



Maiden JORC Resource of 102,000oz @ 16.1gpt for Torrecillas Gold Project, Peru

High-grade resource provides strong foundation to expand production, accelerate exploration

HIGHLIGHTS

- Measured, Indicated and Inferred Mineral Resource of 102,100oz @ 16.1gpt for Torrecillas vein at Torrecillas Gold Project, Peru – *67% of the resource Measured and Indicated.*
 - High-grade mineralization confirmed to extend to at least Level 18 (2,370m m.a.s.l), approximately 100m below current trial mine workings.
 - High-grade drilling results of 1.0m @ 53.88g/t Au (incl. 0.3m @ 87.40g/t Au) and 0.30m @ 12.99g/t Au returned in addition to those released 28 October 2011.
 - Underpins at least 3-4 years of production at Torrecillas with further drilling planned for 2012 to further increase resources.
 - JORC resources pending for Torrechico and Ady/Oly veins later in 2012, subject to results of further drilling to follow up high-grade intersections.
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Mundo Minerals Limited (“Mundo” or “Company”) (ASX Code: MUN) is pleased to announce a maiden JORC compliant Mineral Resource for its flagship 100%-owned **Torrecillas Gold Project** in south-eastern Peru of **102,100 ounces** at an average grade of **16.1gpt gold**.

The resource, which follows successful diamond drilling programs completed in 2011, is for the Torrecillas vein only – one of 13 identified high-grade veins at the Torrecillas Project. Drilling and some trial mining has also been completed at the nearby Ady and Ady/Oly veins, laying the foundations for potential JORC resources to be calculated later this year.

The maiden JORC resource provides a strong foundation for Mundo Minerals’ exploration and development plans at Torrecillas, where production from mining operations is forecast at 16,000oz in calendar 2012 at a forecast cash cost of less than US\$800/oz.

Mundo Minerals is aiming to increase gold production to 25,000oz in 2013 in parallel with an aggressive exploration program designed to further increase its resource inventory, initially at the Torrecillas, Torrechico and Ady/Oly veins. The broader Torrecillas Project encompasses some 16,000ha of under-explored tenements containing 13 identified vein systems.

Details of the maiden JORC resource are presented in Table 1 below:

Table 1 – Resource Summary for the Torrecillas Gold Project (above a 5g/t Au cut-off)

Vein	Measured			Indicated			Inferred		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Torrecillas	69,000	18.8	40,100	55,000	14.7	26,000	73,200	15.3	36,000

All resources were estimated by Mundo personnel in Peru and subsequently reviewed by the Company’s independent technical expert prior to reporting. This process included validation of relevant data used for the estimate, review of the interpretation, domaining, compositing, estimation methodology and model validation.

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 the Torrecillas Gold Project in 2008.

