



MINDORO
RESOURCES LTD

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

For the three months ended March 31, 2015

(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



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As reported on May 27, 2015

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CAUTION FORWARD LOOKING INFORMATION

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

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

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

TECHNICAL DISCLOSURES

Mike Bue, BSc. Eng, M.Eng, P.Eng, Technical Advisor and Project Advisory Group member of TVI Pacific Inc., has acted as the Qualified Person in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") reporting requirements by virtue of his membership in the Professional Engineers of Ontario and Canadian Institute of Mining and Metallurgy. Mr. Bue has approved the scientific or technical information contained in this document and has confirmed compliance with NI 43-101 requirements.



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1. COMPANY PROFILE AND STRATEGY

During the three months ended March 31, 2015 (the "period"), Mindoro Resources Ltd. ("Mindoro" or the "Company") continued to monitor operations at Agata operated by TVI Resource Development (Phils.) Inc. ("TVIRD"). The Company also worked to obtain financing to fund its acquisition of Minimax Mineral Exploration Corporation's ("Minimax") 25% interest in the Agata and Tapian San Francisco projects, as well as Mindoro's ongoing general and administrative expenditures.

This Management's Discussion and Analysis ("MD&A") presents the operating results and financial status of the Company for the three months ended March 31, 2015, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements ("Interim Financial Statements") for the three months ended March 31, 2015 and the audited consolidated financial statements for the year ended December 31, 2014 ("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 May 27, 2015.

The Company trades on the TSX Venture Exchange and Frankfurt Exchange as MIO and OLM, respectively. Additional information related to the Company is available on SEDAR at www.sedar.com, and on the Company's website at www.mindoro.com.

2. OVERVIEW FOR THE THREE MONTHS ENDED MARCH 31, 2015

AGATA MINING VENTURES INC. OPERATIONS

Agata Mining Ventures Inc. ("AMVI"), a company held by Mindoro's Philippine subsidiary, MRL Nickel Phils., Inc. and TVIRD, completed five shipments of nickel laterite in the first quarter of 2015 for gross proceeds of US\$3.19 million. Subsequent to the quarter AMVI has shipped an additional three shipments of nickel laterite for gross proceeds of US\$4.19 million.

The Company announced on May 19, 2015 that AMVI has completed a detailed diamond drilling program that commenced in October 2014 consisting of in-fill and step-out drill holes on the Agata nickel laterite orebody to upgrade and increase the resources previously disclosed in April 2013. The program of 986 drill holes was completed in the span of six months with up to 17 drill rigs mobilized at one time and comprised of 907 in-fill holes and 79 step-out holes. The results of the drill program will be incorporated into an updated NI 43-101 report, which is expected for completion in the third quarter of 2015, and may expand the current resources at the project.

BOARD AND MANAGEMENT CHANGES

After the reporting period on May 8, 2015, the Company announced that it has accepted the resignation of Penny Gould as Chief Executive Officer and appointed Luis Jovito A Santos to the role of interim Chief Executive Officer. The Company also announced the appointment of Arturo P de los Santos to the board of directors and the appointment of existing director Clifford M James as the interim chairman of the board following the resignation of directors A Robson Garden and Lawrence Nagy.

FINANCIAL

Net loss of \$1,201,000 in the first quarter of 2015, which includes the Company's share of equity loss from AMVI of \$1,085,000 in the period compared to net income of \$52,000 in the same period of 2014.

As announced on December 17, 2014, in press releases by both Mindoro and TVI Pacific Inc ("TVPI"), the Company received a \$500,000 bridge loan from TVIRD and was negotiating to issue a CDN\$2 million convertible debenture to TVIRD on similar financial terms as the interim loan, except with a two year term and a conversion feature in

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accordance with the rules of the TSX Venture Exchange. As of the current date of this report, the maturity of the bridge loan has been extended to June 30, 2015, and negotiations are ongoing with respect to the larger financing.

At March 31, 2015, the cash balance was \$195,000 and working capital deficit was \$3,093,000, excluding the warrants liability, compared with a cash balance of \$380,000 and a working capital deficit of \$2,746,000 at December 31, 2014.

3. ACTIVITIES FOR THE THREE MONTHS ENDED MARCH 31, 2015

TABLE 1

January	Bridge loan maturity date extended AMVI made one laterite direct shipping ore ("DSO") shipment for gross proceeds of US\$615,000
February	AMVI made one laterite DSO shipment for gross proceeds of US\$693,000
March	AMVI completes three laterite DSO shipments for \$1.93 million gross proceeds
April	Financial results released for the year ended December 31, 2014 AMVI made three laterite DSO shipments for gross proceeds of US\$4.2 million
May	AMVI completed large-scale drill program at Agata Nickel laterite project

4. MILESTONES TARGETED FOR 2015

TABLE 2

MILESTONE	STATUS
TVIRD to complete the Agata processing definitive feasibility study in Q4	Pending as of current reporting date
Continue shipments of approximately 55,000 WMT of high-iron low-nickel DSO material approximately every three to four weeks.	Thirteen DSO shipments containing an aggregate 641,361 WMT of limonite ore and 60,369 WMT of saprolite for total gross proceeds of US\$11.23 million
Updated NI 43-101 resource for Agata Nickel Laterite project	Drill results released May 2015, report expected in Q3 2015
Investigate opportunities to direct ship the abundant limestone at Agata.	Drilling on the limestone commenced November 2014 with the objective of defining an initial resource Marketing studies are on-going
Secure additional financing	Maturity date of bridge loan of \$500,000 from TVIRD under secured promissory note in December 2014 extended to June 30, 2015 Negotiations with TVIRD for larger financing arrangement are ongoing at the reporting date



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5. FINANCIAL ANALYSIS

TABLE 3: SUMMARY OF QUARTERLY RESULTS

	2013-Q2	2013-Q3	2013-Q4	2014-Q1	2014-Q2	2014-Q3	2014-Q4	2015-Q1
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total revenue	-	-	-	-	-	-	-	-
General and administrative expenses	(132)	(195)	(239)	(135)	(123)	(395)	(198)	(62)
Salaries and employee benefits	(63)	(107)	(95)	(97)	(84)	(119)	(85)	(103)
Interest expense	-	(11)	(16)	(22)	(13)	(9)	(39)	(72)
Stock based compensation	1	(1)	2	-	1	-	-	-
Share of equity earnings (losses) of associate	-	-	-	-	-	-	727	(1,085)
Depreciation and amortization	(4)	(4)	(1)	(2)	(1)	-	(1)	-
Impairment of exploration and evaluation assets	-	-	(9,979)	-	-	-	(4,303)	-
Operating Loss	(198)	(318)	(10,328)	(256)	(220)	(523)	(3,899)	(1,322)
Finance income	-	-	-	-	1	1	-	-
Remeasurement of warrants liability	240	(151)	152	(345)	147	(534)	362	39
Gain on sale of Red Mountain shares	-	-	-	655	178	-	-	-
Gain on reversal of Batangas provision	-	-	-	-	-	-	-	27
Impairment of investment held for distribution	(6,100)	(1,314)	(98)	-	-	-	-	-
Foreign exchange	(1,463)	(47)	(317)	1	(11)	(1)	13	56
Loss on disposal of equipment	-	-	-	-	-	-	-	-
Income (loss) before income taxes	(7,521)	(1,830)	(10,591)	55	95	(1,057)	(3,524)	(1,200)
Income taxes	-	-	(5)	-	-	-	(1)	(1)
Net income (loss) for the period	(7,521)	(1,830)	(10,596)	55	95	(1,057)	(3,525)	(1,201)
Basic and diluted net income (loss) per share (\$)	(0.025)	(0.006)	(0.036)	0.000	0.000	(0.004)	(0.012)	(0.004)

NET INCOME AND LOSSES

The Company recognised net loss of \$1,201,000 in the first quarter of 2015 compared to income of \$52,000 in the same period of 2014. This reflects the recognition of the Company's share of AMVI's loss (\$1,085,00) in the period, and higher interest expense and salaries and other employee benefits compared to the same period of 2015. The Company recorded a gain in the period for the reversal of a provision related to the Company's Batangas assets that were sold in 2012 to Red Mountain Mining Ltd. General and administrative expenses were lower than in the same period of 2014.

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TABLE 4: GENERAL AND ADMINISTRATION EXPENSES

	Three Months Ended Mar. 31	
	2015 \$000	2014 \$000
Legal	14	1
Insurance	6	11
Accounting and audit fees	5	12
Listing fees	6	10
Transfer agent fees	1	14
Advertising & Promotion	-	10
Management fees and outsourced labour	3	35
Travel	-	19
Documentary Stamp Tax	10	-
Office Costs	17	23
General and Administrative Costs	62	135

Further commentary on net the loss in the first quarter of 2015 with respective comparatives:

- In the first quarter of 2015, general and administrative expenses (\$62,000) were lower than in the same period of 2014 (\$135,000). The Company spent more on legal in the current period than in the same period of 2014, but less on insurance, accounting, listing fees, transfer agent fees, advertising, management fees and outsourced labour, and office costs. In the period, the Company increased the amount of its provision for documentary-stamp-tax payable in the Philippines.
- The Company incurred additional salaries and employee benefits charges due to increased strength of the Philippine Peso and decreased salaries and employee benefits recovered through the use of Mindoro personnel by AMVI in its operations compared to the same periods of 2013.
- The Company also incurred interest expense on loans and installment payments disclosed in notes 11 and 12 of the Interim Financial Statements.
- Remeasurement of the warrants liability has resulted in the recognition of a gain of \$39,000 in the first quarter of 2015 compared to a loss of \$345,000 in the same period of 2014. Fluctuations in the fair value of the warrants liability reflect the volatility in the Company's share price.
- The Company incurred \$56,000 foreign exchange gains in the first three months of 2015, which principally reflect fluctuations in the exchange rates for US dollars and Philippine Pesos. In the same period of 2014, the Company incurred \$1,000 of foreign exchange gains resulting from fluctuations in the exchange rates for Philippine Pesos and Australian dollars.

