MINDORO
RESOURCES LTD

Management's Discussion and Analysis
For the three and nine months ended September 30, 2012

As reported on November 14, 2012

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

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CAUTION FORWARD LOOKING INFORMATION

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

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

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

TECHNICAL DISCLOSURES

Mindoro's exploration programs are prepared and/or designed and carried out under the supervision of Jon Dugdale, a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM), who is a qualified person as defined by National Instrument 43-101(Canada) and is a competent person as defined by the JORC Code (Australia), and who has reviewed and verified the pertinent disclosure of exploration related technical information contained in this document. Mr. Dugdale is CEO and a director of Mindoro and has more than five years of experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which he has undertaken. Mr. Dugdale has consented to the release of the exploration related technical information in the form and context in which it appears.

COMPANY PROFILE AND STRATEGY

During the quarter ended September 30, 2012 (the "quarter"), Mindoro Resources Ltd. ("Mindoro" or the "Company") continued activities with the objective of advancing base and precious metals exploration and development projects in the Philippines.

During the three and nine months ended September 30, 2012 the Company focussed on achieving two key objectives:

- To form a strategic investment and/or project level partnership to advance the Agata nickel project towards direct shipping ore production ("DSO") and complete a hydrometallurgical processing feasibility study as well as a partnership to advance the Pan de Azucar copper-gold-sulphur project towards development.

- To "spin-out" the gold and copper-gold assets into a listed company with sufficient funds to enable drill-testing and expansion of the resource base on the Archangel and Lobo gold projects at Batangas, and advance key porphyry copper-gold projects within the Company's portfolio.

In relation to the two strategic objectives above, both transactions have now been completed:

i) On September 25, 2012 the Company, TVI Pacific Inc. ("TVI"), TVI Resource Development Phils., Inc. ("TVIRD"), and other parties signed the Agata Mining Joint Venture ("AMJV") and Agata Processing Joint Venture ("APJV") agreements and the Pan de Azucar Mining Joint Venture ("PDAMJV") and Pan de Azucar Processing Joint Venture ("PDAPJV") agreements. The general terms of the joint venture agreements are outlined in the Mindoro release of July 6, 2012, with the addition of the PDAMJV terms announced on September 7, 2012.

   In addition, subsequent to September 30, 2012 TVI completed a two-tranche private placement investment in Mindoro on September 28, 2012 and October 10, 2012 respectively, as detailed in "Events Subsequent to September 30, 2012" in this MD&A and in notes 5 and 13 of the interim financial statements.

ii) On July 23, 2012 the company signed a binding Share Sale Agreement with Red Mountain Mining Ltd. ("RMX") for the sale of Mindoro's Batangas and Tapian San Francisco gold and copper-gold assets in the Philippines, payment for which is the issue of 100 million fully paid RMX ordinary shares, with full voting rights, to be held in escrow for 12 months, together with 50 million Performance shares, the conversion of which to full voting shares is subject to RMX meeting certain milestones including upgrading the Indicated Resource at Batangas to 600,000 oz. of gold and completing a scoping study that demonstrates a viable gold mining project based on more than 50% of the Indicated Resource converting to Mineral Reserve or equivalent within 12 months of completion of the transaction.

   The transaction closed subsequent to September 30, 2012 on October 30, 2012 as detailed in "Events Subsequent to September 30, 2012" in this MD&A and in notes 5 and 13 of the interim financial statements.

   The company has been operating a drilling program on the Archangel Project at Batangas, funded by a loan facility provided by Red Mountain Mining Ltd (RMX) of up to A$1 million. The results of this program are detailed in the overview of the quarter ended September 30, 2012.

This Management's Discussion and Analysis ("MD&A") presents the operating results and financial status of the Company for the quarter ended September 30, 2012, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements ("interim financial statements") for the three and nine months ended September 30, 2012. The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian Dollars.