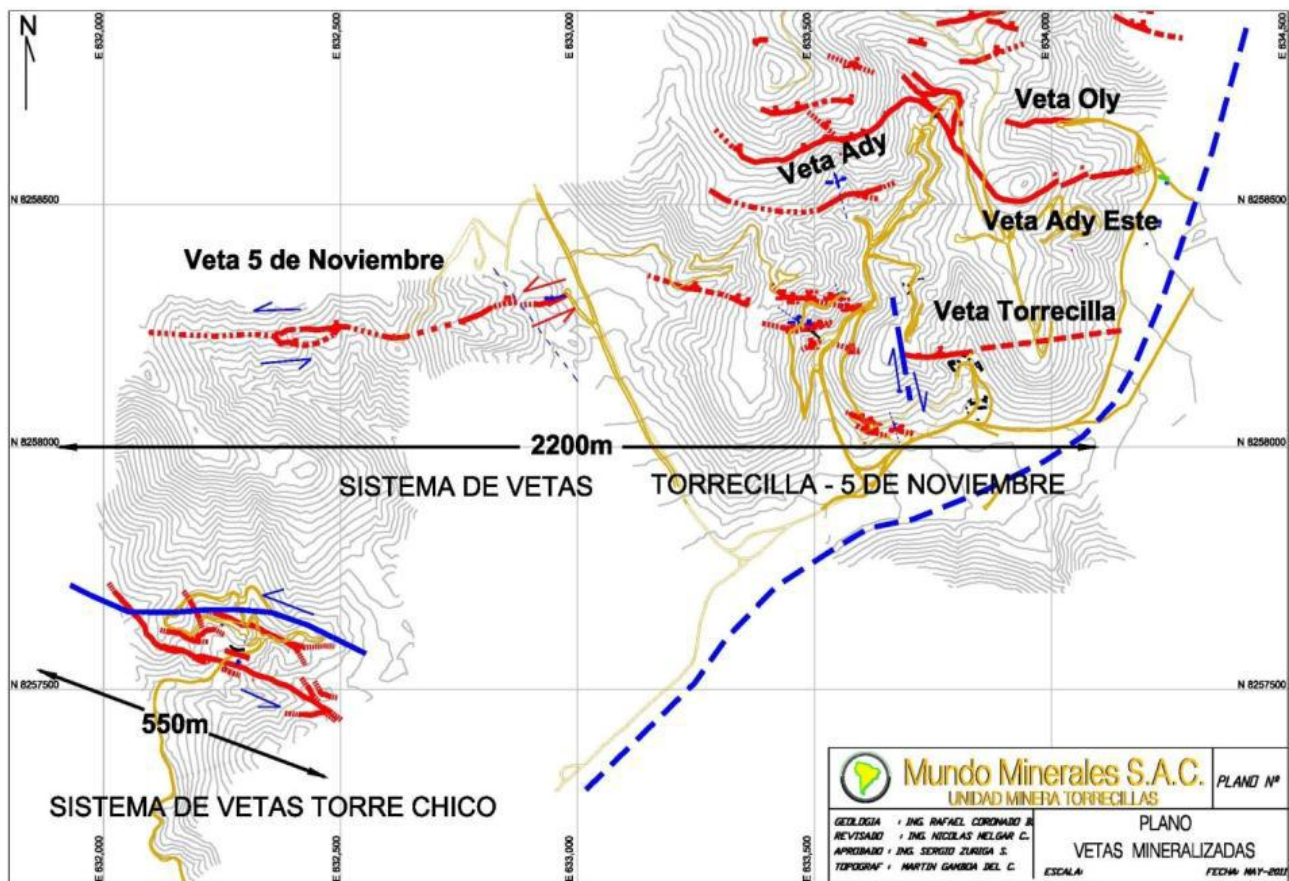


Figure 1: Relative location of individual veins

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 the Torrecillas, Ady, Ady East, Oly and 5 November veins, 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.

Torrecillas

The Torrecillas vein is the primary vein in the field and has an east-west strike over a length of approximately 200 metres. The high-grade gold mineralization occurs in a zone that currently exhibits continuity to a depth over 400 metres below surface.

The Torrecillas resource estimate is based on the recently completed program of 31 diamond drill holes for a total of 4,786.15 metres, together with the results from underground production and development sampling.

All drilling has been completed from underground, utilising a drill drive located just below the 15 Level (2,475 m.a.s.l) at the mine. Drilling was planned to achieve a spacing of approximately 25 metres across strike by 50 metres down-dip. The location of the drilling is shown in Figure 2 below:

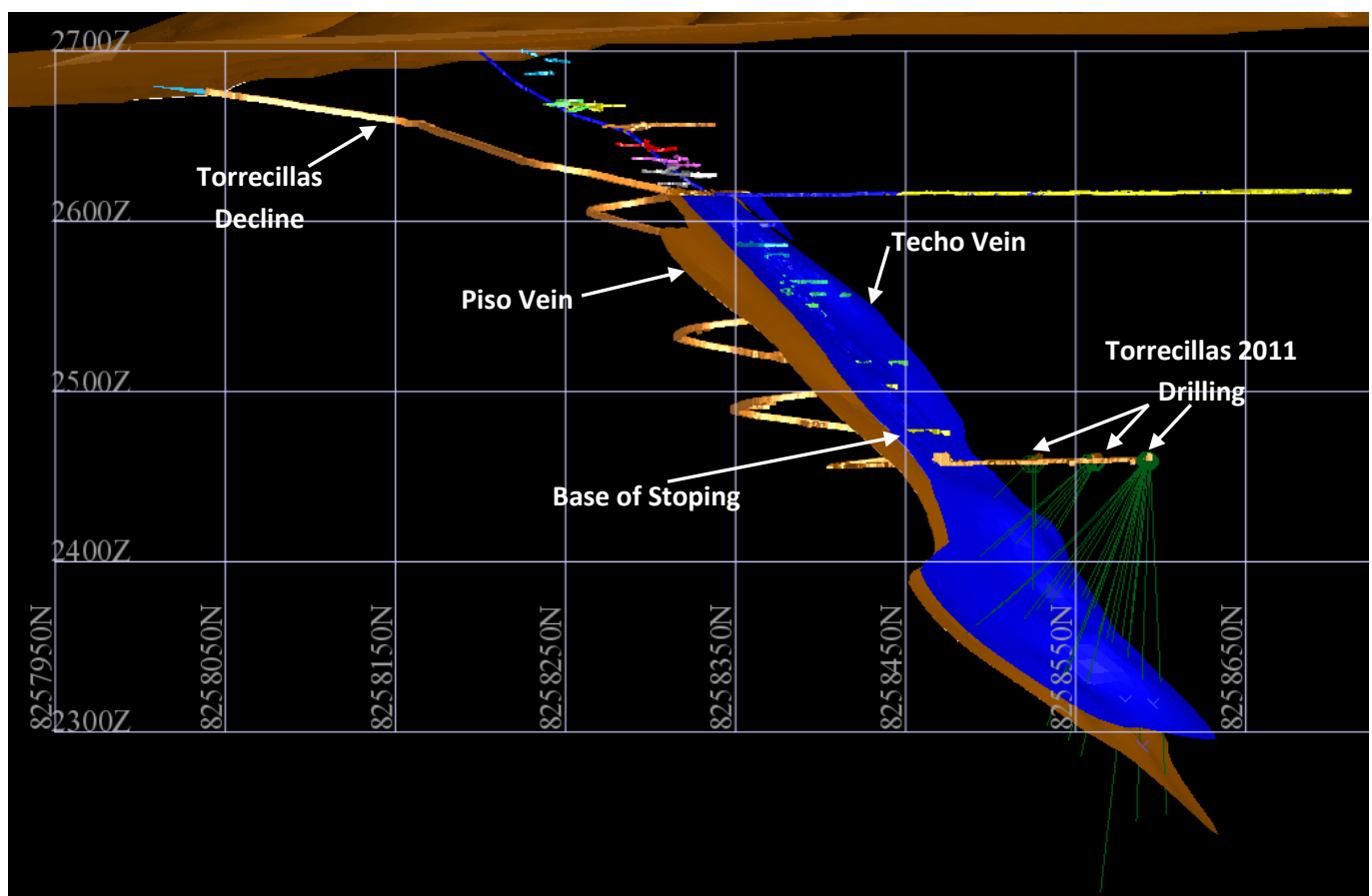


Figure 2: Section view showing 2011 Torrecillas drilling with respect to existing development

Drill holes collars were surveyed using a Leica Total Station, with down-hole surveys taken at 15m intervals using a Reflex single shot instrument. All core was drilled at HQ size and geologically logged and photographed. Zones of interest were sampled by cutting the core in half, sampling one half and returning the other half to the core tray.

Production samples were collected by taking rock chip samples in channel fashion across the footwall, the ore zone and into the hangingwall zone.

All samples were crushed and pulverised prior to being assayed at Analytica by 30g Fire Assay, with pulps dispatched to ALS Chemex for check assays by 30g Fire Assay and ICP-MS.

As previously announced on 28 October 2011, Mundo is processing drill and rock samples at the non-certified Analytica laboratory in Peru due to significant delays being experienced in sample turnaround at the certified ALS Chemex laboratory in Peru. In order to confirm the reliability of results from Analytica, Mundo implemented a rigorous QA/QC program including blanks and certified standards which comprised approximately 8 per cent of the total samples submitted to the laboratory.

A review of the assay results showed that Analytica was consistently returning results which were both accurate and precise, within acceptable variances, and therefore that the use of these assay results in the resource was acceptable. Mundo will continue to send samples for secondary analysis to external certified laboratories as part of its ongoing process.

