



MINDORO RESOURCES LTD

MINDORO RECEIVES FAVOURABLE ECONOMIC ASSESSMENT FOR AGATA NICKEL PROJECT

- **Economic assessment indicates high value, low operating cost nickel project**
- **Potential to enhance project economics through addition of regional resources**
- **Early stage production option to be advanced via thermal upgrading tests**

EDMONTON, ALBERTA, March 29, 2011 - Mindoro Resources Ltd. (TSXV: MIO; ASX: MDO; Frankfurt: WKN 906167) (Mindoro) is pleased to announce the release of the Agata Nickel Project Preliminary Economic Assessment (PEA). The PEA has been reviewed by independent international consulting group Golder Associates Pty Ltd. The PEA financial model demonstrates low operating cost potential and a high Net Present Value (NPV) based on hydrometallurgical processing of the Agata resource. Based on the encouraging results of the PEA the company will immediately commence a pre-feasibility study on the Agata Nickel Project.

The PEA financial model is based on a mining inventory derived from the Agata resource, processed at a rate after ramp up of 1.8 million tonnes producing 18,000 tonnes of nickel per annum in intermediate product for 15 years via a combination of proven hydrometallurgical technologies: High Pressure Acid Leach (HPAL) – Atmospheric agitated tank Leach (AL) and Sapolite Neutralisation (SN). A summary of the PEA financial model is presented below. The currency is US dollars and all net present values (NPVs) are at a 10% discount rate.

| | | | | |
|----------------------------------|-----------|-------|-------|--------|
| Nickel Price | \$/lb | \$10 | \$12 | \$8.50 |
| NPV (10% discount rate) Post Tax | \$Million | \$390 | \$680 | \$160 |
| IRR Post Tax | % | 19% | 26% | 14% |

- Installed capital cost estimate, including 30% contingency, \$906 million.
- After tax cash flow @ \$10/lb Ni \$173 million per annum. Payback 5.2 years from cashflow.
- Cash operating cost \$2.61/lb Ni no credits or \$1.65/lb Ni with cobalt and power (acid plant) credits.
- Mining inventory of 26.1 million tonnes; processed 25.4 million tonnes.
- Processing rate 1.8 million tonnes per annum after ramp up. Mine life 15 years based on Agata only.
- Nickel production after ramp-up 18,000 tonnes of nickel per annum in mixed hydroxide product (MHP), 77% nickel value payable (50% of cobalt value payable, @ Ni price x 1.66) based on recent contracts.

On the basis of the results of the preliminary economic assessment the company will immediately commence a pre-feasibility study into the Agata Nickel Project. The lead consulting group has been appointed and will be announced in a separate release.

“The Agata preliminary economic assessment indicates a high value, low operating cost nickel project based only on the current resource. Definition of further resources from the regional drilling program will enhance the economics of the project through additional mine life and/or expanded production capacity”, said Mindoro’s President and Chief Executive Officer Jon Dugdale. “Based on the positive results from the preliminary economic assessment the company will immediately commence a pre-feasibility study on the Agata project”.

A scoping study into direct shipping of higher grade zones within the Agata resource was also completed as part of the preliminary economic assessment. The study examined three production scenarios, all of which are economically viable. However, due to the relatively low margins and current market uncertainty associated with “direct shipping ore” (DSO), the company is not planning to pursue a stand-alone DSO at this stage, but is examining the potential for thermal upgrading to enhance the value of the shipped

product. The early results from thermal upgrading tests in progress at SGS-Lakefield in Perth, supervised by Hatch Associates Pty Ltd, are positive, and the company has committed to further, larger scale testing at a Mines and Geosciences Bureau (MGB) based testing facility in the Philippines. Positive results from this work and preliminary economic and marketing studies, will allow completion of a feasibility study into the early production stage of the project.

The preliminary economic assessment has been completed by Golder Associates Pty Ltd under the direction and supervision of Peter Onley, an independent qualified person with independent international consulting group Golder Associates Pty Ltd and Tony Showell, an independent qualified person with Battery Limits Pty Ltd. Golder Associates Pty Ltd has reviewed the geology, mining, metallurgy, process design, residue and water management inputs into the preliminary economic assessment and Peter Onley and Tony Showell have authorised the technical information detailed in this release. The NI 43-101 technical report will be filed on SEDAR within 45 days.

