MINDORO
RESOURCES LTD

Management's Discussion and Analysis
For the three and nine months ended September 30, 2013

As reported on November 13, 2013

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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 Tony Climie, P.Geo., who is a qualified person as defined by National Instrument 43-101(Canada) and is a competent person as defined by the JORC Code (Australia), and who has reviewed and verified the pertinent disclosure of exploration related technical information contained in this document. Mr. Climie is the CEO and a Director of Mindoro and has more than 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. Climie is also Mindoro's representative on the TVI-operated joint ventures, and monitors these on behalf of Mindoro. Mr. Climie has consented to the release of the technical information in the form and context in which it appears.

COMPANY PROFILE AND STRATEGY

During the three months ended September 30, 2013 (the "quarter"), Mindoro Resources Ltd. ("Mindoro" or the "Company") focused on monitoring its TVI-operated joint ventures, renegotiating an option agreement to acquire the remaining 25% interest in the Agata projects held by its Philippines partner, Minimax Mineral Exploration Corporation ("Minimax"), reducing overhead costs, and securing financing to fund its general administrative and corporate expenses for 2013. The Company also worked on negotiating a variation to the sale agreement with Red Mountain that would remove the requirement for Mindoro to distribute the Red Mountain Shares and addressing legal issues surrounding the sale and assignment of certain tenements purchased by Red Mountain.

This Management's Discussion and Analysis ("MD&A") presents the operating results and financial status of the Company for the three months ended September 30, 2013, 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, 2013 and the audited consolidated financial statements for the year ended December 31, 2012. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian Dollars.

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

OVERVIEW FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

AGATA MINING JOINT VENTURE ("AMJV")

During the third quarter of 2013, Joint Venture Partner TVI Pacific Inc. ("TVI") released a National Instrument 43-101 ("NI 43-101") compliant Feasibility Study indicating robust economics for the planned High-Iron DSO Project.

Highlights are:

- US$10.1 million capital cost with payback within the first year of operations;
- 187% Internal Rate of Return ("IRR"); and
- $37.9 million Net Present Value ("NPV") at a 10% discount rate.

TVI Resource Development ("TVIRD"), TVI's local affiliate, operates the AMJV and may earn a 60% interest in the project by sole funding the development of a direct shipping ore ("DSO") operation through to commercial production for the Agata North High-Iron Nickel Laterite Resource. The DSO Operation must be operating at a minimum rate of 1 million wet metric tonnes ("WMT") per annum for three months for TVIRD to earn its interest and they must make a minimum expenditure of $2 million in year 1 including a minimum commitment of $500,000 before withdrawal. Commercial production may be deemed to be achieved even when there are no buyers of the Products and no shipments can be made because of adverse market conditions prevailing at that time.

AGATA DSO DEVELOPMENT PLANS

All land required for the road network has now been acquired in coordination with the local government, while 90% of land required under the current design of the port facility has been acquired. The planning and design of port construction, roads and other infrastructure is proceeding.

Most roads and ramps currently constructed are temporary and predominantly confined to within the pit. Further refinements have also been made to the pit design to consider non-contiguous mining areas, zones less than 1.5 meters thick, and areas on slopes considered too steep to mine.

The Port design, consisting of a causeway, will allow for two barges to be moored and loaded simultaneously. The causeway will also serve as a temporary ramp for the delivery of equipment, construction and heavy lift materials. The current design is under review to decrease capital cost.

The Agata DSO Project is well into the permitting stage with the Mining Feasibility Studies and the Final Exploration Report being reviewed by the Mines and Geosciences Bureau. The Environmental Protection and Enhancement Program and the Final Mine Rehabilitation and Decommissioning Plan will soon be submitted for reviewed by the Mine Rehabilitation Fund Committee, followed by the Contingent Liability and Rehabilitation Fund Committee. Final approval of the Declaration of Mining Project Feasibility is then expected to follow, which will allow the project to move into development. The Agata high iron DSO project already has an existing Environmental Compliance Certificate.

The region in which the Agata DSO Project is situated, in northeastern Mindanao, hosts approximately fifteen DSO operations at present that cumulatively exported 17.3 million wmt and 19.2 million wmt in 2011 and 2012, respectively. Discussions are underway with off-takers who have expressed interest in the Agata DSO product.

AGATA PROCESSING JOINT VENTURE ("APJV")

During the third quarter of 2013, BGRIMM (a Chinese mining research and consulting group in Beijing commissioned by TVIRD) completed Pilot scale testing of the Agata Nickel-Laterite material and results confirm excellent leachability obtained during bench-scale testing. Highlights include a 93.5 – 94.5% nickel extraction obtained over the 2-stage leaching process, and favourable acid consumption in the range of 48-50 t acid/t nickel leached.

