quarterly Results

Table 2: Summary of Quarterly Results

	2012-Q4 $000	2013-Q1 $000	2013-Q2 $000	2013-Q3 $000	2013-Q4 $000	2014-Q1 $000	2014-Q2 $000	**2014-Q3 $000**
Total revenue	-	-	-	-	-	-	-	**-**
General and administrative expenses	(537)	(188)	(132)	(195)	(239)	(135)	(123)	**(395)**
Salaries and employee benefits	(384)	(70)	(63)	(107)	(95)	(97)	(84)	**(119)**
Interest expense	-	-	-	(11)	(16)	(22)	(13)	**(9)**
Stock based compensation	20	4	1	(1)	2	-	1	**-**
Depreciation and amortization	(70)	(12)	(4)	(4)	(1)	(2)	(1)	**-**
Operating Expenses	(971)	(266)	(198)	(318)	(349)	(256)	(220)	**(523)**
Finance income	3	1	-	-	-	-	1	**1**
Remeasurement of warrants liability	737	357	240	(151)	152	(345)	147	**(534)**
Gain on sale of Red Mountain shares	-	-	-	-	-	655	178	**-**
Impairment of investment held for distribution	-	(645)	(6,100)	(1,314)	(98)	-	-	**-**
Impairment of exploration and evaluation assets	(322)	-	-	-	(9,979)	-	-	**-**
Foreign exchange	513	537	(1,463)	(47)	(317)	1	(11)	**(1)**
Loss on disposal of equipment	-	(8)	-	-	-	-	-	**-**
Income (loss) before income taxes	(40)	(24)	(7,521)	(1,830)	(10,591)	55	95	**(1,057)**
Income taxes	(91)	-	-	-	(5)	-	-	**-**
Net income (loss) for the period	(131)	(24)	(7,521)	(1,830)	(10,596)	55	95	**(1,057)**
Basic and diluted net income (loss) per share ($)	(0.000)	(0.000)	(0.025)	(0.006)	(0.036)	0.000	0.000	**(0.004)**

Net Income and Losses

The Company recognised net loss of $907,000 in the first nine months of 2014 period compared to a loss of $9,375,000 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, termination expenses incurred relating to the resignation of the Company's former CEO, and legal and professional fees incurred in relation to the renegotiation of the Minimax agreements, financing negotiations. The Company's general and administration expenses, salaries and employee benefits, and interest expense were higher in the current period than in the first nine months of 2013. The Company's quarterly operating expenses were higher in the third quarter of 2014 compared to the second quarter of 2014 and the third quarter of 2013, and are above the average operating loss in the last eight quarters ($388,000).

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

- Changes in key management in the third quarter of 2014, and the 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;

Further commentary on operating expenses in the third quarter and first nine months of 2014 with respective comparatives:

- In the third quarter and first nine months of 2014, general and administrative expenses were higher ($355,000 and $258,000 respectively) compared to the same periods in 2013 ($132,000 and $320,000 respectively). The Company recognized a one-time termination expense pursuant to the resignation of its former CEO in September 2014 of $215,000. The Company spent more on legal costs and less on rent, audit and other general and administration expenses in the current quarter compared to the same periods of 2013.

- The Company incurred additional salaries and employee benefits charges due to increased staffing and the recognition of directors fees in the current periods compared to the same periods of 2013.

- The Company also incurred interest expenses in the current period because of the loans disclosed in note 10 of the Interim Financial Statements.

- Remeasurement of the warrants liability has resulted in the recognition of a loss of $534,000 in the third quarter of 2014 compared to a loss of $151,000 in the same period of 2013. In the first nine months of 2014, the Company has recognised a $732,000 loss on remeasurements compared to a $446,000 gain in the first nine months of 2013. Fluctuations in the fair value of the warrants liability reflect the volatility in the Company's share price.

- As noted above, the Company realized an $833,000 gain in the first nine months of 2014 upon disposal of 89.8 million Red Mountain shares for the return of Tapian San Francisco and net cash proceeds of $873,000. In the second third of 2013, the Company recognized an unrealised loss on the Red Mountain shares of $1.3 million because of a decline in that company's share price.

CASH FLOWS

In the third quarter of 2014, the Company generated $488,000 in operating activities compared to $315,000 used in the third quarter of 2013. This reflects an increase in non-cash working capital of $1,004,000 in the current quarter compared to a $14,000 decrease in non-cash working capital in the third quarter of 2013. The Company has recognized a $497,000 liability pursuant to the AMVI and API Share Option Agreements and a $133,000 liability pursuant to the Tapian San Francisco Rights Option Agreement signed in August 2014, all of which are payable within 12 months. The Company has also recognized a $252,000 liability pursuant to a separate option agreement on Tapian San Francisco.

On a year to date basis, the Company used $133,000 in operating activities in the first nine months of 2014 compared to $866,000 in the first nine months of 2013. This reflects a decrease in non-cash working capital of $881,000 in the current period compared to a decrease of $132,000 in the same period of 2013, as well as the changes in operating expenses noted above.

In the first nine months of 2014, the Company received $1,363,000 from the sale of 89.8 million Red Mountain shares. The Company spent $452,000 on exploration and development assets including $383,000 in the third quarter, while recovering $51,000 from TVIRD, including $8,000 in the third quarter. In 2013, the Company spent $242,000 on exploration and evaluation assets in the first nine months, including $51,000 in the third quarter, and received cost recoveries from TVIRD of $212,000 in the first nine months, including $42,000 in the third quarter. In the third quarter of 2014, the Company spent $410,000 to purchase the AMVI and API Share Options and $133,000 to purchase the Tapian San Francisco Rights Option from Minimax. The Company also recognized a $252,000 payable to the permit holders of two tenement Permits at Tapian San Francisco. In the second quarter of 2014, the Company paid $31,000 in termination payments to retrench its remaining 13 employees based in Surigao. These employees had previously been seconded to TVIRD and the majority were subsequently employed by the Agata Mining Joint Venture ("AMJV"). Most of the remaining exploration expenditures in the current periods relate to technical support provided to TVIRD related to AMJV.

GOING CONCERN

The Company incurred a net loss of $907,000 (September 30, 2013 – $9,375,000) and operating cash outflows of $133,000 (September 30, 2013 – $886,000). At September 30, 2014, the Company has a net working capital deficit of $1,249,000, excluding warrants and share-based liabilities (September 30, 2013 – $1,400,000). 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 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 6 of the interim financial statements). These joint venture agreements require TVIRD to finance Mindoro's mineral property annual expenditure obligations and maintain the tenements in good standing (note 6 of the interim financial statements). Subsequent to the period, the Agata DSO project began production and TVIRD earned its 60% interest in Agata Mining Ventures Inc. ("AMVI"), the joint venture vehicle.

