

Mundo Minerals Limited

Stock Exchange Announcement – 4 September 2007

Clarification - Open Briefing Released 3 September 2007

Mundo Minerals Limited

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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) wishes to advise that the Australian Securities Exchange (ASX) has contacted the Company regarding comments made in the Open Briefing released on 3 September 2007.

The ASX has queried references to the potential resource targets at Mundo's projects in Brazil and Peru, as outlined in the Open Briefing. These are not JORC compliant resource statements nor was it intended to purport that these were JORC compliant. As such, these statements can not be supported by a Competent Persons statement.

These targets are based on assumptions stated in the Open Briefing and will be tested through the next phase of project assessment as stated in previous announcements. Once the next phase of project assessment has been completed, then it is anticipated, as stated in previous announcements, that a JORC compliant resource will be able to be established. The assumptions made in the assessment of the target at Torrecillas have been stated in the Open Briefing. Notwithstanding this, it is recognised that the target is conceptual in nature and that there has been insufficient exploration conducted to date, as has been stated in previous announcements, to define a Mineral Resource and that it is uncertain if further exploration will result in a determination of a Mineral Resource.

The Company also refers to assumptions relating to what the Company believes will lead to an economically mineable vein strike based on width and grade. These are clearly stated as assumptions and the next stage of project assessment and feasibility study will determine more clearly the economic parameters associated with the project. The interview, was, as indicated, specifying the assumptions behind the target so that the reader was fully informed.

Any reference to potential resource or reserves should read target as the status is not JORC compliant.

Mundo Minerals has released the Open Briefing under what was believed to be briefing protocols agreed between Corporate File Pty Ltd, which operates the Open Briefing system and the ASX.

No statement in the Open Briefing of 3 September purports to be a reference to an existing or inferred resource. Mundo Minerals believes that the statements clearly refer to the potential of its projects, subject to future exploration success, and that there is nothing misleading in the briefing.

The assumptions associated with the statements have been clearly identified in the Open Briefing and the Company believes that they are entirely appropriate and accurate responses to the questions posed by Corporate File.

Mundo Minerals believes that no person could have any other interpretation of the statements other than the fact that the statements relate to potential subject to future success and that the statements do not refer to what is purported to be a current resource however, the Company acknowledges that this clarification is appropriate based on ASX guidelines.

All statements attributed to Mr Michael Schmulian, the Managing Director of Mundo Minerals South American operations, are supported by Mr Jean-Marc Lopez, the Company's exploration manager in South America. Mr Jean Marc Lopez is a Member of the Australasian Institute of Mining and Metallurgy. 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.

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.