

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

21 December 2009

Mundo Minerals Limited**TRADING HALT**

The securities of Mundo Minerals Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Wednesday, 23 December 2009 or when the announcement is released to the market.

Security Code: MUN



Jill Hewitt

Adviser Issuers (Perth)

MUNDOMINERALS

Securities Exchange Announcement – 20 December 2009 Request for Trading Halt

Mundo Minerals Limited (ASX code: MUN) requests a trading halt in its securities from the commencement of trading on December 21, 2009 in response to a temporary suspension in gold production at the Engenho Project in Brazil.

The Company became aware of a small tear in the lining in the tailings dam on Saturday December 19, 2009 resulting in a small amount of liquid being released from the dam. Due to excessive rain during the day, a small amount of the liquid was released into a nearby river. To the best of the Company's knowledge, no environmental damage was sustained and neutralising agent was, and continues to be, used to manage the leak. There is no indication of cyanide in the river water and regular tests continue.

The authorities were notified in accordance with normal procedures and have visited the mine. They have confirmed that the company managed the situation appropriately and in accordance with normal procedures have temporarily suspended operations. They have advised that they expect that operations will resume once the matter has been rectified and a revised management plan submitted. They complimented management on the manner in which the issue was handled. They also confirmed that they did not see any substantial contamination and believed there would not be any.

The Company believes it is prudent to request a trading halt while this matter is dealt with given that it will affect production and sales during the current quarter.

Mundo is working to ensure the matter is resolved as quickly as possible over the Christmas period and will update the market concerning its timetable as information becomes available.

Appropriate staff will be placed on annual leave and work will focus on underground development and ensuring the stockpiles are appropriately managed.

The Company is not aware of any reason why this request for a trading halt should not be granted.

John Langford
Chief Executive Officer

20 December 2009

Competent Person's Statement

The information in this report 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 Company Exploration Manager. 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.

About Mundo Minerals

Mundo Minerals is an Australian-domiciled international gold company with a portfolio of medium-sized gold projects in South America. Currently, the Company has four projects at different stages of development – three (including its first production asset) in Brazil and one in Peru.

Mundo Minerals' corporate strategy is based on the development of a sustainable production base of more than 250,000 ounces of gold per annum in the medium term. The Board has assessed all of the assets within

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Australian Stock Exchange
Code: MUN

Board of Directors
Non-executive Chairman
Barry Eldridge
Chief Executive Officer
John Langford
Non-executive Directors
Brian Hurley
Rob McKenzie

Senior Management
Chief Operating Officer
Andrew Law
Country Manager – South America /
Exploration Manager
Jean-Marc Lopez
Chief Financial
Officer/Company Secretary
Joe Mobilia
Joint Company Secretary
Paul Maan
Country Manager – Peru
Sergio Zuniga

Capital Structure
Fully-Paid Shares on Issue
149.99 million
Unlisted Options on Issue
5.20 million

the Mundo portfolio, at their current stage of development, as having strong potential to deliver a sustainable production base.

The Engenho Gold Project, which is located in the State of Minas Gerais in Brazil, is forecast to produce at an initial annualized rate of approximately 30,000 ounces per annum. Mundo's other assets in South America include the 100%-owned Torrecillas Gold Project in Peru, and the Tocantina Gold Project and Jaqueira Gold Project in Brazil. These projects have the potential to yield multiple resources to underpin the Company's long-term growth.

The Board is pragmatic in its approach to developing the corporate asset base and all projects will be developed according to robust commercial parameters.