

SUMMARY OF PROPOSED INVESTMENT (SPI)

Disclaimer

This Summary of Proposed Investment is prepared and distributed to the public in advance of the IFC Board of Directors' consideration of the proposed transaction. Its purpose is to enhance the transparency of IFC's activities, and this document should not be construed as presuming the outcome of the Board decision. Board dates are estimates only.

Project Identification:

<i>Country:</i> Philippines	<i>Project Name:</i> Mindoro Resources Ltd	<i>Project No.:</i> 26987
<i>Region:</i> ASIA		<i>Environment Category:</i> B - Limited
<i>Company Name:</i> Mindoro Resources Ltd.		
<i>Project Business Sector:</i> B-BD - Nickel		<i>Project Status:</i> Active

Parent Project Identification:

Parent ID:	
Parent Short Name:	
Parent Relationship:	No Relationship

Document Status:

Date Disclosed	09/24/2008
Date Revised SPI Disclosed (if appropriate)	
Enter Projected Board Date [or internal management date]	10/30/2008
Date of Clearance by client for factual accuracy	09/24/2008

Description of the Project:

Mindoro Resources Limited ("Mindoro", "MRL" or the "Company") is a listed (TSX Venture and Frankfurt Stock Exchange) junior mining exploration company focusing on nickel, gold and copper-gold exploration in the Philippines. Its headquarters are in Edmonton, Canada, with a professional staff of over 40 people in the Philippines, led by CEO and founder Mr. Tony Climie. The Company's primary asset is the Agata nickel laterite deposit in the Agusan del Norte Region, Northern Mindanao Island. The exploration tenement held by the Company has the potential to host a world class nickel deposit grading 1.2-1.5% nickel and 20-40% iron. The Company is continuing exploration activities in the Agusan del Norte Region to define a nickel laterite deposit which would support development of processing and refining facilities. The Company is also continuing exploration activities for copper and gold on its Agusan del Norte tenements while developing partnerships for continuing exploration of tenements in Batangas, Luzon island and other exploration tenements. The Agusan del Norte Region is an established gold producing district with high potential to become a major copper-gold camp. Mindoro has multiple gold and copper-gold targets

in the Surigao District at varying stages of drill evaluation.

Project Sponsor and Major Shareholders of Project Company:

Mindoro was founded in 1996 by Mr. Tony Climie (CEO) with partners Mr. Gerhard Kirchner (Director) and Mr. Robert Garden (Chairman), who had worked together in Uranerz Exploration and Mining Ltd, a major German mining company. The Company's 89.2 million shares are primarily held by Canadian and German retail investors. Management and Directors hold 3.8 million shares. Institutional shareholders hold 13.7 million shares. Asian Lion, an Australian based investment fund in which IFC has a 19% stake, holds 5.8 million shares. The Company is currently completing due diligence for the acquisition of economic interests in the Batangas Region from its local joint venture partner, Egerton Gold Philippines. Upon completion of this transaction Egerton Gold Philippines would hold 8 million new shares in the Company.

Total Project Cost and Amount and Nature of IFC's Investment:

The proposed IFC investment consists of an equity investment of up to Can\$5 million. IFC expects to make an initial investment of Can\$1.140 million to purchase 6 million shares to help fund the Company's ongoing exploration and drilling programs. The objective of this drilling program is to drill out the Agata North resource to leading to an evaluation of the most applicable processing technologies, and selection of the optimal method to advance the project. The IFC financing will also support parallel exploration and drilling programs focusing on epithermal copper and gold prospects both in the Agusan del Norte Region and in the company's other license areas in Luzon and other areas.

Location of Project and Description of Site:

The Company's principal exploration tenement, Agata, is located in Agusan del Norte, 40 km south Surigao City in the north western portion of Mindanao Island. The tenement is a largely undeveloped and sparsely populated ridge running adjacent to Mindanao Bay on the West and bounded by Lake Manit and the from main road Surigao to Butuan City on the East. The area was logged prior to the 1970's, with very limited tree cover over low level ferns and similar vegetation. Mindoro's secondary exploration target, Batangas, on the Southern Coast of Luzon Island is being explored under a joint venture arrangement with an international partner Gold Fields Ltd. Mindoro's staff, are primarily based in Surigao with additional teams in Batangas, The Company also has an office in Manila. Corporate headquarters are in Edmonton, Canada.

Anticipated Development Impact of the Project:

Historically the mining sector has been a major contributor to the Philippines economy, accounting for close to 25% of exports in the late 1970's. Rising commodity prices in the past three years have led to renewed investment and interest in the sector which still has huge untapped potential including for copper, gold and for nickel, as the Philippines has some of the worlds largest nickel laterite deposits. These nickel deposits in particular have the potential to be the basis for a very significant nickel refining industry positioned to take advantage of fast growing demand, especially from China. The proposed project is one of a number of private sector initiatives to explore and define a world class nickel deposit suitable for large scale development of a mining and local nickel processing facility. The Company will in parallel continue gold and copper exploration, both for its own account and with its joint venture partners.