Vendor testwork completed and all design parameters obtained for pre-leach thickener, Counter-Current Decantation, and residue filtration design.

An 8,000 L Pregnant Leach Solution produced from BGRIMM leaching campaign and shipped to producer for off-taker evaluation.

TVIRD Commissioned a second pilot plant in the Philippines and production of a Nickel Hydroxide Product ("NHP") is expected to commence in the fourth quarter of 2013.

TVIRD operates the APJV and may earn a 60% interest in the project by sole funding a Definitive Feasibility Study ("DFS") for a Nickel Processing Plant on the Agata North Nickel Laterite Resource. TVIRD must make a minimum expenditure of $2 million in year 1 to maintain the earn-in option, and a minimum commitment of $500,000 before withdrawal.

PAN DE AZUCAR COPPER-GOLD-SULPHUR PROJECTS

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

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

(Expressed in Canadian Dollars)

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

RED MOUNTAIN INVESTMENT

During the third quarter of 2013, Mindoro's interest in Red Mountain was reduced to 20.9% when Red Mountain issued 238,869,989 shares at A$0.01 per share.

FINANCIAL

After-tax loss of $1,632,000 in the quarter represents a decrease compared to the net loss in the second quarter of 2013 of $6,740,000 and an increase compared to the net income in the third quarter of 2012 of $1,395,000. The Company recognized an impairment of $1,314,000 on an investment held for distribution in Red Mountain in the third quarter.

At September 30, 2013, the cash balance was $105,000 and working capital deficit was $586,000 compared with a cash balance of $619,000 and working capital of $200,000 at December 31, 2012.

In the third quarter, the Company drew $119,000 from the loan facility provided by TVI increasing the balance to $334,000 due on or before June 24, 2013.

ACTIVITIES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

TABLE 1

February	Update on TVI joint venture projects
March	Melbourne, Australia office closed, relocated corporate office to Calgary, Canada
April	Financial results released for the year ended December 31, 2012 Updated Resource Estimate on Agata North
May	Financial results released for the three months ended March 31, 2013
June	Agata Nickel Project Pilot Plant Commissioned, Operation Commenced Signed a secured grid promissory note to where TVI may lend up to $1.3 million Amended earn-in terms of TVI Joint Ventures
July	Director and Executive appointments
August	Financial results released for the six months ended June 30, 2013
September	Agata High-Iron Laterite DSO Feasibility Study released demonstrating robust economics Renegotiated option to acquire additional 25% interest in Agata projects 2013 Annual General Meeting
October	Signed Variation Agreement with Red Mountain Update on the Agata High-Iron DSO Project Test Work Results for the Agata Nickel Laterite Project

MILESTONES TARGETED FOR 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 7 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: evaluation of merits of using pyrite for sulphuric acid production for Agata nickel laterite processing operation.

SUMMARY OF QUARTERLY RESULTS

TABLE 2

	2011-Q4	2012-Q1	2012-Q2	2012-Q3	2012-Q4	2013-Q1	2013-Q2	**2013-Q3**
	$000	$000	$000	$000	$000	$000	$000	**$000**
Total revenue	-	-	-	-	-	-	-	**-**
General and administrative expenses	(674)	(377)	(443)	(561)	(160)	(188)	(132)	**(206)**
Employee benefits expenses	(293)	(254)	(239)	(183)	(268)	(70)	(63)	**(107)**
Stock based compensation	65	12	54	(8)	8	4	1	**(1)**
Depreciation and amortization	(53)	(35)	(32)	(34)	(35)	(13)	(4)	**(5)**
Operating Expenses	(955)	(654)	(660)	(786)	(455)	(267)	(198)	**(319)**
Interest income	26	13	10	5	3	1	-	**-**
Foreign exchange	(9)	(60)	121	(104)	550	239	(442)	**1**
Impairment of investment held for distribution	-	-	-	-	-	(645)	(6,100)	**(1,314)**
Impairment of exploration and evaluation assets	-	-	(9,562)	2,280	(322)	-	-	**-**
Loss on disposal of equipment	(2)	-	-	-	-	(8)	-	**-**
Loss before income taxes	(940)	(701)	(10,091)	1,395	(224)	(680)	(6,740)	**(1,632)**
Income taxes	(10)	-	-	-	(91)	-	-	**-**
Loss for the period	(950)	(701)	(10,091)	1,395	(315)	(680)	(6,740)	**(1,632)**
Loss per share ($)	(0.004)	(0.003)	(0.040)	0.005	(0.001)	(0.002)	(0.023)	**(0.005)**