As at November 28, 2014, AMVI has completed its first two shipments of high-iron/low-nickel DSO for an aggregate US$1.8 million gross revenue (note 17 of the interim financial statements).

Mindoro has three option agreements with Minimax Mineral Exploration Corporation ("Minimax") to acquire its 25% interest in AMVI and Agata Processing Inc. ("API"), and the Tapian San Francisco project underwhich it has agreed to pay an aggregate US$430,000 ($481,000) over the next nine months. Should Mindoro exercise all three option agreements, Mindoro would be required to pay an additional aggregate $10 million over a period of five years including $2 million in 2015 (notes 6.3 and 8 of the interim financial statements). The Company has a loan receivable from Minimax that would offset $5.5 million of the $10 million acquisition price including $1.1 million in 2015 (note 4 of the interim financial statements). However, 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.

Subsequent to the period, on November 28, 2014, the Company announce that it is in negotiations with TVIRD for a $400,000 bridge loan and a $2 million convertible debenture (note 17 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. 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 MINING JOINT VENTURE

The Company has entered into a joint venture with TVIRD, whereby TVIRD has earned a 60% interest in the Agata Nickel DSO project (see October 16, 2014 announcement) reducing Mindoro's interest in the project to 15%.

As announced on August 15, 2014, Mindoro has negotiated a share option agreement to acquire an additional 25% from its partner, Minimax, in exchange for the following:

i. US$60,000 payment upon signing the Amended Option Agreements.

ii. US$60,000 to be paid 60 days from the date of signing;

iii. US$250,000 to be paid on the 15th day of the 6th month after the first shipment of DSO; and

iv. US$4,000,000 paid in five annual installments of US$800,000 to Minimax commencing on the 15th day of the 12th month after the first shipment of the DSO.

v. Title to Minimax's shares in the Agata Mining Joint Venture will be transferred to Mindoro on a pro-rata basis with each installment payment. However, Mindoro will, immediately upon exercise, receive all the economic benefits, rights and obligations attached to Minimax's interest. The Agata Mining Option will automatically be exercised upon conclusion of the Restructure Period, as described below.

vi. In the event that Mindoro fails to make any of the installment payments, Mindoro must return any Agata Mining Joint Venture shares previously transferred by Minimax. Minimax will retain any installment payments made to date and Mindoro will retain any dividends already received from the Agata Mining Joint Venture.

The Agata Mining Share Option Agreement contains a 60 day "Restructure Period" during which time, with the consent of both parties, the schedule of installment payments and allocation of debt between Amended Option Agreements may be modified if more favourable tax structures are identified.

Mindoro and Minimax will also undertake during the Restructure Period to negotiate further compensation for Minimax in the event that resources currently allocated for processing by the Agata Processing Joint Venture are instead commercialized as DSO material by the Agata Mining Joint Venture.

If all options are exercised, TVIRD will have a 60% interest in the Agata Project and Mindoro 40%.

On April 11, 2013, Mindoro filed an updated NI 43-101 technical report entitled "*Independent Report on the Nickel Laterite Resource – Agata North, Philippines*" prepared for TVIRD. 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 limonite high-iron/low-nickel ore, followed by atmospheric leach processing of the underlying saprolite horizon.

Highlights of the updated NI 43-101 include:

- An increase in the measured and indicated resources to 33.9 million dry metric tonnes at 1.1% nickel as compared to the previous 31.8 million dry metric tonnes at 1.05% nickel;
- Inferred resources of 2.0 million dry metric tonnes at 1.04% nickel;
- Estimated contained Nickel of 391,000 tonnes.

At a cut-off grade of 44% iron, there are an estimated 7.0 dry metric tonnes, or approximately 10 million wet metric tonnes at 48.5% iron and 0.94% nickel – a DSO product grade currently in demand in China.

On April 28, 2014, Mindoro Resources Ltd. and TVI's Philippine affiliate, TVIRD, jointly announced that AMJV has received the Declaration 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 authorized the AMJV to proceed to development, including the extraction and sale of iron, nickel and other associated minerals in the contract area. Site development commenced in June 2014 while the permit to operate the port facility was acquired in September 2014 and shipping of the limonite high-iron/low-nickel ore commenced in October 2014 (See section 7).

Agata Limestone DSO/Lime Production Facility

The limestone deposits occur within one kilometre of the coast near the Agata North Nickel Laterite deposit shipping facilities, which is expected to positively affect transportation costs due to the close proximity of the mine pit to the port.

The limestone occurring at the coast is a massive recrystallized limestone of very high purity levels with calcium carbonate of greater than 95% according to the Agata Report. Five 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 is considering the construction of a lime production facility at the Agata project site. The lime produced could 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 that remains subject to further technical evaluations and permitting, 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; and
- Metallurgical test works.

AGATA PROCESSING JOINT VENTURE

Mindoro's joint venture partner, TVIRD, has the right to earn a 60% interest in the Agata Processing Joint Venture upon delivery of a DFS with respect to nickel processing at Agata, subject to TVIRD having expended a minimum of $2 million within 12 months of the Agata Processing Option and Joint Venture Agreement ("API Agreement") and completing the DFS within four years of the date of the API Agreement. Under the API Agreement, TVIRD is required to fund all required expenditures associated with the preparation of the DFS. Details of Mindoro's joint venture arrangements are described in the Mindoro releases of September 27, and October 12, 2012, and June 24, 2013.

As announced on August 15, 2014, Mindoro has negotiated a share option agreement to acquire an additional 25% from its partner, Minimax, in exchange for the following:

i. Consideration in the amount of $5.5 million will be used to offset an existing $5.5 million Minimax debt due to MRL;

ii. During the processing of ore originating only from the Agata Project, Minimax will receive a 0.5% Net Smelter Returns (NSR) royalty during the lifetime of the processing operations, levied on 100% of production (the NSR does not apply to revenue generated from DSO operations);

iii. The Agata Processing Option will be automatically exercised upon payment of the second installment pursuant to the Agata Mining Option.

The Agata Processing Agreement contain a 60 day "Restructure Period" during which time, with the consent of both parties, the schedule of installment payments and allocation of debt between Amended Option Agreements may be modified if more favourable tax structures are identified.

