

Mundo Minerals - Capital Raising

- **15% placement raising A\$3.16m; and**
- **Non-renounceable rights issue to raise up to an additional A\$12.6 million**

Overview:

Mundo Minerals Limited (ASX code: MUN) is pleased to announce that it has today completed a placement of A\$3.16 million through the issue of 21.04 million shares at 15 cents per share.

BBY Limited was Lead Manager to the Placement. Patersons Securities and Taylor Collison were Co-Managers to the Placement.

The directors of Mundo Minerals are also pleased to announce a non-renounceable rights issue to shareholders on the basis of offering one share for every two shares held at the record date at a price of 15 cents per share.

The proposed timetable for the rights issue is as follows:

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|--|------------------|
| • Record date for determining entitlements: | 17 February 2010 |
| • Offer documents dispatched to shareholders | 19 February 2010 |
| • Acceptances close | 5 March 2010 |
| • Securities quoted on deferred basis | 9 March 2010 |
| • Normal trading of securities | 11 March 2010 |

The injection of up to A\$15.76 million into the Company's balance sheet provides strong financial support for the ongoing development of the Company's assets and will enable the Company to properly drive the strategy towards enhancing the production base.

**Mundo Minerals
Limited**
A.C.N 117 790 897

Head Office

45 Ventnor Avenue
West Perth WA 6005
T: +61-8 9429 8889
E: john.langford@mundominerals.com

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 Mason

Country Manager –Peru
Sergio Zuniga

Capital Structure

Fully-Paid Shares on Issue
146.99 million

Unlisted Options on Issue
6.10 million

Placement funds will be used to repay the \$2 million loan from Anglo Pacific Group previously advanced and for working capital. The repayment of these funds means the convertible note issue announced in November 2009 will no longer proceed.

The funding from the rights issue will primarily be used to fund developing the Crista deposit through to production via the Engenho treatment plant including infrastructure improvements required to increase the production throughput of existing facilities. Expenditure will include a second ball mill, additional tankage and a gravity circuit.

In addition, rights issue funds will be used to continue development at the Torrecillas gold project in Peru and finalise the feasibility study as well as finalising the drilling programme at the Jaquiera gold project in Brazil.

Overall, the directors believe that the equity raising and introduction of the larger funding provides a stronger platform for the Company to drive its stated asset development strategy and the financial structure of the Company is more appropriately aligned with the potential growth requirements of the Company's assets.

Summary:

Mundo Managing Director, John Langford said, "The equity raising provides a platform for the company to drive its stated asset development strategy and positions the company appropriately with the assets to drive the potential growth requirements of its projects.

For more information, shareholder briefing sessions will be at 4.30pm at the following venues.

8 February 2010	Parmelia Hilton 14 Mill St Perth WA
9 February 2010	The Weston, 205 Collins St Melbourne VIC
10 February 2010	Sofitel Sydney Wentworth 61-101 Phillip St Sydney NSW
11 February 2010	Sofitel Hotel 249 Turbot St Brisbane QLD

John Langford
Chief Executive Officer

8 February 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 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 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 annualised 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 **Tocantins 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.