LOSSES

The decrease in quarterly losses in the current quarter compared to the same period of 2012 reflect a significant reduction of corporate activity following the signing of joint venture agreements with TVI (see note 7 of the interim financial statements) and the sale to Red Mountain of the Batangas and Tapian San Francisco Gold and Copper/Gold projects. The Company's quarterly operating expenses were higher in the third quarter of 2013 compared to the second quarter of 2013 but lower than the third quarter of 2012 and are below the average operating loss in the last eight quarters ($547,000).

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

- Changes in key management in the third and fourth quarters of 2012;
- The closure of the Melbourne, Australia office in first quarter 2013; and
- Corporate transactions with Red Mountain and TVI in the third and fourth quarters of 2012;

Further commentary on operating expenses in the third quarter and first nine months of 2013 with respective comparatives:

- In the three and nine months ended September 30, 2013, operating expenses were lower ($319,000 and $784,000) compared to the same periods in 2012 ($786,000 and $2,100,000). The Company has made significant reductions in consulting, legal, travel and other general and administrative costs in the current periods compared to the same periods of 2012.

- Employee benefit expenses are lower in the current quarter compared to the same period last year because of the reduction in personnel noted above (Table 2). In the current quarter, the Company has recognized $48,000 of directors' fees for non-executive directors' participation in board and committee work in the first nine months of 2013.

- Impairment losses in the current quarter are the result of a decline in the fair value of Mindoro's interest in Red Mountain. Impairment losses in 2012 were recorded because of the transaction with Red Mountain noted above.

- Variations in interest income over the last eight quarters have largely been due to changes in the Company's cash balances, which were $3,933,000 at September 30, 2011 and drawn down to $105,000 at September 30, 2013.

CASH FLOWS

In the third quarter of 2013, the Company used $315,000 in operating activities compared to $381,000 in the third quarter of 2012. This reflects a decrease in non-cash working capital of $14,000 in the current quarter compared to a $353,000 increase in the third of quarter 2012 and lower corporate and employee benefit expenses noted above.

In the first nine months of 2013, the Company used $886,000 in operating activities compared to $2,141,000 in the same period of 2012. This reflects a reduction in non-cash working capital of $132,000 in the current period compared to a $107,000 decrease in the same period of 2012 and lower corporate and employee benefit expenses noted above.

In the three and nine months ended September 30, 2013, the Company invested $9,000 and $24,000 respectively on exploration expenditures net of cost recoveries, compared to exploration expenditures of $847,000 and $1,948,000 in the same periods of 2012. Most of the expenditure and recoveries in the three and nine months ended September 30, 2013 relate to community relations, environmental, and support costs for the Agata and Pan de Azucar joint venture projects that were reimbursed by the TVI joint ventures.

GOING CONCERN

The Company has incurred a net loss of $9,052,000 (September 30, 2012 - $9,397,000) and operating cash outflows of $886,000 (September 30, 2012 – $2,141,000). At September 30, 2013 the Company has net current liabilities before investments held for distribution of $586,000 (December 31, 2012 - $193,000). Mining and exploration licences held by the Company have annual expenditure obligations to maintain their 'good standing' status. These expenditure obligations have been assumed by TVI as described below.

The ability of the Company to continue as a going concern is dependent on obtaining additional funding to finance ongoing operating activities. 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 7 of the interim financial statements). These joint ventures require TVI to finance Mindoro's mineral property annual expenditure obligations and maintain the tenements in good standing.

In June 2013, the Company signed a secured promissory note where TVI may loan Mindoro up to $1.3 million and believes that sufficient funds will be available for the Company to meet its obligations for the next twelve months (note 9(a) of the interim financial statements). However, even with this promissory note, until the Company begins to receive positive cash flow from the TVI Joint Ventures there is material uncertainty related to events or conditions that may cast significant doubt as to whether the Company will be able to continue as a going concern 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 financial statements.

The Board of Directors consider the Company to be a going concern, but recognize that it is dependent on the raising of additional funds, the support of partners, 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 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.

DISCUSSION OF PROJECTS

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

The Company's joint venture partner, TVI and its Philippines based operator, ("TVIRD"), are progressing a two stage development strategy for the Agata Nickel Project. This includes a Stage one DSO operation followed by a Stage two low operating cost nickel processing operation based on established hydrometallurgical acid leach processing technology. TVIRD's Project Execution/Technology Development team for the Mindoro joint venture projects is composed of highly skilled technical experts who are familiar with the assets and the type of processing plant technology expected to be used.

