

**MUNDO MINERALS LIMITED**  
**ABN 97 117 790 897**

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**NOTICE OF ANNUAL GENERAL MEETING**

**PROXY FORM**

**and**

**EXPLANATORY MEMORANDUM**

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**DATE OF MEETING**

Monday 26<sup>th</sup> November 2007

**TIME OF MEETING**

10.30am WST

**PLACE OF MEETING**

Parmelia Hilton Hotel  
Mill Street Perth WA

**This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.**

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**MUNDO MINERALS LIMITED**  
**ABN 97 117 790 897**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given of the 2007 Annual General Meeting of Mundo Minerals Limited (“the Company”) to be held at the Parmelia Hilton Hotel, Mill Street, Perth, Western Australia on Monday, 26th November 2007 at 10.30am WST for the purpose of transacting the following business.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Meeting.

Please note terms used in the Resolutions contained in the Notice of Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

**A G E N D A**

**ORDINARY BUSINESS:**

**1. Financial Report**

To receive and consider the Financial Report of the company and the Reports of the Directors and Auditors for the period ended 30th June 2007

**2. Re-Election of Brian Hurley as a Director**

To consider, and if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That Brian Hurley, being a director of the company who retires by rotation under rule 11.3 of the company's constitution, and being eligible, is re-elected as a director of the company"*

**3. Re-Election of Michael Schmulian as a Director**

To consider, and if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That Michael Leon Schmulian, being a director of the company who retires by rotation under rule 11.3 of the company's constitution, and being eligible, is re-elected as a director of the company"*

**4. Change to Aggregate Maximum Remuneration for Directors**

To consider, and if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That the maximum aggregate remuneration which may be paid by Mundo Minerals Limited to all Non Executive Directors in any year be increased from \$176,000 to*

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*\$270,000 and that this increase be approved for all purposes, including for the purposes of rule 11.15 of the constitution of Mundo Minerals Limited and ASX Listing Rule 10.17"*

The Company will disregard any vote cast on Resolution 4 by a Director or an associate of a Director, unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form or unless the vote is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

## **5. Appointment of Auditors**

To consider, and if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That Deloitte Touche Tohmatsu, having been nominated to act as the Company's auditor and having consented to act, be and are hereby re-appointed as the Company's auditor"*

## **6. Adoption of Remuneration Report**

To consider, and if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That the remuneration report contained in the Directors' Report for the year period ending 30 June 2007 be adopted by the company"*

In accordance with the Corporations Act the vote on the resolution is advisory only and does not bind the Directors or the Company.

By order of the Board

Joe Mobilia  
Company Secretary

14 September 2007

## **PROXIES**

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- A proxy may but need not be a Shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

## **ENTITLEMENT TO VOTE**

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares at 5.00 pm WST on 24<sup>th</sup> November 2007 will be entitled to attend and vote at the Annual General Meeting.

## **CORPORATIONS**

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

## **QUESTIONS FROM SHAREHOLDERS**

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Tim Richards of Deloitte Touche Tohmatsu, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2007 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have on the Questions from Shareholders Form and return the form in person or by mail to 45 Ventnor Avenue, West Perth, WA 6005 or by facsimile to +61 8 9429 8800 so that it is received by no later than 5:00 pm (WST) on 19<sup>th</sup> November 2007.

As required under section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2007. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

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**MUNDO MINERALS LIMITED**  
**ABN 97 117 790 897**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for Shareholders in connection with the business to be conducted at the Annual General Meeting of Mundo Minerals Limited ("**Company**") to be held at Parmelia Hilton Hotel, Mill Street, Perth, Western Australia, Western Australia on Monday 26th November 2007 at 10.30am WST.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions.

**Ordinary Business**

**1. Annual Financial Report**

The Corporations act requires:

- § the Reports of the Directors and Auditors; and
- § the Annual Financial Report, including the Financial Statements of the company for the year ended 30 June 2007,

to be tabled at the Annual General Meeting. Neither the Corporations Act nor the constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given reasonable opportunity to raise questions on the Reports and ask questions of the Company's auditor.