As part of the resource process, Leapfrog software was employed to assist with the generation of mineralisation wireframes. These wireframes were subsequently manually adjusted to accurately represent the interpreted mineralised structure. This process, together with the drilling, identified the presence of two discrete mineralised veins at Torrecillas, subsequently termed “Piso” (footwall) and “Techo” (hangingwall).

In the upper levels these veins are separated by between 0.5 to 1m, however at depth they diverge to be separated by approximately 15 to 20 metres.

In some areas the two veins are mined as a single feature given their close proximity to each other. These areas have been called the “Merge” zone and treated separately in the resource estimate as they display a different grade distribution compared to the broader Piso and Techo zones.

A fourth distinct mineralised zone is also identified at Torrecillas and is termed “Ramal” and is represented by a small structure splayed from the main Piso vein towards the interpreted eastern margin. This zone has had limited sampling to date but has returned positive results worthy of further follow-up.

The resource for Torrecillas was estimated using Ordinary Kriging. Subsequent resource classification considered the confidence of the interpretation, grade continuity, available data density, and production history. Details of the respective contribution of the various veins to the overall Torrecillas resource are presented by resource classification in Table 2 below.

Table 2 – Torrecillas Resources by Resource Classification (above a 5g/t Au cut-off)

Location	Measured			Indicated			Inferred		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Piso	29,600	15.2	14,500	38,900	12.6	15,800	35,500	11.0	12,600
Techo	26,400	19.7	16,700	16,100	19.7	10,200	34,000	18.2	19,900
Merge	13,000	21.2	8,900	-	-	-	-	-	-
Ramal	-	-	-	-	-	-	3,700	29.6	3,500
Total	69,000	18.1	40,100	55,000	14.7	26,000	73,200	15.3	36,000

Appendix 1 provides a summary of all drill assays returned from drilling at the Torrecillas Project.

Torrechico

Detailed surface mapping of the area confirmed the presence of two veins, the main Torrechico vein and the Ramal (hanging-wall) vein (Figure 3). Drilling completed across these veins comprised 18 diamond drill holes for a total of 2,997.5 metres. In addition to this, 95 channel samples for a total of 280 metres were also completed across the surface outcrop of both veins.