Pilot plant testing commenced in May 2013 at the Beijing General Research Institute of Mining & Metallurgy ("BGRIMM") facility in China and was based on the results of the comprehensive program of laboratory bench-scale testing, which was previously carried out at BGRIMM and at TVIRD's Metallurgical Laboratory in the Philippines. Approximately 30 tonnes of ore was mined for this purpose from a variety of test pits that cover the Agata Ore Body. The test pits were carefully selected from the available drill hole data to accurately reflect the ore that is expected to feed the process plant.

The purpose of pilot plant testing has been to further define the technological parameters to be used in producing a DFS with the goal of building a commercial processing plant. The pilot plant at BGRIMM consisted of, amongst others, primary atmospheric leaching and secondary low pressure autoclave leaching, and an extensive BGRIMM pilot plant campaign, in which 4,300 KG of feed ore was leached and confirmed an overall nickel extraction of 93.5% to 94.5% may be consistently achieved at an acid consumption of 48 tonnes to 59 tonnes of acid per tonne of nickel leached. The process technology being developed by the operator, 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.

Pregnant Leach Solution ("PSL") recovered from the slurry after leaching at the BGRIMM pilot plant was divided into two batches, with 8,000 litres for shipment to the continuously operating pilot plant installed and commissioned at TVIRD's metallurgical testing facility in the Philippines for production of a Nickel Hydroxide Product ("NHP") and 1,000 litres for production of an alternative Mixed Hydroxide Product ("MHP"). Testing at the two facilities has allowed NHP and MHP processes and products to be compared to select a final process route as part of the DFS that is currently underway.

The Philippines based Pilot Plant successfully produced NHP filter cake in February 2014 with a 52% to 54% nickel grade. Impurities such as iron, calcium and magnesium are low enough for the NHP to be considered a refined intermediate product, which implies that NHP may be converted to nickel oxide and nickel metal without the need for additional refinement, thereby offering possible offtakers with a versatile product alternative. An economic assessment of producing NHP and MHP indicates a more secured market and better returns from MHP. This has formed the basis for the DFS now underway and expected to be complete in the fourth quarter of 2014.

The pilot plant operation also demonstrated that treatment of the barren solution from the counter-current ion exchange pilot plant produced an effluent that is acceptable for disposal as well as ecological tests for residues.

PAN DE AZUCAR PYRITE PROJECT

The Pan de Azucar Mineral Production Sharing Agreement ("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 in the mining joint venture through achieving DSO production; and may earn up 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.*

Commercial opportunities at Pan de Azucar may involve 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 nickel processing plant site. Currently there are no permits in place for the mining of the pyrite material.

TVIRD's earn-in obligations include maintaining the tenements in good standing and applying for a DMPF with the Department of Environment and Natural Resources prior to February 2015.

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

TAPIAN SAN FRANCISCO COPPER GOLD

The Tapian San Francisco Project consists of one MPSA, one EP and four EPAs. Mindoro earned a 75% direct and indirect interest in the Tapian San Francisco Project pursuant to the terms of an Memorandum of Agreement with Minimax and sold its interest to Red Mountain in 2012. The project was returned to Mindoro in 2014 in exchange for 6 million Red Mountain shares.

In August 2014, Mindoro and Minimax signed an option agreement whereby Mindoro may acquire Minimax's 25% interest in the project for the following consideration:

i. US$120,000 to be paid on the 15th day of the 9th month after the first shipment of DSO;

ii. Consideration in the amount of $678,000 will be used to offset an existing $678,000 Minimax debt due to Mindoro; and

iii. During the processing of ore originating from only the Tapian Project, Minimax will receive a 0.5% gross smelter royalty from 100% of the net sales originating from only the Tapian San Francisco Project or the amount of One Hundred Thousand US Dollars (US$100,000.00), whichever is higher.

The Tapian San Francisco Option also contains a 60 day "Restructure Period" during which time, with the consent of both parties, certain terms of the amended option agreement may be modified if more favourable tax structures are identified.

Pursuant to a 2013 option agreement with the permit holder of the MPSA and one EPA, the Company is required to make quarterly payments of US$50,000 from 2014 to 2016 and make three quarterly payments of US$50,000 and one quarterly payment of US$25,000 in 2017 in order to buy out the tenement. To date, Mindoro has not made these payments, nor has it made a payment of US$75,000 that was due on December 31, 2013. In aggregate, the Company has accrued $252,000 (US$225,000) of unpaid payments pertaining to this option agreement and is currently attempting to renegotiate the terms of the agreement.

APICAL

Apical is an EPA that Mindoro has a 15% interest in by way of an incorporated joint venture with Medusa Mining and Minimax, 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. Apmedoro Mining Corp ("Apmedoro") was incorporated by the joint venture to hold this project.

7. EVENTS AFTER THE REPORTING PERIOD

In October 2014, having met the spending requirements and commenced production on the Agata Mining joint venture, TVIRD exercised the Agata Mining Joint Venture Option. Shares of AMVI that had previously been issued to TVIRD but that had been held in escrow were released to TVIRD. As a result, Mindoro expects to reclassify $1,799,000 of exploration and evaluation an investment in associate representing Mindoro's 15% shareholding of AMVI.

AMVI has completed its first two shipments of limonite high-iron/low-nickel DSO subsequent to the current period, with an aggregate 109,680 wet metric tonnes of DSO material sold for expected gross proceeds of US$1.8 million ($2 million), subject to final assay and price adjustments.On November 28, 2014, the Company announced that it is in negotiations with TVIRD to receive a $400,000 bridge loan and $2 million convertible debenture. Key terms of the bridge loan include:

- Interest rate of 8% per annum;
- Principal and accrued interest shall be due the earlier of January 31, 2015 or upon receipt of the proceeds from the proposed $2 million onvertible debenture issue to TVIRD;
- Secured against the shares of stock of MRL Nickel Philippines Inc, Mindoro's Philippine Subsidiary.

(Expressed in Canadian Dollars unless otherwise noted)

This bridge loan is subject to obtaining final approvals from the boards of Mindoro and TVIRD.

Mindoro has also undertaken negotiations to issue a $2 million convertible debenture to TVIRD on similar financial terms as the bridge loan, except with a two year term and a conversion feature in accordance with the rules of the TSX Venture Exchange.

8. TRANSACTIONS BETWEEN RELATED PARTIES

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

TABLE 3

	Country of Incorporation	Classification	% Ownership at Sep. 30, 2014	% Ownership at 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	**1%**	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 Mining joint venture that have been accounted for using the equity method.

