

Mundo Minerals Limited

Stock Exchange Announcement – 10 September 2007

Spectacular RAB Drilling Results From Tocantins

- **1 metre intersection averaging 242.2 g/t from 6 metres below surface.**
- **Further enhances prospectivity of Conceição Prospect.**
- **Diamond drill mobilized to Conceição to commence 6,000m programme.**

Mundo Minerals Limited (ASX code MUN) is pleased to advise that recent RAB drilling at its Tocantins Gold Project in central Brazil has returned spectacular results from the Conceição Prospect, including an outstanding near-surface intersection of **1 metre at 242.2g/t Au from 6 metres** below surface. The drill hole 07-270 terminated at 7.2m with the final interval of 0.2m grading 8.6g/t. It is uncertain whether or not this value is a result of contamination from the overlying high grade sample so this interval has been excluded from the calculations so as not to potentially bias the width. The hole was terminated in hard quartz and possible BIF. Hole 07-266, located 40m west of 07-270, intersected 0.6m @6.87g/t from 12.0-12.6m (end of hole). Both holes were drilled adjacent to a shallow abandoned old working.

The assay value reflects the average of six individual sample splits, confirming that the elevated value is not the result of a “nugget effect”. Assays from the six samples ranged between 225g/t and 270g/t.

This assay further enhances the potential of the Conceição Project, complementing recent encouraging assay results from RAB drilling testing a 3km geochemical target at Conceição. The most recent results have significantly enhanced the prospectivity of the area, with this grade considered to be exceptional for near-surface RAB drilling. Mineralisation at this soil anomaly confirmed by the RAB drilling now extends in excess of 1.5 km along strike and has not been closed off at this stage.

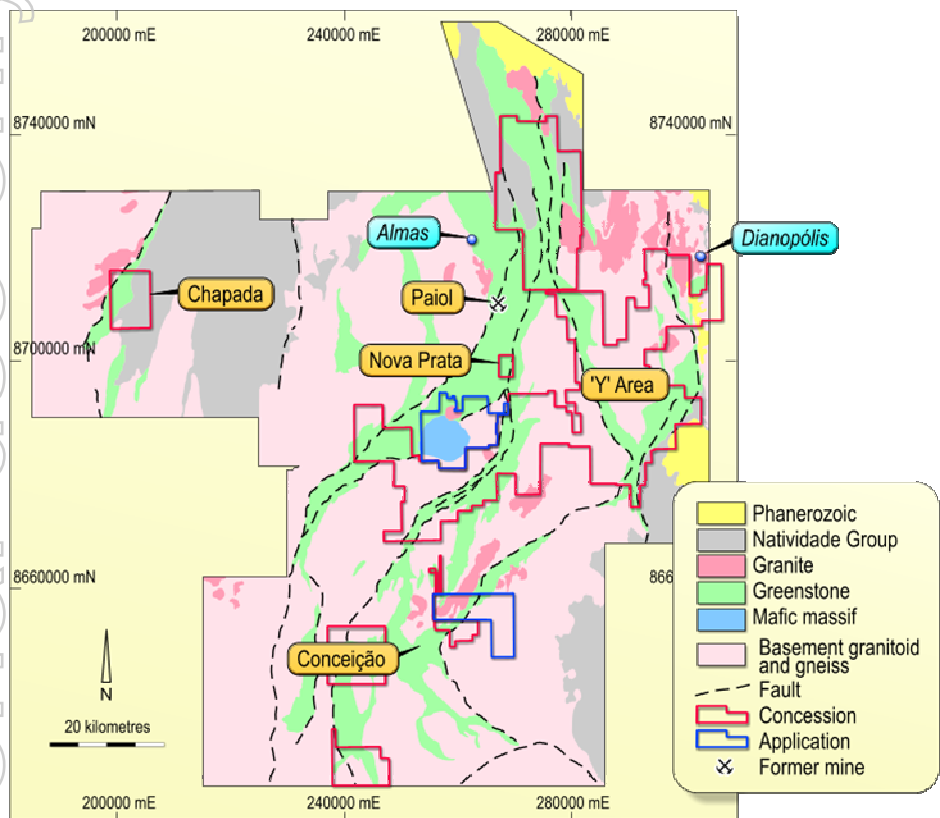
RAB drilling will continue to systematically test the anomaly over the next few months.

Mundo Minerals has commissioned a 6,000 metre diamond drilling programme to be undertaken at the Conceição Project between September 2007 and June 2008. This drilling programme is designed to provide sufficient data to allow an initial high level resource assessment to be undertaken at Conceição. The diamond drill rig was mobilized during the week of 5 September 2007 and it is anticipated that the diamond drilling programme will commence in the current week. This will be a systematic assessment of the mineralisation already defined from the high level RAB drilling.

In addition, a further 3,500 metres of RAB drilling is programmed at this anomaly during the current financial year to extend the level of exploration coverage of the tenements.

The Tocantins project is a joint venture between Mundo Minerals Limited and Rio Gameleira Prospecção e Geologia Ltda, whereby Mundo Minerals is spending US\$1.3 million to earn a 51% interest in the joint venture tenements. Mundo can increase this equity to 80% by taking any resource discovered through to bankable feasibility stage.

The map below shows the joint venture tenements including the location of the Conceição target. These joint venture tenements cover a strike of approximately 200km of greenstone, covering an area equivalent to the Kalgoorlie to Menzies region. Mundo Minerals believes that the joint venture tenements have the potential to host a number of medium-sized gold ore bodies and Conceição is rapidly emerging as the area with greatest potential to host the first of these resources.



Engenho and Torrecillas Update

Mundo Minerals is also pleased to advise that all major equipment required to commence the exploration decline at the Torrecillas Gold Project in Peru has now been mobilized and work on the exploration decline commenced over the weekend.

At Engenho, site works, dewatering of the open pit and construction of the tailings dam are well advanced and all work is progressing towards initial production in March 2008. A number of significant exploration targets have now been identified on the Engenho tenements and a dedicated exploration team is being recruited to conduct a targeted exploration programme with the aim in the medium term of significantly enhancing the production profile from the Engenho Gold Project.

This exploration work will initially comprise field reconnaissance and soil geochemistry. It is expected that initial drilling of targets will commence in early 2008, with the previously announced Mazoca anomaly being the initial target. Attached are some photos taken from the Engenho mine site in the last ten days.

Engenho Aug Site Activity



John Langford
Chief Executive Officer

All information in this report that relates to Exploration Results and Mineral Resources is based on information compiled 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."

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.

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