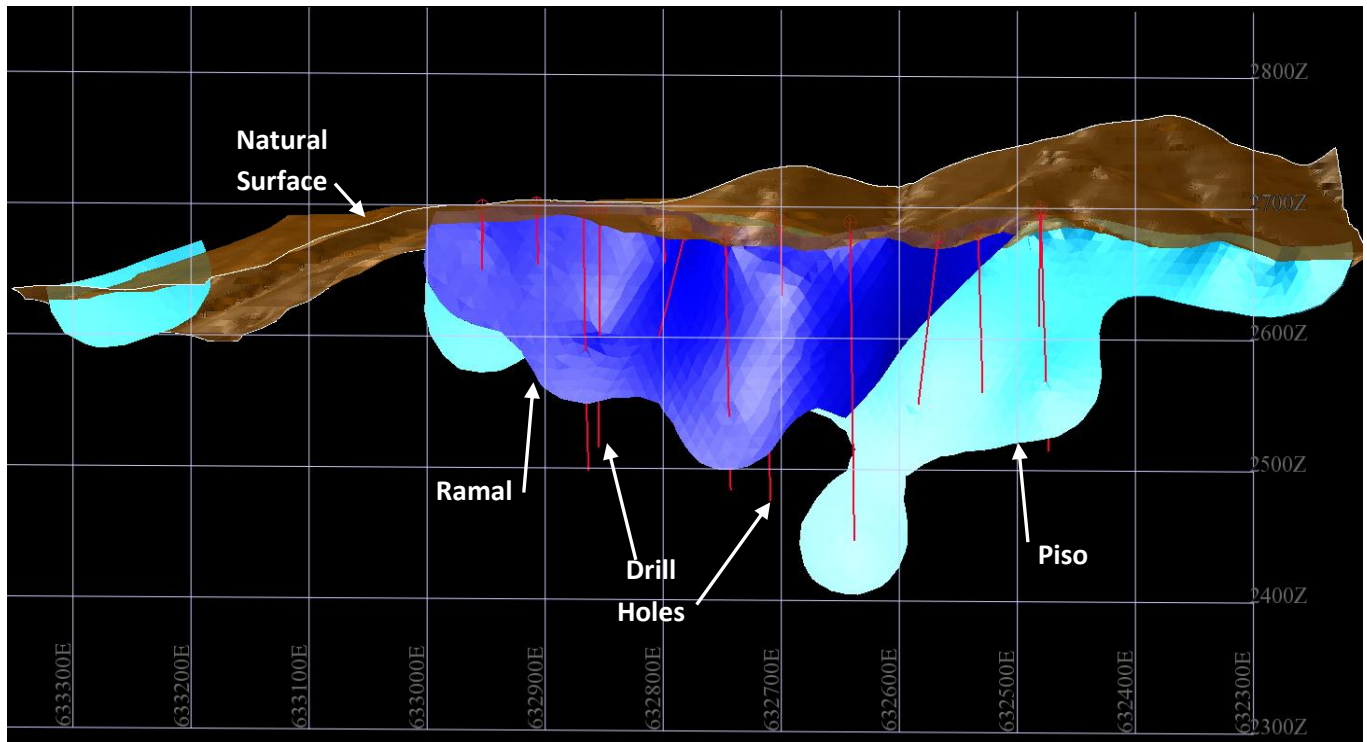


Figure 3: Long Section view showing 2011 Torrechico drilling with respect to the Piso and Ramal veins

The figure indicates wireframe outlines generated for both the Ramal and Piso veins but due to the large spacing between drillholes, generally greater than 50 metres, further drilling is required in order to generate a reliable resource.

Drilling of the Torrechico vein is seen as a priority in 2012, with the potential to add a second production source to the project in early 2013.

Ady

The Ady prospect is located approximately 300 metres to the north of the main Torrecillas vein as illustrated in Figure 1, and contains the Ady, Ady East and Oly veins. The Ady East vein has been historically mined on the 571, 580 and 595 galleries, with grade 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.

In total, 13 diamond holes were drilled in the Ady area for a total of 1,601.7 metres. All holes were drilled from surface (Figure 4).