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

OVERVIEW FOR THE QUARTER ENDED SEPTEMBER 30, 2012

- **Agata Nickel Project and Pan de Azucar Copper-Gold-Sulphur Project**

  ✓ Under the AMJV and APJV agreements and the PDAMJV and PDAPJV agreements signed on September 25, 2012, TVIRD will operate exploration and development activities and earn 60% equity in each joint venture subject to satisfying certain milestones and/or expenditure objectives:

    - Under the AMJV, TVI as operator to fund development of DSO production to earn 60%. Minimum expenditure requirement $2 million in year 1 and minimum commitment of $500,000 before withdrawal.
    - Under the APJV, TVI as operator to fund completion of a DFS to earn 60%. Minimum expenditure requirement of $2 million in year 1 and minimum commitment of $500,000 before withdrawal.
    - Under the PDAMJV, TVI as operator to fund development of DSO production to earn 60%. Minimum expenditure requirement $2 million in year 1 and minimum commitment of $500,000 before withdrawal.
    - Under the PDAPJV, TVI as operator to fund $2 million to earn 51% then an option to spend another US$3 million to earn an additional 9%, increasing its interest to 60%.

  Subsequent to September 30, 2012, Joint Venture Management committees have been formed and budgets presented for approval so that the programs to meet the objectives outlined above will commence as soon as possible.

- **Gold and Copper-Gold Exploration**

  ✓ Following the July 23, 2012 signing of the binding Share Sale Agreement with Red Mountain Mining for the sale of Mindoro's Batangas and Tapian San Francisco gold and copper-gold assets in the Philippines, the company commenced a drilling program on the Archangel project at Batangas, funded by a loan facility provided by Red Mountain Mining Ltd (RMX) of up to A$1 million (A$400,000 drawn at September 30, 2012.

  The drilling program was initially planned to include up to 3,000m of drilling, targeting potential high-grade "feeder zones" underneath and adjacent to the existing Resources at Archangel, Batangas Project (released March 5, 2010)..

  By quarter end, six holes, totalling 983.9m drilled, had been completed, with drilling on-going. First drill hole KTD 191-12 intersected 26.2m @ 4.07g/t gold from 19.4m down hole including two high grade intervals of 6m @ 6.12g/t gold from 19.4m and 8.8m @ 5.36g/t gold from 36.8m down hole. These intersections are part of a broader interval of 39.25m @ 3.08g/t gold from 16.4m down hole.

(Expressed in Canadian Dollars)

Drilling has continued subsequent to the September 30, 2012. Post-closing of the transaction drilling will continueby Red Mountain Mining and it is envisaged that the program will continue into 2013. Further results will be released as they become available. A full table of results released to quarter end are in Table 1 below.

Table 1: Drilling Results from Archangel, Batangas Project

Drill hole	Northing (Grid)	Easting (Grid)	Azimuth (Mag)	Dip	Depth (m)	From (m)	To (m)	Interval (m)	Gold g/t	Silver g/t	Cu (ppm)	Pb (ppm)	Zn (ppm)
KTD 191-12	9,900	9,965	320°	-55°	92.6	16.4	55.65	39.25	3.08	2.70	33	492	18
Including						19.4	45.6	26.2	4.07	2.95	22	600	11
Including						19.4	25.4	6.0	6.12	5.27	12	604	11
Including						36.8	45.6	8.8	5.36	3.51	28	518	12
KTD 192-12	10,003	9,907	48°	-66°	267.25	14.85	18.85	4.0	0.75	0.76	157	270	2
						53.25	57	3.8	0.83	1.08	80	310	25
						144.95	147.1	2.15	0.56	5.15	1,847	21,319	46,417
						199.65	201.65	2	1.83	0.38	131	3,245	1,993
						212.65	216	3.35	1.13	0.35	38	231	426
						232	233	1.0	4.49	1.20	442	6,825	14,424
KTD 193-12	9,330	9,575	48°	-50°	168	18	28.3	10.3	1.70	50.1	347	658	198
Including						22.3	27.3	5.0	2.98	88.3	438	1,072	94
Including						22.3	23.3	1.0	6.66	227.1	110	1,980	107
KTD 194-12	9,999	9,877	48°	-63°	217.75								
KTD 195-12	9,409	9,582	48°	-50°	149.7								
KTD 196-12	9,882	9,940	48°	-60°	88.6								
Total					983.9								

- **Financial**
  - ✓ Pursuant to a private placement, TVI purchased 18,779,353 units on September 28, 2012 at a price of $0.05 per unit, for gross proceeds of $938,968 ("Tranche 1") and, subsequent to quarter end, on October 10, 2012, purchased an additional 24,000,000 units at a price of $0.05 per unit, for gross proceeds of $1,200,000 ("Tranche 2a"). Each unit consists of a common share and a common share purchase warrant. Each purchase warrant is convertible to one additional common share for $0.10 per share if exercised within 5 years. The Tranche 1 investment from TVI was used to repay a secured loan from TVI received on July 11, 2012 in the same amount.
  - ✓ Net income of $1.4 million represents an increase compared to the net loss in the second quarter 2012 of $10.1 million. The Company has recognized an impairment reversal in the quarter of $2.3 million on exploration properties that were reclassified as held for sale.
  - ✓ At September 30, 2012, the cash balance was $0.9 million and working capital was $0.3 million compared with $0.9 million and $0.6 million respectively at June 30, 2012.

