

# Mundo Minerals Limited

Securities Exchange Announcement – 15 August 2008

## Third Priority Gold Target Identified at Engenho

### Mundo Minerals Limited

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#### Australian Stock Exchange:

Code: MUN

#### Board of Directors

*Non-executive Chairman:*

Barry Eldridge

*Chief Executive Officer:*

John Langford

*Managing Director – South America:*

Mike Schmulian

*Non-executive Directors:*

Brian Hurley

Rob McKenzie

#### Senior Management:

*Chief Financial Officer/Company Secretary:*

Joe Mobilia

*Joint Company Secretary:*

Paul Mason

*Mining Manager – :*

José Antonio Kurcewicz

*Metallurgist:*

Cesar Sanez

*Exploration Manager – South America:*

Jean-Marc Lopez

*Country Manager –Peru*

Sergio Zuniga

#### Capital Structure

Fully-Paid Shares on Issue:  
146.39 million

Unlisted Options on Issue:  
2.22 million

Mundo Minerals Limited (ASX: MUN) is pleased report on further exploration success from its 100%-owned **Engenho Gold Project** in Brazil. In-fill soil sampling has resulted in the definition of a **third strong gold anomaly** in addition to the previously announced Mazoca and Crista anomalies.

The Company has progressively released results from soil sampling and mapping focussing on the Mazoca and Crista anomalies, together with chip and channel sampling which has delivered excellent assays. All previous maps have included a region where assays had not yet been received (see map below):

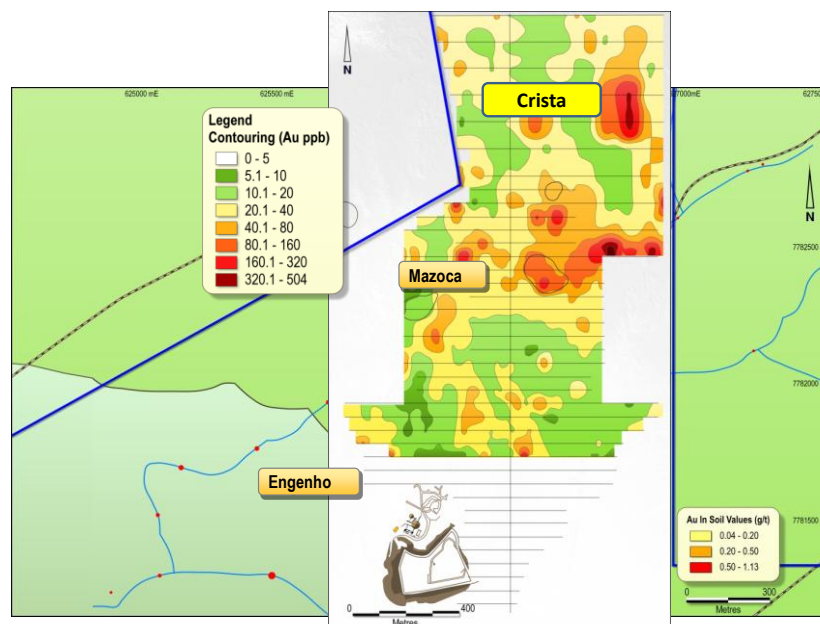


Figure 1 – Previous in-fill soil sampling showing gap in assay results

Final soil sampling assays have now been received and plotted up.

The results clearly indicate that an additional strong anomaly has been identified (*see diagram below*) which has been named **Olhos**. This information further enhances the Engenho region as a priority exploration target with three key anomalies identified in close proximity to the existing mine infrastructure.

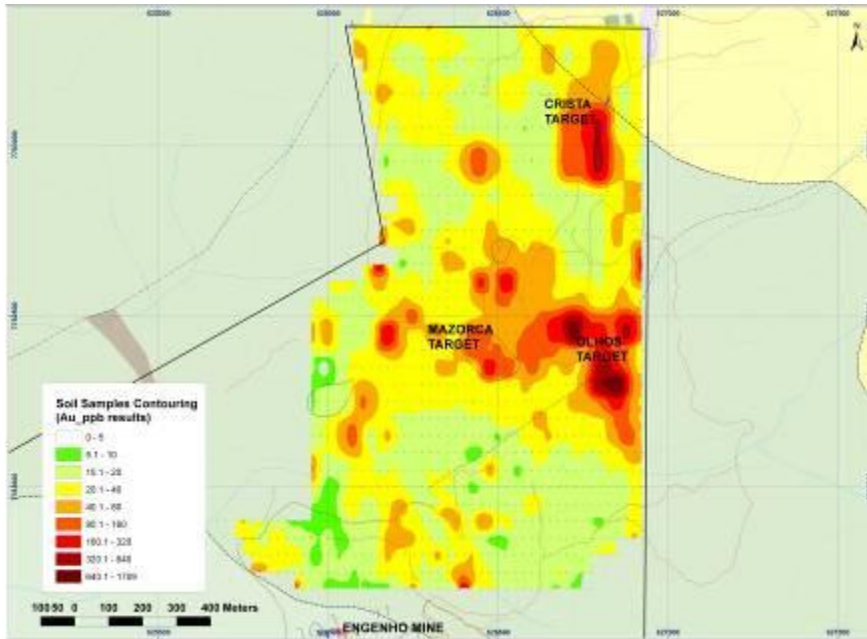


Figure 2 – Final results of soil sampling showing Olhos anomaly

Mundo Minerals is currently reviewing the update exploration data with a view to prioritising drilling activities as part of the forthcoming exploration program at Engenho.

**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. Mr Lopez consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## **Background Information**

Mundo Minerals Limited is an Australian-domiciled international gold company focused on the exploration and development of a portfolio of advanced, high-quality gold assets in South America.

Mundo is aiming to commence initial production at its flagship asset, the **Engenho Gold Project** in Brazil, by April 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 A\$13 million 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.

The Engenho Project is forecast to produce at an initial annualised rate of 34,000 ounces at a forecast cash operating cost of A\$325/ounce. This will generate forecast earnings before interest, tax, depreciation and amortisation (EBITDA) of A\$17 million per annum, based on a US\$750/ounce gold price.

Mundo's other assets in South America include 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. An exploration decline is currently being developed to assess the high-grade, narrow vein gold mineralization at Torrecillas.

The Tocantins Project is a joint venture between Mundo (51% interest) and Gamaleira Prospeccao E Geologia Ltda (a Brazilian joint venture between AngloGold Ashanti and IAMGOLD Corporation) (49%). 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.

Exploration to date has identified significant zones of gold mineralization at Conceição, within the Tocantins Joint Venture. Mundo Minerals has also secured a strategic new gold exploration project at Nova Prata as part of the Tocantins Joint Venture, and is assessing an advanced gold production opportunity at the Jaqueira Project in Bahia State, Brazil.