On behalf of the board of directors
Jon Dugdale,
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ABOUT THE AGATA NICKEL PROJECT PRELIMINARY ECONOMIC ASSESSMENT

The financial modeling results reported in this release are based on a project METSIM® mass and energy balance model produced by Boyd Willis Hydromet Consulting (BWHC) representing a refinement of the scoping study base case release of October 2010 (see NI 43-101 technical report filed on SEDAR November 2010). Capital and operating cost estimates have been modified from scoping study inputs produced by Ausenco-Vector to approximately ±35% accuracy. The inputs to the preliminary economic assessment including mining, metallurgy, processing and infrastructure, including residue storage facilities, have been reviewed by Golder Associates Pty Ltd. The study was based on a mining inventory derived from the current Agata mineral resource estimate (including inferred resources) released September 2010.

Metallurgy:

A bench-scale testwork program was undertaken at SGS Lakefield Oretest in Perth, Western Australia, a NATA certified laboratory, during Q3 and Q4 2010. The program investigated ore slurry settling properties, high pressure acid leaching (HPAL) of limonite and transition ores, atmospheric leaching (AL) of saprolite ores, saprolite neutralisation (SN) and leach slurry (CCD) settling properties.

Ore slurry settling tests demonstrated that HPAL feed ore could be thickened to 40% solids and saprolite ore could be thickened to 35-36% solids. HPAL testing of a limonite/transition ore blend at 255°C demonstrated exceptionally fast leaching rates, establishing that 98% nickel extraction and 95-96% cobalt extraction could be achieved within 20 minutes. Further testing revealed that 95% nickel extraction was possible in just 5 minutes. Atmospheric leach testing of saprolite ore achieved up to 97% nickel extraction and 94% cobalt extraction, in less than 3 hours.

Saprolite neutralisation of combined HPAL and AL discharge slurries demonstrated that residual free acid levels could be reduced to less than 10 g/L with simultaneous nickel extraction from the SN feed ore of 83-89% (cobalt 78-85%).

The metallurgical assumptions derived from this testing are a marked improvement on those assumed in the scoping study and have impacted on both capital and operating costs. These assumptions have been used to develop an optimised limonite-saprolite processing model.

Mineral Resource and Mining Inventory:

The Mineral Resource estimate for the Agata Nickel Project released on the 9th September 2010, and described in a technical report published on SEDAR in October 2010, forms the basis of the mining inventory estimates for the preliminary economic assessment. *Note that the potential quantity and grade of material included in the mineral inventory is conceptual in nature and based solely on the Mineral Resources and includes Inferred Mineral Resources. There has been insufficient work to define a Mineral Reserve and it is uncertain if further work will result in the determination of a Mineral Reserve.*

The mining inventory production schedule has been produced based on preliminary open pit designs. The total mining inventory is summarised in the table below:

| Mining Inventory Type: | M Tonnes | Nickel % | Cobalt % | Iron % | Mg % |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Limonite to HPAL | 9.5 | 0.95 | 0.11 | 45.6 | 1.2 |
| Low Mg Saprolite to HPAL | 4.7 | 1.20 | 0.03 | 14.2 | 14.1 |
| Medium Mg Saprolite to AATL | 6.0 | 1.15 | 0.03 | 11.6 | 17.1 |
| High Mg Saprolite to SN | 5.9 | 1.03 | 0.02 | 9.7 | 19.1 |
| Total | 26.1 | 1.05 | 0.06 | 24.0 | 11.2 |

Process Plant and Infrastructure:

The process design for the leach plant will be based largely on the hydrometallurgical processing route proven for over 40 years at the Sherritt International Corporation operated Moa Bay project in Cuba and at the Sumitomo/Nickel Asia operated Coral Bay Nickel Project (Coral Bay) in the Philippines operated since 2005.

The PEA is based on a project model processing limonite and low magnesium grade saprolite by conventional HPAL and medium magnesium grade saprolite by a parallel atmospheric agitated tank leach (AL) circuit. Atmospheric (pressure) acid leaching is a well-established technology practiced in many industries over several decades. The project model also includes a sulphuric acid plant capable of meeting all acid requirements.

The rapid leaching rates and reactivity of the Agata resource allows for recovery of additional nickel and cobalt via innovative saprolite neutralization of discharge from the HPAL and atmospheric leach circuit. This process will consume much of the free acid. Neutralization of the remaining acid will be achieved using limestone from local sources.

After saprolite neutralization, the nickel and cobalt bearing “pregnant” solution will be recovered by conventional counter-current decantation (CCD), followed by limestone neutralization of excess acid and precipitation of iron and other metals. Nickel and Cobalt recovery into saleable mixed hydroxide product (MHP).