TVIP has a 14% interest in Mindoro. In the first nine months of 2014, the Company recorded recoveries from the joint ventures with TVIRD, a Philippines Affiliate of TVIP, in the amount of $51,000. As described in note 10.1 of the Interim Financial Statements, the Company repaid a $399,000 loan from TVI on April 29, 2014.

The Company has recorded debts payable to current and former non-executive directors totalling $53,000 on which it accrues 8% interest per annum (note 8.1 of the Interim Financial Statements). The balance at September 30, 2014 includes $4,000 of accrued interest. In the period, the Company paid accrued fees and interest totalling $44,000.

The Company repaid a note payable to an executive director totalling $32,000 in March 2014 (note 10.1 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 10.2 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.

TABLE 4

	September 30	
	2014	2013
	$000	$000
Salaries and directors fees	**577**	357
Stock based compensation	**(1)**	(4)
Key management compensation	**576**	353

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 September 30, 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.

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

On July 24, 2014, the IASB issued IFRS 9, Financial Instruments to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is effective for years beginning after January 1, 2018 with early adoption permitted if adopted in its entirety at the beginning of a financial period. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.

REVENUE RECOGNITION

In May 2014, the IASB published IFRS 15, "*Revenue From Contracts With Customers*" ("IFRS 15") replacing IAS 11, "*Construction Contracts*", IAS 18, "*Revenue*" and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded.

The new standard is effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Company is currently evaluating the impact of adopting IFRS 15 on the Consolidated Financial Statements.

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.

(Expressed in Canadian Dollars unless otherwise noted)

10. OUTSTANDING SHARE DATA

TABLE 5

Issued - Common shares	Common Shares	Stock Options	Purchase Warrants
December 31, 2013	297,437,399	4,735,000	61,826,578
Expired	-	(2,385,000)	-
November 28, 2014	297,437,399	2,350,000	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 not 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.

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 September 30, 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 September 30, 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 Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting as of September 30, 2014 based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations ("COSO").

A material weakness affecting 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 has performed an evaluation of the internal control deficiency and intends to acquire additional experienced accounting staff, subject to available financing, in the fourth 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

Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended September 30, 2014

(Expressed in Canadian Dollars)

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www.mindoro.com

Mindoro trades on the TSX Venture Exchange under the symbol MIO and on the Frankfurt Stock Exchange under the symbol OLM

Disclosure of Non-Auditor Review of Interim Financial Statements

For the three and nine months ending September 30, 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 September 30, 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 November 30, 2014

Table of Contents

Condensed Consolidated Interim Balance Sheet

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)

MINDORO RESOURCES LTD

As at	Note	Sep. 30 2014	Dec. 31 2013
ASSETS			
Current assets			
Cash and cash equivalents		**215**	198
Trade and other receivables		**52**	69
Prepaid expenses and other current assets		**13**	36
Financial assets available for sale	*4*	**42**	285
		322	588
Non-current assets			
Loans receivable	*5*	**5,544**	-
Exploration and evaluation assets	*6*	**4,873**	9,710
Property and equipment	*7*	**2**	4
Share Options	*8*	**497**	-
Investment in associates	*9*	**205**	197
		11,121	9,911
TOTAL ASSETS		**11,443**	10,499
LIABILITIES			
Current liabilities			
Trade and other payables		**1,512**	719
Borrowings	*10*	**59**	476
Warrants liability	*13*	**1,222**	490
Share based liability	*14*	**-**	1
		2,793	1,686
Non-current liabilities			
Borrowings	*10*	**168**	166
Defined benefit retirement obligation		**121**	116
		289	282
TOTAL LIABILITIES		**3,082**	1,968
Equity attributable to owners of the parent			
Share capital	*11*	**52,400**	52,403
Share obligation	*11*	**1**	1
Other reserves	*12*	**12,228**	11,488
Accumulated losses		**(56,268)**	(55,361)
		8,361	8,531
Non-controlling interests		**-**	-
TOTAL EQUITY		**8,361**	8,531
TOTAL LIABILITIES AND EQUITY		**11,443**	10,499

Going concern (Note 1)
Subsequent events (Note 17)

These condensed consolidated interim financial statements were authorised for issue by the audit committee on November 30, 2014 and are signed on its behalf.

"signed"
A. R. Garden, Director

"signed"
L. Nagy, Director

Condensed Consolidated Interim Statements of Comprehensive Loss

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)

	Note	Three Months Ended Sep. 30 2014	Three Months Ended Sep. 30 2013	Nine Months Ended Sep. 30 2014	Nine Months Ended Sep. 30 2013
Operating Expenses					
General and administration expenses		**(395)**	(195)	**(653)**	(515)
Salaries and other employee benefits		**(119)**	(107)	**(300)**	(240)
Interest Expense	*10*	**(9)**	(11)	**(44)**	(11)
Stock based compensation	*15*	**-**	(1)	**1**	4
Depreciation and amortization	*7*	**-**	(4)	**(3)**	(20)
Operating loss		**(523)**	(318)	**(999)**	(782)
Finance income		**1**	-	**2**	1
Remeasurement of warrants liability	*13*	**(534)**	(151)	**(732)**	446
Gain on sale of Red Mountain shares	*4*	**-**	-	**833**	-
Impairment of investment held for distribution		**-**	(1,314)	**-**	(8,059)
Foreign exchange gain (loss)		**(1)**	(47)	**(11)**	(973)
Loss on disposal of property and equipment	*7*	**-**	-	**-**	(8)
NET INCOME (LOSS) FOR THE PERIOD		**(1,057)**	(1,830)	**(907)**	(9,375)
Basic and diluted net income (loss) per share		**$ (0.004)**	$ (0.006)	**$ (0.003)**	$ (0.032)
Weighted average number of common shares outstanding (thousands)		**297,437**	296,837	**297,437**	296,837
Net income (loss) for the period		**(1,057)**	(1,830)	**(907)**	(9,375)
Other comprehensive income					
Items that may be reclassified to profit and loss					
Remeasurement of financial assets available for sale	*4*	**(25)**	-	**333**	-
Exchange differences on translation of foreign operations		**178**	788	**407**	809
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**(904)**	(1,042)	**(167)**	(8,566)

Condensed Consolidated Interim Statement of Changes in Equity

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)

