

Securities Exchange Announcement – 19 February 2010

Engenho Gold Production on Track as Peru Trial Mining Delivers Record

- **Engenho gold production targets achieved** for February with **2,000 ounces** delivered to the refinery
- **Tailings dam repairs completed** and operations **fully re-commissioned**
- **Record production of 1,301 tonnes @ 23g/t Au** achieved from trial mining at Torrecillas for the month of January
- **Excellent productivities** achieved from trial mining with **widths of up to 0.6m** and **grades of up to 71.22g/t Au**
- Development work along the **5 Noviembre vein** at Torrecillas commenced ahead of schedule

Mundo Minerals Limited (**ASX Code: MUN**) is pleased to provide the following update on its South American gold operations following the resumption of mill production at its Engenho Gold Mine in Brazil in January.

Engenho Gold Project, Brazil (100%-owned)

As reported last month, the Engenho treatment facility was re-commissioned on 17 January following successful completion of temporary repairs to the tailings dam. 400 ounces of gold were sold in January as the primary focus was on re-establishing circuit stock in the treatment plant.

All repairs to the tailings dam have now been completed and the Engenho operations are again fully commissioned.

The Company is also pleased to confirm that it has met its production target of delivering **2,000 ounces of gold** to the refinery in February 2010, with the final shipment of gold to the refinery completed on 17 February.

The next delivery date will be in early March in accordance with the normal delivery profile for the operation.

Torrecillas Gold Project, Peru (100% owned)

The Company achieved record production from trial mining at the Torrecillas Gold Project in Peru of **1,301 tonnes grading 23 g/t** during the month of January.

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Board of Directors

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Brian Hurley
Rob McKenzie

Senior Management

Chief Operating Officer
Andrew Law

Country Manager – South America /
Exploration Manager
Jean-Marc Lopez

Chief Financial
Officer/Company Secretary
Joe Mobilia

Joint Company Secretary
Paul Mason

Country Manager –Peru
Sergio Zuniga

Capital Structure

Fully-Paid Shares on Issue
168.04 million

Unlisted Options on Issue
6.10 million

693 ounces were sold delivering an operating profit for the month of January of **US\$356,000**. While this has been derived from trial mining, this production profile demonstrates the profitability that can be achieved from mining the narrow vein, high-grade deposits at this operation.

Excellent productivity has been achieved from mining activities with the following vein widths and grades delivered during January 2010:

- Stope 4000 delivered average thickness of **0.48 metres at 22.08g/t** on level 13
- Stope 4015 delivered average thickness of **0.66 metres at 48.13g/t** on level 14A
- Stope 4035 delivered average thickness of **0.40 metres at 68.64 g/t** on level 13
- Stope 4060 delivered average thickness of **0.68 metres at 39.88 g/t** on level 13
- Stope 4060 delivered average thickness of **0.47 metres at 71.22 g/t** on level 14A

Strong consistency of the structure has now been achieved over a substantial timeframe in both the continuity of the vein structures and average grades well in excess of the targeted grade of 15g/t Au.

Mundo Minerals expects that development work will commence along the **5 Noviembre vein** at Torrecillas this week following completion of all preliminary work to access the vein structure. This opens up an important new development front for the ongoing trial mining program.

Rights Issue

The Directors of Mundo Minerals are mindful that shareholders are considering the current rights issue that commenced after the Record Date on 17 January 2010. The operational update provided today follows a series of shareholder briefings conducted in early February 2010.

John Langford
Chief Executive Officer

19 February 2010

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.

About Mundo Minerals

Mundo Minerals is an Australian-domiciled international gold company with a portfolio of medium- sized gold projects in South America. Currently, the Company has four projects at different stages of development – three (including its first production asset) in Brazil and one in Peru.

Mundo Minerals' corporate strategy is based on the development of a sustainable production base of more than 250,000 ounces of gold per annum in the medium term. The Board has assessed all of the assets within the Mundo portfolio, at their current stage of development, as having strong potential to deliver a sustainable production base.

The Engenho Gold Project, which is located in the State of Minas Gerais in Brazil, is forecast to produce at an initial annualised rate of approximately 30,000 ounces per annum. Mundo's other assets in South America include the 100%-owned **Torrecillas Gold Project** in Peru, and the **Tocantins Gold Project** and **Jaqueira Gold Project** in Brazil. These projects have the potential to yield multiple resources to underpin the Company's long-term growth.

The Board is pragmatic in its approach to developing the corporate asset base and all projects will be developed according to robust commercial parameters.