**2. Re-election of Brian Hurley as a Director**

Brian Hurley retires by rotation and offers himself for re-election.

Mr Hurley was appointed to the board on 9<sup>th</sup> January 2006. Mr Hurley is a Mining Engineer with more than 35 years in senior management and operational positions in the resources sector. He has significant experience as a company director since retiring from WMC where he was employed as General Manager-Nickel Division and Senior General Manager, Western Australia.

Mr Hurley is currently the Chairman of Oropa Limited, Chairman of Jaguar Minerals Limited and non Executive Director of Herald Resources Limited.

**3. Re-election of Michael Schmulian as a Director**

Michael Schmulian retires by rotation and offers himself for re-election

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Mr Schmulian was appointed to the board on 27<sup>th</sup> March 2006. Mr Schmulian is managing director of the South American operations of the company. He is a geologist, who prior to joining Mundo Minerals was responsible for brownfields exploration for AngloGold Ashanti Limited in South America. Mr Schmulian was previously employed by Western Mining Corporation (WMC) in Australia and later in Brazil as Country Manager where he was responsible for development of production assets in Brazil for WMC. Michael has extensive experience in both exploration and managing production assets.

#### **4. Change to Aggregate Maximum Remuneration for Directors**

Rule 11.15 of the Constitution of Mundo Minerals Limited provides that the maximum aggregate remuneration for services that may be paid to Directors in any year is fixed by shareholders. The maximum aggregate annual remuneration is currently fixed at \$176,000 per annum. A change to \$270,000 will allow the Company to increase Directors remuneration to a level which reflects current market conditions.

Currently the Chairman of Mundo Minerals receives a fee of \$50,000pa with other non executive Directors receiving \$30,000 pa. It is not proposed to increase any fees paid to Directors until such time as the Company has developed a cash flow from the Engenho Gold Project and any increase in directors fees will reflect commercial directors fees paid to non executive directors for a company with operations and a corporate profile similar to those of Mundo Minerals.

#### **5. Appointment of Auditors**

The Corporations Act requires the re-appointment of the auditors at the Company's first Annual General Meeting. A member of the Company has nominated the current auditor, Deloitte Touche Tohmatsu, for re-appointment and a copy of the nomination is enclosed. The Directors recommend the re-appointment of Deloitte Touche Tohmatsu.

#### **6. Adoption of Remuneration Report**

The Remuneration Report is set out in the Directors Report in the Company's 2007 Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. Under section 250R(3) of the Corporations Act, the vote on the resolution is advisory only and does not bind the Directors or the Company.

## GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Board</b>	means the board of Directors of the Company.
<b>Company</b>	means Mundo Minerals Limited ABN 97 117 790 897.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Corporations Regulations</b>	means Corporations Regulations 2001.
<b>Director</b>	means a director of the Company.
<b>Listing Rules</b>	means the Listing Rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means an ordinary Shareholder of the Company.
<b>WST</b>	means Australian Western Standard Time.

**MUNDO MINERALS LIMITED**  
**ABN 97 117 790 897**  
**PROXY FORM**

The Company Secretary  
Mundo Minerals Limited  
Registered Office Address:

45 Ventnor Avenue  
WEST PERTH WA 6005  
(08) 9429 8800

Facsimile:

I/We (name of Shareholder) .....  
of (address) .....  
being a member/members of MUNDO MINERALS LIMITED hereby appoint  
(name) .....  
of (address) .....  
and/or failing him (name) .....  
of (address) .....

or failing that person then the Chairperson of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Parmelia Hilton Hotel, Mill Street, Perth, Western Australia on 26th November 2007 commencing at 10:30 am WST and at any adjournment of the meeting.