	Note	Attributable to owners of the parent				Non-controlling interests	Total equity
		Share capital	Share obligation	Other reserves (note 12)	Accumulated losses		
Balance as at December 31, 2013		**52,403**	**1**	**11,488**	**(55,361)**	**-**	**8,531**
Income for the period		-	-	-	(907)	-	(907)
Re-measurement of financial assets available for sale	*4*	-	-	333	-	-	333
Translation adjustments		-	-	407	-	-	407
Comprehensive income (loss)		**-**	**-**	**740**	**(907)**	**-**	**(167)**
Common shares issued for:							
Private placement	*11*	(3)	-	-			(3)
Transactions with owners		**(3)**	**-**	**-**	**-**	**-**	**(3)**
Balance as at Sep. 30, 2014		**52,400**	**1**	**12,228**	**(56,268)**	**-**	**8,361**
Balance as at December 31, 2012		**52,864**	**-**	**11,251**	**(35,396)**	**7,765**	**36,484**
Impact of change in parent's functional currency		**(464)**	**-**	**459**	**6**	**-**	**1**
Loss for the period		-	-	-	(1,604)	-	(1,604)
Translation adjustments		-	-	809	-	-	809
Comprehensive income (loss)		**-**	**-**	**809**	**(1,604)**	**-**	**(795)**
Proceeds from Red Mountain share issuance				(165)		936	771
Loss of control of Red Mountain				165	(7,771)	(8,701)	(16,307)
Transactions with owners		**-**	**-**	**-**	**(7,771)**	**(7,765)**	**(15,536)**
Balance as at Sep. 30, 2013		**52,400**	**-**	**12,519**	**(44,765)**	**-**	**20,154**

Condensed Consolidated Interim Statement of Cash Flows

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)

MINDORO RESOURCES LTD

		Three Months Ended Sep. 30		Nine Months Ended Sep. 30	
	Note	**2014**	2013	**2014**	2013
Cash flows from operating activities					
Net income (loss)		**(1,057)**	(1,830)	**(907)**	(9,375)
Items not affecting cash					
Interest expense	*10*	**9**	11	**44**	11
Interest paid	*10*	**(7)**	-	**(58)**	-
Stock based compensation	*15*	**-**	1	**(1)**	(4)
Depreciation and amortization	*7*	**-**	4	**3**	20
Remeasurement of warrants liability	*13*	**534**	151	**732**	(446)
Gain on sale of RMX shares	*4*	**-**	-	**(833)**	-
Impairment of investment held for distribution		**-**	1,314	**-**	8,059
Unrealized exchange differences		**5**	48	**6**	973
Loss on disposal of property and equipment	*7*	**-**	-	**-**	8
Net change in non-cash working capital items		**1,004**	(14)	**881**	(132)
Net cash used in operating activities		**488**	(315)	**(133)**	(886)
Cash flows from investing activities					
Proceeds from sale of Red Mountain shares	*4*	**-**	-	**1,363**	-
Expenditure on exploration and evaluation assets	*6*	**(383)**	(51)	**(452)**	(242)
Cost recoveries from Joint Venture Partner	*6*	**8**	42	**51**	212
Proceeds from disposal of equipment	*7*	**-**	-	**-**	6
Purchase of Share Option	*8*	**(410)**	-	**(410)**	-
Net cash used in investing activities		**(785)**	(9)	**552**	(24)
Cash flows from financing activities					
Issue of share capital, net of issuance costs	*11*	**-**	-	**(3)**	-
Cash received from borrowings	*10*	**4**	192	**28**	397
Loan repayments	*10*	**-**	-	**(429)**	-
Net cash from financing activities		**4**	192	**(404)**	397
Net increase (decrease) in cash and cash equivalents		**(293)**	(132)	**15**	(513)
Beginning cash and cash equivalents		**507**	239	**198**	619
Exchange gains (losses) on cash and cash equivalents		**1**	(2)	**2**	(1)
Ending cash and cash equivalents		**215**	105	**215**	105

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 and the Frankfurt Stock Exchange.

The Company's registered office is located at 2200, 10235 101 Street NW, Edmonton, Alberta, Canada, T5J 3G1.

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 incurred a net loss of $907,000 (September 30, 2013 – $9,375,000) and operating cash outflows of $133,000 (September 30, 2013 – $886,000). At September 30, 2014, the Company has a net working capital deficit of $1,249,000, excluding warrants and share-based liabilities (September 30, 2013 – $1,400,000). 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 (note 5). Subsequent to the period, the Agata DSO project began production and TVIRD earned its 60% interest in Agata Mining Ventures Inc. ("AMVI"), the joint venture vehicle. As at November 28, 2014, AMVI has completed its first two shipments of high-iron/low-nickel DSO for an aggregate of US$1.8 million gross revenue (note 17).

Mindoro has three option agreements with Minimax Mineral Exploration Corporation ("Minimax") to acquire its 25% interest in AMVI and Agata Processing Inc. ("API"), and the Tapian San Francisco project under which it has agreed to pay an aggregate US$430,000 ($481,000) over the next nine months. Should Mindoro exercise all three option agreements, Mindoro would be required to pay an additional aggregate $10 million over a period of five years including $2 million in 2015 (notes 6.3 and 8). The Company has a loan receivable from Minimax that would offset $5.5 million of the $10 million acquisition price including $1.1 million in 2015 (note **Error! Reference source not found.**). However, 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.

Subsequent to the period, on November 28, 2014, the Company announce that it is in negotiations with TVIRD for a $400,000 bridge loan and a $2 million convertible debenture (note 17). 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. 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.

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.

(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*

On July 24, 2014, the IASB issued IFRS 9, Financial Instruments to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is effective for years beginning after January 1, 2018 with early adoption permitted if adopted in its entirety at the beginning of a financial period. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.

(ii) *IFRS 15 Revenue From Contracts With Customers*

In May 2014, the IASB published IFRS 15, "*Revenue From Contracts With Customers*" ("IFRS 15") replacing IAS 11, "*Construction Contracts*", IAS 18, "*Revenue*", and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded.

The new standard is effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Company is currently evaluating the impact of adopting IFRS 15 on the Consolidated Financial Statements.

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 received 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 nine months ended September 30, 2014.

3.2 FOREIGN EXCHANGE RISK

Business is transacted by the Company in three currencies: Philippine Pesos ("PHP"), Australian Dollars ("AUD") and Canadian Dollars ("$" or "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 September 30, 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.

