

# Mundo Minerals Limited

Stock Exchange Announcement – 26 July 2007

## SHARE PURCHASE PLAN UNDERWRITING AGREEMENT

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### **Mundo Minerals Limited**

A.C.N 117 790 897

#### **Head Office:**

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#### **Australian Stock Exchange:**

Code: MUN

#### **Board of Directors**

*Non-executive Chairman:*

George Jones

*Chief Executive Officer:*

John Langford

*Managing Director – South America:*

Mike Schmulian

*Non-executive Directors:*

Brian Hurley

Barry Eldridge

Rob McKenzie

#### **Senior Management:**

*Chief Financial Officer/Company Secretary:*

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:

114.15 million

Unlisted Options on Issue:

2.22 million

Mundo Minerals Limited (ASX: MUN) advises that the Share Purchase Plan (“SPP”) announced on 18 July 2007 has been fully underwritten by Lodge Corporate Pty Ltd. Subject to the Underwriting Agreement (which contains typical termination rights), this will ensure that Mundo Minerals secures the full amount of \$5,320,000 available for subscription by shareholders under the share purchase plan.

This underwriting, combined with the recently announced \$18 million share placement and existing cash resources of the Company, will increase the Company’s available cash to more than \$30 million. This will consolidate the Mundo Minerals financial position, enabling it to develop all of its gold assets in South America in a timely and focused manner.

The underwriting is conditional on shareholders approving the second tranche of the recently announced share placement at a shareholders meeting to be held on 24 August 2007.

The underwriting agreement has been entered into under normal commercial terms.

The approvals expected to be achieved on 24 August will allow any shortfall under the Share Purchase Plan to be allotted under the 15% allowance that will be available to the Company subsequent to shareholders ratifying the recent placement of 14,400,000 shares.

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

## **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.