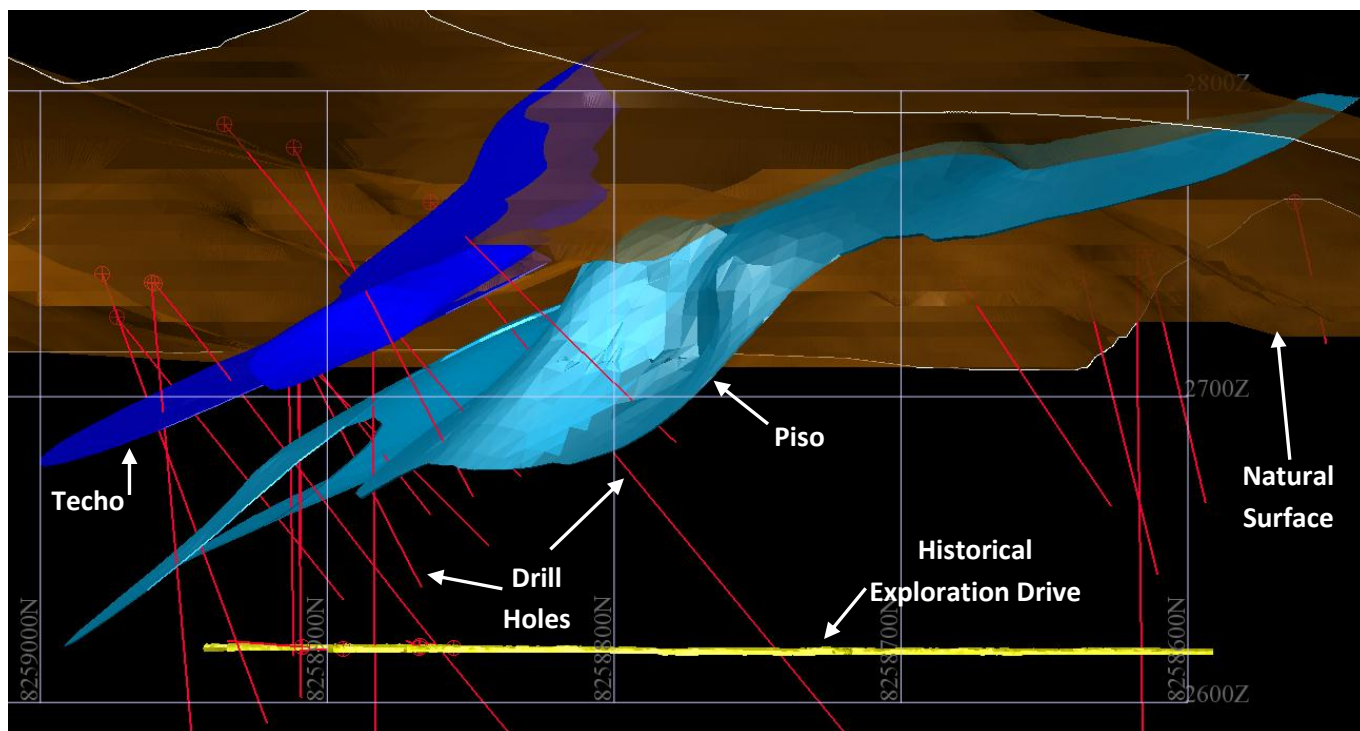


Figure 4: Section view showing 2011 Ady drilling with respect to existing development

Again, the drilling supported the generation of mineralisation wireframes using Leapfrog software. Further drilling is planned in the second half of 2012 to generate a resource for the Ady vein system.

Due to its close proximity to the Torrecillas vein, production from this vein is envisaged to be via the Torrecillas decline and will be initiated in late 2012.

Despite this very positive news on our Peruvian operations, it is the Board's intention to request that ASX keep the Company's shares suspended until further announcements are made in relation to the complex process being undertaken in relation to our Brazilian assets.

For and on behalf of the Board,

Ashley Pattison
Chief Executive Officer
23rd January 2012

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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Appendix 1 – Drill Hole Details and Assay Results