	September 30, 2014		December 31, 2013	
	PHP 000	AUD 000	PHP 000	AUD 000
Cash and cash equivalents	1,201	12	2,129	4
Trade and other receivables	1,535	12	2,234	10
Loans receivable	222,368	-	-	-
Financial assets available for sale	-	43	-	300
Trade and other payables	(46,105)	(34)	(21,240)	(23)
Net foreign currency exposure	**178,999**	**33**	(16,877)	291
Exchange rate	0.02493	0.97900	0.02395	0.94960
Foreign currency exposure ($000)	**4,462**	**32**	(404)	276

Based on net exposures at September 30, 2014, and assuming all other variables remain constant, a 10% fluctuation in the exchange rate between the CAD and the PHP would affect Mindoro's other comprehensive loss by $446,000 (December 31, 2013 - $40,000). A 10% fluctuation in the exchange rate between the CAD and AUD would affect the Company's profit or loss for the year by $4,000 (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.

At September 30, 2014, the Company had loans receivable from Minimax $5,544,000 that the Company expects to recover through the exercise of the API Share Option (Notes **Error! Reference source not found.**, 8) rather than through its collection and is therefore not a significant source of credit risk.

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 follows:

	Payable within			Payable on	
	3 months	6 months	9 months	demand	Total
	$000	$000	$000	$000	$000
Trade and other Payables	539	280	135	558	1,512

Trade and other payables include payments due to Minimax pursuant to the option agreements signed in August 2014, to a tenement holder for the Tapian San Francisco tenements (notes 6 and 8).

As at September 30, 2014, the Company has the following loans repayable at fixed rates of interest and maturity dates on an undiscounted basis:

	Principal Outstanding	Interest accrued	Interest rate	Maturity
	$000	$000	%	
Non-current loan	175	7	15	December 2015

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

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 $215,000 in cash and cash equivalents at September 30, 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 material to the Company.

At September 30, 2014, the Company had borrowings totalling $53,000 (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.

	September 30, 2014		December 31, 2013	
	$000	Weighted average effective interest rate	$000	Weighted average effective interest rate
Financial assets				
Cash and cash equivalents	215	0.95%	198	0.32%
Trade and other receivables	52	0.00%	69	0.00%
Loans receivable	5,544	5.00%	-	n/a
	5,811		267	
Financial Liabilities				
Trade and other payables	(1,512)	0.00%	(719)	0.00%
Notes and loans payable (15%)	-	15.00%	(547)	15.00%
Notes payable (8%)	(53)	8.00%	(61)	8.00%
	(1,565)		(1,327)	
Net Exposure	4,246		(1,060)	

At September 30, 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 $3,000 (December 31, 2013: $3,000) higher/lower, as a result of higher/lower interest income from cash and cash equivalents.

4. FINANCIAL ASSETS AVAILABLE FOR SALE

During the period ended September 30, 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)	(1,371)	(8)	-
Remeasurement	(b)(c)	864	840	24
Impact on loss for the period			**832**	**23**
Remeasurement	(c)	333	333	-
Impact on other comprehensive loss			**333**	**-**
September 30, 2014		**42**	**1,165**	**23**

(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 Tapian San Francisco following their release from escrow and obtaining approval from Red Mountain shareholders (note 5);

(b) In the first nine months of 2014, the Company sold 89.8 million Red Mountain shares through the facilities of the ASX for net proceeds of $1,363,000. As a result of these sales, the Company recycled $840,000 of accumulated other comprehensive income as a remeasurements gain in the current period.

(c) Red Mountain's share price increased to \$0.007 (A\$0.007) at September 30, 2014, resulting in a \$333,000 gain and \$24,000 foreign exchange gain during the first nine months of 2014.

5. LOANS RECEIVABLE

Pursuant to the 1997 Memorandum of Agreement (the "MOA") between Mindoro and Minimax through which Mindoro acquired its interest in the Agata, Tapian San Francisco, and Pan de Azucar projects, once the Company earned a 75% interest in a project, Mindoro would fund Minimax's share of exploration costs until a development was approved. Minimax would be required to reimburse Mindoro for its 25% share of exploration costs through deductions to its share of cash flows from the project once production commenced.

On August 14, 2014, Mindoro signed an agreement with Minimax to amend the terms of a debt due from Minimax pursuant to the 1997 MOA as described above The amending agreement fixed the interest payable on the debt at 5% and the balance of the principal at PHP 222,367,516 (\$5,544,000) which shall be deducted and repaid from Minimax's share of cash flows from API production except that Minimax shall have the right to receive up to US\$200,000 per annum before any debt payments are deducted.

Also on August 14, 2014, Mindoro and Minimax signed an option agreement whereby Mindoro may acquire Minimax's interest in API for an amount equal to the balance of the loan receivable as well as a net smelter royalty (note 8).

Previously, the Company had expected to recover the debt through cash flows from the Agata Project and therefore classified the loan as a component of its Exploration and Evaluation Assets. But as a result of the August 14, 2014 agreements with Minimax, the Company now expects to recover this loan in exchange for investments in API and has therefore reclassified the debt as a Loan Receivable.

6. EXPLORATION AND EVALUATION ASSETS

	Agata	Surigao Regional	Tapian San Francisco	Pan de Azucar	Total
	\$000	\$000	\$000	\$000	**\$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**
Acquisition	-	-	385	-	**385**
Exploration	62	-	5	-	**67**
Joint venture recoveries	(45)	-	-	(6)	**(51)**
Reclassification	(5,583)	-	-	-	**(5,583)**
Currency translation	280	-	6	59	**345**
September 30, 2014	**2,827**	**-**	**519**	**1,527**	**4,873**

6.1 AGATA (SURIGAO)

The Agata Project consists of one Mineral Production Sharing Agreement ("MPSA"), three Exploration Permits ("EP"), and three Exploration Permit Applications ("EPA") with a defined nickel laterite resource. Mindoro earned a 75% direct and indirect interest in the Agata tenements pursuant to the terms of an MOA with Minimax (note **Error! Reference source not found.**).

In 2012, Mindoro and Minimax entered into the following two Joint Venture Agreements with TVIRD:

(a) <u>Agata Mining Joint Venture ("AMJV"):</u> 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 Tapian San Francisco Tenements ("TSF tenements"). As TVIRD makes expenditures in the AMJV, it receives shares of the joint venture company, Agata Mining Ventures Inc. ("AMVI"), 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.

As at September 30, 2014, TVIRD has met its expenditure commitments on the AMJV and subsequent to the period, in October 2014, shipping of high-iron/low-nickel laterite commenced and thus TVIRD earned its interest in the AMJV (note 17).

(b) <u>Agata Processing Joint Venture (APJV):</u> 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 September 30, 2014, 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, API, 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 September 30, 2014, these transfers remain incomplete and subject to approval of the Philippines Mines and Geosciences Bureau ("MGB").