CASH FLOWS

In the first quarter of 2015, the Company used \$221,000 in cash from operating activities compared to \$342,000 in the first quarter of 2014. This reflects a decrease in non-cash working capital of \$40,000 in the current quarter compared to a decrease of \$99,000 in the first quarter of 2014.

In the first quarter of 2015 the Company spent \$5,000 on exploration and evaluation assets, while recovering \$4,000 from AMVI and Pan de Azucar Mining Ventures, Inc. ("PMVI"). In 2014, the Company spent \$29,000 on exploration and evaluation assets and received cost recoveries from AMVI and PMVI of \$22,000. Most of the



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exploration expenditures in the current period relate to technical support provided to TVIRD related to the Agata Mining Joint Venture ("AMJV").

EXPLORATION AND EVALUATION ASSETS

TABLE 5: DETAILED EXPENDITURE ON EXPLORATION AND EVALUATION ASSETS

	Agata	Tapian San Francisco	Pan de Azucar	Total
	\$000	\$000	\$000	\$000
December 31, 2013	8,113	123	1,474	9,710
Acquisition				-
Option and advance royalty costs	-	440	-	440
	-	440	-	440
Exploration				
General exploration	6	9	-	15
Labour	37	3	-	40
	43	12	-	55
Recoveries from associate	(52)	-	(7)	(59)
Reclassified to option to purchase contract	(87)	-	-	(87)
Reclassification to investment in associate	(2,502)	-	-	(2,502)
Impairment of exploration and evaluation assets	(2,239)	(539)	(1,525)	(4,303)
Currency translation	476	6	58	540
2014 Activity	(4,361)	(81)	(1,474)	(5,916)
December 31, 2014	3,752	42	-	3,794
Exploration				
Labour	3	1	1	5
	3	1	1	5
Recoveries from associate	(3)	-	(1)	(4)
Currency translation	346	4	-	350
2015 Activity	346	5	-	351
March 31, 2015	4,098	47	-	4,145

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 Philippines Mines and Geosciences Bureau ("MGB") in 2015 and at that time, the Company will record its carrying value of Agata in its investment in associate rather than exploration and evaluation assets.

The Company fully impaired its interest in Pan de Azucar in 2014, because the exploration period under the Mineral Production Sharing Agreement ("MPSA") (9th and 10th year) should have expired in February 2015. The Company and Minimax have requested an extension of the exploration period but have not yet received a response from the MGB or Department of Environment and Natural Resources ("DENR").

GOING CONCERN

The Company incurred a net loss of \$1,201,000 (March 31, 2014 – net income of \$52,000) and operating cash outflows of \$221,000 for the three months ending March 31, 2015 (March 31, 2015 – \$342,000). At March 31, 2015, the Company has a net working capital deficit of \$3,093,000, excluding warrants liabilities (December 31, 2014 – \$2,746,000). 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. In 2014, the Company signed an agreement with



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Minimax to acquire Minimax's 25% interest in shares of AMVI, the mining entity. The contractual obligation requires annual installment payments to Minimax in the amount of US\$800,000 for the next five years. The Company also has a commitment to Panoro in the amount of \$1,000,000, recognized in two \$500,000 payments, with the first payment due once one million wet metric tonnes of nickel laterite are shipped from the Agata DSO project and the second payment due on the first anniversary of the first payment. As at April 30, 2015, AMVI has shipped a total of 701,730 WMT of nickel laterite from Agata. Based on current production rates at the Agata project, it is expected that the first payment will become payable during the third quarter of 2015 with the second payment due one year after the first.

In 2012 the Company entered into an agreement with TVIRD where TVIRD has the right to earn a 60% interest in Agata and regional nickel projects by sole funding a 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. These joint venture agreements require TVIRD to finance Mindoro's mineral property annual expenditure obligations and to maintain the tenements in good standing.

In October 2014, the Agata DSO project began production and TVIRD earned its 60% interest in AMVI, the joint venture vehicle. As at March 31, 2015 AMVI has completed ten shipments of nickel laterite DSO for aggregate US\$7.04 million gross revenue. The Company anticipates that the Agata project will generate positive cash flow from operations and the AMVI partners could expect to receive distributions; however, the Company does not control the timing of future distributions and there is no certainty that sufficient distributions will be received before the Company's obligations are due.

In December 2014, the Company borrowed \$500,000 from TVIRD pursuant to the terms of a secured promissory note. This agreement is intended as a bridge financing while negotiating a larger financing arrangement with TVIRD and its shareholders. The note was originally due on January 31, 2015, but the term has subsequently been extended to June 30, 2015. The note accrues interest equal to 8% per annum and is secured by Mindoro's interest in its wholly owned subsidiary, MRL Nickel Philippines Inc.

During 2014, the Company sold the majority of its holdings in Red Mountain shares, which provided cash inflows that were used to settle obligations as they fell due throughout 2014. At March 31, 2015, the remaining holding of shares was valued at \$18,000.

At March 31, 2015, the Company had an ending cash position of \$195,000, and the Company is presently dependent on cash flows from financing activities to continue operations and fund expenses.

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 as a going concern.

The Company has received \$500,000 from TVIRD under a secured promissory note and negotiations for a \$2 million convertible debenture to replace as well as to repay the secured promissory note have been delayed given the realization that it is not sufficient in and of itself to enable the Company to fund all aspects of its operations for the next 12 months nor to meet the current working capital deficit. 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 seeking other financing alternatives to fund the Company's operations so it may continue as a going concern. But there is no assurance that these initiatives will be successful and until the Company begins to receive positive cash flow from AMVI distributions 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.

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The Company 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 and recognizes this to be a challenge and a concern in the current environment. These Interim Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues, expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

6. DISCUSSION OF PROJECTS

AGATA NICKEL LATERITE PROJECT

- i. The Agata nickel laterite project is a DSO operation, held by AMVI, a joint venture company between Mindoro and TVIRD, in which TVIRD holds a 60% interest and is operator. Mindoro directly holds a 15% interest in AMVI and is acquiring an additional 25% interest from Minimax in exchange for the following consideration:
 - US\$80,000 advanced in 2013 and initially recorded as exploration and evaluation assets;
 - US\$60,000 paid upon signing the Amended Option Agreements;
 - US\$60,000 paid 60 days from the date of signing; and
 - US\$4,000,000 to be 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.
- ii. Title to Minimax's shares in AMJV will be transferred to Mindoro on a pro-rata basis with each installment payment. However, immediately upon exercise Mindoro will receive all the economic benefits, rights and obligations attached to Minimax's interest. Therefore, the Company considers itself to have a 40% participating interest in AMVI.
- iii. In the event that Mindoro fails to make any of the installment payments, Mindoro must return any AMJV shares previously transferred by Minimax. Minimax will retain any installment payments made to date and Mindoro will retain any dividends already received from AMJV.

The Agata DSO Project site is located in a 4,995-hectare MPSA area located in the adjacent municipalities of Tubay, Jabonga and Santiago in Augusan del Norte province. It is accessible by approximately 1.5 hours driving time from the provincial capital of Butuan. The project mine site is located 3.5 km from AMVI's private port, which is strategically located within proximity to main markets in Asia and provides the opportunity for shipping all year round.

According to an April 10, 2013, NI 43-101 report (available on SEDAR and Mindoro's website at www.mindoro.com) the Agata project has 33.9 million dry metric tonnes of grading 1.1% nickel and 22.5% iron in the measured and indicated resource categories and an additional 2.1 million dry metric tonnes grading 1.0% nickel and 16.3% iron in the inferred resource category.

In a subsequent Feasibility Study report published on August 30, 2013 (available on SEDAR and Mindoro's website at www.mindoro.com) the project was shown to have Proven and Probable Reserves of 9.7 million wet metric tonnes ("WMT") of nickel laterite ore with a grade of 48% Fe and 0.9% Ni. These reserves were calculated only on the high iron/low nickel ore in the nickel laterite deposit and do not indicate the full amount of both limonite and saprolite ore reserves in the deposit.



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Commercial production of nickel laterite DSO commenced at the project in October 2014. As of March 31, 2015 a total of 10 nickel laterite ore shipments have been completed by AMVI containing a total of 528.757 WMT of limonite ore for total gross proceeds of US\$7.04 million.

On May 19, 2015, Mindoro announced that AMVI has completed a detailed diamond drilling program that commenced in October 2014 consisting of in-fill and step-out drill holes on the Agata nickel laterite orebody to upgrade and increase the resources previously disclosed in April 2013. The program of 986 drill holes was completed in the span of six months with up to 17 drill rigs mobilized at one time and comprised of 907 in-fill holes and 79 step-out holes.

Of the 907 in-fill holes, 583 holes (totalling 10,520.7 metres) were drilled at 25-metre-by-25-metre spacing and 324 holes (totalling 5,348.1 metres) were drilled at 50-metre-by-50-metre spacing. Results have shown average nickel and iron grades for saprolite horizons of 1.3% nickel and 14% iron while limonite intercepts averaged 1.1% nickel and 49% iron (both at a cut-off grade of 0.8% nickel). Significant intercepts of up to 4.3% nickel and 55% iron were encountered at vertical thicknesses ranging from 6 to 22 metres. These results will be used primarily to upgrade the confidence level of current known resources from the "Indicated" category to the "Measured" category.

A step-out drill program consisting of 79 holes (totalling 899.3 metres) was also completed with positive results. A total of 78 out of 79 holes drilled in the southwest, central and northeast areas surrounding the current Agata mining area intercepted limonite and saprolite ore with nickel grades above 0.8%. Approximately 22 holes had intercepts ranging from 10 to 24 metres of nickel-rich horizons with grades equal to or greater than 1.3%. The maximum iron grade recorded from the step-out holes was 54%. These results will be incorporated into the updated NI 43-101 report, which is expected for completion in the third quarter of 2015, and may expand the current resources at the project.

AGATA LIMESTONE PROJECT

Based on a December 20, 2011, Agata technical report (available on SEDAR and Mindoro's website), the massive recrystallized limestone deposits at Agata, which are held by AMVI, are of very high purity levels of CaCO₃ (calcium carbonate). Five holes drilled into the limestone by Mindoro in 2011 outlined a large area of approximately 400 by 800 meters and yielded intercepts with a weighted average of 60.5 meters of 98.9% CaCO₃. The number of holes drilled is not sufficient to classify a mineral resource.

