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Company Announcements Office
Australian Securities Exchange
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Outstanding drilling results of up to 35gpt to underpin maiden resource at Torrecillas, Peru

HIGHLIGHTS

- **Diamond drilling at Torrecillas Project in Peru returns host of high-grade results including 0.40m at 32.3g/t Au, 0.2m at 22.7g/t Au and 0.20m at 10.6g/t Au (fully certified).**
- **Results show high-grade mineralisation continues to at least Level 19 (2335m MASL or four levels below where mining is occurring today) at the Torrecillas vein**
- **Results point to the existence of a high-grade ore shoot at the Torrechico vein, with non-certified results including 0.40m at 34.8g/t Au, 0.20m @ 18.5g/t Au and 0.35m at 12.1g/t Au.**
- **Highly encouraging results from the Ady and Ady East veins, with non-certified intersections including 0.15m at 10.3g/t Au, 0.20m at 8.4g/t Au, 0.30m @ 7.2g/t Au and 0.40m at 6.7g/t Au.**
- **Current 10,300m drilling program now 90% complete**
- **Maiden resource model due for completion at end of December**
- **Drilling still being completed at the Torrecillas vein with associated resource modeling completed by the end of December 2011.**

Mundo Minerals Limited ("Mundo" or "Company") (ASX Code: MUN) is pleased to advise that it has received a series of excellent high-grade results from drilling at its Torrecillas Gold Project in Peru which will underpin a resource upgrade by the end of the year.

The drilling has also generated outstanding results from the Torrecillas vein and the Torre Chicho and Ady veins.

The Torrecillas resource model will be completed over the next four weeks and will then be provided to our technical consultants for full review and technical sign off. The current drill results for Ady and Ady East will be included in a new resource model for the Ady and Ady east veins in early 2012.

This drilling program was designed to deliver the first JORC resource at the Torrecillas Project. Trial mining has been underway for 3 years now, and production is currently running at the rate of 600ozs a month.

At the 5 November vein, drilling intersected the veins in a number of holes which included a high percentage of pyrite, the host of gold in these systems. But the grades were not considered economic. The Mundo geological team continues to assess this vein and the results returned from the initial drilling.

Mundo Managing Director Ashley Pattison said the latest drilling results highlighted the significant potential of Torrecillas, particularly given that trial mining has showed that the mined grade is consistently higher than the results seen in the historical drill holes.

"The drilling to date has achieved excellent results on the Torrecillas, Torrechico and Ady veins," Mr Pattison said.

"This was first pass of drilling the Torrechico and Ady veins and the results have firmed up priority target areas that will be followed up with more drilling in early 2012. We will also continue to adopt the strategy of accessing

the interpreted veins structure and developing both along strike and also over a couple of levels to enable us to understand the veins much better.

“The lessons learnt from the Torrecillas trialing mining strategy has also illustrated that the mined grade is often greater than the assayed drill results given the variability in grade experienced in mesothermal hosted systems such as those we have at the Torrecillas gold project.

“We now expect to announce an initial JORC resource in December 2011. However, we have decided to suspend completion of the DFS to preserve cash and focus instead on a two-stage development strategy for Torrecillas that will be formalised over the next couple of weeks.”

The substantial delays experienced in the turnaround for certified sample results, via ALS Chemex in Peru has also frustrated the Company. Some results have now been with the labs for up to three months. Only a limited number of these results have been received to date, with a relatively large number still outstanding.

In seeking to overcome this issue, Mundo has recently sent all samples to a non-certified lab run by Analytica on the Peru coast some 44km from the mine in order to achieve a faster turnaround that can be used to assist drill planning processes. These results, whilst consistent with those achieved from ALS Chemex, are non-certified and are noted as such in this report.

Background to the Torrecillas Gold Project:

The Torrecillas Gold Project contains over 13 known veins within the 5km² area illustrated in figure 1 below. Half of these veins have had some form of exploration work carried out on them by Mundo since taking ownership of Torrecillas in 2008.

Six of the veins are contained with two main systems that have been interpreted to contain high grade gold mineralization, each with a characteristic structural style.

The first system - the Torrecillas vein system includes Torrecillas, Ady, Ady East, Oly and the 5 November vein, which cover a combined strike length of 2,200m, with a preferred east-west strike and north-dipping varying from 45 to 55 degrees.

The second system, the smaller Torrechico vein system is approximately 550m long and 100m wide, striking in the direction N70W, dipping to the north-east between 50 and 80 degrees, with a sinistral structural style.

