

Mundo Minerals Limited

Stock Exchange Announcement – 10 April 2007

Significant Underground Sampling Assays at Torrecillas

KEY POINTS

- **High-grade assays received from final underground channel sampling at Torrecillas, including:**
 - **1.1 m @ 26.5 g/t**
 - **0.8 m @ 75.77 g/t**
 - **0.3 m @ 23.29 g/t**
 - **0.3 m @ 141.45 g/t**
 - **0.3 m @ 95.66 g/t**

 - **Board decision on acquisition of Torrecillas due by exercise date of option (15 April).**
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Mundo Minerals Limited (ASX: **MUN**) advises that it has received further significant results from underground channel sampling from within the existing small-scale underground mining operations at the **Torrecillas Gold Project** in Peru. The channel sampling was undertaken from the recently developed levels 10 and 12 of the mine as part of the final stage of geological assessment of Torrecillas Project prior to a final Board decision on whether to exercise the option to acquire the Project. These levels were only developed and access available to Mundo to conduct the sampling in the last couple of weeks.

This area, from which sampling returned significant widths for the style of mineralisation and substantial grades as detailed above, has not previously been subject to any sampling by Mundo Minerals.

The widths are consistent with those generally experienced in the region and the grades confirm the significant nature of the mineralisation where it occurs along the vein system. The depth of the 12 level is approximately 120 metres below the surface.

Regional research indicates that the veins in the region where Torrecillas is located are mesothermal, indicating that the mineralisation tends to continue at depth with some mines in the region being developed on a small production basis to depths in excess of 400 metres. Previous underground channel sampling within the main Torrecillas vein returned encouraging results including grades up to 37.71g/t Au and 33.65g/t Au over 3m intervals.

Mundo Minerals has an option to acquire 100% of the Torrecillas project by paying US\$2m over two years in six monthly installments.

It should be noted that the board of Mundo Minerals will be making a decision on the acquisition of the Torrecillas Project by the due date of the option, which is 15 April 2007. An appropriate stock market update will be made once a decision has been made.

John Langford
Chief Executive Officer

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 in 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 **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.

At Torrecillas, Mundo has negotiated an option to explore 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.

Mundo's senior management comprises one of the most accomplished and high profile teams assembled in the Australian resource sector in recent times. Chief Executive Officer, Mr John Langford, who headed up the corporate finance division for Deloitte in Western Australia for 10 years, has extensive experience in the Australian resource sector and is well-known as a Director of Palace Securities Pty Ltd, the company that owns the Diggers & Dealers Mining Forum.

Joining him on the Mundo Minerals Board is a high-profile group of resource industry leaders including non-executive Chairman, Mr George Jones, Brazilian-based Executive Director, Mr Michael Schmulian, Australian mining