HIGH IRON AND LIMESTONE DSO OPERATIONS/LIME PRODUCTION FACILITY

The high iron laterite and limestone deposits occur within one kilometre from the coast, which is expected to positively affect transportation costs due to the close proximity of the mine pit and quarry to the port.

The upper portions of the laterite profile comprise the ferruginous zone and limonite zone, both rich in iron. On April 11, 2013, the Company announced an updated NI 43-101 compliant resource estimate on Agata North nickel laterite deposit that includes an estimated 10 million wmt of high iron material at 48.5% iron and 0.94% nickel. This current resource estimate has defined sufficient high-iron limonite for approximately ten years of DSO production. The deposit is expected to be developed as a surface mining operation with the high iron material most likely sold to the Chinese iron ore market. Beneath the ferruginous and limonite zone is the higher nickel-grade saprolite zone, which will be the dominant feed for a new nickel processing facility currently under consideration by the Project Execution/Technology Development team.

On September 10, TVI announced that it had completed a NI 43-101 compliant feasibility study indicating robust economics for the planned High-Iron DSO Project. Principal results are summarised below:

(Expressed in Canadian Dollars)

Summary of Economic Results

TABLE 3:

High Iron Limonite DSO sale price (FOB)	USD/wmt	$22.00
NPV (10% discount rate) post-tax	USD (M)	$37.9
Payback Period	Years	1.0
IRR post-tax	%	187%

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

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

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

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

Mineral Reserve Estimate and DSO Production Targets

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

TABLE 4: DSO PRODUCTION TARGETS

Year	wmt	Ni%	Fe%
2013	-	-	-
2014	2,000,000	0.9	48.0
2015	2,500,000	0.9	48.0
2016	1,800,000	0.9	48.0
2017+	500,000	0.9	48.0

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

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

TABLE 5 AGATA NORTH MINERAL RESERVE ESTIMATE – AS AT AUGUST 30, 2013

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

Capital and Operating Costs

The project capital and operating costs are presented in Tables 6 and 7:

TABLE 6: CAPITAL COST ESTIMATE FOR AGATA NICKEL DSO PROJECT

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

TABLE 7: OPERATING COST ESTIMATE

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

Port Loading Facility and Infrastructure

The close proximity of the planned Port Loading Facility to the ore stockpile (3.5km) will provide a significant economic advantage through low transportation costs. The Port will consist of a causeway extending approximately 160m offshore and will allow two barges to be moored and loaded simultaneously.

DSO Market

The region in which the Agata DSO Project is situated, in northeastern Mindanao, hosts approximately fifteen DSO operations at present that cumulatively exported 17.3 million wmt and 19.2 million wmt in 2011 and 2012, respectively.

Over the past 18 months the High Iron DSO sale price has fluctuated between USD $15/wmt and USD $34/wmt. The recent and historical price of High Iron Limonite DSO has been a function of supply and demand, but influenced by seasonal weather patterns in South East Asia. DSO projects on the sheltered west cost of the Mindanao peninsula, where Agata is situated, can ship ore 12 months a year and take advantage of peak season prices.

Technical Report and Independent Qualified Persons

A National Instrument 43-101 Technical Report is available on SEDAR at www.sedar.com and on Mindoro and TVI's websites at www.mindoro.comand www.tvipacific.com.

The Agata North DSO Feasibility Study has been prepared under the direction of Dallas Cox, an independent qualified person, with contributions from Mark Gifford and Michael Conan-Davies; independent qualified persons as defined by National Instrument 43-101 (Canada). Messrs. Cox, Gifford, and Conan-Davies have authorized the technical information detailed in this release.

Dallas Cox, MAusIMM(CP), a qualified person as defined by National Instrument 43-101, has reviewed and verified the disclosure of the Mineral Reserve Estimate in this news release. Mr. Cox has over thirty years of experience, which is relevant to the activity he has undertaken, and he has consented to the release of the pertinent information in the form and context in which it appears.

Mark Gifford, FAusIMM, a qualified person as defined by National Instrument 43-101 has reviewed and verified the disclosure of the Mineral Resource Estimate in this news release. Mr. Gifford has over twenty- six years of experience, which is relevant to the activity he has undertaken, and he has consented to the release of the pertinent information in the form and context in which it appears.

