



Mundoro Capital expects to complete the extended drilling program in March 2017 and to release the results around the end of April 2017.

Mundoro is in the process of finalizing the work program with JOGMEC for Year II under the JOGMEC-Mundoro option agreement. This work program is anticipated to begin in April 2017.

Mundoro Capital announced that its previously 600 meter drill program at the Company's Borsko Jezero license ("Borsko") has been extended by up to 2220 meters. Borsko is one of the four licenses being sole funded by JOGMEC as part of the JOGMEC-Mundoro option agreement announced in August 2016. Borsko is located directly west of the Serbian state-operated producing mines, RTB Group's Bor copper porphyry mine and the Veliki Krivelj copper-gold porphyry mine, all located in the central portion of the Timok Magmatic Complex ("Timok").

Highlights

- The drill program at Borsko, which began in early February, was designed to test one of the six high priority targets generated by systematic exploration completed by Mundoro in 2016 and defined various copper-gold targets.
- The drilling program announced in February to test Target 1 with one 600 m drill hole, BJ-06, was extended to 821.6 m due to observations in the drill core.
- JOGMEC and Mundoro have determined to extend the program by up to 2000 m in order to further test Target 1 with one drill hole up to 1,300 m and test Target 2 with one drill hole up to 700 m. These drill meterages are estimates and may change depending on observations during drilling.
- The first drill hole, BJ-06, has been sampled and assay results are pending from the assay lab.
- Mundoro holds approximately \$5 mln in cash as of December 31, 2016 and is debt free

Borsko Drill Program

The Borsko drill program is now testing the first two of six targets generated by the 2016 field program. In Q2-2016 Mundoro carried out a soil sampling program over the central portion of the license to follow up on high copper-gold stream sediment anomalies which could not be explained by previous prospecting and rock sampling. The soil sampling results returned significant copper-gold anomalies which remain open to the north and south. Follow-up field work revealed association of some of the soil anomalies with altered dike contacts, discrete quartz stockwork veinlets and fine grained sulphides related to fault-fracture zones. In the second half of 2016, the Company conducted ground magnetic and CSAMT geophysics surveys, as well as completed limited trenching over certain soil

anomalies.

Under this drill program which began in early February 2017, the Company completed one diamond drill hole with a total depth of 821.6 m, on Target 1 which was collared on a copper soil anomaly coincident with an argillic altered andesite dyke mapped on surface and a strong resistivity geophysical anomaly. The originally projected depth for BJ-06 of 600 m was designed to cut across the interpreted north-northwest trending mineralised structure which was also highlighted by anomalous stream sediment and rock sampling as well as interpreted ground magnetic geophysical lineament. Based on visual evaluation of the drill core, the Company and JOGMEC made the decision to extend the hole by 221.6 meters to a total down hole depth of 821.6 m.

The Borsko license is located in the Timok Magmatic Complex which is one of the most prolific metallogenic domains in the Tethyan Belt. The geological units in this license area consist of Upper Cretaceous volcano-sedimentary successions, predominantly andesite and pyroclastics. Generally considered the most prospective geological units, the Phase 1 hornblende porphyry andesite occupies the easternmost boundaries of the Borsko license and dips moderately to southwest under the pyroclastic rocks of the second phase.

Next Steps

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