

Mundo Minerals Limited

**Level 28
140 St Georges Terrace
Perth WA 6000
Telephone 08 92782565**

19 March 2007

Vickrem Naicker
Australian Stock Exchange
GPO Box D187
Perth WA 6840

Dear Sir,

I refer to your query dated 19 March 2007 and advise as follows:

1. The Company is not aware of any specific information that would explain the recent trading apart from the fact the market is generally aware that the Company projects are continuing to develop and in particular the Engenho project will commence production early 2008. This has been disclosed in previous releases. A general project update was released mid morning today. It is unlikely that any information contained in this was available to anyone prior to this release and it is not considered that the information in this release would relate to the current trading.
2. An announcement has been made.
3. The Company has no other explanation for the increase in trading.
4. The Company is in accordance with the listing rules and in particular listing rule 3.1.

Yours sincerely,


Joe Mobilia
Company Secretary



ASX Limited
 ABN 98 008 624 691
 Level 6
 Exchange Plaza
 2 The Esplanade
 Perth WA 6000

GPO Box D187
 Perth WA 6840

Telephone 61 (08) 9224 0032
 Facsimile 61 (08) 9221 2020
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Mr Joe Mobilia
 Joint Company Secretary
 Mundo Minerals Limited
 Level 28
 AMP Tower
 140 St Georges Terrace
 PERTH, WA 6000

By Facsimile: (08) 9278 2727

Dear Sir

Mundo Minerals Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$0.29 on 12 March 2007 to \$0.39 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile 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 **12.00pm WDST, today.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

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 listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – 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.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Vickrem Naicker
Senior Adviser

Direct Line: (08) 9224 0032