Michael Conan-Davies, MAusIMM(CP), a qualified person as defined by National Instrument 43-101 has reviewed and verified the disclosure of the Economic Assessment in this news release. Mr. Conan-Davies has over fifteen years of experience, which is relevant to the activity he has undertaken, and he has consented to the release of the pertinent information in the form and context in which it appears.

On October 18, TVI provided an update of progress on the High-Iron DSO Project as follows:

Port Loading Facility and Infrastructure

Further to development plans and initial pre-development activities announced as being underway February 11, 2013, 100% of land required for the road network has now been acquired in coordination with the local government unit while 90% of land required under the current design of the Port facility has been acquired. The planning and design of port construction as well as for roads and other infrastructure is proceeding.

Most roads and ramps constructed currently are temporary and predominantly confined to within the pit, where further refinements have also been made in the pit design to consider non-contiguous mining areas, zones less than 1.5 meters thick, and areas on slopes considered too steep to mine.

The Port design, consisting of a causeway, will allow two barges to be moored and loaded simultaneously. The causeway will also serve as a temporary ramp for the delivery of equipment, construction, and heavy lift materials. The current design is under review to decrease capital cost.

Permitting Status

The Agata DSO Project is well into the permitting stage with the Environmental Protection and Enhancement Program and the Final Mine Rehabilitation and Decommissioning Plan under review by the Mine Rehabilitation Fund Committee. Final approval of the Declaration of Mining Project Feasibility is then expected to follow, which will allow the project to move into development. The Agata high iron DSO project already has an existing Environmental Compliance Certificate.

DSO Market

TVIRD is currently in discussion with off-takers who have expressed interest in the Agata DSO product.

The high iron DSO operation would be expected to generate early cash flow until the nickel processing plant is built and becomes operational, but shipments are expected to continue after this until the high iron material is exhausted. The high iron DSO operation has an existing Environmental Compliance Certificate (ECC) and port permit; however, other permits such as a Declaration of Mining Project Feasibility are also required.

The limestone occurring at the coast is a massive recrystallized limestone of very high purity levels with calcium carbonate ($CaCO_3$) of greater than 95%. Five (5) holes were drilled into the limestone horizon but the number of holes drilled is not considered sufficient to classify a mineral resource. The limestone is estimated to be up to 50 metres thick. *The potential quantity and grade is conceptual in nature, because there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.* The initial plan is to develop a resource, and mine and ship limestone DSO utilizing the infrastructure developed initially for the high iron DSO operation. Currently no permits are in place for mining the limestone.

Since the quality of limestone quarried at Agata is expected to be high, the Project Execution/Technology Development team will also evaluate its potential for the construction of a lime production facility at the Agata project site. The lime produced would be used in the nickel processing plant, offsetting the costs of imported lime while also creating potential for some to be sold. The lime processing facility is a medium-term project currently targeted to come online at the beginning of 2015 pending the receipt of all required permits, among other things. The development plans and initial pre-development activities for the two DSO operations are underway and include:

a. For the high iron DSO operation:
    - the preparation of compliance reports to regulators
    - land acquisition for the port facilities and roads
    - planning and design for port construction
    - road/infrastructure design and construction plans
    - initial pre-development activities, including initial road construction and camp development
    - confirming markets for products
    - mine development planning
    - community relations

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

<u>AGATA NICKEL PROCESSING PLANT</u>

The Project Execution/ Technology Development team is proposing the use of innovative, low-cost atmospheric tank leaching ("ATL") and downstream nickel recovery and purification technology rather than the traditional high cost HPAL processes used in the laterite nickel industry. ATL is a proven technology in commercial production in China. TVIRD's team of technical staff engaged to deal with the Mindoro joint venture projects have substantial expertise in this leaching and downstream nickel recovery and purification technology and their expertise will be used to fast track the processing plant. The plant would initially be designed to have a 20-year life, and would be built in modules with the ability to add capacity over time by adding further modules to increase throughput and nickel production.

The feed to the processing plant comprising limonite material and saprolite material would be mixed with sulphuric acid and undergo numerous steps to ultimately produce a nickel hydroxide product. This intermediate nickel product could either be sold as is or further processed to produce metallic nickel.

Site infrastructure is excellent with local sources of labour, fresh water and power (supplemented by back-up generators). The processing plant could be located within two kilometres of the port, thereby simplifying acid transport and other logistics, as well as keeping operating costs down. Deep water for ships up to 50,000 tonne capacity occurs within 250 metres of the coastline.