In November 2014, AMVI announced that it commenced an exploration program aimed at defining a NI 43-101 compliant resource estimate by mid-2015. Once an initial resource has been developed, AMVI will evaluate the feasibility of commencing a limestone DSO operation using the same infrastructure developed for the current nickel laterite DSO operations. Due to the project's close proximity to the causeway where materials will be shipped, potential operations may benefit from having low transport and handling costs. Currently no permits are in place for mining the limestone.

AGATA NICKEL PROCESSING PROJECT

The Agata Nickel Processing Project is held by Agata Processing, Inc. ("API"), a company in which TVIRD has the right to earn a 60% interest from Mindoro by expending a minimum of US\$2 million and delivering a DFS by September 25, 2016. As at December 31, 2014, TVIRD had completed its minimum expenditure requirement and has earned 45% of the shares in API, subject to completing the DFS.

As announced on August 15, 2014, Mindoro has negotiated a share option agreement to acquire an additional 25% from 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;



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- 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.

As at March 31, 2015, TVIRD is conducting final optimization studies and awaiting the results of an updated resource report on the Agata nickel laterite project based on an extensive drilling program underway since October 2014 to validate and expand the existing resources. Results of the optimized DFS are expected to be published in the second half of 2015.

PAN DE AZUCAR PYRITE PROJECT

The Pan de Azucar MPSA covers approximately 535 hectares on Pan de Azucar Island and adjacent Panay Island. Mindoro has a 75% direct and indirect interest in both the PDA Mining and PDA Processing Joint Ventures with the remaining 25% held by Minimax. TVIRD had the option to earn a 60% interest in each of the PDA Mining Joint Venture and PDA Processing Joint Venture by making, in addition to other commitments, minimum expenditures of \$500,000 prior to December 31, 2014, and keeping the project in good standing by filing a Declaration of Mining Project Feasibility ("DMPF") with the DENR before February 2015. As at March 31, 2015, TVIRD had not met its minimum expenditure commitments, nor had it completed a DMPF by February 2015, which would subsequently result in the expiration of the MPSA. Minimax has filed a request for an extension of the MPSA; the request continues to be pending as of the current reporting date. The Company fully impaired Pan de Azucar in 2014.

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.

Currently there are no permits in place for the mining of the pyrite material.

No technical work was carried out during the period. Work was restricted to permitting.

TAPIAN SAN FRANCISCO COPPER-GOLD

Mindoro earned a 75% direct and indirect interest in the Tapan San Francisco Project pursuant to the terms of a Memorandum of Agreement with Minimax. The Company sold its interest to Red Mountain in 2012 but the project was returned to Mindoro in 2014 in exchange for 4 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

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- 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), whichever is higher.

The Tapian San Francisco Project consists of one MPSA, one Exploration Permit ("EP") and four Exploration Permit Applications ("EPA"). Pursuant to a 2013 option agreement with the permit holders of the MPSA and one EPA, the Company was required to make quarterly payments of US\$50,000 from 2014 to 2016, and, in 2017, make three quarterly payments of US\$50,000 and one quarterly payment of US\$25,000 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, as of March 31, 2015, the Company has accrued \$317,000 (US\$275,000) of unpaid payments pertaining to this option agreement. However, since the MPSA and the EPA are located in an area where there is a ban on issuing new mining permits it is considered highly unlikely the EPA will be approved. The MPSA is already a granted mining permit; however, historical work by Mindoro significantly downgraded the potential of the tenement. Mindoro has, therefore, terminated the option agreement and handed the tenement back to the permit holders.

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

The Company failed to make within the scheduled time the payment of US\$250,000 due to Minimax as required by the Agata Processing Option. The Company is in discussions with Minimax to defer payment further.

The Company and TVIRD have agreed to extend the term of the secured promissory note entered into in December 2014 to June 30, 2015.

On May 8, 2015, the Company announced that it has accepted the resignation of Penny Gould as Chief Executive Officer and appointed Luis Jovito A Santos to the role of interim Chief Executive Officer. The Company also announced the appointment of Arturo P de los Santos to the board of directors and the appointment of existing director Clifford M James as the interim chairman of the board following the resignation of directors A Robson Garden and Lawrence Nagy.

In April 2015, AMVI completed three shipments of an aggregate 112,604 WMT of limonite ore and 60,369 wmt of saprolite ore for aggregate gross proceeds of US\$4,195,000. As at April 30, 2015, a total of 13 shipments of nickel laterite DSO have been completed by AVMI containing a total of 641,361 wmt of limonite ore and 60,369 wmt of saprolite for total gross proceeds of US\$11.23 million.

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8. TRANSACTIONS BETWEEN RELATED PARTIES

The Interim Financial Statements include the results of Mindoro and the following entities:

TABLE 6

	Country of Incorporation	Classification	% Ownership at	
			Mar. 31, 2015	Dec. 31, 2014
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%
Agata Mining Ventures Inc	Philippines	Investment in associate	40%	40%

MRL Nickel has an investment in an associate that has been accounted for using the equity method. In 2015, the Company recorded recoveries from AMVI and Pan de Azucar Mining Ventures Inc. of \$4,000, which are operated by TVIRD.

In December 2014, the Company borrowed \$500,000 from TVIRD. Prime Resources Holdings Inc. ("PRHI") owns 68% of TVIRD and 25% of Mindoro. TVIP owns 30% of TVIRD and 14% of Mindoro.

The Company repaid \$399,000 in principal and interest on a loan from TVIP in April 2014.

The Company has recorded debts payable to current and former non-executive directors totalling \$90,000 on which it accrues 8% interest per annum. The balance at March 31, 2015 includes \$2,000 of interest accrued in the period.

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

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 11 of the Interim Financial Statements).

The following remuneration has been paid or is payable to directors and officers of the Company.

TABLE 7

	March 31	
	2015	2014
	\$000	\$000
Short-term employee benefits	52	80
Management fees paid to related corporations	30	46
Stock based compensation	-	-
Key management compensation	82	126

In the first three months of 2015, the Company incurred \$30,000 (2014 - \$20,000) in management fees for the provision of the Company's former CEO's services provided by an entity controlled by Ms. Gould.

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9. SIGNIFICANT ACCOUNTING POLICIES

CRITICAL ACCOUNTING JUDGEMENTS APPLIED IN THE COMPANY'S ACCOUNTING POLICIES

GOING CONCERN

Due to the financial condition of the Company at March 31, 2015 and the contractual obligations and 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 1 of the Interim 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.

PANORO AGREEMENT COMMITMENT

The Company has a commitment payable to Panoro for its buy out of Panoro's interest in the Surigao Projects in 2007. This contingent consideration is conditional upon nickel laterite production at Agata meeting certain production thresholds, which at the time of the transaction with Panoro, Mindoro had control over achieving production. Therefore, the Company believes the commitment is not a present obligation. The Company will recognise the liability once the payment condition is achieved, which is the shipment of one million WMT of nickel laterite from the Agata DSO project. As at April 30, 2015, AMVI has shipped a total of 701,730 WMT of nickel laterite.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Interim Financial Statements follow the same accounting policies and methods of application as the audited consolidated financial statements for the year ended December 31, 2014.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 2015 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.



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Effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments and Amendments to IFRS 7 Financial Instruments Disclosure

IFRS 9, Financial Instruments, replaces IAS 39, Financial Instruments: Recognition and Measurement. The IFRS 9 project had three main phases, classification and measurement, impairment, and general hedging. The version of IFRS 9 issued in July 2014 represents the final version of this project. Simultaneously with its issue, IASB issued amendments to IFRS 7 Financial Instruments to reflect IFRS 9 in accordance with specific requirements of IFRS 7. Early adoption is 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.

Effective for annual periods beginning on or after January 1, 2017:

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.

Early adoption of the new standard is permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Company has not yet evaluated the impact of adopting IFRS 15 on the consolidated financial statements.

10. OUTSTANDING SHARE DATA

TABLE 8

Issued - Common shares	Common Shares	Stock Options	Purchase Warrants
December 31, 2014	297,437,399	1,900,000	61,826,578
Expired	-	(1,650,000)	-
May 27, 2015	297,437,399	250,000	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.

11. LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2015, the Company held cash and cash equivalents of \$195,000 (2014 - \$380,000), other current assets totalled \$120,000 (2014 - \$110,000) and current liabilities, excluding warrants liabilities which would not result in an outflow of cash, totalled \$3,408,000, (2014 - \$3,236,000) which resulted in a working capital deficiency of \$3,093,000 (2014 - \$2,746,000).

The Company also has a commitment to Panoro in the amount of \$1,000,000, recognized in two \$500,000 payments, if certain nickel laterite shipment thresholds are met on the Agata DSO project. Based on current production rates at the Agata project, it is expected that the first payment will become payable during 2015 with the second payment due one year after the first.



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In the short term, the Company continues to use funds received from the \$500,000 secured promissory note provided by TVIRD to fund payment of immediate operating costs while it continues to negotiate with TVIRD for a larger, longer term financing arrangement and while it seeks other financing alternatives so that it may continue as a going concern.

In the long term, the Company anticipates that the Agata project will generate positive cash flow from operations and the AMVI partners could expect to receive distributions; however, the Company does not control the timing of future distributions and there is no certainty that sufficient distributions will be received before the Company's obligations are due.

The Company will seek to raise additional funds by obtaining additional borrowing facilities, the sale of new securities, obtaining the support of partners, selling investments, or selling interests in or relinquish mining tenements held by the Company. The Interim Financial Statements have been prepared in accordance with IFRS with the assumption that the Company will continue as a going concern for the foreseeable future. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability to raise additional capital. Specifically, the recovery of the Company's investment in associate is dependant on the ability of the Company to obtain necessary financing to pay the installment payments to Minimax as they fall due, AMVI's profitable production from Agata, or from the proceeds of AMVI's disposition. The recovery of the Company's investment exploration and evaluation assets is dependant upon the economic feasibility of a nickel processing facility at Agata, the ability of the Company to obtain necessary financing to pay the API Share Option payment due to Minimax and to fund the Company's share of the development of a Nickel Processing operation, and the establishment of future profitable production from a processing operation, or from the proceeds of the Company's disposal its interest in the Agata Nickel Processing Project. If the Company were unable to continue as a going concern it is likely that assets would be realised at amounts significantly lower than the carrying value and the Company may not be able to satisfy all its obligations.