(Expressed in Canadian Dollars)

Table 1: Activities summary for the three and nine months ended September 30, 2012

January	Archangel – final results received from drilling program
	Received $0.2 million in second tranche of Private Placement announced in November 2011
February	Received$1.3 million from major shareholders in final tranche of Private Placement.
	Pan de Azucar – Exploration Target announced on pyritic sulphide copper-gold-sulphur project
	Released Financial Results and Management Discussion for 2011
March	Special shareholders meeting held to approve the directors of the Company subscribing for common shares to the value of $0.25 million. Private placement subsequently raised $0.3 million, including funds received from an additional qualified investor.
April	
May	Agata Nickel – update on nickel strategic partnership
	Batangas – update on gold drilling plans
	Major Restructuring of Philippines Assets – Term sheet signed with Red Mountain Mining Ltd. for sale of Batangas and Tapian San Francisco Assets
June	Annual Shareholders meeting held where shareholders approved a plan to spin out the Batangas and Tapian San Francisco gold and copper-gold projects and changes to the Company's By-Laws to allow for the distribution of assets (RMX shares) as a reduction of capital.
July	TVI Pacific Heads of Agreement for proposed investment and Agata joint ventures
	Binding Gold and Copper-Gold assets Sale Agreement signed with Red Mountain Mining
	Funding drawn from Red Mountain Mining to commence drilling Batangas gold targets
August	Results of first new drill hole at Archangel announced
September	Red Mountain Shareholders approve purchase of Mindoro Gold Projects
	Further drill results from Archangel Gold Drill Program
	Mindoro and TVI sign Joint Venture agreements for Agata and Pan de Azucar, Mindoro receives Tranche 1 investment from TVI

Table 2: Events subsequent to the quarter

October	Mindoro shareholders authorize tranche 2 of TVI's proposed investment at a special meeting of shareholders. Private placement subsequently raises $1.2 million, and a new director is appointed.
	Mindoro completes sale of Gold Projects to Red Mountain for 100 million RMX shares worth $9.8 million.

MILESTONES TARGETED FOR 2012 - 2013

Agata Nickel Development Project and Pan de Azucar Exploration:

The Company has signed Joint Venture agreements with TVI over the Agata Nickel and Pan de Azucar projects (refer to note 13(B) of the Interim Financial Statements). The objectives of the joint ventures, subject to final agreements, are as follows:

- Stage 1: undertake feasibility study and permitting for the DSO project then, subject to economic viability, establish DSO production.
- Stage 2: advance preferred processing technology to pilot testing, and then complete a definitive feasibility study.
- Pan de Azucar: additional drilling to define S-Cu-Au resources and complete a development scoping study.

Copper Gold Exploration:

The Company has signed a binding agreement with RMX whereby RMX will initially loan funds to Mindoro to carry out initial drill testing of the interpreted gold "feeder zones" at Archangel, Batangas then, post-sale (and issue of 100m RMX shares to Mindoro) RMX will own and operate the properties (refer to note 13(A) of the Interim Financial Statements). The objectives of the RMX programs at Batangas are as follows:

- Archangel: initial drilling to define and potentially extend potential high-grade "feeder" structures prior to resource definition and extension drilling.
- Lobo: targeting for further drilling to locate and define potential high-grade epithermal gold shoot targets within the >5km mapped vein trends.
- Batangas and TSF porphyry copper-gold targets: refine priority copper-gold targets on the Batangas and TSF properties and prioritise targets for further drilling, subject to finance or joint venture funding.