Leach residue and solution will be neutralized prior to being pumped at about 30% solids content, to a residue storage facility (RSF), via an overland slurry pipeline. The tailings impoundment area will consist of either walled and lined valleys and/or lined, shallow, nested impoundments including mined open pit areas. A substantial installed and sustaining capital allowance has been made for industry leading practice residue management as recommended by Golder Associates Pty Ltd.

Other infrastructure includes a permanent accommodation village, dedicated access and other roads, purpose built port and loading facilities, water and sewerage treatment plants, limestone quarry and waste tips.

There is ample, accessible seawater and river water to meet the projects water requirements for mining, processing and other uses.

The project will have a dedicated steam generator power station to provide electrical power for the operation of the process plant, services and utilities, as well as for the accommodation village and all

other related infrastructure. The normal source of high pressure steam will be from waste heat boilers in the sulphuric acid plant. Supplementary power from fuel-oil fired boilers to maintain operations and power generation when the acid plant is not operating. During normal operations the sulphuric acid plant will produce sufficient steam to meet all of the project's heating and power requirements plus surplus power for export to the local grid, providing a power credit to the operation. The company is also investigating potential for supplementary hydro-power generation.

Preliminary Economic Assessment:

Installed capital cost estimates include processing plant, acid plant, initial residue storage facility, general infrastructure, mining related capital costs, duties and taxes for equipment, technology fees/project support, sustaining capital and an estimate of working capital. A 30% contingency has been added to all installed capital costs.

Operating cost estimates include mining, processing, acid production, residue and water management sustaining capital costs, government charges, royalties, administration and marketing costs. Cobalt and acid plant power credits are also included but separated in the table below.

Cashflows are calculated on an after-tax basis applying the taxation regime generally applicable to major projects in the Philippines.

A summary of the Agata Nickel Project PEA financial model results is tabulated below:

| PEA Financial Model Results: | | | |
|--|---|----------|--------------------|
| Feed Throughput Processed Per Annum: | 1.79 million (M) tonnes per annum (M tpa), Limonite: 0.67M tpa processed Saprolite: 1.12M tpa processed | | |
| Total Throughput Life-of Mine | 25.4 million tonnes | | |
| Life-of-Mine | 14.8 years | | |
| Nickel in Mixed Hydroxide (MHP) per annum | 18,000 t Ni ; 930 t Cobalt pa after ramp-up | | |
| NPV(10%) @ \$10/lb | \$390M – post tax @ 2011 | IRR: 19% | Payback: 5.2 years |
| NPV(10%) @ \$12/lb "current" nickel price | \$680M – post tax @ 2011 | IRR: 26% | Payback: 4.1 years |
| NPV(10%) @ \$ 8.50/lb long term analysts | \$160M – post tax @ 2011 | IRR: 14% | Payback: 6.6years |
| Net Cash Flow post tax@ \$10/lb | \$1.63 Billion (B) post tax LOM \$173M pa post tax | | |
| Tax Paid LOM | \$500M | | |
| Capital Cost, Installed (Up-Front) | \$906M (including 30% contingency) | | |
| Capital Intensity | \$23/lb Ni /per annum | | |
| Pre-development | \$12M | | |
| Development Capital | \$688M | | |
| Contingency (30%) | \$206M | | |
| Operating Costs – before Credits | \$2.61/lb Ni | | |
| | Mining | 0.54 | |
| | Labor | 0.31 | |
| | Sulphuric acid production | 0.62 | |
| | Processing | 0.61 | |
| | Utilities | 0.04 | |
| | Maintenance | 0.31 | |
| | Administration, Overheads and Marketing | 0.18 | |
| Cobalt By-product Credits (Cobalt 1.66 x Ni) | (0.45) | | |
| Power Credit from Acid Plant | (0.51) | | |
| Operating Cost after by-products and power | 1.65/lb Ni | | |

Scoping Study into Direct Shipping Ore (DSO):

A scoping study was completed as part of the PEA examining the potential to develop a small scale DSO operation shipping up to 2 million wet metric tonnes (WMT) of ore per annum to destinations in the Asia Pacific.

The Mineral Resource estimate for the Agata Nickel Project released on the 9th September 2010, and described in a technical report published on SEDAR in October 2010, forms the basis of the mining inventory estimates for the three production scenarios below (see Note 2):

- Limonite Only: shipping 7.6 million WMT DSO over 3 years,
- Saprolite Focus: limonite and saprolite, shipping 4.7 million WMT DSO over 2 years, and
- Limonite and Saprolite (optimum case), shipping 8.9 million WMT DSO over 4 years.