Prospect	Hole ID	Northing	Easting	RL	Azimuth	Dip	Max Depth	From	To	Interval	Au g/t	Comments
November 5	DDH-5N11-01	8258444.31	632897.25	2707.01	179.3	-77.5	195.3	NSA				
	DDH-5N11-02	8258444.46	632897.29	2706.88	184.9	-87.4	215.1	83.80	84.10	0.30	1.27	
	DDH-5N11-03	8258494.78	633100.24	2741.61	172.0	-79.1	252.9	NSA				
	DDH-5N11-04	8258527.77	633198.96	2745.65	244.6	-88.4	305.1	NSA				
	DDH-5N11-05	8258476.86	632999.35	2705.99	180.0	-68.9	198.5	186.55	186.80	0.25	2.85	
	DDH-5N11-06	8258477.48	632999.33	2706.14	180.5	-86.5	314.1	NSA				
	DDH-5N11-07	8258456.00	632800.44	2718.43	180.0	-74.2	256.4	NSA				
Ady	DDH-A11-01	8258826.75	633799.94	2789.20	180.3	-49.2	153.8	92.35	92.50	0.15	9.17	
								123.50	123.80	0.30	1.48	
								124.80	125.20	0.40	5.69	
	DDH-A11-02	8258820.83	633749.80	2781.60	180.1	-61.6	129.9	53.10	53.20	0.10	7.77	
								55.25	55.50	0.25	1.01	
								78.60	78.80	0.20	1.79	
								90.05	90.30	0.25	1.50	
DDH-A11-03	8258808.24	633652.74	2763.67	182.9	-44.3	114.5	15.90	16.10	0.20	3.36		
							75.00	75.20	0.20	1.00		
Ady East	DDH-AE11-01	8258666.40	634175.16	2715.78	181.1	-43.8	93.6	NSA				
	DDH-AE11-02	8258667.75	634175.20	2716.06	185.9	-89.0	101.0	NSA				
	DDH-AE11-03	8258655.14	634200.00	2714.53	248.6	-89.8	113.2	45.35	45.75	0.40	1.03	
	DDH-AE11-04	8258654.41	634199.96	2714.14	181.3	-61.3	87.0	NSA				
	DDH-AE11-05	8258672.04	634150.06	2717.31	179.8	-56.6	71.5	NSA				
	DDH-AE11-06	8258673.19	634150.06	2717.69	236.8	-89.5	70.9	NSA				
	DDH-AE11-07	8258700.33	634250.14	2725.91	181.7	-49.4	121.1	81.50	81.80	0.30	6.59	
Oly	DDH-O11-01	8258761.03	634050.10	2737.28	183.4	-84.9	194.3	42.50	42.90	0.40	3.33	
	DDH-O11-02	8258760.16	634050.09	2737.18	180.5	-49.0	193.3	70.05	70.50	0.45	1.42	
	DDH-O11-03	8258760.15	634099.70	2740.30	181.3	-69.5	157.6	NSA				
Torrecillas	DDH-T11-01	8258526.57	634229.76	2457.49	91.5	-85.5	104.6	NSA				
	DDH-T11-02	8258522.36	634236.78	2457.55	184.6	-44.2	75.4	27.90	28.10	0.20	1.34	
	DDH-T11-03	8258524.85	634236.99	2457.18	88.7	-44.8	105.9	NSA				
	DDH-T11-04	8258590.99	634269.47	2459.09	183.8	-59.2	120.2	86.60	86.85	0.25	2.42	
								95.80	96.10	0.30	3.42	
	DDH-T11-05	8258561.44	634227.93	2458.48	219.9	-46.1	102.4	52.55	52.95	0.40	1.09	
								54.45	54.65	0.20	21.35	
	DDH-T11-06	8258590.97	634270.20	2459.22	158.1	-55.7	125.2	101.00	101.70	0.70	19.22	incl. 0.4m @ 32.30 g/t from 101.00m
								105.35	106.00	0.65	4.39	incl. 0.4m @ 10.60 g/t from 105.80m
	DDH-T11-07	8258591.08	634270.77	2459.27	143.9	-47.9	139.1	NSA				
	DDH-T11-08	8258590.98	634271.27	2459.24	133.8	-42.0	154.7	138.25	138.75	0.50	1.35	
								139.30	139.55	0.25	1.51	
								143.05	143.30	0.25	4.40	
	DDH-T11-09	8258591.04	634271.59	2459.29	128.1	-36.3	195.0	167.80	168.35	0.55	3.69	
								176.15	176.55	0.40	1.32	
	DDH-T11-10	8258591.11	634271.61	2459.60	122.2	-30.9	220.5	NSA				
	DDH-T11-11	8258591.10	634268.52	2459.11	212.4	-60.0	137.9	NSA				
	DDH-T11-12	8258591.69	634259.97	2458.92	230.5	-61.1	130.1	NSA				
DDH-T11-13	8258592.16	634259.09	2458.89	237.2	-49.0	180.7	NSA					
DDH-T11-14	8258593.77	634269.35	2459.02	81.0	-73.2	217.2	44.00	44.30	0.30	1.46		
DDH-T11-15	8258593.81	634269.61	2459.01	93.8	-60.1	243.8	NSA					
DDH-T11-16	8258593.67	634270.38	2459.15	103.6	-64.0	282.5	115.50	115.75	0.25	3.09		
DDH-T11-17	8258591.51	634272.61	2459.27	110.4	-52.6	199.3	NSA					
DDH-T11-18	8258591.54	634271.61	2459.15	121.4	-67.0	189.0	NSA					