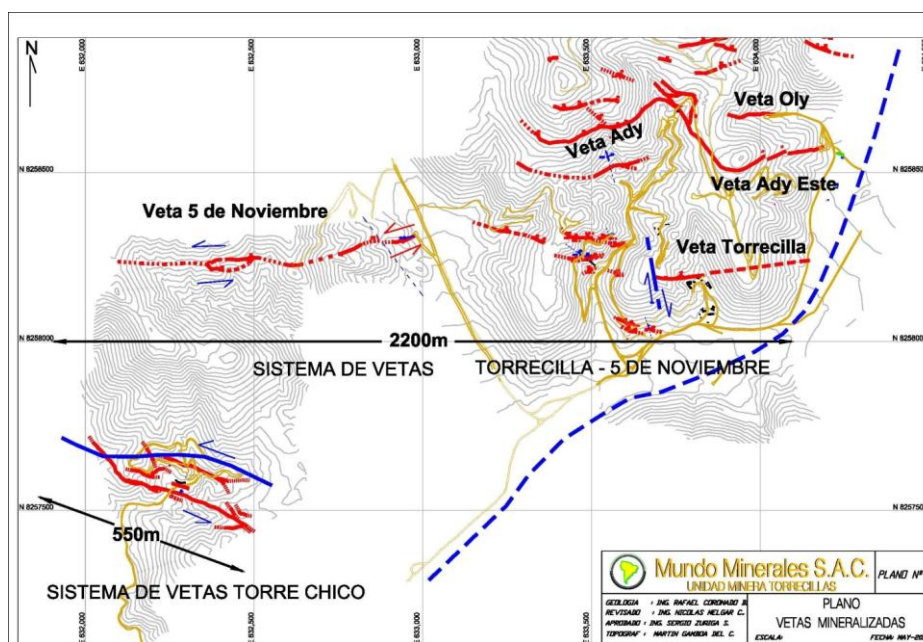


Figure 1: The relative location of the individual veins

Torrecillas Vein

The Torrecillas vein is the primary vein in the field as it is currently the best understood of all the veins by virtue of this vein being trial mined by Mundo over the last three years. This vein has an east-west strike over a length of approximately 200 metres. The high grade gold mineralization occurs in a mineralised zone that current exhibits continuity to a depth over 400 metres below surface.

All drilling at the Torrecillas vein has been undertaken from underground, utilizing a drill drive located just below the 15 Level (2,475 m.a.s.l) at the mine. 3,600 metres drilling via 25 separate drill holes have been completed, with a further 1,000 metres of drilling planned to a depth equivalent to the 20 Level (2,300 m.a.s.l) at the mine.

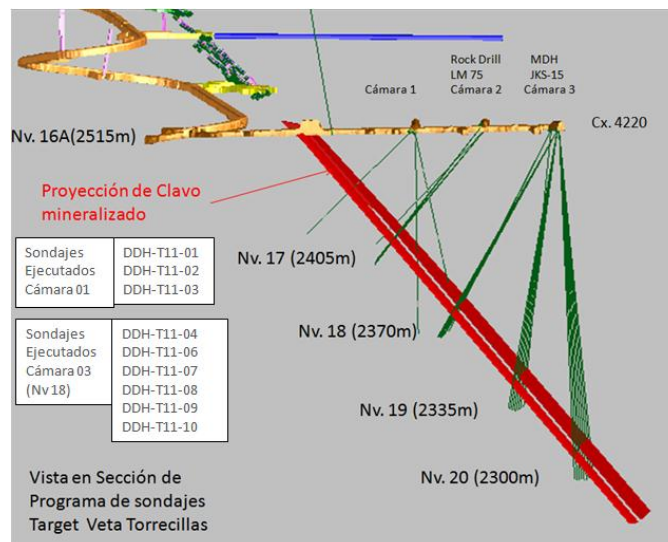


Figure 2: Proposed drill program for Torrecillas vein

The table below illustrates the best intersections received to date by Mundo from the certified and non-certified assay labs:

Hole	North	East	Azimuth	Dip	Hole Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)	Certified (C) / Non-Certified (NC)
DDH- T11-05	8258561	634227	245	-40	102.4	54.45	54.65	0.2	22.97	C
DDH-T11-06	8258590	634270	158	-55	125.2	101.0 104.8	101.4 105.0	0.4 0.2	32.36 11.51	C C
DDH-T11-19	8258662	634227	238	-40	81.3	59.75 60.15	59.95 60.35	0.2 0.2	10.6 10.3	NC
DDH-T11-20	8258591	634272	112	-46	139.0	103.7	104.0	0.3	18.6	NC

Six other holes drilled intersected the Torrecillas veins and returned gold intersections > 5 g/t and <10 g/t which is considered low grade ore on the Torrecillas vein. Results are still pending on five holes.