The PEA financial modelling results for the three options are tabulated below:

| Parameter | Limonite | Saprolite | Limonite + Saprolite |
|-------------------------------------|----------|-----------|----------------------|
| Mine Life (years) | 3 | 2 | 4 |
| Nickel price NPV Break-even (\$/lb) | 10.20 | 10.30 | 10.00 |
| Initial Capital Cost (\$M) | 8.0 | 8.0 | 8.0 |
| Capital cost Breakeven (\$M) | 13.7 | 13.1 | 19.9 |
| LOM Operating Cost (\$/t) Shipped | 15 | 19 | 17 |
| Mining Inventory limonite (kWMT) | 7,540 | 3,340 | 7,540 |
| | %Ni | 0.92% | 0.92% |
| | %Fe | 48% | 48% |
| Mining Inventory Saprolite (kWMT) | | 1,430 | 1,360 |
| | %Ni | 1.6% | 1.8% |
| | %Fe | 13% | 13% |

Note 1: DSO pricing is based on generally applicable offtake, representing ~9% to 12% nickel payability.

Note 2: The potential quantity and grade of material included in the mineral inventory is conceptual in nature and based solely on the Mineral Resources and includes Inferred Mineral Resources. There has been insufficient work to define a Mineral Reserve and it is uncertain if further work will result in the determination of a Mineral Reserve.

ABOUT MINDORO

Mindoro is a Tier 1 Issuer trading on the TSX Venture Exchange (MIO), Australian Securities Exchange (MDO) and Frankfurt Stock Exchange (WKN 906167). Mindoro is focused on nickel, copper and gold exploration in the Philippines with a strategy of advancing early-stage opportunities to production or joint venture.

Mindoro has NI 43-101 Mineral Resource estimates on its Agata nickel-cobalt project and NI 43-101 Mineral Resource estimates on its Lobo and Archangel (Kay Tanda) gold-silver projects, as well as an additional 22 porphyry copper-gold prospects. Senior gold producer, Gold Fields, may earn 75 percent interest in three of Mindoro's projects at Batangas through direct project expenditure.

Mindoro is assessing the potential to develop a value-added shipping ore nickel operation to generate early cash flow as well as large scale potential for an onsite processing plant in the Surigao District, Mindanao, where the company controls major nickel laterite resources and is drill testing regional targets. An integrated preliminary economic assessment on the Agata nickel laterite project is contained in this release. This will be followed by the commencement of a prefeasibility study into an integrated on site nickel processing project.

Three drill programs are currently in-progress on the Company's projects including regional nickel drilling at Surigao; copper-gold drilling at Pan de Azucar and gold and copper-gold drilling by Gold Fields at Lobo (Batangas).

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The Company's early stage and large scale processing production objectives are intended to provide an indication of management's current expectations and are still conceptual in nature. It is uncertain that sufficient resources will be established and if established that these resources will be converted into economically viable mining reserves. Until a feasibility study has been completed, there is no certainty that these objectives will be met.

Tony Climie, P.Geol, is Mindoro's Qualified Person as defined by National Instrument 43-101 and is a competent person as defined by the JORC Code, who is responsible for monitoring the supervision and quality control of Mindoro's exploration programs and who has reviewed and verified the technical information contained in this news release. Mr. Climie is an executive and a director of Mindoro and is a member of the of the Alberta Professional Engineers, Geologists and Geophysicists Association. Mr. Climie 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 has consented to the release of the technical information in the form and context in which it appears.

The Company's resource estimates were originally prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators that governs how Canadian issuers disclose scientific and technical information about mineral projects and which is broadly equivalent to the JORC Code in Australia. All resource information is also expressed in terms of the JORC Code.

Note that the potential quantity and grade of material included in the mineral inventory is conceptual in nature and based solely on the Mineral Resources and includes Inferred Mineral Resources. There has been insufficient work to define a Mineral Reserve and it is uncertain if further work will result in the determination of a Mineral Reserve.

This release may contain forward-looking statements including management's assessments of future plans and operations, and expectations of future production. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to, the risks associated with the mining and exploration industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty with respect to results of exploration, the uncertainty of estimates and projections relating to production and the uncertainty of the availability of capital). The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake to update forward looking statements except where required to do so by law.