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

The fair value of financial instruments traded in active markets is based on quoted prices at the financial statement date. The carrying values of cash and cash equivalents, trade and other receivables, trade and other payables, borrowings, and option to purchase contracts approximate their fair values. The Company's financial assets available for sale, investment held for distribution and warrant liabilities are measured at fair value on a recurring basis.

FAIR VALUE MEASUREMENTS IN THE STATEMENT OF FINANCIAL POSITION

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable.

- Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or
- Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an instrument's assigned level.



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Financial assets available for sale and the investment held for distribution are classified in Level 1 of the fair value hierarchy and are measured according to published share price information. The Company's investment in AMVI and its installment payments to Minimax are classified in level 2 of the fair value hierarchy and were initially measured using the discounted cash flow of the installment payments. The Company's warrant liabilities are classified in Level 2 of the fair value hierarchy and are measured using the Black-Scholes valuation method. The fair value disclosed for the Company's option to purchase contract was classified under Level 3.

Financial instruments measured at fair value on a recurring basis were presented in the Company's statement of financial position as of March 31, 2015 as follows:

TABLE 9

	March 31, 2015	Fair Value measurement at using:		
		Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Financial assets available for sale	18	18	-	-
Option to purchase contracts	318	-	-	318
Investment in associate	7,571	-	7,571	-
	7,907	18	7,571	318
Liabilities				
Installment payments to Minimax	4,572	-	4,572	-
Warrants liability	821	-	821	-
	5,393	-	5,393	-

FINANCIAL RISK FACTORS

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

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

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

There has been no change with respect to the overall capital risk management strategy during the three months ended March 31, 2015 or the year ended December 31, 2014.

FOREIGN EXCHANGE RISK:

Business is transacted by the Company in Philippine Pesos, United States Dollars, Australian Dollars, and Canadian Dollars. 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 its cash and cash equivalents, trade and other receivables, financial assets available for sale, trade and other payables, and installment payments to Minimax.

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.



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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. The Company's liquidity risk is primarily attributable to its trade and other payables, borrowings and installment payments to Minimax.

The recent decrease in the price of nickel has caused delays in the ability of AMVI to provide cash dividends, thereby impacting both internal cash flow and causing delays in the ability to close anticipated project financing given the general concern of the investment community. Further declines in metal prices or their continuing at their current low levels for an extended period are likely to impact the liquidity of the Company.

The Company's borrowings include a secured promissory note payable to TVIRD which is secured against the Company's subsidiary, MRL Nickel Philippines Inc, which in turn holds the Company's exploration and evaluation assets, and the Company's investment in associate.

In the event that Mindoro fails to make any of the installment payments to Minimax, 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.

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 is primarily exposed to interest rate risk through its borrowings and installment payments to Minimax.

13. 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.

In October 2014, the Agata DSO project began production and TVIRD earned its 60% interest in AMVI, the joint venture vehicle. As at March 31, 2015 AMVI has completed ten shipments of nickel laterite DSO for aggregate US\$7.04 million gross revenue. The Company anticipates that the Agata project will generate positive cash flow from operations that will be distributed to the shareholders of AMVI and fund Mindoro's operations in the long term; however, the Company does not control the timing of future distributions and there is no certainty that sufficient distributions will be received before the Company's obligations are due.

In December 2014, the Company borrowed \$500,000 from TVIRD pursuant to the terms of a secured promissory note. This agreement is intended as a short term financing while the parties negotiate a larger financing arrangement. The note was originally due on January 31, 2015, but the term has subsequently been extended to June 30, 2015. The note accrues interest equal to 8% per annum and is secured by Mindoro's interest in its wholly owned subsidiary, MRL Nickel Philippines Inc. Interest incurred on the loan is recorded as interest expense in the Company's net loss for the year. Negotiations for a larger financing with TVIRD remain ongoing. TVIRD has

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extended the maturity date for the secured promissory note in the past, but is under no obligation to continue to extend the term of that loan.

In the fourth quarter of 2014, the Company exercised its option to acquire Minimax's 25% interest in AMVI for US\$4 million payable in five annual installments commencing in October 2015. The Company used a present value measurement technique using a 4.2% discount rate to determine the value of the installment payments as at March 31, 2015. The measurement difference has been recorded as interest expense in 2014. If Mindoro fails to make the payments as they fall due, the Company will have to return to Minimax any shares that were transferred to the Company prior to the failure to the default.

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. Therefore, the Company is dependent on cash flows from financing activities to continue operations and fund its expenses. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and debt instruments, 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, the loss of significant assets, or the Company no longer being able to operate.

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

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

On July 9, 2012, the Philippine Government introduced a new mining policy in the form of a Presidential Executive Order (Executive Order #79, or "EO 79"), which provided direction to agencies of the Administration to carry out certain directives and signaled the Government's intention to seek legislation "rationalizing existing revenue sharing schemes and mechanisms". During the intervening period, no new permits were issued and industry operated in an environment of extreme uncertainty.

The key elements of the policy, in the view of Mindoro Management, were that (a) no new mining projects would be allowed until new fiscal legislation had been passed by Congress; (b) the Government was to cause Local Government Units ("LGU") to rescind and/or not pass legislation contravening the Mining Act; (c) companies would be issued new exploration permits on the condition that they be subject to the fiscal terms passed subsequently by Congress; and (d) there would be a definitive map published of "No Go" areas that would be off limits to minerals exploration and development.

The government also committed to honour existing contracts such as those held by Mindoro, and, in fact, has approved the DMPF for the Agata project (see Mindoro's news release dated April 28, 2014).

Emerging from the above policy environment are certain risks faced by Mindoro, including, but not limited to:



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- The government's intention to increase the level of taxation for all new mining projects in the Philippines in its new fiscal regime. However, the new regime will only be applied prospectively; i.e. to new projects and existing projects will be given the option of adopting the new fiscal regime. Currently, three bills proposing a variety of taxation levels on mining projects are pending in the Congressional Ways and Means Committee for deliberation in mid-2015. It remains to be seen whether any of the bills will be passed during the Congressional hearings. However, if certain bills are passed, specifically House Bill No. 5367 which proposes a 10% baseline revenue sharing agreement with the government or a 55% share of adjusted net mining revenues (whichever is higher), it would have a tremendously negative impact on the mining industry and the economics of most new mining projects.
- Government has raised the possibility of a requirement for compulsory and mandatory insurance coverage for the affected environs and communities, as well as perpetual liability for the maintenance and rehabilitation of post mining sites (i.e. setting up trust funds or heritage funds with specified uses).
- Several draft, independent members' bills, referred to as "Alternative Mining Acts" have been presented for discussion in the Philippine House of Representatives. While these bills do not currently have the support of the Administration, in the event that they were to be passed into law by Congress, or have significant elements of them adopted as law, they would further impair the fiscal regime and regulatory framework under which the mining industry operates in the country.

Although Mindoro has obtained a title opinion with respect to its Philippine properties, there is no guarantee that title to such mining rights will not be challenged or impugned.

There are continuing risks that communities or local politicians could withdraw support for Mindoro's projects and mount protests or refuse to provide the necessary endorsements to support project titles and applications. Mindoro has been successful to date in gaining community support for its operations, and management is committed to continuing the policies of community development, sustainable development and corporate social responsibility that have been effective and rewarding to this time. Accordingly management believes the risk of the withdrawal of community support is low.

In addition, there is a continuing, background security risk involved in any operation in the Philippines, including Mindanao — over and above the normal security risks of theft and robbery that may generally affect any mine elsewhere.

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.

Exploration for and development of precious and base metal properties involve significant financial risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of minerals or metals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, connecting to a reliable infrastructure, developing metallurgical processes and extracting the minerals or metals. Mindoro cannot ensure that its current exploration and development programs will result in profitable commercial mining operations or replacement of current production at existing mining operations with new reserves. Also, substantial expenses may be incurred on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically.



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The economic feasibility of development projects is based upon many factors, including but not limited to the accuracy of reserve/resource estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting, environmental protection; and market prices. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. Feasibility studies that derive estimates of capital and operating costs are based upon many factors, including anticipated tonnage and grades of minerals or metals to be mined and processed; ground and mining conditions; expected recovery rates; and anticipated social, environmental and regulatory compliance costs.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from best estimates. It is not unusual for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated or experience higher operating costs. These uncertainties could have an adverse impact on Mindoro's future cash flows, earnings, results of operations and financial condition.

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.

Current financial markets remain volatile due to uncertainties in the global economy. Commodity markets have seen substantial volatility and there were delays in obtaining required permits for certain projects. The volatility and uncertainty in the current markets could lead to difficulties in raising funds. There can be no assurance that amounts will be adequate for future financial obligations and the internal cash requirements of Mindoro.

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.



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Condensed Consolidated Interim Financial Statements
(Unaudited)
For the three months ended March 31, 2015
(Expressed in Canadian Dollars)

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

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

The accompanying unaudited condensed consolidated interim financial statements of Mindoro Resources Ltd. for the interim reporting period ended March 31, 2015, have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of the Company's management.