The vein is interpreted to have two main high grade shoots situated within the strike length of the ore body with a lower grade section in between. Drilling has also been planned to intersect the vein at the extremities of both the east and west ore shoots on all levels to clearly define the extents of these ore shoots. This is evidenced on the cross section below in Figure 3.

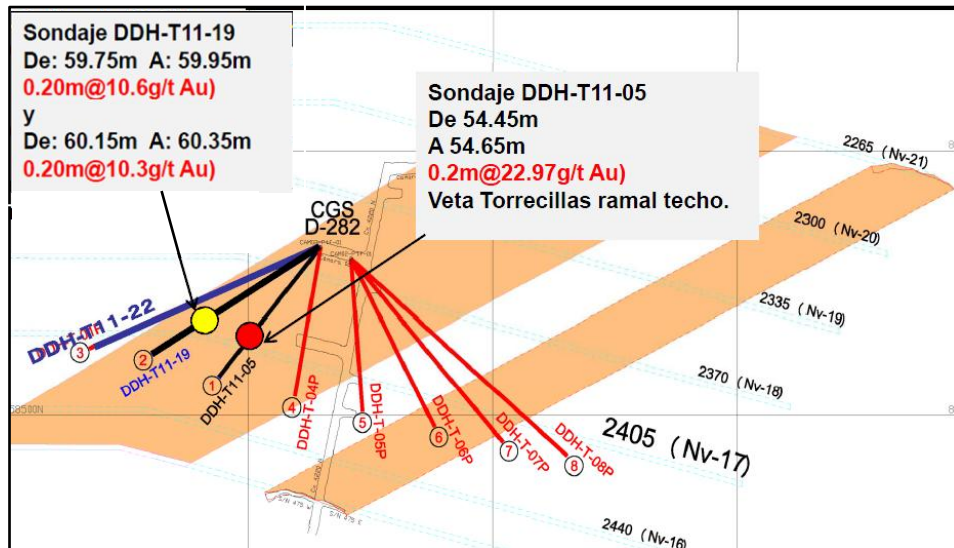


Figure 3 – Drilling cross section at the 17 level, Torrecillas Vein

Trial mining to date has seen insitu results from channel sampling consistent with the drill results illustrated in Figure 3 from the 14 and 15 level to date which provides a high level of confidence of good continuity of the ore body. The high grade vein to the east is where Mundo has been receiving its highest grade or from trial mining to date.

Completion of the Torrecillas program down to Level 20 is expected to be completed by the end of November. Whilst JORC resource modeling has already commenced it is not expected that will be completed until late December 2011.

Torrechico Vein

Detailed surface mapping of the area was carried out prior to drilling and this is shown below with the principal vein and the hanging wall (ramal) vein clearly shown;