As stated in note **Error! Reference source not found.**, on August 14, 2014 Mindoro signed an agreement to amend the terms of a debt due from Minimax pursuant to the 1997 MOA. Once Mindoro earned its 75% interest in the project, Mindoro was required to initially fund Minimax's 25% share of exploration costs until a development program was approved. The debt would then be repaid by deducting Minimax's share of cash flows from the project. The amending agreement fixed the interest payable on the debt at 5% and the balance of the principal at PHP 222,367,516 ($5,566,000) which shall be deducted and repaid from Minimax's share of cash flows from API production except that Minimax shall have the right to receive up to US$200,000 per annum before any debt payments are deducted.

Also on August 14, 2014, Mindoro and Minimax signed an option agreement whereby Mindoro may acquire Minimax's interest in API for an amount equal to the balance of the loan receivable as well as a net smelter royalty (note 8).

Previously, the Company had expected to recover the debt through cash flows from the Agata Project and therefore classified the loan as a component of its Exploration and Evaluation Assets. But as a result of the August 14, 2014 agreements with Minimax, the Company now expects to recover this loan in exchange for investments in API and has therefore reclassified the debt as a Loan receivable.

6.2 PAN DE AZUCAR (PANAY)

Pan de Azucar consists of one MPSA with a project area of 1,235 hectares near the island of Panay. Mindoro earned a 75% direct and indirect interest in Pan de Azucar pursuant to the terms of an MOA with Minimax.

In 2012, Mindoro and Minimax entered into the following two Joint Venture Agreements with TVIRD:

(a) 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.

(b) 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 options, 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 September 30, 2014, these transfers remain incomplete and subject to approval of the MGB.

6.3 TAPIAN SAN FRANCISCO (SURIGAO)

The Tapian San Francisco Project consists of one MPSA, one EP, and four EPAs. Mindoro earned a 75% direct and indirect interest in the Tapian San Francisco Project pursuant to the terms of an MOA with Minimax (note 4) and sold its interest to Red Mountain in 2012.

The project was returned to Mindoro in 2014 in exchange for 6 million Red Mountain shares.

In August 2014, Mindoro and Minimax signed an option agreement whereby Mindoro may acquire Minimax's 25% interest in the project for the following consideration:

i. US$120,000 to be paid on the 15th day of the 9th month after the first shipment of DSO;

ii. Consideration in the amount of $678,000 will be used to offset an existing $678,000 Minimax debt due to Mindoro; and

iii. During the processing of ore originating from only the Tapian Project, Minimax will receive a 0.5% gross smelter royalty from 100% of the net sales originating from only the Tapian San Francisco Project or the amount of One Hundred Thousand US Dollars (US$100,000.00), whichever is higher.

The Tapian San Francisco Option also contains a 60 day "Restructure Period" during which time, with the consent of both parties, certain terms of the amended option agreement may be modified if more favourable tax structures are identified.

Pursuant to a 2013 option agreement with the permit holder of the MPSA and one EPA, the Company is required to make quarterly payments of US$50,000 from 2014 to 2016 and make three quarterly payments of US$50,000 and one quarterly payment of US$25,000 in 2017 in order to buy out the tenement. To date, Mindoro has not made these payments, nor has it made a payment of US$75,000 that was due on December 31, 2013. In aggregate, the Company has accrued $252,000 (US$225,000) of unpaid payments pertaining to this option agreement and is currently attempting to renegotiate the terms of the agreement.

6.4 APICAL (SURIGAO)

Apical is an EPA that Mindoro has a 15% interest in by way of an incorporated joint venture with Medusa Mining and Minimax, 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. Apmedoro Mining Corp ("Apmedoro") was incorporated by the joint venture to hold this project.

6.5 IMPAIRMENT

In 2013, Mindoro 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.

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

7. 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)	(52)	-	**(215)**
Translation adjustment	2	7	3	2	-	**14**
September 30, 2014	**51**	**143**	**43**	**4**	**-**	**241**
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	2	-	-	-	**3**
Disposals	(33)	(80)	(50)	(52)	-	**(215)**
Translation adjustment	2	6	3	2	-	**13**
September 30, 2014	**50**	**142**	**43**	**4**	**-**	**239**
Net book value at:						
December 31, 2012	17	11	8	-	2	**38**
December 31, 2013	2	2	-	-	-	**4**
September 30, 2014	**1**	**1**	**-**	**-**	**-**	**2**

8. SHARE OPTIONS

On August 14, 2014, the Company purchased the following two share option agreements from Minimax to acquire Minimax's interest in AMVI and API.

Agata Mining Option:

i. US$60,000 payment upon signing the Amended Option Agreements.

ii. US$60,000 to be paid 60 days from the date of signing;

iii. US$4,000,000 paid in five annual installments of US$800,000 to Minimax commencing on the 15th day of the 12th month after the first shipment of the DSO.

iv. Title to Minimax’s shares in the Agata Mining Joint Venture will be transferred to Mindoro on a pro-rata basis with each installment payment. However, Mindoro will immediately upon exercise, receive all the economic benefits, rights and obligations attached to Minimax’s interest. The Agata Mining Option will automatically be exercised upon conclusion of the Restructure Period, as described below.

v. In the event that Mindoro fails to make any of the installment payments, Mindoro must return any Agata Mining Joint Venture shares previously transferred by Minimax. Minimax will retain any installment payments made to date and Mindoro will retain any dividends already received from the Agata Mining Joint Venture.

Agata Processing Option:

i. US$250,000 to be paid on the 15th day of the 6th month after the first shipment of DSO; and

ii. Consideration in the amount of $5.5 million will be used to offset an existing $5.5 million Minimax debt due to MRL;

iii. During the processing of ore originating only from the Agata Project, Minimax will receive a 0.5% Net Smelter Returns (NSR) royalty during the lifetime of the processing operations, levied on 100% of production (the NSR does not apply to revenue generated from DSO operations);

iv. The Agata Processing Option will be automatically exercised upon payment of the second installment pursuant to the Agata Mining Option.

Both the Agata Mining and Agata Processing Agreement contain a 60 day "Restructure Period" during which time, with the consent of both parties, the schedule of installment payments and allocation of debt between Amended Option Agreements may be modified if more favourable tax structures are identified.

Mindoro and Minimax will also undertake during the Restructure Period to negotiate further compensation for Minimax in the event that resources currently allocated for processing by the Agata Processing Joint Venture are instead commercialized as DSO material by the Agata Mining Joint Venture.

9. 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.