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

Dated May 27, 2015

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Condensed Consolidated Interim Statement of Financial Position

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	As at <i>Note</i>	Mar. 31 2015	Dec. 31 2014
ASSETS			
Current assets			
Cash and cash equivalents		195	380
Trade and other receivables		72	58
Prepaid expenses and other current assets		30	28
Financial assets available for sale	5	18	24
		315	490
Non-current assets			
Exploration and evaluation assets	6	4,145	3,794
Property and equipment	7	2	-
Option to purchase contracts	8	318	291
Investment in associates	9	7,571	7,916
		12,036	12,001
TOTAL ASSETS		12,351	12,491
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,639	1,591
Borrowings	11	778	755
Installment payments to Minimax	12	991	890
Warrants liability	16	821	860
		4,229	4,096
Non-current liabilities			
Installment payments to Minimax	12	3,581	3,241
Defined benefit retirement obligation		114	104
		3,695	3,345
TOTAL LIABILITIES		7,924	7,441
EQUITY			
Share capital	14	52,403	52,403
Share obligation	14	1	1
Other reserves	15	13,017	12,439
Accumulated losses		(60,994)	(59,793)
TOTAL EQUITY		4,427	5,050
TOTAL LIABILITIES AND EQUITY		12,351	12,491

Going concern (Note 1)

Commitments and contingent liabilities (Note 13)

Subsequent events (Note 20)

These condensed consolidated interim financial statements were authorised for issue by the audit committee on May 27, 2015 and are signed on its behalf.

"Signed"

Federico Zarate, Director

"Signed"

Geocel Olanday, Director

Condensed Consolidated Interim Statement of Comprehensive Loss

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	Note	Period ended Mar. 31	
		2015	2014
Operating Expenses			
General and administration expenses		(62)	(138)
Salaries and other employee benefits		(103)	(97)
Interest expense	11,12	(72)	(22)
Share of equity earnings of associate	9	(1,085)	-
Depreciation and amortization	7	-	(2)
Operating loss		(1,322)	(259)
Remeasurement of warrants liability	16	39	(345)
Gain on sale of Red Mountain shares	5	-	655
Gain on reversal of Batangas provision	6	27	-
Foreign exchange gain (loss)		56	1
Income (loss) before income tax		(1,200)	52
Income tax expense		(1)	-
NET INCOME (LOSS) FOR THE PERIOD		(1,201)	52
Basic and diluted net income (loss) per share		\$ (0.004)	\$ 0.000
Weighted average number of common shares outstanding (thousands)		297,437	297,437
Net Loss for the Period		(1,201)	52
Other comprehensive income (loss)			
Items that may be reclassified to profit and loss			
Remeasurement of financial assets available for sale	5	(6)	524
Exchange differences on translation of foreign operations		584	317
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(623)	893

Condensed Consolidated Interim Statement of Changes in Equity

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	Note	Attributable to owners of the parent			Non-controlling interests	Total equity	
		Share capital	Share obligation	Other reserves (note 15)			
Balance as at Dec. 31, 2014		52,403	1	12,439	(59,793)	-	5,050
Net loss for the year		-	-	-	(1,201)	-	(1,201)
Re-measurement of financial assets available for sale	5	-	-	(6)	-	-	(6)
Translation adjustments		-	-	584	-	-	584
Comprehensive loss		-	-	578	(1,201)	-	(623)
Balance as at Mar. 31, 2015		52,403	1	13,017	(60,994)	-	4,427
Balance as at Dec. 31, 2013		52,403	1	11,488	(55,361)	-	8,531
Net loss for the year		-	-	-	52	-	52
Re-measurement of financial assets available for sale	5	-	-	524	-	-	524
Translation adjustments		-	-	317	-	-	317
Comprehensive loss		-	-	841	52	-	893
Balance as at Mar. 31, 2014		52,403	1	12,329	(55,309)	-	9,424

Condensed Consolidated Interim Statement of Cash Flows

Unaudited

(Expressed in thousands of Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	Note	Period ended Mar. 31	
		2015	2014
Cash flows from operating activities			
Net loss for the period		(1,201)	52
Items not affecting cash			
Interest expense	11,12	72	22
Share of equity earnings of associate	9	1,085	-
Depreciation and amortization	7	-	2
Remeasurement of warrants liability	16	(39)	345
Gain on sale of RMX shares	5	-	(655)
Gain on reversal of Batangas provision	6	(27)	-
Unrealized exchange differences		(65)	(1)
Income tax benefit (expense)		1	-
Interest paid	11	(7)	(8)
Net change in non-cash working capital items		(40)	(99)
Net cash used in operating activities		(221)	(342)
Cash flows from investing activities			
Proceeds from sale of Red Mountain shares	5	-	946
Expenditure on exploration and evaluation assets	6	(5)	(29)
Recoveries from Batangas provision	6	27	-
Cost recoveries from associate	6	4	22
Purchase of equipment	7	(2)	-
Net cash used in investing activities		24	939
Cash flows from financing activities			
Cash received from borrowings	11	10	18
Loan repayments	11	-	(32)
Net cash from financing activities		10	(14)
Net increase (decrease) in cash and cash equivalents		(187)	583
Beginning cash and cash equivalents		380	198
Exchange gains (losses) on cash and cash equivalents		2	2
Ending cash and cash equivalents		195	783

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

Unaudited

(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

1. GENERAL INFORMATION AND GOING CONCERN

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

Mindoro is a publicly listed company incorporated in Canada under the legislation of the Province of Alberta. The Company's shares are listed on the TSX Venture Exchange 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 \$1,201,000 (March 31, 2014 – net income of \$52,000) and operating cash outflows of \$221,000 for the three months ending March 31, 2015 (March 31, 2015 – \$342,000). At March 31, 2015, the Company has a net working capital deficit of \$3,093,000, excluding warrants liabilities (December 31, 2014 – \$2,746,000). 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"). In 2014, the Company signed an agreement with Minimax Mineral Exploration Corporation ("Minimax") to acquire Minimax's 25% interest in shares of Agata Mining Ventures Inc. ("AMVI"), the mining entity. The contractual obligation requires annual installment payments to Minimax in the amount of US\$800,000 for the next five years (Note 12). The Company also has a commitment to Panoro Minerals Ltd. ("Panoro") in the amount of \$1,000,000, recognized in two \$500,000 payments, with the first payment due once one million wet metric tonnes ("WMT") of nickel laterite are shipped from the Agata direct shipping ore ("DSO") project and the second payment due on the first anniversary of the first payment (Note 6). As at April 30, 2015, AMVI has shipped a total of 701,730 WMT of nickel laterite from Agata (Note 20)..

In 2012 the Company entered into an agreement with TVIRD where TVIRD has the right to earn a 60% interest in Agata and regional nickel projects by sole funding a 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). These joint venture agreements require TVIRD to finance Mindoro's mineral property annual expenditure obligations and maintain the tenements in good standing (Note 6).

In October 2014, the Agata DSO project began production and TVIRD earned its 60% interest in AMVI, the joint venture vehicle. As at March 31, 2015 AMVI has completed ten shipments of nickel laterite DSO for aggregate US\$7.04 million gross revenue. The Company anticipates that the Agata project will generate positive cash flow from operations and the AMVI partners could expect to receive distributions; however, the Company does not control the timing of future distributions and there is no certainty that sufficient distributions will be received before the Company's obligations are due.

In December 2014, the Company borrowed \$500,000 from TVIRD pursuant to the terms of a secured promissory note. This agreement is intended as a bridge financing while negotiating a larger financing arrangement with TVIRD and its shareholders. The note was originally due on January 31, 2015, but the term has subsequently been extended to June 30, 2015. The note accrues interest equal to 8% per annum and is secured by Mindoro's interest in its wholly owned subsidiary, MRL Nickel Philippines Inc. (Note 11).

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

Unaudited

(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

During 2014, the Company sold the majority of its holdings in Red Mountain shares, which provided cash inflows that were used to settle obligations as they fell due throughout 2014. At March 31, 2015, the remaining holding of shares was valued at \$18,000.

At March 31, 2015, the Company had an ending cash position of \$195,000, and the Company is presently dependent on cash flows from financing activities to continue operations and fund expenses.

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 as a going concern.

The Company has received \$500,000 from TVIRD under a secured promissory note and negotiations for a \$2 million convertible debenture to replace as well as to repay the secured promissory note have been delayed given the realization that it is not sufficient in and of itself to enable the Company to fund all aspects of its operations for the next 12 months nor to meet the current working capital deficit. 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 seeking other financing alternatives to fund the Company's operations so it may continue as a going concern. But there is no assurance that these initiatives will be successful and, until the Company begins to receive positive cash flow from AMVI distributions, 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 Company 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 and recognizes this to be a challenge and a concern in the current environment. 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 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, 2014, 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.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

Unaudited

(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

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, 2014.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 2015 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.

Effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments and Amendments to IFRS 7 Financial Instruments Disclosure

IFRS 9, Financial Instruments, replaces IAS 39, Financial Instruments: Recognition and Measurement. The IFRS 9 project had three main phases, classification and measurement, impairment, and general hedging. The version of IFRS 9 issued in July 2014 represents the final version of this project. Simultaneously with its issue, IASB issued amendments to IFRS 7 Financial Instruments to reflect IFRS 9 in accordance with specific requirements of IFRS 7. Early adoption is 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 financial statements.

Effective for annual periods beginning on or after January 1, 2017:

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.

Early adoption of the new standard is permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Company has not yet evaluated the impact of adopting IFRS 15 on the 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 raised from financing activities, the 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.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

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MINDORO
RESOURCES LTD

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

There has been no change with respect to the overall capital risk management strategy during the three months ended March 31, 2015.

3.2 FOREIGN EXCHANGE RISK

Business is transacted by the Company in Philippine Pesos ("PHP"), United States Dollars ("USD"), Australian Dollars ("AUD"), and Canadian Dollars ("CAD" or "\$"). Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction.

The Company was exposed to foreign exchange risk through the monetary assets and liabilities in the table below at March 31, 2015 and December 31, 2014. The Company has not hedged its exposure to currency fluctuations.