*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:*

I/We direct my/our Proxy to vote in the following manner:

For          Against          Abstain

Resolution 2 – Re-election of Brian Hurley as a Director

Resolution 3 – Re-election of Michael Schmulian as a Director

Resolution 4 – Change to Maximum Aggregate Remuneration for Directors

Resolution 5 – Appointment of Auditors

Resolution 6 – Adoption of Remuneration Report

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of all of the Resolutions, please place a mark in this box.*

*By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of all of the Resolutions and that votes cast by the Chair of the meeting for other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your vote on all of the Resolutions and your vote will not be counted in calculating the required majority if a poll is called on all of the Resolutions.*

The Chairperson intends to vote any undirected proxies in favour of the Resolutions.

<b><i>This Proxy is appointed to represent ___ % of my voting right, or if 2 proxies are appointed Proxy 1 represents ___% and Proxy 2 represents ___% of my total votes My total voting right is _____ Shares</i></b>
--

*If the Shareholder(s) is an individual:*

\_\_\_\_\_  
Dated: 2007

\_\_\_\_\_  
Dated: 2007

*If the Shareholder is a company:*

Affix common seal (if required by Constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary  
Dated: 2007

\_\_\_\_\_  
Director/Secretary

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## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the company or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by at least one of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, (that is by 10.30 am WST on 24th November 2007) by post, facsimile or e-mail to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
  - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way; and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.
7. The Chairperson intends to vote in favour of all resolutions in relation to undirected proxies.

**QUESTIONS FROM SHAREHOLDERS**

This form is provided with the notice of the Annual General Meeting of Mundo Minerals Limited to be held at the Parmelia Hilton Hotel, Mill Street, Perth, Western Australia on Monday 26th November 2007 commencing at 10:30 am WST to assist shareholders in asking questions of:

§ The Directors of the Company in relation to the management of the Company; and

§ Mr Tim Richards of Deloitte Touche Tohmatsu, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2007, in relation to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of financial statements and the independence of the auditor in relation to the conduct of the audit.

The Board of Directors and the auditor will endeavour to respond to the questions received by shareholders as the chair of the meeting determines is reasonable given the time available at the meeting.

**Name of Shareholder/s:**

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**Questions (Please indicate in the box if the question is directed at the auditor)**

1.	<input type="checkbox"/>
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2.	<input type="checkbox"/>
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3.	<input type="checkbox"/>
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**Lodging this form**

If you wish to ask questions using this form, you must submit this form as described below no later than 5.00pm (WST) on 19<sup>th</sup> November 2007.

**By Mail:** Company Secretary, Mundo Minerals Limited, 45 Ventnor Avenue West Perth WA 6005.

**By Fax:** +61 8 94298800

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Matthew Wigzell  
Level 35  
60 Margaret St  
Sydney NSW 2000

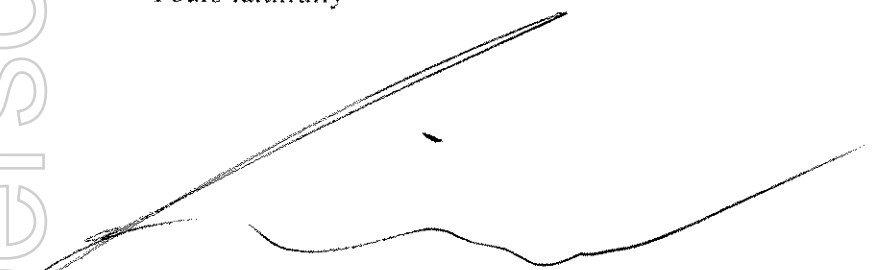
3 September 2007

The Directors  
Mundo Minerals Limited  
45, Ventnor Avenue  
West Perth, WA 6005

Dear Sirs,

Pursuant to section 328(1) of the Corporations Act, I, Matthew Wigzell, a shareholder of Mundo Minerals Limited, hereby nominate Deloitte Touche Tohmatsu, for appointment as auditors of the Company at the next annual general meeting or any adjournment thereof.

Yours faithfully



Matthew Wigzell