Mundo Minerals Limited

Prospect	Hole ID	Northing	Easting	RL	Azimuth	Dip	Max Depth	From	To	Interval	Au g/t	Comments
	DDH-T11-19	8258562.02	634227.26	2458.39	238.5	-39.9	105.2	59.75	59.95	0.20	9.79	
								60.15	60.35	0.20	10.62	
	DDH-T11-20	8258591.81	634272.18	2459.40	112.7	-45.7	218.8	NSA				
	DDH-T11-21	8258591.65	634270.63	2459.12	139.4	-76.0	158.7	NSA				
	DDH-T11-22	8258562.50	634227.29	2458.73	248.8	-32.3	134.1	NSA				
	DDH-T11-23	8258592.32	634269.40	2459.57	194.6	-81.4	161.3	NSA				
	DDH-T11-24	8258592.57	634270.68	2459.17	115.7	-56.6	197.1	NSA				
	DDH-T11-25	8258560.89	634229.12	2458.56	190.2	-49.8	100.2	NSA				
	DDH-T11-26	8258592.27	634271.28	2459.08	109.4	-40.1	206.1	NSA				
	DDH-T11-27	8258592.11	634268.62	2459.10	249.7	-73.7	143.8	NSA				
DDH-T11-28	8258560.49	634230.64	2458.48	163.3	-46.2	87.0	NSA					
DDH-T11-29	8258557.54	634242.91	2458.23	151.5	-44.4	104.2	NSA					
DDH-T11-30	8258556.98	634243.96	2457.99	138.6	-34.2	116.4	11.30	12.00	0.70	1.29		
							51.00	51.25	0.25	2.48		
							57.60	57.80	0.20	1.31		
							98.90	99.20	0.30	12.99		
							100.00	101.00	1.00	53.88	incl. 0.3m @ 87.40 g/t from 100.40m and 0.3m @ 56.45 g/t from 100.70m	
DDH-T11-31	8258556.56	634245.76	2457.93	130.8	-29.6	130.0	NSA					
Torrechico	DDH-TCH11-01	8257646.77	632165.92	2711.29	194.2	-73.1	109.9	90.35	91.40	1.05	1.06	
	DDH-TCH11-02	8257402.15	632307.55	2715.03	211.4	-89.3	221.3	NSA				
	DDH-TCH11-03	8257689.96	632181.95	2713.56	202.9	-68.4	195.4	NSA				
	DDH-TCH11-04	8257223.54	632137.09	2655.31	281.2	-89.1	329.3	NSA				
	DDH-TCH11-05	8257622.49	632423.81	2692.51	203.9	-80.1	196.4	135.45	135.65	0.20	1.40	
	DDH-TCH11-06	8257637.99	632383.05	2703.32	200.1	-76.8	134.2	56.25	56.50	0.25	1.58	
	DDH-TCH11-07	8257637.57	632382.86	2703.04	200.0	-60.7	29.1	NSA				
	DDH-TCH11-08	8257621.17	632423.31	2691.97	201.1	-44.6	156.8	NSA				
	DDH-TCH11-09	8257540.33	632446.00	2705.56	200.5	-50.6	151.0	40.95	41.30	0.35	4.27	
								65.00	65.35	0.35	1.92	
								65.55	65.75	0.20	3.83	
								66.55	67.00	0.45	2.48	
								77.10	77.60	0.50	1.25	
								78.50	78.85	0.35	14.70	
	DDH-TCH11-10	8257534.53	632498.13	2712.63	199.3	-71.1	190.3	100.00	100.20	0.20	14.65	
	DDH-TCH11-11	8257551.25	632397.08	2695.24	199.4	-50.4	78.2	NSA				
	DDH-TCH11-12	8257533.61	632497.94	2712.11	200.2	-45.6	111.1	68.00	68.60	0.60	1.34	
								70.25	70.50	0.25	2.63	
DDH-TCH11-13A	8257683.39	632341.00	2701.82	202.0	-65.9	308.1	57.30	58.10	0.80	1.74		
							262.20	262.65	0.45	1.57		
DDH-TCH11-14	8257651.19	632220.61	2694.72	205.6	-72.7	173.5	125.70	126.10	0.40	4.37		
DDH-TCH11-15	8257563.58	632522.41	2711.83	199.8	-60.1	226.3	222.75	222.95	0.20	1.58		
DDH-TCH11-16	8257481.24	632578.14	2715.51	200.0	-50.2	125.3	66.65	67.10	0.45	1.14		
DDH-TCH11-17	8257481.93	632578.41	2715.77	198.9	-68.9	122.0	50.30	50.70	0.40	31.96		
DDH-TCH11-18	8257516.01	632544.88	2717.81	200.1	-43.9	139.4	NSA					

All assays greater than 1g/t Au