Mundo Minerals Ltd

2 August 2010

Company Announcements Office
Australian Securities Exchange
20 Bridge St
Sydney NSW 2000

Dear Sirs,

RESOURCE UPDATE

As a follow-up to our June 2010 Quarterly Activity Report, Mundo Minerals Limited is pleased to provide the following update on the Company's current resource position as at 30 June 2010 for its Crista Deposit and further information on Torrecillas Gold Project in Peru:

Crista Deposit - Brazil

The company announced in the December 2009 quarterly report that an Inferred JORC Resource of 161,948 tonnes at 5 g/t Au for 26,034 contained gold ounces had been defined using a 2.5 g/t cut off.

During the June 2010 quarter, the exploration data contained in the above inferred resource was further analysed by the Company and additional modeling of the resource using grade interpolation by ordinary kriging was undertaken. The updated resources were:

Category	Tonnes ('000)	Grade (Au g/t)	In-situ Gold Ounces ('000)
Measured	12	5.94	2
Indicated	130	4.99	21
Inferred	20	4.60	3
TOTAL	**162**	**5.00**	**26**

The above resource then formed the basis for various open pit optimization models. The optimized mine plan that the Company has endorsed has applied a cut-off grade of 1g/t gold.

The above mineral resources are expected to be mined by the Company over an 18 - month period.

It is noted that the ore bodies at Crista remain open at depth below the open cut pit design at a total depth of 75m. The Company plans to drill out the deeper portion of the ore body once it has been exposed through mining in the December 2010 quarter and consistent with the ore bodies in the Iron Quadrangle we expect that there should be strong continuity in the mineralisation. As per JORC requirements, it is not appropriate to speculate how large the resource may expand to until the appropriate work has been completed.

The Australian Securities Exchange ("ASX") has specifically requested that the company retract the statement "This delivered a mined resource of 26,969 ounces grading 4.48 g/t, which is expected to be mined over a 16-month period. This will deliver an initial annual production profile from Crista of approximately 18,000 ounces of

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gold to the Engenho mill" from page 3 of the June quarterly activities statement.' This statement is retracted however the Company makes the following comment: "The statement refers specifically to the results of a pit optimisation study which takes information form a resource data base and models various economic results which provide expectations of outcomes from mining the resource. The statement made in the quarterly report relates to the results of this pit optimisation exercise and we maintain that the statement was clear in its message and readers would be under no misrepresentation as to what the report was stating". The retraction is made to adhere to a specific directive from ASX however the results of the pit optimisation refer to expected results from mining of the Crista deposit based on what is predominantly a measured and indicated resource.

We accept that for reporting purposes we have a predominantly measured and indicated resource which is what modeling is based on. This is in our opinion sufficient to undertake mine planning however again to comply with a specific direction from ASX the Company makes the following statement "The term 'mined or mineable resource' is not a defined term for the purposes of the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The Company did not intend to imply that the term "Mined Resource" is such a defined term nor that a JORC Code compliant Reserve had been determined as at the time of the June Quarterly Activities Report."

Torrecillas Gold Project - Peru

As announced in our June 2010 Quarterly Report, Mundo Minerals is in the process of finalizing its initial JORC mineral resource at its 100% owned Torrecillas project in Peru. The initial mineral resource will encompass the Torrecillas Vein, Levels 13 to 15a which have been developed by the Company.

The level development between 13 and 15a is considered to be a representative block of mineralisation over a vertical distance of approximately 55 metres.

Given that the block modeling for the mineral resource is based on actual development at Torrecillas, it is expected that the mineral resource will be predominantly in the Measured and Indicated categories.

The strategy in Peru is to assess the resource potential of the three veins at the Torrecillas Gold Project initially through underground development along the vein structures. This will allow detailed assessment of the mineralisation and once multiple levels have been developed, a resource assessment for the developed sections of the ore bodies can be undertaken. This work will be further enhanced by deeper diamond drilling that is planned in the December 2010 Quarter to determine a larger resource that may contain inferred resources.

Development work on the Torrecillas vein has been occurring for over 18 months and development work is also advanced on the 5 Noviembre and Torrechico as advised in the June 2010 Activity Report.

It is noted that at this stage, the Company does not have an initial JORC resource on the Torrecillas Vein and the Company has never announced that it has a JORC resource on this project. Ongoing work during the feasibility study is however designed achieve this goal. No guarantees are however provided that a resource will eventuate.

Yours Sincerely
Mundo Minerals Limited

John Langford
Managing Director

Competent Person's Statement

The information in this announcement 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 Country Manager for Brazil. 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.