SUMMARY OF QUARTERLY RESULTS

TABLE 3

	2010-Q4	2011-Q1	2011-Q2	2011-Q3	2011-Q4	2012-Q1	2012-Q2	**2012-Q3**
	$000	$000	$000	$000	$000	$000	$000	**$000**
Total revenue	-	-	-	-	-	-	-	**-**
General and administrative expenses	(273)	(427)	(511)	(692)	(674)	(377)	(443)	**(561)**
Employee benefits expenses	(486)	(317)	(393)	(699)	(293)	(254)	(239)	**(183)**
Stock based compensation	(75)	(15)	(38)	(151)	65	12	54	**(8)**
Depreciation and amortization	(14)	(37)	(20)	(33)	(53)	(35)	(32)	**(34)**
Operating Expenses	(848)	(796)	(962)	(1,575)	(955)	(654)	(660)	**(786)**
Interest income	29	85	86	60	26	13	10	**5**
Foreign exchange	231	(119)	74	43	(9)	(60)	121	**(104)**
Loss on disposal of equipment	-	-	-	(26)	(2)	-	-	**-**
Extinguishment of deferred capital subscription funding	-	-	-	3,171	-	-	-	**-**
Reversal (Impairment) of exploration and evaluation assets	-	-	-	(2,951)	-	-	(9,562)	**2,280**
Loss before income taxes	(588)	(830)	(802)	(1,278)	(940)	(701)	(10,091)	**1,395**
Income taxes	187	-	-	-	(10)	-	-	**-**
Loss for the period	(401)	(830)	(802)	(1,278)	(950)	(701)	(10,091)	**1,395**
Loss per share ($)	(0.002)	(0.004)	(0.004)	(0.006)	(0.004)	(0.003)	(0.040)	**0.005**

LOSSES

The Company's quarterly operating losses have increased in the third quarter of 2012, but continue to be lower than the same period in 2011 and below the average operating loss in the last eight quarters ($905,000).

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

- Changes in key management in the third quarter of 2011;
- The closure of the Edmonton, Canada office, and the relocation of associated functions to Melbourne, Australia and Manila, Philippines in the third quarter of 2011; and
- Corporate transactions with Red Mountain and TVI Pacific in the third quarter of 2012;

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

- In the three and nine months ended September 30, 2012, operating expenses were lower ($786,000 and $2,100,000) compared to the same period in 2011 ($1,575,000 and $3,331,000). Consulting fees were higher (2012: $338,000 and $803,000 vs. 2011: $148,000 and $334,000) as the Company negotiated TVI and RMX transactions. However, the Company spent less on travel and other administrative costs (2012: $223,000 and $578,000 vs. 2011: $546,000 and $1,296,000) due to efficiency gains from the Edmonton office closure.

- Employee benefit expenses are lower in the current quarter compared to the same period last year as a result of reduction in personnel noted above and continues the downward trend noted in the fourth quarter of 2011(Table 3).

- Variations in interest income and foreign exchange over the last eight quarters have largely been due to changes in the Company's cash balances, which was $2,595,000 at September 30, 2010 rising to $9,908,000 following the financing in December 2010, and subsequently drawing down to $936,000 at the end of the third quarter of 2012. Foreign exchange gains and losses also reflect fluctuations in the Australian Dollar and Philippine Peso relative to the Canadian dollar over the last eight quarters, resulting in higher costs incurred in those currencies. The change in functional currency has not materially affected the financial statements.

CASH FLOWS

In the third quarter of 2012, the Company used $381,000 in operating activities compared to $798,000 in the third quarter of 2011. This reflects an increase in non-cash working capital of $353,000 in the quarter compared to a $481,000 increase in the third of quarter 2011 and lower corporate and employee benefit expenses noted above.

In the first nine months of 2012, the Company used $2,141,000 in operating activities compared to $2,238,000 in the same period of 2011. This reflects a reduction in non-cash working capital of $107,000 in the current period compared to a $597,000 increase in same period of 2011 and lower corporate and employee benefit expenses noted above.

The Company invested $841,000 in exploration activities in the third quarter of 2012 compared to $3,263,000 in the third quarter of 2011. In the first nine months of 2012, the Company invested $1,938,000 in exploration activities compared to $7,059,000 in the same period of 2011. Most of the expenditures in the three and nine months ended September 30, 2012 relates to the Archangel drill program funded by RMX, internal mine planning and economic modelling on the Agata Nickel project, in preparation for pilot testing and feasibility studies, and continued and social and environmental field programs on all the Company's tenements.

GOING CONCERN

The Company has incurred a net loss of $9,397,000 (September 30, 2011 - $2,908,000) and operating cash outflows of $2,141,000 (September 30, 2011 – $2,238,000). At September 30, 2012 the Company has net current assets before exploration assets, loan facility, and defined benefit retirement obligation held for sale of $269,000 (December 31, 2011 - $1,315,000). Mining and exploration licences held by the Company have annual expenditure obligations to maintain their 'good standing' status. The Company has sufficient funds or the intent to raise sufficient funds to meet these requirements and to meet corporate expenditure requirements to maintain its operations.