As this is an exploration project it is not yet possible to quantify the potential impacts from subsequent mine development. We expect these to include (i) local employment and sourcing (which in the case of a nickel mining and refining operation would likely be in excess of 1,200 direct jobs with significant downstream linkages for transport and other services providers); (ii) taxes, dividends and royalties which, under Philippine law would provide a for 50% Government share of net revenues (after capital recovery); (iii) know-how, technology and management skills transfer and (iv) reinforcing environmental and social



benchmarks for mining operations generally and for nickel exploration and development especially in the Philippines. The Company has also entered into a novel partnership arrangement with local artisanal miners to help them secure small scale mining permits and meet environmental and social compliance requirements. Mindoro has also entered into a Benefits Sharing Arrangement with local indigenous people committing the Company to providing employment opportunities, skills training, scholarship funds and a share of any mining revenues.

IFC's Assessment of the Governance Risks to Development Impacts:

The World Bank Group has provided support to the Department of Environment and Natural Resources to facilitate stakeholder dialogue in support of development of the Philippines mining sector, a development priority for the Philippines Government. The re-affirmation of the 1995 Mining Act by the Philippines Supreme Court in December 2004 has substantially reduced legal uncertainty for investors while affirming transparent sharing mechanism for revenue, taxation and royalty between private companies and public sector. Mindoro has an established track record and commitment to transparency and best practice in compliance with both local law and Canadian Securities law as a listed company on the TSX Ventures Toronto stock exchange.

IFC's Expected Development Contribution:

- **Demonstrating the viability and attractiveness of investing in Philippines mining sector:** While there is considerable potential for mining in the Philippines, regulatory issues and community concerns led to a 25 year decline in mining and exploration investment, withdrawal of foreign capital and decline in exploration and mineral reserves. IFC's proposed financing will support the Philippines government's strategic priority to boost foreign investment in the mining sector.
- **Supporting sustainable mining:** IFC's involvement at an early stage will help ensure that international best practice on sustainable mining development is applied and implemented. The proposed investment will complement recent Philippine government initiatives to address concerns which have arisen with small nickel laterite mining operations. The nickel sector has the potential to be a multi billion \$ industry for the country.
- **Local employment and sourcing:** The proposed IFC financing will support the Company's existing workforce of 40 permanent staff and up to 100 additional short term employees.
- **Transfer technology and management skills:** The proposed financing will support know-how transfer of best practice in management, environmental and social compliance and community development to the Company's workforce, which is almost entirely local staff.
- **Regional development:** The proposed financing will complement Philippines government strategic priorities for regional development and will have a positive demonstration effect in support of investment in Mindanao province, an IFC Frontier Region, which has been negatively affected in recent years by security concerns.

Environmental and Social Issues B - Limited :

This is a category B project according to IFC's procedure for Environmental and Social Review of projects because the exploration has limited adverse social and environmental impacts that are site specific and will be largely reversible and readily addressed through mitigation measures. The IFC made this categorization based on: review of available environmental and social documentation, including a Social and Environmental Impact Assessment (SEIA) prepared by the Company in compliance with Philippine requirements; site visits by IFC technical, environmental and social specialists to Batangas and Agusan del Norte exploration areas and visits to a contract mining sites on Mindanao and Luzon Islands, operated by Delta Earthmoving ("Delta"), a local mining contracting company with rights to a portion of Mindoro's tenement area; meetings with management and key technical, environmental and social staff from MRL and Delta; meetings with communities in the Agata Project area, including the villages of Lawigan, Binuangan and Coro (Indigenous Peoples village, including both Mamanwa and Manobo).



The key social and environmental issues in this project currently are: management of exploration activities including control of erosion and rehabilitation of drill roads, drill sites and trenches, safe disposal of oils, waste materials, dust control; water and effluent management, occupational health and safety, public safety, hazardous materials handling and management; emergency preparedness & response; limited economic displacement, which will be compensated and impacted villages will be prioritized for employment opportunities; Environmental, Health & Safety Management System and Policy commitments to ensure IFC Performance Standard compliance of any future open pit mining and associated overburden and waste dumps - surface and groundwater protection; drainage and dust control .

In addition to exploration activities the IFC review also considered the potential impact of a mining operation (direct sale of ore or “DSO”) which the Company has considered for its Agata tenement. Should this mine development occur, the Company has committed to and will be required to prepare and disclose a revised ESIA in compliance with IFC Performance Standards. The potential environmental and social impacts from this initial mine development and the applicable IFC Performance Standards and Environmental Health & Safety (EHS) Guidelines are described in the IFC Environmental and Social Review Summary released for public consultation in parallel with this Summary of Project Information.

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Local access of project documentation:

Copies of the Environmental and Social Review Summary (ESRS) and Summary of Project Information (SPI) are available for public review at the following local offices in the Philippines:

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Comment:

Approval Status:

TL Clear - Cleared by Brian McNamara at 09/24/2008 09:08:29 AM

Comment :

CRU Clear - Cleared by Ari Garscadden at 09/24/2008 11:34:23 AM

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