



Market Update

Key Points

- Outstanding grades of up to 67g/t Au returned from development along new ore shoot at Torrecillas
- Olhos gold anomaly extended to in excess of 400 metres strike
- New Chief Operating Officer Mark Zeptner to take up his new position with the Company on Monday 25 October 2010, joining recently appointed Brazil Country Manager, Sergio Cardoso

Mundo Minerals Limited (ASX Code: MUN) provides the following market update regarding its gold mining operations in South America.

Torrecillas Gold Project Update

Recent trial development work has returned outstanding gold grades from a new emerging ore shoot identified on the Torrecillas vein. Assay results from this trial development work returned **an average gold grade of 52g/t** over an average width of 0.5 metres.

This new ore shoot has been intersected from development work 15 Level Gallery 470 East of the Torrecillas vein.

Development work has opened an initial 15 metres of the new ore shoot and is continuing. The results presented in Table 1 are for the samples taken over the first 10 meters advanced. Assays are outstanding for the next 5 metres, however the vein structure is visually consistent with the initial 10 metres.

Table 1 – Individual channel sample results

Vein Width	Metres	0.25	0.20	0.50	0.70	0.85
Channel Sample Grade	Au g/t	30.63	40.63	67.26	66.39	40.40

Table 2 – Aggregate channel sample results

Average assayed vein width	Metres	0.50
Average grade	g/t	52.09

Mundo Minerals Limited: ACN 117 790 897



Figure 1 - Mineralisation of new ore shoot at Torrecillas vein

The Definitive Feasibility Study at the Torrecillas Gold Project is proceeding well and is on schedule to be completed by early 2011.

Olhos Gold Anomaly – Engenho Gold Project Brazil

Surface exploration work has continued to assess the Olhos gold anomaly at the Engenho gold project in Brazil. Olhos is located approximately 600 metres north of the existing Engenho underground ore bodies and approximately 900 metres south of the emerging Crista deposit. The anomaly has now been extended to a strike in excess of 400 metres and remains open to the north and south. This compares to the Crista mineralization that has a strike of approximately 220 metres. Assay results from recent trenching and auger drilling are still being compiled but continue to confirm the grade potential of the anomaly from results previously been reported. These results will be included in the forthcoming quarterly report.

Management team restructure complete

Mundo Minerals also advises that its newly installed project management team in Brazil will continue to focus on realizing operational efficiencies at the Engenho Project.

The Company's recently appointed Chief Operating Officer, Mark Zeptner, who has joined Mundo from a senior position with Goldfields Limited, will as part of his immediate priority oversee an efficiency audit at Engenho as well as drive the progress of the feasibility at Torrecillas. Mr Zeptner commences work with Mundo Minerals on Monday 25 October 2010.

The new Mundo Minerals management team has further been strengthened with the appointment of a former AngloGold and Yamana Goldfields executive, Sergio Cardoso, as Country Manager for Brazil. Mr Cardoso has a strong track record of driving production and cost efficiencies in his previous roles managing gold projects in Brazil. Mr Cardoso commenced work as country manager on 18 October 2010. This appointment concludes a number of senior appointments recently made at Mundo Minerals in Australia and Brazil.

The executive team has a solid technical background and is focused on taking a refreshed perspective in developing operational efficiencies for the company.

John Langford
Chief Executive Officer

22 October 2010

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Armando Massucatto who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Massucatto is employed by Mundo Minerals Limited and is the Exploration Manager. Mr Massucatto 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 Massucatto consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.