	March 31, 2015			December 31, 2014		
	PHP 000	USD 000	AUD 000	PHP 000	USD 000	AUD 000
Cash and cash equivalents	1,194	5	4	567	1	5
Trade and other receivables	1,880	-	7	1,763	-	7
Financial assets available for sale	-	-	19	-	-	25
Trade and other payables	(21,900)	(645)	(30)	(26,525)	(645)	(30)
Installment payments to Minimax	-	(4,000)	-	-	(4,000)	-
Net foreign currency exposure	(18,826)	(4,640)	-	(24,195)	(4,644)	7
Exchange rate	0.02838	1.26830	0.96690	0.02590	1.16010	0.94790
Foreign currency exposure (CAD 000)	(534)	(5,885)	-	(627)	(5,388)	7

Based on net exposures at March 31, 2015, and assuming all other variables remain constant, a 10% fluctuation in the exchange rate between the Canadian dollar and the Philippine peso would affect Mindoro's other comprehensive loss by \$54,000 (December 31, 2014 - \$62,000). A 10% fluctuation in the exchange rate between the Canadian Dollar and the United States Dollar would affect the Company's profit or loss for the year by \$588,000 (December 31, 2014 - \$538,000). A 10% fluctuation in the exchange rate between the Canadian dollar and Australian dollar would affect the Company's profit or loss for the year by less than \$1,000 (December 31, 2014 - \$Nil).

3.3 CREDIT RISK

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

The majority of the Company's cash and cash equivalents are held with major financial institutions in Canada and the Philippines. A significant portion of the Company's accounts receivable is due from its associate, AMVI, and from government agencies in Canada 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. The recent decrease in the price of nickel

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

Unaudited

(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

has caused delays in the ability of AMVI to provide cash dividends, thereby impacting both internal cash flow and causing delays in the ability to close anticipated project financing given the general concern of the investment community. Further declines in metal prices or their continuing at their current low levels for an extended period are likely to impact the liquidity of the Company.

Trade and other payables, current borrowings, and current installment payments are due within twelve months of the balance sheet date.

The Company has the following loans as at March 31, 2015 repayable at fixed rates of interest and maturity dates on an undiscounted basis:

	Principal Outstanding \$000	Interest accrued \$000	Interest rate %	Maturity
Current secured promissory note	500	11	8.0	May 2015*
Current loan	175	7	15.0	December 2015
First Minimax installment	1,015	-	0.0	October 2015
Second Minimax installment	1,015	-	0.0	October 2016
Third Minimax installment	1,015	-	0.0	October 2017
Fourth Minimax installment	1,015	-	0.0	October 2018
Fifth Minimax installment	1,015	-	0.0	October 2019

* The term was extended from January 31, 2015 to June 30, 2015 after the reporting period (Note 20).

The Company has an unrecognized commitment to pay Panoro two payments of \$500,000 which is payable once one million metric tonnes of nickel laterite are shipped from the Agata DSO Project (Notes 6 and 13). As at April 30, 2015, AMVI has shipped a total of 701,730 WMT of nickel laterite from Agata (Note 20).

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

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 \$195,000 in cash and cash equivalents at March 31, 2015 (December 31, 2014 - \$380,000), 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 March 31, 2015, the Company had borrowings totalling \$778,000 (December 31, 2014 - \$755,000) 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.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

Unaudited

(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	March 31, 2015		December 31, 2014	
	\$000	Weighted average effective interest rate	\$000	Weighted average effective interest rate
Financial assets				
Cash and cash equivalents	195	0.54%	380	0.48%
Trade and other receivables	72	0.00%	58	0.00%
Financial assets available for sale	18	0.00%	24	0.00%
	285		462	
Financial Liabilities				
Trade and other payables	(1,641)	0.00%	(1,591)	0.00%
Notes and loans payable (15%)	(177)	15.00%	(176)	15.00%
Borrowings (8%)	(601)	8.00%	(579)	8.00%
Installment payments to Minimax	(4,572)	4.20%	(4,131)	4.20%
	(6,991)		(6,477)	
Net Exposure	(6,706)		(6,015)	

At March 31, 2015, if variable 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, the loss for the period would have been \$1,000 (2014: \$4,000) higher/lower, as a result of higher/lower interest income.

At March 31, 2015, if variable interest rates accrued on installment payments to Minimax had increased/decreased by 100 basis points from the period end rates with all other variables held constant, the loss for the period would have been \$11,000 (2014: \$5,000) higher/lower, as a result of higher/lower interest expense.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 CRITICAL ACCOUNTING ESTIMATE AND ASSUMPTIONS

(a) Warrants classified as liabilities

The fair value of warrants classified as liabilities are based on several assumptions, including the risk-free interest rate, forfeiture rate, and the expected volatility of the Company's share price, which may not be indicative of future volatility. Accordingly, those amounts are subject to measurement uncertainty.

(b) Option to purchase contracts

The fair value of the option to purchase contract is estimated to be equal to its carrying value, but are classified as level 3 in the fair value hierarchy because they do not trade in an active market.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

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(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

4.2 CRITICAL ACCOUNTING JUDGMENTS APPLIED IN THE COMPANY'S ACCOUNTING POLICIES

(a) Going concern

Due to the financial condition of the Company at March 31, 2015 and the contractual obligations and 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 1 of the Interim Financial Statements for further disclosure.

(b) 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.

(c) Panoro agreement commitment

The Company has a commitment payable to Panoro for its buy out of Panoro's interest in the Surigao Projects in 2007 (Note 13). This commitment is conditional upon nickel laterite production at Agata meeting certain production thresholds, which at the time of the transaction with Panoro, Mindoro had control over achieving production. Therefore, the Company believes the commitment is not a present obligation. The Company will recognise the liability once the payment condition is achieved, which is the shipment of one million wet metric tonnes of nickel laterite from the Agata DSO project. As at April 30, 2015, AMVI has shipped a total of 701,730 WMT of nickel laterite

5. FINANCIAL ASSETS AVAILABLE FOR SALE

During the period ended March 31, 2015, the Company recorded the following transactions for its investment in Red Mountain:

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

Unaudited

(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

	Note	Financial asset \$000	Impairments / remeasurement gain (loss) \$000	Foreign exchange gain (loss) \$000
December 31, 2013		285		
Returned to Red Mountain to reacquire TSF	(a)	(69)	-	-
Sold through ASX	(b)	(1,371)	(8)	-
Remeasurement	(b)(c)	864	841	23
Impact on loss			833	23
Remeasurement	(c)	315	(315)	-
Impact on other comprehensive loss			(315)	-
December 31, 2014		24		
Remeasurement	(d)	(6)	6	-
Impact on other comprehensive income			6	-
March 31, 2015		18		

- (a) On March 4, 2014, the Company returned 4 million Red Mountain shares to reacquire the contractual rights for several tenements in the Philippines including Tapanan San Francisco ("TSF") following their release from escrow and obtaining approval from Red Mountain shareholders (Note 6), the return of these shares settled an outstanding liability recognised in 2013;
- (b) In 2014, the Company sold 89.8 million Red Mountain shares through the facilities of the ASX for net proceeds of \$1,363,000. The Company recycled \$840,000 of accumulated other comprehensive income to net loss for the year as a remeasurements gain on the available for sale financial asset in the current period because of these sales.
- (c) Red Mountain's share price increased to \$0.004 (A\$0.004) during 2014 compared to \$0.003 (A\$0.003) at December 31, 2013, resulting in a \$315,000 gain and \$22,000 foreign exchange gain in 2014.
- (d) Red Mountain's share price decreased to \$0.003 (A\$0.003) during the first three months of 2015 compared to \$0.004 (A\$0.004) at December 31, 2014, resulting in a \$6,000 loss in the current period.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ending March 31, 2015

Unaudited

(Expressed in Canadian Dollars unless otherwise stated)



MINDORO
RESOURCES LTD

6. EXPLORATION AND EVALUATION ASSETS

	Agata \$000	Tapián San Francisco \$000	Pan de Azúcar \$000	Total \$000
December 31, 2013	8,113	123	1,474	9,710
Acquisition	-	440	-	440
Exploration	43	12	-	55
Recoveries from associate	(52)	-	(7)	(59)
Reclassified to option to purchase contract	(87)	-	-	(87)
Reclassification to investment in associate	(2,502)	-	-	(2,502)
Impairment of exploration and evaluation assets	(2,239)	(539)	(1,525)	(4,303)
Currency translation	476	6	58	540
December 31, 2014	3,752	42	-	3,794
Exploration	3	1	1	5
Recoveries from associate	(3)	-	(1)	(4)
Currency translation	346	4	-	350
March 31, 2015	4,098	47	-	4,145

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. Through a series of agreements with Minimax, Panoro, and local claimholders, the Company had acquired a 75% direct and indirect interest in the Agata Project prior to entering into the TVIRD and Minimax agreements detailed below.

(a) TVIRD Agreements

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

(i) Agata Mining Option and Joint Venture Agreement ("AMJV")

TVIRD had the exclusive right and option to earn 60% of the AMJV, which includes the right to develop and mine the tenements for materials that may be mined by DSO methods, by sole funding a mining project into commercial production within three years on the Agata MPSA or Surigao Regional tenements (excluding the Tapián San Francisco Tenements ("TSF tenements")). As TVIRD made expenditures in the AMJV, it received shares of the joint venture company, AMVI, which were placed in escrow until such time as it fully met its earn-in commitments. In October 2014, having met the spending requirements and commenced production on the AMJV, 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.

In September 2014, the Philippines Mines and Geosciences Bureau ("MGB") approved an operating agreement granting AMVI the exclusive right to explore, develop and operate the Agata MPSA for the purposes of the AMJV. As a result, Mindoro has reclassified \$2,502,000 of exploration and evaluation assets related to AMVI to investment in associate (Note 9) representing Mindoro's 15% shareholding of AMVI.

Mindoro does not have joint control over the AMJV, and therefore the AMJV does not constitute a joint venture as defined in IFRS 11 *Joint Arrangements*.

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(ii) *Agata Processing Option and Joint Venture Agreement ("APJV")*

TVIRD has the 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 DFS, including pilot-scale metallurgical testing, third-party engineering studies and documentation, within four years. As at March 31, 2015, 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, Agata Processing Inc. ("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 March 31, 2015, these transfers remain incomplete and subject to approval of the MGB.

Upon exercise of the APJV option by TVIRD, Mindoro's interest in the APJV will be reduced to 15%.

Mindoro does not have joint control over the APJV, and therefore the APJV does not constitute a joint venture as defined in IFRS 11 *Joint Arrangements*.