On October 17, TVI released an update on processing pilot test work as follows:

On June 5, 2013, the Company announced the positive results of the bench scale tests indicating that the Agata laterite is highly amenable to acid leaching. The next step was to then run a continuously operated pilot plant at BGRIMM's research facility in China, in order to test and obtain design data for feed screening/classification/thickening, primary and secondary leaching, counter-current decantation (CCDs), residue neutralization and residue filtration.

The BGRIMM pilot plant operation was conducted from May to July 2013 and the results are encouraging and in line with expectations as obtained from positive bench-scale test work.

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

Some of this liquor was also tested at BGRIMM in a continuous pilot plant campaign configured to produce a Mixed Hydroxide Product (MHP) containing at least 36% nickel. This will allow TVI to evaluate the process option of producing MHP compared to NHP.

Key outcomes:

- An overall nickel extraction of 93.5 – 94.5% may be consistently achieved at an acid consumption of 48-50 t acid/t nickel leached. This has been shown as a result of an extensive BGRIMM pilot plant campaign, in which 4,300 kg of feed ore was leached.

- Leaching performance achieved is near identical to that obtained during the bench-scale test campaigns conducted at BGRIMM and the in-house facility in Manila.

- The 2-stage leaching process proposed is robust and yielded similar results for the variety of ore types tested.

- The leaching pilot plant operation allowed determination of other circuit design data such as residence time, operating temperature, feed slurry density, etc.

- Vendor settling tests confirmed fast settling nature of the feed material, and leach residue. Acceptable underflow density obtained means that the leach circuit can be operated at 35-40% solids and the Counter-Current Decantation (CCD) circuit can be designed to achieve 98-99% recovery of soluble nickel over 7 CCD stages. All design data for pre-leach and CCD thickener design has been obtained.

- Limestone and lime consumption were determined from the continuously operating pilot plant for the neutralization of the washed leach residue. Additionally, residence time and other design parameters were obtained.

- Vendor settling tests have confirmed the expectation that the filtration rate of the washed and neutralized leach residue is slow, but feasible to incorporate this unit operation in the full-scale plant flowsheet. All data to allow the design of the residue filtration has been obtained.

- A Mixed Hydroxide Product (MHP) containing an average of 36% nickel was produced by treating the pregnant leach solution (PLS) with soda ash/caustic soda. It was shown that it is possible to produce an MHP containing >40% nickel, if a 2-stage precipitation circuit is used.

- 8,000L of the BGRIMM pilot plant PLS has been shipped to Philippines for processing at TVI's downstream metal purification and recovery pilot plant. A higher value Nickel Hydroxide Product (NHP) will be produced at this facility.

Details of the BGRIMM Pilot Plant Campaign
The pilot plant test commenced in May 2013 and was based on the results of the comprehensive program of laboratory bench-scale testing, which were previously carried out at BGRIMM in China and at TVI's Metallurgical Laboratory in the Philippines.

Approximately 30 t of laterite was mined from a variety of test pits that cover the Agata ore body. Test pits were carefully selected from the available drill-hole data to accurately reflect the laterite that is expected to feed the process plant. Limonite and saprolite were separately mined, blended, and loaded into sealed drums to preserve moisture.

Approximately 12 t of laterite was sent to BGRIMM in order to continuously operate the pilot plant. This was blended, crushed, screened, and milled. Leaching commenced on 13 May 2013 to test a high grade (1.5% nickel) and a medium grade (1.3% nickel) material.

The leaching pilot plant comprised 2 stages, viz. primary leaching, conducted in a series of 5 atmospheric leaching reactors, and secondary leaching, conducted in an autoclave comprising 5 chambers and a flash tank. Acid was added to the primary leaching circuit, together with high iron, low magnesium content feed material. Primary leach residue and fresh ore containing low Iron, high magnesium was fed to the autoclave. No acid is added, since acid is generated from the iron hydrolysis reaction occurring in the autoclave. The autoclave therefore allows greater acid efficiency to be obtained, as well as effectively reducing the iron-nickel ratio in the final PLS.

Residue from the leaching stage was made available to two thickener vendors to conduct CCD thickener settling tests. Additionally, these vendors also conducted primary leach feed slurry thickening tests. These tests provide all the data required for the specification and design of the pre-leach and CCD thickener stages.

Washed leach residue was neutralized using a continuous pilot plant consisting of five neutralization reactors. Limestone was added to the first reactor and lime was added to the second reactor.

Washed and neutralized leach residue was made available to two filter vendors to conduct filtration tests that would allow the specification and design of the residue filtration stage. A bulk sample of the washed and neutralized residue filter cake has been sent to the TVI metallurgical testing facility in the Philippines for the purpose of conducting further environmental characterization and geo-technical stability tests that will allow the design of the leached ore storage facility and specification of the mine backfill and rehabilitation program.

