

# Mundo Minerals Limited

ACN 117 790 897

11 August 2008

Mr N Ong

Australian Stock Exchange

Level 8

Exchange Plaza

2 The Esplanade

Perth WA 6000

Dear Sir,

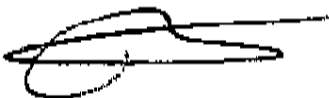
I refer to your letter dated 8 August 2008 and advise that we will answer the three questions in the single paragraph as all issues are covered.

The overview on page two of the quarterly report states that gold revenue commenced in July and while circuit stocks were allowed to build up for two weeks regular gold sales would commence from then. The report also states that the company had put in place a temporary debt facility to provide bridging finance to cover any short term shortfalls. It is expected cash inflows will exceed outflows for the quarter. Outflows also include exploration which can if required be flexible. This is not expected to be the case.

The company is in compliance with listing rules and in particular listing rule 3.1 and believes all issues raised in your query were adequately addressed in the quarterly report.

The company also believes it is in compliance with listing rule 12.2.

Yours sincerely,



John Langford

Managing Director

45 Ventnor Avenue, West Perth WA 6005

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Website: [www.mundominerals.com](http://www.mundominerals.com)

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Perth WA 6000

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Perth WA 6840

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Facsimile 61 (08) 9221 2020  
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**FAXED**  
8 August 2008

Mr Paul Mason  
Company Secretary  
Mundo Minerals Limited  
45 Ventnor Avenue  
West Perth WA 6005

Facsimile: 9429 8800

Dear Paul

**Mundo Minerals Limited (the "Company")**

We refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 June 2008, released to ASX Limited ("ASX") on 28 July 2008, (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.
2. Net negative operating cash flows for the quarter of \$3,771,000.
3. Cash at end of quarter of \$1,353,000.
4. Estimated cash outflow for next quarter of \$2,227,000.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

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5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5.00 p.m. W.S.T. on Tuesday, 12 August 2008.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact the undersigned on 9224 0017.

Yours sincerely,



Nicholas Ong  
Principal Adviser, Issuers (Perth)