

# Mundo Minerals Limited

Stock Exchange Announcement 6 December 2007

## Significant Diamond Drilling Intersection at Tocantins

### Mundo Minerals Limited

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#### Australian Stock Exchange:

Code: MUN

#### Board of Directors

*Non-executive Chairman:*

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*Chief Executive Officer:*

John Langford

*Managing Director – South America:*

Mike Schmulian

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#### Senior Management:

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Joe Mobilia

*Joint Company Secretary:*

Paul Mason

*Mining Manager – South America:*

José Antonio Kurcewicz

*Exploration Manager – South America:*

Jean-Marc Lopez

*Project Manager – Engenho*

Lafayette Caporali

*Country Manager –Peru*

Sergio Zuniga

#### Capital Structure

Fully-Paid Shares on Issue:

146.39million

Unlisted Options on Issue:

2.22 million

### HIGHLIGHTS

- **Diamond drilling at Conceição delivers 2.65m @ 37.02 g/t gold within 11 metres of the surface.**
- **RAB drilling results show strong correlation with soil geochemistry**
- **Two separate mineralized zones developing – respectively 1.2km and 400m in length.**
- **Diamond drilling continuing following initial success.**

Mundo Minerals Limited (ASX: MUN – “Mundo”) is pleased to advise that it has received encouraging initial results from the first phase of the recently commenced diamond drilling program at the **Conceição** target – part of its **Tocantins Gold Project**, in central Brazil.

A small number of diamond drill holes have now been completed at Conceição, generating significant structural data which has enabled Mundo’s geological team to develop a detailed model of the mineralised bodies. This first phase of diamond drilling forms part of an intensive 6,000 metre diamond drilling programme which commenced in October 2007.

The first significant gold intersection was achieved with diamond drill hole DDH5, located in the south western area of the tenement. This hole yielded a composite intersection of **2.65m grading 37.02 g/t Au** within 11 metres of the surface. Details of the intersection are as follows:

<b>From</b>	<b>(g/t Au)</b>
7.85 - 8.95m	<b>51.0</b>
8.95 - 9.37m	<b>barren</b>
9.37 - 9.70m	<b>68.3</b>
9.70 - 10.40m	<b>27.8</b>

Importantly, this intersection is located approximately 7 metres from the outstanding intersection of 1 metre grading 242.2g/t from 6 metres from reconnaissance RAB drilling announced on 10 September 2007, providing further evidence that this spectacular intersection was not the result of a “nugget effect”.

As part of the ongoing assessment of the Conceição tenement, Mundo has recently completed a review to determine the correlation between significant soil sampling and RAB drilling results.

The outcome of this is shown in the map below (Figure 1), which indicates a very high overall correlation between the soil sampling and the RAB drilling. This reinforces the validity of the Company's exploration approach and the significance of the results achieved to date over an extensive area.

The drilling completed to date appears to have defined **two separate emerging mineralised zones** at Conceição with a substantial number of additional targets also outlined based on soil sampling results which will require follow up in the future.

While the drilling to date is not sufficient to undertake resource definition, the early exploration of these targets has yielded very promising results, and the Company intends to build on this work through intensive ongoing drilling over the next 6-8 months in order to underpin an initial high-level resource statement for the Conceição Project.

The two mineralised zones identified to date have a significant footprint, with the zone in the middle of the tenement having a strike length identified by soil sampling and supported by RAB drilling of over 1.2km and the zone in the south west of the tenement having a strike length of over 400 metres.

This region is developing into another significant emerging project for Mundo Minerals alongside its Engenho Project, which is scheduled to commence production early next year, and its Torrecillas Project in Peru. Subject to continued exploration success, the Tocantins Project has excellent potential to develop into the third production asset for Mundo Minerals in South America.

**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, by March 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 100%-owned **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.

The Torrecillas Project comprises 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.