The ability of the Company to continue as a going concern is dependent on obtaining additional funding to finance ongoing exploration activities. Subsequent to September 30, 2012 the Company has sold the Batangas and Tapian San Francisco Gold Projects (collectively the "Gold Projects") to RMX (notes 5 and 13(A)) in exchange for 100 million RMX shares and 50 million performance shares. Pursuant to a private placement the Company has received $2,139,000 from TVI. In addition, the Company and TVI have entered into joint venture agreements where TVI 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 DFS on a Nickel processing project, and up to 60% in the Pan De Azucar massive sulfide project by meeting certain expenditure and earn-in objectives (note 13(B)).

The Company intends to be proactive over the upcoming period to reduce overhead costs and, if required, raise additional capital through financing activities in order to finance its operations. While both transactions have closed subsequent to September 30, 2012, until the Company begins seeing positive cash flow from the TVI Joint Ventures there is significant uncertainty as to whether the Company will be able to continue as a going concern and therefore, whether it will realize its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the interim financial statements.

The directors consider the Company is a going concern, but recognize that it is dependent on the raising of additional funds, the sale of interests in or relinquishment of mining tenements held by the Company and ultimately the future profitability of the Company. These interim financial statements have therefore been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, no adjustments have been made to the interim financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern with the exception of the property write downs and reversals summarized within note 5.

SIGNIFICANT ACCOUNTING POLICIES

CRITICAL ACCOUNTING ESTIMATES

The Company continually evaluates its estimates and judgements 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 by definition will 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.

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 affect the future recoverability include the level of reserves and resources, future technological changes, which could affect 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.

ACCOUNTING POLICIES EFFECTIVE FOR FUTURE PERIODS

IFRS 7 - "Financial instruments" – disclosures

Amended to enhance disclosure requirements relating to offsetting of financial assets and financial liabilities. This standard is effective for annual periods beginning on or after January 1, 2013 and is not expected to have a material effect on the Company.

IFRS 9 – "Financial instruments - classification and measurement"

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise, it is at fair value through profit or loss. This standard is effective for years beginning on or after January 1, 2015. This new standard is not expected to materially affect the Company's financial statements because the standard is consistent with the Company's current treatment of financial assets.

IFRS 9 – "Financial instruments – classification and measurement"

Updated to include guidance on financial liabilities and derecognition of financial instruments. This standard is effective for years beginning on or after January 1, 2015. The company has not assessed the impact of this new standard.

"New standards addressing scope of reporting entity"

IFRS 10, - "Consolidated Financial Statements", IAS 27, - "Consolidated and Separate Financial Statements", and SIC-12, - "Consolidation – Special Purpose Entities" IFRS 11, - "Joint Arrangements" Entities in joint operations will follow accounting for jointly controlled assets and jointly controlled operations under IAS 31. IFRS 12, - "Disclosure of Interests in Other Entities", effective for years beginning on/after January 1, 2013.Not expected to have a material effect on the Company disclosure.

IFRS 13 – "Fair Value Measurement"

Provides a single source of guidance on how to measure fair value and enhances disclosure requirements for fair value measurements. This standard is effective for years beginning on or after January 1, 2013 and is not expected to have a material effect on the Company.

IAS 1 – "Presentation of items of other comprehensive income ("OCI")*"*

Change to the disclosure in OCI, including a requirement to separate items presented into two groups based on whether or not they may be recycled to profit or loss in the future. This standard is effective for annual periods beginning on or after July 1, 2012. These amendments do not materially affect the Company's financial statements.

IAS 16 - "Property Plant and Equipment"

Amendments clarifying the classification of spare parts as equipment rather than inventory when they meet the definition of property plant and equipment. This standard is effective for annual periods beginning on or after January 1, 2013. These amendments do not materially affect the Company's financial statements.

IAS 19 – "Employee Benefits"

Amended for (i) changes to the recognition and measurement of defined benefit pension expense and termination benefits, and (ii) expanded disclosure. This standard is effective for the years beginning on or after January 1, 2013. The Company has a defined benefit retirement obligation and has not yet assessed the impact of this amendment on its financial statements.