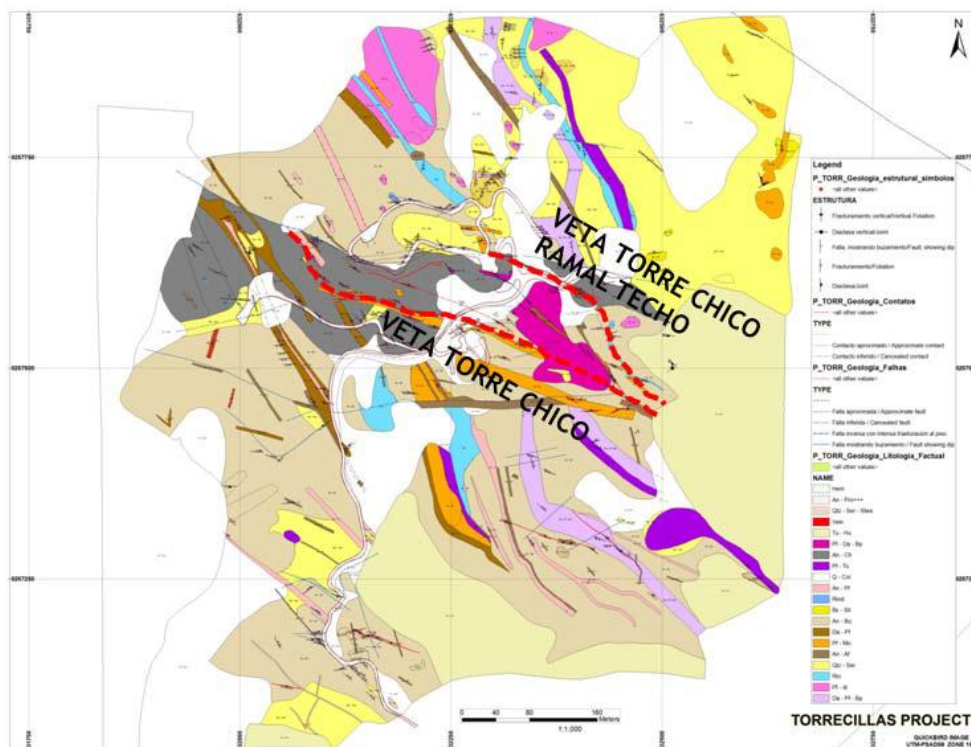


Figure 4: Detailed surface map of the Torre Chico system

Approximately 3,050 metres of drilling has been completed, all from surface via 18 drill holes. The latest drilling, to the east of the original shaft location, has identified a possible new high grade ore shoot.

The table below illustrates the best intersections received to date by Mundo by both certified and non-certified assay labs:

Hole	North	East	Azimuth	Dip	Hole Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)	Certified (C) / Non-Certified (NC)
DDH-TCH11-09	8257540	632446	200	-51	151.0	78.5	78.85	0.35	12.1	NC
DDH-TCH11-10	8257551	632937	200	-52	190.3	100.0	100.2	0.2	18.5	NC
DDH-TCH11-17	8257481	632578	99	-60	122.0	50.3	50.7	0.4	34.8	NC

The high grade results (non-certified) for the principal vein are shown on the section below in Figure 5, along with an interpreted ore shoot position and orientation. There is also a possible new ore shoot to the west of the shaft although thought to be lower grade at this stage as illustrated by the blue shaded area in Figure 5.

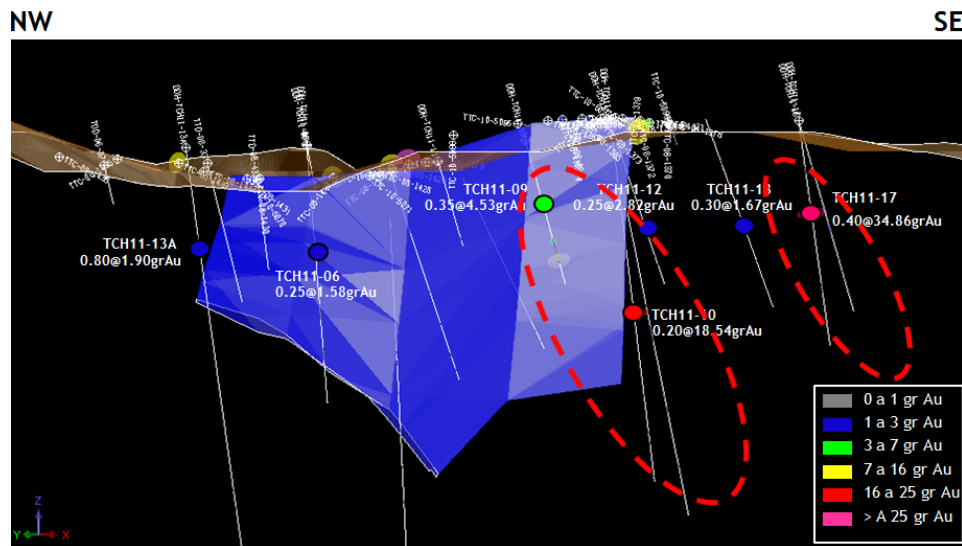


Figure 5: Longitude Section - Torre Chico vein system

Ady, & Ady East Veins

Mundo, as part of its exploration work, completed new surface mapping of this area and re-visited the old underground workings to undertake detailed channel sampling. All of this work contributed to an updated structural geology assessment of the veins.

The Ady East vein has been historically mined on the 571, 580 and 595 galleries, with increasing with depth but highly variable laterally, with values ranging from 2 g/t Au to 40 g/t Au respectively over 10 metre east-west section.

The Ady vein has been identified in the underground workings of the 710E and 710W of previous mining.