PLS recovered from the slurry after leaching was divided into two batches, including 8,000L for shipment to the TVI metallurgical testing facility in the Philippines for production of a Nickel Hydroxide Product (NHP) and 1,000L for production of an alternative Mixed Hydroxide Product (MHP). This will allow NHP and MHP processes and products to be compared and a final process route chosen as part of the Bankable Feasibility Study that is currently underway.

The MHP production pilot plant operation has been completed by BGRIMM in July 2013. PLS was subjected to iron removal, conducted using limestone as the neutralizing reagent, in a series of five continuously operating neutralization reactors. The iron-free PLS was then fed to a series of 5 nickel precipitation reactors, where soda ash/caustic soda was added in order to precipitate the nickel, cobalt (and manganese) in solution to produce an MHP containing on average 36% nickel. When a 2-stage precipitation circuit is employed, the NHP nickel content is >40%.

TVI's Pilot Plant (Philippines)

TVI has installed and commissioned a continuously operating pilot plant at its metallurgical laboratory in the Philippines. This pilot plant comprises nickel solution purification (using continuous counter-current ion exchange), nickel precipitation to produce NHP containing slurry (using magnesia as precipitating agent) and NHP washing and filtration to produce final NHP filter cake product (50-53% nickel). Additionally, raffinate from the ion exchange pilot plant will be treated to remove heavy metals so that the resultant brine may be appropriately disposed.

The 8,000L of PLS from BGRIMM has already been received at the TVI pilot plant, and operation of the pilot plant is set to commence by mid-October 2013 and will run until end-November 2013. On completion of these pilot plant operations, TVI will have all the metallurgical data required to design the proposed full-scale pilot plant, as well as have all the consumption, recovery and other data in order to fully evaluate the operating costs and other important process economic factors.

The NHP filter cake produced by the TVI pilot plant will be sent to interested product off-takers for further evaluation.

PAN DE AZUCAR PYRITE PROJECT (75% ECONOMIC INTEREST)

As described in Mindoro'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 reported it 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. The potential quantity and grade 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.*

Mindoro and its partner TVI expect that commercializing the project may involve both the DSO export of pyrite material to China for the production of sulphuric acid and/or the self-production of sulphuric acid at the Agata Nickel processing plant site. Currently there are no permits in place for the mining of the pyrite material.

Activities planned or underway for the Pan de Azucar Pyrite Project include:

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

A total of 30 drill holes in three drilling programs (2001/2002; 2003; March to August 2011) have partially defined a body of nearly pure pyrite containing from 36% to 42% sulphur, 150 to 200 metres wide by 1 kilometre (km) long and typically between 10 to 40 metres thick. The mineralization is open to the north and east and geophysical conductivity measurements indicate potential extensions for a further 200-300 metres, to the Mineral Production Sharing Agreement ('MPSA') property boundary.

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

The reader is cautioned that the Valderama massive sulphide mineralization, located on the Pan de Azucar MPSA, is currently an Exploration Target only. Detailed drilling will be required to convert the Exploration Target into NI 43-101-compliant resources. There is no guarantee that these resources, if delineated, will be economic or sufficient to support a commercial mining operation. Until a feasibility study has been completed there is no certainty that the company's projections will be economically viable.

INVESTMENT

In 2012, Mindoro acquired a 55.8% interest in Red Mountain through the sale of the Batangas and Tapian San Francisco gold projects. Registration of the sale of the applicable tenements with the Mines and Geosciences Bureau ("MGB") in the Philippines is in progress. In the nine months ended September 30, 2013, Red Mountain issued 302,381,989 shares for gross proceeds of $4.4 million (A$4.5 million) reducing Mindoro's interest in Red Mountain to 20.8%. Mindoro has classified its interest in Red Mountain as a held for distribution asset because under the terms of the share sale agreement, the Company is obligated to distribute at least a majority of the Red Mountain shares to its shareholders following a twelve month ASX imposed escrow period, which expires October 31, 2013. However, subsequent to September 30, 2013 the Company and Red Mountain agreed to remove the distribution requirement and Mindoro has announced that it no longer plans to distribute or sell the shares (note 16 of the interim financial statements).

Red Mountain has a June 30 financial year-end and issues financial statements on a half yearly basis as required by the ASX listing rules. The following table provides select financial information of Red Mountain from its two most recent half-yearly and annual financial statements.