(b) **Minimax Agreements**

On August 14, 2014, the Company entered into two option to purchase contracts with Minimax to acquire Minimax's interest in AMVI and API. The Company also agreed to amend the terms of an accrued debt owed by Minimax to MRL Nickel Philippines Inc. Details of these agreements are outlined in Note 8. However, these agreements have the following impact on the Company's exploration and evaluation assets:

(i) *Agata Processing Share Option*

In 2014, the Company has impaired the remaining balance of Agata exploration and evaluation expenditures, which relate only to API, based on the Company's estimated fair value of its remaining interest in API through both the Agata Processing Share Option and the APJV with TVIRD (Note 6.1(e)).

(ii) *Debt Amending Agreement*

Pursuant to the 1997 Memorandum of Agreement (the "MOA") between Mindoro and Minimax through which Mindoro acquired its interest in the Agata, Tapan 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 rate payable on the debt at 5% per annum and the balance of the principal at PHP 177,121,446 (\$5,027,000) 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.

The receivable owing from Minimax has not been recognised by the Company. At March 31, 2015, in addition to the principal noted above, Minimax owed MRL Nickel \$1,444,000 (PHP 50,868,446) of accrued interest that the Company has not recognized in its Interim Financial Statements because the recoverability of principal and interest remains uncertain.

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(c) Panoro Agreement

Pursuant to the 2007 agreement whereby the Company purchased a 40% direct and indirect participating interest in the Surigao Projects, including the Agata properties, from its then joint venture partner, Panoro, Mindoro must pay Panoro:

- \$500,000 on the fifteenth day following the loading on board a ship or other conveyance for transport to a purchaser or treatment facility by Mindoro, Minimax or MRL of an aggregate one million WMT of Nickel Laterite (the "First Payment"); and
- \$500,000 on the first anniversary of the loading on board a ship or other conveyance for transport to a purchaser or treatment facility by Mindoro, Minimax or MRL of an aggregate one million WMT of Nickel Laterite (the "Second Payment").

As at April 30, 2015, AMVI has shipped a total of 701,730 WMT of nickel laterite from Agata (Note 20).

Prior to the Panoro buy-out agreement, Mindoro held a 35% participating interest in the Surigao Projects. As a result of the Panoro agreement, the Company's interest increased to 75%. However, due to the TVIRD and Minimax agreements noted above Mindoro's interest in the AMJV has been reduced to 40% and will reduce the Company's interest in the APJV to 40% if TVIRD exercises its option to acquire 60% from Mindoro and Mindoro exercises its option to acquire Minimax's 25% interest in API.

(d) Delta Earth Moving

Pursuant to an agreement in 2011 whereby the Company terminated a Management Services Agreement with Delta Earth Moving ("Delta"), the Company has agreed to pay Delta a 1% royalty on gross smelter returns for any future production on three non-contiguous blocks in Agata South. The Company identified a nickel laterite mineral resource on Agata South indicating 5.04 million WMT of nickel laterite containing 0.86% nickel and 22% iron in its November 4, 2011 technical report. The resource is presently considered by the Company to be too small to commercialize as a DSO operation and significant additional exploration would be required before development of the resource could occur.

(e) Impairment

In 2014, the Company recorded an impairment of exploration and evaluation asset of \$2,239,000 on the Agata Project in its net loss for the year. The Company has calculated the recoverable value of Agata based on the cost that Mindoro paid Minimax to acquire its 25% interest in the Agata projects, which implies a fair value of Mindoro's interest in the projects. This method is level 2 in the fair value hierarchy since the Minimax purchase price is in the form of installment payments over a period of five years and was therefore discounted to its present value at a rate of 4.2% per annum.

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 2015 and at that time, the Company will record its carrying value of these projects as investments in API rather than exploration and evaluation assets.

6.2 PAN DE AZUCAR (PANAY)

The Pan de Azucar MPSA covers approximately 535 hectares on Pan de Azucar Island and adjacent Panay Island. Mindoro has a 75% direct and indirect interest in both the PDA Mining and PDA Processing Joint Ventures with the remaining 25% held by Minimax.

In 2012, Mindoro and Minimax entered into the following two joint venture agreements with TVIRD:

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(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 ("DMPF") 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 Department of Environment and Natural Resources before February 2015, spend a minimum of \$500,000 prior to December 31, 2014, and spend at least \$2 million within one year of receiving the DMPF. TVIRD will retain no interest in the PMJV if it withdraws prior to commencing a mining operation.

As at March 31, 2015, TVIRD had not met its minimum expenditure commitments nor had it completed the DMPF, which would subsequently result in the expiration of the MPSA. Minimax has filed a request for an extension of the MPSA; the request continues to be pending as of the current reporting date.

(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 December 31, 2014, these transfers remain incomplete and subject to approval of the MGB.

As at March 31, 2015, TVIRD had not met its minimum expenditure commitment.

(c) Impairment

The exploration period under the MPSA (9th and 10th year) should expire in February 2015; however, the Company and Minimax have requested an extension of the exploration period but have not yet received a response from the MGB or DENR. The Company recognised an impairment loss of \$1,525,000 in 2014 and fully impaired its exploration and evaluation assets on PDA on the basis that management believes that it is more likely than not that the requested extension of the exploration period will not be granted.

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 and sold its interest to Red Mountain in 2012. The project was returned to Mindoro in 2014 in exchange for 4 million Red Mountain shares (Note 5).

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:

- US\$120,000 to be paid on the 15th day of the 9th month after the first shipment of DSO;
- Consideration in the amount of \$717,000 will be used to offset an existing but unrecognised \$717,000 Minimax debt due to Mindoro; and

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- 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), 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 recorded a provision of \$319,000 (US\$275,000) in trade and other payables for the unpaid payments pertaining to this option agreement. However, since the MPSA and the EPA are located in an area where there is a ban on issuing new mining permits it is considered highly unlikely the EPA will be approved. The MPSA is already a granted mining permit; however, historical work by Mindoro significantly downgraded the potential of the tenement. Mindoro has, therefore, terminated the option agreement and handed the tenement back to the permit holders.

In 2014, the Company recognised an impairment loss on Tapian San Francisco of \$539,000 because a number of exploration periods ended and are not expected to be renewed by the MGB. The remaining carrying value relates to exploration expenditure incurred on one EP directly adjacent to the Agata Project and which shows signs of similar nickel laterite mineralization as Agata. The Company believes the remaining value represents the fair value less cost to sell and has used level 3 inputs in the fair value hierarchy to determine the recoverable value.

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7. PROPERTY AND EQUIPMENT

	Office equipment & furnishings \$000	Computer software & hardware \$000	Vehicles \$000	Field equipment \$000	Total \$000
Cost					
December 31, 2013	82	216	90	54	442
Disposals	(34)	(80)	(51)	(52)	(217)
Translation adjustment	4	11	5	3	23
December 31, 2014	52	147	44	5	248
Additions	-	2	-	-	2
Translation adjustment	4	13	5	-	22
March 31, 2015	56	162	49	5	272
Accumulated depreciation					
December 31, 2013	80	214	90	54	438
Depreciation	1	3	-	-	4
Disposals	(34)	(80)	(51)	(52)	(217)
Translation adjustment	5	10	5	3	23
December 31, 2014	52	147	44	5	248
Translation adjustment	4	13	5	-	22
March 31, 2015	56	160	49	5	270
Net book value at:					
December 31, 2013	2	2	-	-	4
December 31, 2014	-	-	-	-	-
March 31, 2015	-	2	-	-	2

8. OPTION TO PURCHASE CONTRACTS

On August 14, 2014, the Company entered into the following two option to purchase contracts with Minimax to acquire Minimax's interest in AMVI and API.

8.1 AGATA MINING OPTION

- US\$80,000 (\$87,000) advanced for the options in 2013 and initially recorded as exploration and evaluation assets was reclassified to option to purchase contracts;
- US\$60,000 (\$65,000) paid upon signing the Amended Option Agreements;
- US\$60,000 (\$65,000) paid in December 2014;

The Company exercised the Agata Mining Option in 2014, and reclassified the aggregate \$217,000 (US\$200,000) option payments as an investment in associate.

8.2 AGATA PROCESSING OPTION

- US\$250,000 (\$317,000) to be paid on May 15, 2015; and

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- Consideration equal to the balance of an existing unrecognised debt owing from Minimax to MRL (approximately \$6.5 million) will be used to offset the unrecognised debt (Note 6);
- 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);
- The Agata Processing Option will be automatically exercised upon payment of the second installment pursuant to the Agata Mining Option.

The Company failed to make the payment of US\$250,000 due to Minimax as required by the Agata Processing Option. The Company is in discussions with Minimax to defer payment further (Note 20).

9. INVESTMENT IN ASSOCIATE

The Company has the following investment in associate:

Name	Place of business	Nature of relationship	Proportion of ownership at	
			Mar. 31, 2015	Dec. 31, 2014
Agata Mining Ventures Inc	Philippines	associate	40%	40%

Mindoro owns directly a 15% interest in AMVI. The Company also has beneficial ownership over 25% of AMVI's shares registered to Minimax for which it owes US\$4 million to Minimax and will be paid in installments over five years (Note 12). 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. In the event that Mindoro fails to pay any of the installment payments to Minimax, 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 Company exercised the Agata Mining Option in 2014, and recorded \$3,953,000, the present value of the installment payments to acquire the AMVI shares, as an investment in associate. The Company recognized \$52,000 interest expense in the first three months of 2015 related to the installment payments (Note 12). The aggregate \$217,000 (US\$200,000) option payments were reclassified as an investment in associate in 2014 (Note 8).

This investment in associate is measured using the equity method. AMVI's shares are not quoted on an active market.

Summarized financial information for AMVI:

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	Mar. 31	Dec. 31
	2015	2014
	\$000	\$000
Financial Position		
Current assets	17,483	20,132
Non-current assets	11,361	4,882
Current liabilities	14,764	13,373
Non-current liabilities	11,604	6,866
Share capital and share premium	4,937	4,937
Retained earnings (deficit)	(3,034)	(279)

	March 31	
	2015	2014
	\$000	\$000
Operations		
Revenue	3,038	-
Profit (loss) from continuing operations	(2,755)	(24)
Post-tax profit (loss) from discontinued operations	-	-

The AMJV agreements (Note 6) require that at least 50% of any positive retained earnings in AMVI be distributed to shareholders as dividends on a quarterly basis. At March 31, 2015, AMVI had a deficit of \$3,034,000, therefore no dividends were declared.

