

# Mundo Minerals Limited

Stock Exchange Announcement – 18 April 2007

## **Additional Significant Assay Results – Torrecillas Gold Project, Peru**

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- **Channel sampling confirms continuity of mineralization within two previously untested veins.**
- **Significant high-grade assay results received including 0.3m @ 70.19g/t Au, 0.3m @ 35.32g/t, 0.6m @ 10.32g/t, 0.3m @ 19.24g/t and 0.3m @ 17.93g/t.**
- **Mundo Minerals technical team to arrive in Peru in early May to complete project acquisition and commence the next phase of project assessment.**

Subsequent to its announcement of 16 April 2007 regarding Board approval to exercise the option to acquire the **Torrecillas Gold Project** in Peru, Mundo Minerals Limited (ASX: **MUN**) advises that it has received **additional significant assay results** from recently completed underground channel sampling at Torrecillas.

The samples – from two previously untested veins – were taken from adits that were previously developed by informal miners. The high-grade channel sample results announced earlier this month were taken from within the existing small-scale underground mining operations at Torrecillas.

The significance of the latest sampling results is that they have confirmed the continuity of mineralisation over numerous veins at Torrecillas and further enhanced the Company's confidence that, where the mineralisation occurs, the grade remains robust. This will enhance the potential economics of a future commercial mining operation exploiting the narrow vein, high-grade systems. This is consistent with all available regional data, including that from other operating mines in the area.

The new channel sample assays received include the following:

<b>Vein</b>	<b>Width (m)</b>	<b>Assay (g/t)</b>
ADY EAST	0.60	4.50
ADY EAST	0.30	35.32
ADY EAST	0.30	70.19
ADY EAST	0.30	11.39
ADY EAST	0.30	19.24
ADY	0.30	14.01
ADY	0.30	5.25
ADY	0.60	10.32
ADY	0.33	5.49
ADY	0.34	8.60
ADY	0.30	4.07
ADY	0.30	17.93
ADY	0.43	3.56

A technical team from Mundo Minerals will be in Peru in early May to complete the acquisition of the Torrecillas Project and to finalise the strategy for the next phase of project assessment. This will include development work along the vein systems to more effectively delineate the mineralised zones. The next phase prior to moving to production is expected to take between 18 and 24 months.

As announced earlier this week, Mundo Minerals intends to appoint a Country Manager for Peru to manage the exploration and development of this project. A search has commenced for an appropriate person with experience in the mining industry in Peru.

**John Langford**  
**Chief Executive Officer**

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Jean-Marc Lopez who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Lopez is employed by Mundo Minerals Limited and is the Company Exploration Manager. Mr Lopez has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."*

**Background Information**

Mundo Minerals Limited is an Australian gold company focused on the exploration and development of a portfolio of advanced, high-quality gold assets in South America with the potential to position the Company as a substantial mid-tier Australian-domiciled gold production house.

Mundo is aiming to commence initial production at its flagship asset, the **Engenho Gold Project** in Brazil in 2008, laying the foundations for its growth strategy as a mid-tier Australian-domiciled producer focused on small-to-medium sized high-grade ore bodies in South America.

The Engenho Project, which is located in the State of Minas Gerais in Brazil, was previously operated by AngloGold Ashanti Limited which closed it in 2004 after treating some 171,257 tonnes of ore from an open pit through a conventional Carbon-in-Pulp (CIP) treatment facility.

Mundo's other two exploration assets in South America are the **Torrecillas Gold Project** in Peru and the **Tocantins Gold Project** in Brazil. These projects have the potential to yield multiple resources to underpin the Company's long-term growth.

At Torrecillas, Mundo has negotiated an option to explore some 9,000ha of tenements with a history of high-grade gold production in south-eastern Peru, a region which hosts a number of small-to-medium sized gold mines, including the Area, Capitana, Arirahua, Alcapay and Laytaruma operations – each of which have a production range of 25,000 – 80,000oz per annum.

The Tocantins Project is a joint venture where the Company has agreed to spend US\$1.3M to earn a 51% interest in tenements controlled by Gamaleira Prospecção E Geologia Ltda (a Brazilian joint venture between AngloGold Ashanti and IAMGOLD Corporation). Mundo can increase this equity to 80% by taking any gold resource to a bankable feasibility study. The Tocantins tenements are located in a highly prospective region which includes three greenstone belts with the potential to contain multiple mid-size gold deposits.

Mundo's senior management comprises one of the most accomplished and high profile teams assembled in the Australian resource sector in recent times. Chief Executive Officer, Mr John Langford, who headed up the corporate finance division for Deloitte in Western Australia for 10 years, has extensive experience in the Australian resource sector and is well-known as a Director of Palace Securities Pty Ltd, the company that owns the Diggers & Dealers Mining Forum.

Joining him on the Mundo Minerals Board is a high-profile group of resource industry leaders including non-executive Chairman, Mr George Jones, Brazilian-based Executive Director, Mr Michael Schmulian, Australian mining