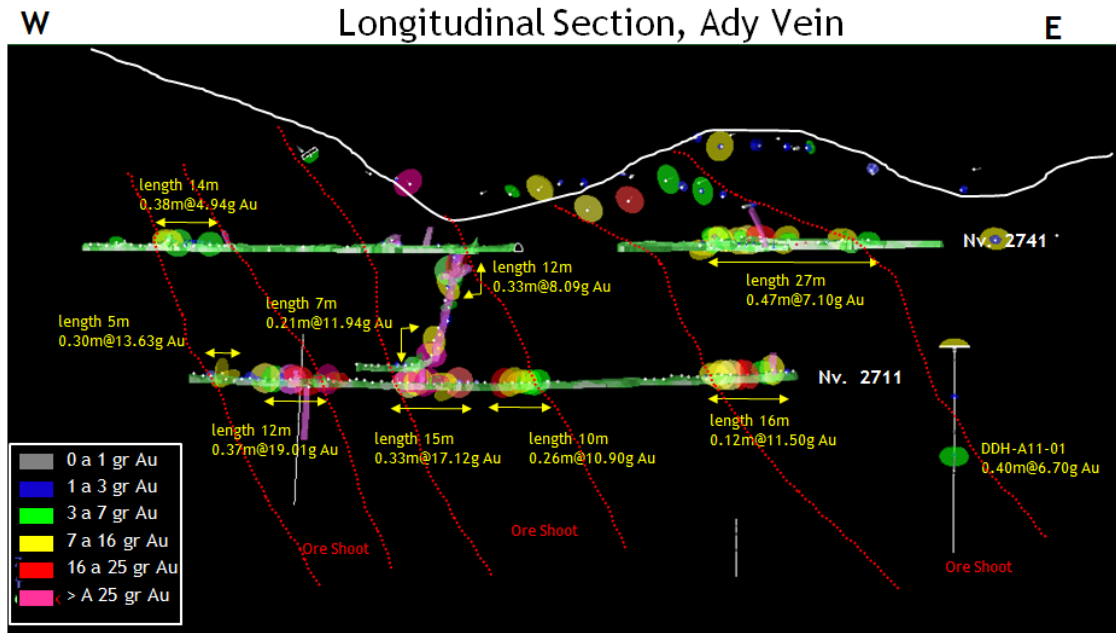


Figure 6: Results of channel sampling of historical artisanal workings at the Ady vein

Some 1,600 metres of drilling was undertaken with 13 drill holes was completed at the Ady, Ady East and Oly veins which lie just north of the Torrecillas vein. The table below illustrates the best intersections received to date by Mundo on the Ady and Ady East veins by both certified and non-certified assay labs from ten holes completed:

Hole	North	East	Azimuth	Dip	Hole Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)	Certified (C) / Non-Certified (NC)
DDH-AE-11-07	8258700	634250	181	-50	121.1	81.5	81.8	0.30	7.2	NC
DDH-A-11-01	8258826	633800	180	-49	153.8	92.35	92.5	0.15	10.3	NC
DDH-A-11-01	8258820	633750	180	-62	130.5	53.0	53.2	0.20	8.4	NC

5 November

1,752 metres of drilling via 7 holes was completed at the 5 November vein. Despite the existence of high pyrite content in drilled intersections, gold grades were generally low. It is thought that a granodiorite intrusion to the east of the historic incline shaft was potentially cutting of the down dip extensions of this vein. Drilling on this target was therefore suspended and the rigs were move by the company onto other targets located within the project. The location of the best result, 0.20m @ 2.8g/t Au (non-certified), along with historical 0.8m @ 8.7 g/t AU and 0.3m @ 8.71 gpt g/t Au intercepts are shown on the section that follows;

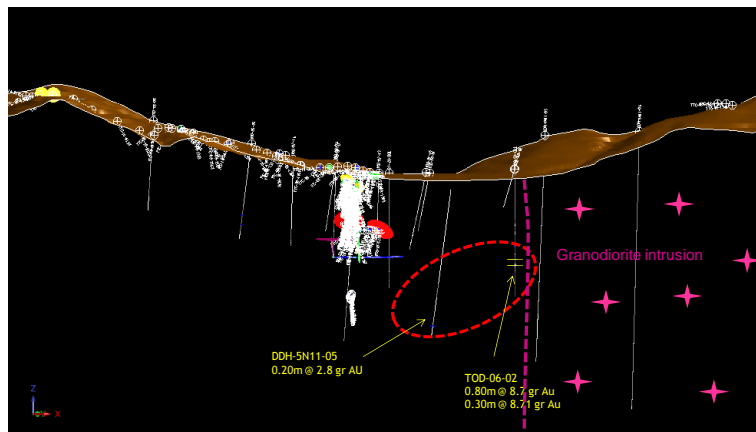


Figure 7 - Longitude Section - 5 November vein system

For and on behalf of the Board,

Ashley Pattison
Managing Director
28 October 2011

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information reviewed by Mr Daniel Saunders who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Saunders is employed by BMGS Perth Pty Ltd, who act as consulting geologists to Mundo Minerals Limited. Mr Saunders 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 Saunders consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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