10. BORROWINGS

10.1 SHORT TERM NOTES AND OTHER LOANS

	TVI Pacific Inc	Directors fees	Management fees	Total
	$000	$000	$000	**$000**
Note	*(a)*	*(b)*	*(c)*	
December 31, 2012	**-**	**-**	**-**	**-**
Principal drawn	358	59	32	**449**
Interest accrued	23	2	-	**25**
December 31, 2013	**381**	**61**	**32**	**474**
Repayments	(399)	(44)	(37)	**(480)**
Principal drawn	-	32	5	**37**
Interest accrued	18	4	-	**22**
September 30, 2014	**-**	**53**	**-**	**53**

(a) The Company and TVIP signed a secured promissory note in June 2013 whereby TVIP may, but was not obligated to, lend the Company up to $1.3 million in a series of drawdowns. The note will be repayable June 24, 2014, and accrued interest equal to 15%. The note was secured by Mindoro's interest in its wholly owned subsidiary, MRL Nickel Philippines Inc. On April 29, 2014, the Company repaid 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. In April 2014, the Company paid $44,000 of accrued Directors Fees and interest payable to current independent non-executive directors. However, fees and accrued interest remain payable to one non-independent, non-executive director, and to two former non-executive directors of Mindoro.

(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.

10.2 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 nine months of 2014, the Company incurred $24,000 of interest expense and paid $15,000 of accrued interest to the lenders. Subsequent to September 30, 2014, the Company paid an additional $7,000 of accrued interest to the lenders (note 17).

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.

11. 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 September 30, 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.

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.

12. OTHER RESERVES

	Note	Employee benefit reserve $000	Warrants reserve $000	Currency reserve $000	Other comprehensive income $000	Transactions with NCI $000	Other reserves $000
December 31, 2013		**5,120**	**5,912**	**856**	**(400)**	**-**	**11,488**
Remeasurement of financial assets available for sale	*4*	-	-	-	333	-	**333**
Translation adjustments		-	-	407	-	-	**407**
September 30, 2014		**5,120**	**5,912**	**1,263**	**(67)**	**-**	**12,228**
December 31, 2012		**5,162**	**5,961**	**324**	**(196)**	**-**	**11,251**
Translation adjustments		-	-	809	-	-	**809**
Proceeds from Red Mountain share issuance		-	-	-	-	165	**165**
Loss of control of Red Mountain		-	-	-	-	(165)	**(165)**
September 30, 2013		**5,162**	**5,961**	**1,133**	**(196)**	**-**	**12,060**

(Expressed in Canadian Dollars unless otherwise noted)

13. WARRANTS

The following table summarizes information about Common Share purchase warrants outstanding and exercisable as at September 30, 2014:

Expiry date	Exercise price $	**December 31, 2013**	Granted	Exercised	Expired	**September 30, 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 nine months 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 $1,222,000 or $0.029 per warrant (2013 – $490,000 or $0.011 per warrant). A remeasurement loss of $732,000 (2013 – gain of $597,000) 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:

	September 30, 2014	December 31, 2013
Risk Free Interest Rate	1.24%	1.51%
Expected Life	3.01 years	3.76 years
Expected Volatility	151%	126%
Expected Dividend	-	-
Expected Forfeitures	-	-

(Expressed in Canadian Dollars unless otherwise noted)

14. EQUITY SETTLED OPTIONS

Expiry date	Exercise price $	**Dec. 31, 2013**	Vested	Granted	Exercised	Expired	**Sep. 30, 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**	-	-	-	(2,835,000)	**1,900,000**
Weighted average exercise price ($)		**0.193**	**-**	**-**	**-**	**0.207**	**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 nine months of 2014 or in 2013.

15. CASH SETTLED OPTIONS

Expiry date	Exercise price $	**Dec. 31, 2013**	Vested	Granted	Exercised	Expired	**Sep. 30, 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.

(Expressed in Canadian Dollars unless otherwise noted)

No cash settled options were issued in the first nine months of 2014 or in 2013. All cash settled options issued under the plan expired in August 2014.

The fair value of outstanding cash settled options outstanding on December 31, 2013 was $0.001. The fair value was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	December 31, 2013
Risk Free Interest Rate	1.07%
Expected Life	0.63 years
Expected Volatility	170%
Expected Dividend	-
Expected Forfeitures	-

16. 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 Sep. 30, 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 Mining joint venture, which have been accounted for using the equity method.

TVIP has a 14% interest in Mindoro. In the first nine months of 2014, the Company recorded recoveries from the joint ventures with TVIRD, a Philippines Affiliate TVIP, of $51,000. As described in note 10.1, the Company repaid a $399,000 loan from TVI on April 29, 2014.

The Company has recorded debts payable to current and former non-executive directors totalling $53,000 on which it accrues 8% interest per annum (note 10.1). The balance at September 30, 2014 includes $4,000 of accrued interest. In the period, the Company paid accrued fees and interest totalling $44,000.

The Company repaid a note payable to an executive director totalling $32,000 in March 2014 (note 10.1).

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 10.2).

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.

	Movements	
	2014	2013
	$000	$000
Salaries and directors fees	**577**	357
Stock based compensation	**(1)**	(4)
Key management compensation	**576**	353

17. EVENTS AFTER THE REPORTING PERIOD

In October 2014, having met the spending requirements and commenced production on the Agata Mining joint venture, TVIRD exercised the Agata Mining Joint Venture Option. Shares of AMVI that had previously been issued to TVIRD but that had been held in escrow were released to TVIRD. As a result, Mindoro expects to reclassify $1,799,000 of exploration and evaluation an investment in associate representing Mindoro's 15% shareholding of AMVI.

AMVI has completed its first two shipments of limonite high-iron/low-nickel DSO subsequent to the current period, with an aggregate 109,680 wet metric tonnes of DSO material sold for expected gross proceeds of US$1.8 million ($2 million), subject to final assay and price adjustments. On November 28, 2014, the Company announced that it is in negotiations with TVIRD to receive a $400,000 bridge loan and $2 million convertible debenture. Key terms of the bridge loan include:

- Interest rate of 8% per annum;
- Principal and accrued interest shall be due the earlier of January 31, 2015 or upon receipt of the proceeds from the proposed $2 million convertible debenture issue to TVIRD;
- Secured against the shares of stock of MRL Nickel Philippines Inc., Mindoro's Philippine Subsidiary.

This bridge loan is subject to obtaining final approvals from the boards of Mindoro and TVIRD.

Mindoro has also undertaken negotiations to issue a $2 million convertible debenture to TVIRD on similar financial terms as the bridge loan, except with a two year term and a conversion feature in accordance with the rules of the TSX Venture Exchange.