TABLE 8: RED MOUNTAIN FINANCIAL RESULTS

	For the years ended June 30,		For the six months ended December 31,	
	2013	2012	**2012**	2011
Revenue (AUD $000)	141	174	77	138
Loss for the period (AUD $000)	(4,250)	(5,178)	(1,851)	(3,764)
Total assets (AUD $000)	14,945	4,556	18,674	5,909
Total liabilities (AUD $000)	982	280	1,799	266

(Expressed in Canadian Dollars)

EVENTS SUBSEQUENT TO SEPTEMBER 30, 2013

On October 18, 2013, the Company announced that it has agreed to a variation of the share sale agreement with Red Mountain. Under the terms of the variation agreement, Mindoro has agreed to a voluntary escrow of up to six months after the ASX imposed escrow that expires October 30, 2013. The variation agreement also removes the requirement for Mindoro to distribute a majority of the 100 million Red Mountain shares 'in specie' to its shareholders after October 30, 2013; Mindoro does not currently intend to distribute or sell the shares. Furthermore, the variation agreement also provides that the joint venture rights to the Tapian San Francisco tenements ("TSF Tenements") which were originally required to be transferred to Red Mountain by October 30, 2012, will now be required to be transferred by October 30, 2013. Mindoro's contractual rights over the TSF tenements were not transferred by October 30, 2013 and therefore the Company has agreed to return 4 million Red Mountain shares to Red Mountain to reacquire the contractual rights to a 75% economic interest in the TSF tenements in accordance with the the 'buy-back' provisions of the sale agreement. The return of the Red Mountain shares remains subject to Red Mountain shareholder approval. As a result of the reacquisition of TSF, Mindoro expects to own 96,000,001 Red Mountain shares, representing 20.1% of their voting shares.

On October 31, 2013 having not met the performance conditions to convert the 50 million Performance Shares to ordinary shares of Red Mountain, the Performance Shares were converted to one Red Mountain share.

TRANSACTIONS BETWEEN RELATED PARTIES

The interim financial statements for the three and nine months ended September 30, 2013 include the interim financial statements of the Company and the following significant subsidiaries and affiliates:

TABLE 9: INTERESTS IN OTHER ENTITIES

	Country of Incorporation	Status	% Equity Interest September 30, 2013	% Equity Interest December 31, 2012
MRL Nickel Philippines Inc	Philippines	Active	**100%**	100%
El Paso Corp	Philippines	Inactive	**100%**	100%
Talahib Corp	Philippines	Inactive	**100%**	100%
Batangas Metals and Mining Corp	Philippines	Inactive	**100%**	100%
Red Mountain Mining Ltd	Australia	Held for distribution	**21%**	56%

TVI has a 14.4% interest in Mindoro. In the first nine months of 2013, the Company recorded recoveries from the joint ventures with TVI of $212,000. As described in note 9(a) if the interim financial statements, the Company has a note payable to TVI for $324,000 borrowed on which it will pay 15% interest. At September 30, 2013, the Company has accrued $10,000 in interest expense in relation to this note payable.

The Company has recorded notes payable to non-executive directors totalling $48,000 accruing interest at a rate of 8% per annum (note 9(b) of the interim financial statements). At September 30, 2013, the Company has accrued $1,000 in interest expense in relation to these notes payable.

The Company has recorded a note payable to an executive directors totalling $14,000 that does not accrue interest (note 9(c) of the interim financial statements).

The following remuneration has been paid to directors and officers of the Company:

TABLE 10: KEY MANAGEMENT COMPENSATION

	September 30,	
	2013	2012
	$000	$000
Salaries and directors fees	**222**	274
Stock based compensation	**(4)**	(66)
Key management compensation	**218**	208

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

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

(i) IFRS 9 Financial Instruments,

IFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until January 1, 2015 but is available for early adoption. When adopted, the standard is not expected to have a material impact on the group's accounting for its financial assets and liabilities.

(Expressed in Canadian Dollars)

The group has not yet decided when to adopt IFRS 9.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

OUTSTANDING SHARE DATA

TABLE 11

Issued - Common shares	Common Shares	Stock Options	Purchase Warrants
December 31, 2012	296,837,399	12,595,000	61,826,578
Forfeited/expired	-	(6,630,000)	-
September 30, 2013	296,837,399	5,965,000	61,826,578

No share transactions have occurred in first nine months of 2013.

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, TVI, 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.

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

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

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

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

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, 2013. 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, 2013 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, 2013. 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.

Given the small finance and management team there are limits to the Company's ability to have a robust and segregated control environment. The Chief Executive Officer and Chief Financial Officer conclude the control environment to be operating effectively given the size and complexity of the Company.