

The logo for Mundo Minerals, featuring the company name in a bold, serif font with a gold-to-brown gradient, set against a dark blue background. To the left of the logo is a small, square inset image showing an industrial mining site at night with bright lights and structures.

# Mundo Minerals

## Activities Update – Brazil and Peru Gold Projects

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**Mundo Minerals Limited (ASX Code: MUN)** is pleased to provide an update on its gold projects in South America, including the approvals process for the emerging Crista open pit at the Engenho Gold Project in Brazil.

### **Engenho Gold Project – Crista Open Pit (Brazil)**

As outlined in the Company's Presentation to the Annual General Meeting on 23 November, the approvals process for new mining developments in the Nova Lima region, where the Engenho Gold Project is located, has been temporarily delayed while a general concept for a national park in the region is being considered.

The conceptual park, which is being proposed by a local environmental group, covers a substantial portion of the "Iron Quadrangle" iron ore mining region and has the potential to affect the northern portion of the Engenho tenement, including the area where the planned new Crista open pit is located.

All research undertaken by Mundo with respect to environmental studies has indicated that the Company's tenements do not affect any areas that could be considered pristine or environmentally sensitive under the terms of the proposed park.

Mundo has been in discussions with the Brazilian government agency responsible for the proposed park and the technical team associated with that agency has now completed a review of Mundo's tenements and the proposed mining impact.

**This team has concluded that it agrees that the area does not have a material impact on the proposed park and has indicated that they would support an application by Mundo Minerals to have the tenement excluded from the proposed park, and has asked Mundo to provide a formal submission to that effect.** This submission was lodged with the authority on Tuesday, 21 December 2010.

It should be noted that this recommendation needs to be considered by the President of the agency and, given the proximity to the Christmas break, it is likely that the matter will be resolved in January, assuming the President accepts his Department's recommendation.

Infrastructure development to support the Crista development, including the upgrade of the Engenho treatment facility to accommodate Crista ore, is well advanced and, once this final approval is obtained, the Company can immediately commence development of the haulage road and open pit.

Crista is expected to produce at an initial annualized rate of 18,000 ounces, increasing production from Engenho to an annualized rate of 43,000 ounces.

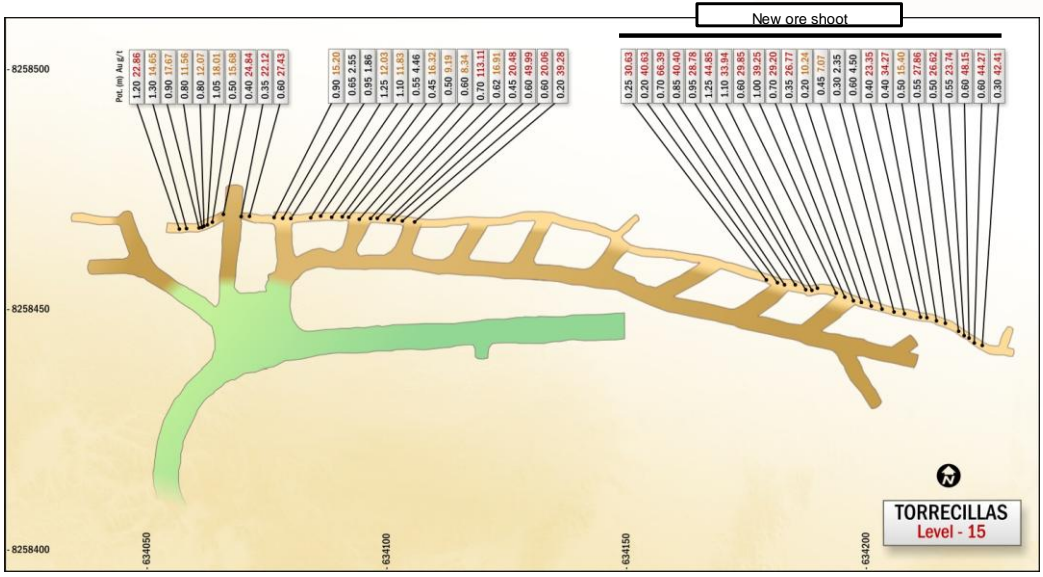
### **Torrecillas Gold Project – Peru**

Mundo Minerals advised in its September Quarterly Report that a new ore shoot had been identified on the 15 level of the main Torrecillas vein and had been developed to 22 metres in strike. This developed has now been extended to over 55 metres with consistent excellent grades.

Development has been undertaken back up towards the 15A level (the level above level 15 to test the continuity of the mineralisation. At this stage the development continues to confirm the mineralisation above the 15 level.

Below are schematics showing the significant grades and channel samples widths associated these levels including the with this new ore shoot which is indicated on the Level 15 schematic:

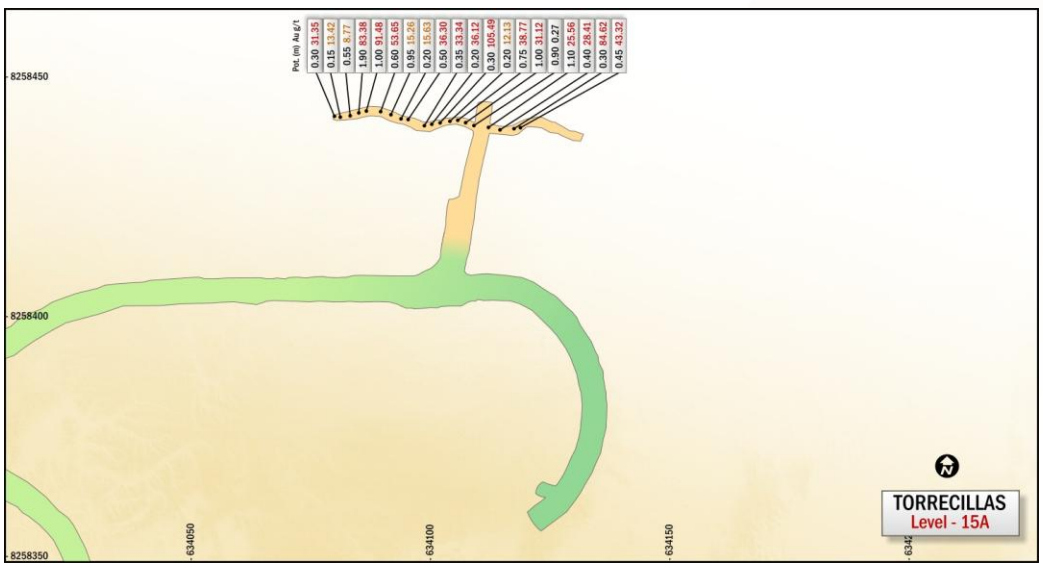
## Torrecillas - Level 15



1

Mundo Minerals Limited

## Torrecillas - Level 15A



2

Mundo Minerals Limited

John Langford  
Chief Executive Officer

22 December 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 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 Company 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.*