	<i>Note</i>	Investment in AMVI \$000
December 31, 2013		197
Reclassification from exploration and evaluation asset	6	2,502
Purchase of Minimax's interest in AMVI	6,8	4,170
Share of AMVI's net income		727
Translation adjustment		320
December 31, 2014		7,916
Share of AMVI's net loss		(1,085)
Translation adjustment		740
March 31, 2015		7,571

10. TRADE AND OTHER PAYABLES

	Mar. 31	Dec. 31
	2015	2014
	\$000	\$000
Trade payables	561	476
Accrued expenses	969	1,016
Amounts due to governments	110	99
	1,640	1,591

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Trade payables include option payments due to Minimax for the purchase of the API Share Option and TSF Rights Options (Notes 6 and 8). Accrued expenses include provisions for option payments due to tenement holders of the Tapan San Francisco project, a provision for documentary stamp taxes on intercompany loan balances, and accruals of personnel expenses, consulting, and other professional fees.

11. BORROWINGS

Note	TVI Resource			Management		Total \$000
	Loans \$000 (a)	Development \$000 (b)	TVI Pacific Inc \$000 (c)	Directors fees \$000 (d)	fees \$000 (e)	
December 31, 2013	166	-	381	63	32	642
Principal paid	-	-	(358)	(39)	(32)	(429)
Principal drawn	-	500	-	51	-	551
Interest expense	32	1	18	5	-	56
Interest paid	(22)	-	(41)	(2)	-	(65)
December 31, 2014	176	501	-	78	-	755
Principal drawn	-	-	-	10	-	10
Interest expense	8	10	-	2	-	20
Interest paid	(7)	-	-	-	-	(7)
March 31, 2015	177	511	-	90	-	778

- (a) 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 allocated \$9,000 of the loan proceeds as share capital. In the first three months of 2015, the Company incurred \$8,000 of interest expense and paid \$7,000 of accrued interest to the lenders. Subsequent to March 31, 2015, the Company paid an additional \$7,000 of accrued interest to the lenders (Note 20).

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. The Company issued the shares after the period end.

- (b) The Company borrowed \$500,000 from TVIRD pursuant to the terms of a secured promissory note on December 19, 2014. This agreement is intended as a bridge financing while negotiating a larger financing arrangement with TVIRD and its shareholders. The note was originally due on January 31, 2015, but the term has subsequently been extended to June 30, 2015. The note accrues interest equal to 8% per annum and is secured by Mindoro's interest in its wholly owned subsidiary, MRL Nickel Philippines Inc. In addition to the principal and interest on the note, the Company will reimburse legal and other issue costs to TVIRD up to a maximum of \$30,000.
- (c) The Company and TVI Pacific Inc. ("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.

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- (d) 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 following the disposition of the majority of the Company's Red Mountain shares, the Company paid \$41,000 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. Since the fourth quarter of 2014, the Company has again suspended payment of all directors' fees and continue to accrue interest on amounts due.
- (e) In June 2013, the Company 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 following the disposition of the majority of the Company's Red Mountain shares, this debt was repaid and fees were no longer being deferred.

12. INSTALLMENT PAYMENTS TO MINIMAX

	Undiscounted installment USD 000	Undiscounted installment \$000	Discounted installment \$000	Discount rate %	Interest expense in 2014 \$000	Payment due
First installment	800	1,015	991	4.2%	11	October 2015
Second installment	800	1,015	951	4.2%	11	October 2016
Third installment	800	1,015	913	4.2%	10	October 2017
Fourth installment	800	1,015	876	4.2%	10	October 2018
Fifth installment	800	1,015	841	4.2%	10	October 2019
	4,000	5,075	4,572		52	

13. COMMITMENTS AND CONTINGENT LIABILITIES

13.1 PANORO AGREEMENT

Pursuant to the 2007 agreement whereby the Company purchased a 40% direct and indirect participating interest in the Surigao Projects, including the Agata properties, from its then joint venture partner, Panoro, Mindoro must pay Panoro:

- \$500,000 on the fifteenth day following the loading on board a ship or other conveyance for transport to a purchaser or treatment facility by Mindoro, Minimax or MRL of an aggregate one million WMT of Nickel Laterite (the "First Payment"); and
- \$500,000 on the first anniversary of the loading on board a ship or other conveyance for transport to a purchaser or treatment facility by Mindoro, Minimax or MRL of an aggregate one million WMT of Nickel Laterite (the "Second Payment").

As at April 30, 2015, AMVI has shipped a total of 701,730 WMT of nickel laterite from Agata (Note 20).

Prior to the Panoro buy-out agreement in 2007, Mindoro held a 35% participating interest in the Surigao Projects.

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13.2 DELTA EARTH MOVING

Pursuant to an agreement in 2011 whereby the Company terminated a Management Services Agreement with Delta Earth Moving ("Delta"), the Company has agreed to pay Delta a 1% royalty on gross smelter returns for any future production on three non-contiguous blocks in Agata South. The Company identified a nickel laterite mineral resource on Agata South indicating 5.04 million WMT of nickel laterite containing 0.86% nickel and 22% iron in its November 4, 2011 technical report. The resource is presently considered by the Company to be too small to commercialize as a DSO operation and significant additional exploration would be required before development of the resource could occur.

13.3 TAPIAN SAN FRANCISCO

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 recorded a provision of \$349,000 (US\$275,000) in trade and other payables for the unpaid payments pertaining to this agreement and is currently attempting to renegotiate the terms of the agreement.

14. SHARE CAPITAL

	Number of shares	Share capital \$000
December 31, 2014	297,437,399	52,403
March 31, 2015	297,437,399	52,403

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 \$9,000 of the loan proceeds as share capital and incurred 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.

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15. OTHER RESERVES

	Note	Employee benefit reserve \$000	Warrants reserve \$000	Currency reserve \$000	Accumulated other comprehensive income \$000	Other reserves \$000
December 31, 2014		5,120	5,912	1,499	(92)	12,439
Remeasurement of financial assets available for sale	4	-	-	-	(6)	(6)
Translation adjustments		-	-	584	-	584
March 31, 2015		5,120	5,912	2,083	(98)	13,017
December 31, 2013		5,120	5,912	856	(400)	11,488
Re-measurement of financial assets available for sale		-	-	-	524	524
Translation adjustments		-	-	317	-	317
March 31, 2014		5,120	5,912	1,173	124	12,329

16. WARRANTS

The following table summarizes information about Common Share purchase warrants outstanding and exercisable as at March 31, 2015:

Expiry date	Exercise price \$	December 31 2014	Granted	Exercised	Expired	March 31 2015
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 three months of 2015 or in 2014. 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 \$821,000 or \$0.020 per warrant (2014 – \$860,000 or \$0.021 per warrant). A remeasurement gain of \$39,000 (2014 – loss of \$345,000) 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:

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	March 31, 2015	December 31, 2014
Risk Free Interest Rate	0.49%	1.02%
Expected Life	2.51 years	2.76 years
Expected Volatility	296%	156%
Expected Dividend	-	-
Expected Forfeitures	-	-

17. EQUITY SETTLED OPTIONS

Expiry date	Exercise price \$	December 31 2014	Vested	Granted	Exercised	Expired	March 31 2015
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		1,900,000	-	-	-	(1,650,000)	250,000
Weighted average exercise price (\$)		0.171	-	-	-	0.182	0.100

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 three months of 2015 or in 2014.

18. CASH SETTLED OPTIONS

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.

No cash settled options were issued in the first three months of 2015 or in 2014 and all previously issued cash settled options under the plan expired in August 2014.

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19. RELATED PARTY TRANSACTIONS

These Interim Financial Statements include the results of Mindoro and the following entities:

	Country of Incorporation	Classification	% Ownership at	
			Mar. 31, 2015	Dec. 31, 2014
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%
Agata Mining Ventures Inc	Philippines	Investment in associate	40%	40%

MRL Nickel has an investment in an associate that has been accounted for using the equity method (Note 9). In 2015, the Company recorded recoveries from AMVI and Pan de Azucar Mining Ventures Inc. of \$4,000, which are operated by TVIRD.

In December 2014, the Company borrowed \$500,000 from TVIRD (Note11). Prime Resources Holdings Inc. ("PRHI") owns 68% of TVIRD and 25% of Mindoro. TVIP owns 30% of TVIRD and 14% of Mindoro.

The Company repaid \$399,000 in principal and interest on a loan from TVIP in April 2014 (Note11).

The Company has recorded debts payable to current and former non-executive directors totalling \$90,000 on which it accrues 8% interest per annum (Note11). The balance at March 31, 2015 includes \$2,000 of interest accrued in the period.

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 (Note11).

The following remuneration has been paid or is payable to directors and officers of the Company.

	March 31	
	2015	2014
	\$000	\$000
Short-term employee benefits	52	80
Management fees paid to related corporations	30	46
Stock based compensation	-	-
Key management compensation	82	126

In the first three months of 2015, the Company incurred \$30,000 (2014 - \$20,000) in management fees for the provision of the Company's former CEO's services provided by an entity controlled by Ms. Gould.

20. EVENTS AFTER THE REPORTING PERIOD

The Company failed to make the payment of US\$250,000 due to Minimax as required by the Agata Processing Option (Note 8). The Company is in discussions with Minimax to defer payment further.

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The Company and TVIRD have agreed to extend the term of the secured promissory note entered into in December 2014 to June 30, 2015.

In April 2015, AMVI completed three shipments of an aggregate 112,604 wet metric tonnes of limonite ore and 60,369 wmt of saprolite ore for aggregate gross proceeds of US\$4,195,000. As at April 30, 2015, a total of 13 shipments of nickel laterite DSO have been completed by AVMI containing a total of 641,361 wmt of limonite ore and 60,369 wmt of saprolite for total gross proceeds of US\$11.23 million.