

Mundo Minerals Limited

Securities Exchange Announcement – 25 March 2008

Clarification of ASX Announcement dated 25 March 2008

Mundo Minerals Limited

A.C.N 117 790 897

Head Office:

45 Ventnor Avenue
West Perth WA 6005
T: +61-8 9429 8889
E: john.langford@mundo-minerals.com

Australian Securities 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:

146.39 million

Unlisted Options on Issue:

2.22 million

ASX has requested that Mundo Minerals clarify a statement made in the announcement released earlier today regarding the new Jaqueira Gold Project in Brazil.

In the ASX announcement Mundo stated that “Based on the historical information and the Company’s initial due diligence assessment, Mundo Minerals believes that the tenements have potential to support an exploration target of up to 500,000 ounces of gold at grades that would justify an underground mining development.”

ASX has suggested that this statement is not compliant with para 18 of the JORC code which states that any information relating to exploration targets must be expressed so that it cannot be misrepresented or misinterpreted as an estimate of Mineral Resources or Mineral Reserves and must include a detailed explanation for the basis of the statement.

While Mundo Minerals is of the view that any reasonable reader of the announcement would not construe the statement as a representation of a resource or reserve, it is happy to clarify that the statement does not purport to be a statement of a resource or a reserve and that any potential is conceptual in nature and is uncertain until further exploration and evaluation has taken place.

Prior to reaching agreement with the owners of the Jaqueira asset, Mundo Minerals geologists conducted three visits to the asset including underground visits where rock samples were taken and assays compared to historical information. Historical mining information and regional records were also reviewed prior to any assessment of the conceptual potential of the asset was determined.

Mundo Minerals apologises to any reader who may have taken the statement of the potential of the exploration target to be a representation of a resource or reserve pursuant to the JORC code.

John Langford
Chief Executive Officer

Competent Person's Statement

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.