(Expressed in Canadian Dollars)

IAS 28 – "Investments in Associates and Joint Ventures (Amended in 2011)"

Supersedes previous IAS 28. Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The new Standard defines 'significant influence' and provides guidance on how the equity method is to be applied. It also prescribes how investments in associates and joint ventures should be tested for impairment. The amended standard is effective for annual periods beginning on or after January 1, 2013. The Company has not assessed whether this new standard will have a material impact for the Company.

IAS 32 - "Financial instruments" – presentation

Amended to clarify requirements for offsetting of financial assets and financial liabilities. This standard is effective for annual periods beginning on or after January 1, 2014 and is not expected to have a material effect on the Company.

IAS 34 - "Interim Financial Reporting"

Amended to clarify segmented disclosure requirements for total assets and liabilities. This standard is effective for annual periods beginning on or after January 1, 2013. These amendments do not materially affect the Company's financial statements.

IFRIC 20 – "Stripping Costs in the Production Phase of a Surface Mine"

Provides guidance on the accounting for overburden (pre-strip) in the production phase. Costs can only be recognized as an asset if they can be attributed to an identifiable component of the ore body. This standard is effective January 1, 2013. This interpretation does not affect Company disclosure because the Company has no operational mines.

OUTSTANDING SHARE DATA

Issued - Common shares	**Common Shares**	**Stock Options**	**Purchase Warrants**
December 31, 2011	239,073,360	14,847,000	19,054,725
Issued pursuant to private placements	33,764,039	-	18,779,353
Stock options issued	-	250,000	-
Forfeited/expired	-	(2,452,000)	(7,500)
September 30, 2012	272,837,399	12,645,000	37,826,578

In September 2012, pursuant to a private placement, the Company issued 18,779,353 units at $0.05 per unit for gross proceeds of $938,968. Each unit consisted of one common shares and one purchase warrants exercisable at $0.10 per share for five years. Also in September 2012, 800,000 stock options with a weighted average exercise price of $0.25 per share expired following the resignation of two directors.

In July 2012, 7,500 purchase warrants with an exercise price of $0.31 per share expired. Also in July 2012, the Company issued 250,000 stock options exercisable at $0.10 within three years of the grant.

In June 2012, 1,652,000 stock options with an exercise price of $0.84 per share expired.

In March 2012, pursuant to a private placement, the Company issued 2,464,729 common shares at a price of $0.12 for gross proceeds of $294,534.

In January 2012, pursuant to a private placement, the Company issued 12,519,957 common shares at a price of $0.12 for gross proceeds of $1,517,991. The Company received $135,000 for this private placement prior to December 31, 2011 that was recorded as share obligations on the December 31, 2011 statement of financial position.

RISKS AND UNCERTAINTIES

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

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

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

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

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

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

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

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

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

DISCLOSURE CONTROLS AND PROCEDURES

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

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2012. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at September 30, 2012 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Chief Executive Office and Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting as of September 30, 2012. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

The Company's management, including the Chief Executive Officer and Chief Financial Officer does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well designed or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

EVENTS SUBSEQUENT TO SEPTEMBER 30, 2012

(A) RED MOUNTAIN MINING GOLD PROJECTS SALE

On October 30, 2012, the Company and RMX announced that all conditions precedent to closing the SSA had been met or waived by the parties and that it has sold the Gold Projects to RMX (note 5). As consideration for the sale, the Company has received:

- 100 Million RMX Shares that will be held by Mindoro in escrow for 12 month and have full voting rights; and

- 50 Million Performance Shares that will convert to RMX Shares if the performance conditions outlined in note 5 are satisfied. The Performance Shares, if converted, will be subject to a further voluntary escrow period of up to 12 months. The Performance Shares will be cancelled after 12 months from completion if the conditions are not achieved.

Upon closing, Jon Dugdale, President and CEO of Mindoro, was appointed an executive director of RMX. No later than February 28, 2013, Mr. Dugdale will become the Managing Director of RMX and resign as President and CEO to become a non-executive director of Mindoro

(B) TVI STRATEGIC INVESTMENT

On October 11, 2012 the Company announced that pursuant to a private placement, 24,000,000 units were issued to TVI at a price of $0.05 per unit. Each unit consisted of one common share and one common share purchase warrant. Each purchase warrant grants the holder the right to acquire one common share for $0.10 per share for a period of five years. After closing, Cliff James, President and CEO of TVI, was appointed to the Board of Directors of the Company.