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MUNDO MINERALS LIMITED
ABN 97 117 790 897

SHARE PURCHASE PLAN

This plan was approved by the
Directors of Mundo Minerals Limited
on 17 July 2007.

MUNDO MINERALS LIMITED
ABN 97 117 790 897

TERMS AND CONDITIONS OF THE SHARE PURCHASE PLAN

1. DEFINITIONS

1.1 In this Plan unless the contrary intention appears:

"**Acceptance Period**" means the period commencing on the date on which Offers under the Plan are made to Shareholders and ceasing on the Closing Date;

"**Allotment Period**" has the meaning given in clause 5.3;

"**Allowable Cash Contribution**" has the meaning given in clause 5.3(a);

"**ASIC**" means Australian Securities Investment Commission;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**ASX Listing Rules**" means the listing rules of ASX;

"**Business Day**" means a day other than Saturday or Sunday on which Australian banks are open for business in Perth, Western Australia;

"**Closing Date**" means the date specified as such in the Offer, or such later date, as may be determined by the Directors as the closing date of the Offer;

"**Company**" means Mundo Minerals Limited ABN 97 117 790 897;

"**Directors**" means the Directors for the time being and from time to time of the Company;

"**Issue Price**" means the price determined by the Directors of the Company from time to time;

"**Market Price**" means the average of the sale price per Share of Shares sold in the ordinary course of trading on the ASX during a specified period, as the Directors may determine, in the 30 days prior either to the date of the Offer or the date of the issue of Shares under the Offer;

"**Offer**" means an offer of Shares made to Shareholders under the Plan, from time to time;

"**Plan**" means the Mundo Minerals Limited Share Purchase Plan established in accordance with these Terms and Conditions, as amended from time to time;

"**Record Date**" means the date for determining a person's eligibility to participate in the Plan, as the Directors may determine;

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"**Share Registry**" means the Company's share registry;

"**Shareholder**" means, subject to clauses 1.6 and 1.7, a person registered as the holder of Shares as at the Record Date;

"**Shares**" means fully paid ordinary shares in the Company;

"**SPP**" means a share purchase plan (including the Plan) in accordance with ASIC class order 02/831; and

"**Terms and Conditions**" means these terms and conditions, as amended from time to time.

- 1.2 Words importing gender include the masculine, feminine and neuter genders, and the singular includes the plural and vice versa.
- 1.3 Headings are included for convenience only and will not affect the construction or interpretation of the Plan.
- 1.4 A reference to a person includes a reference to a body corporate and vice versa.
- 1.5 Terms defined in the Corporations Act have the same respective meanings in this Plan, unless the contrary intention appears.
- 1.6 **Joint holders:** if a Shareholder is recorded with one or more other persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holder for the purposes of this Plan in respect of that holding. If the same joint holders receive more than one offer under the Plan due to multiple identical holdings, the joint holders may only apply for one maximum parcel of Shares.
- 1.7 **Trustees and nominees:** if a trustee or nominee is expressly noted on the register of members as holding Shares on account of another person (a "**Beneficiary**"):
 - (a) the Beneficiary is taken to be the registered holder in regard to those Shares; and
 - (b) any application for the issue of Shares or certification for the purposes of clause 5.2 by, and any issue of Shares to, the trustee or nominee, is taken to be an application or certification by, or an issue to, the Beneficiary.

2. THE PLAN

- 2.1 The Plan is a method by which eligible Shareholders may elect to subscribe for additional Shares by making contributions, pursuant to an Offer made by the Company.
- 2.2 Participation by eligible Shareholders in the Plan is optional and is non-renounceable.

3. ELIGIBILITY

- 3.1 Subject to clauses 3.2, 3.3 and 3.4, all Shareholders are eligible to participate in Offers made under the Plan.
- 3.2 No Shareholder will be eligible to participate in the Plan until the Company accepts that Shareholder's application form in accordance with clause 4.1.
- 3.3 The Directors have decided that the right to participate in the Plan will not be available to Shareholders who have registered addresses in a country or place other than Australia.
- 3.4 The date for determining eligibility is the relevant Record Date.
- 3.5 Each Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to be eligible to participate in the Plan.
- 3.6 If an application form is rejected, the Company must notify the Shareholder of the rejection as soon as practicable thereafter and return to the Shareholder any contribution made by that Shareholder. No interest will be paid on any money returned.

4. APPLICATION FORMS

- 4.1 The Company will not accept an application form from an eligible Shareholder unless:
 - (a) the application form is fully and correctly completed;
 - (b) it is received by the Company during the Acceptance Period; and
 - (c) the Shareholder attaches the contribution that is to be made pursuant to that application form.

5. OPERATION OF THE PLAN

- 5.1 Each contribution received by the Company from or on behalf of a Shareholder in response to an Offer will, subject to these Terms and Conditions, be used to acquire additional Shares.

Shares issued under the Plan will be priced and issued by the Company at a discount to the Market Price, as determined by the Directors of the Company from time to time.

The issue price will be rounded down to the nearest cent.

- 5.2 A Shareholder's contribution to the Plan in response to an Offer, must:
 - (a) be for such minimum Shares or contribution amount as determined by the Directors; and

- (b) when aggregated with any contributions made under any other SPP, not exceed in total \$5,000 in any consecutive 12 month period,

and a Shareholder must provide the Company, on application for Shares in response to an Offer, with a certification to that effect.

5.3 Subject to clause 6.5, in respect of each contribution received from a Shareholder, the Company will, within 10 business days after the end of the Acceptance Period ("**Allotment Period**"):

- (a) credit the Shareholder with so much of the contribution as does not exceed \$5,000 when added to all other SPP contributions (if any) received from the Shareholder in the preceding 12 months ("**Allowable Cash Contribution**");
- (b) determine the maximum number of additional Shares rounded up to the nearest whole number priced in accordance with clause 5.1 which may be acquired by the Shareholder using the amount of Allowable Cash Contribution credited to the Shareholder;
- (c) allot the number of additional Shares to the Shareholder; and
- (d) return to the Shareholder so much of the contribution as exceeds the limit of \$5,000 (if any), when all SPP contributions made during the preceding 12 months are aggregated.

6. **SHARES ALLOTTED UNDER THE PLAN**

- 6.1 Subject to Company's Constitution, all Shares issued under the Plan will rank equally in every respect with the existing issued Shares of the Company.
- 6.2 On each occasion Shares are allotted under the Plan to a Shareholder, the Company will procure the Share Registry to issue a holding statement to that Shareholder for the total number of Shares allotted to that Shareholder in accordance with the ASX Listing Rules.
- 6.3 Shares will be allotted and application will be made by the Company to officially quote the Shares issued under the Plan on the ASX within the relevant period specified in the ASX Listing Rules.
- 6.4 Shares will not be allotted under the Plan unless and until all necessary shareholder approvals are obtained to ensure that the issue of the Shares does not contravene any laws or the ASX Listing Rules.
- 6.5 The Company reserves the right to allot fewer than a Shareholder applies for pursuant to an Offer or no Shares in any of the following circumstances:
- (a) the Company wishes to raise a specified amount under the Plan and the amount raised from applications received is in excess of that specified amount. In the event the Company raises in excess of such specified

amount, the allocation of Shares to applicant Shareholders will be at the discretion of the Directors from time to time;

- (b) the necessary shareholder approval for the issue of Shares is not obtained; or
- (c) the Company believes that the allotment of those Shares would otherwise contravene any law or ASX Listing Rule. In the event the Company is not permitted to issue all the Shares offered as a result of any law or ASX Listing Rule, the allocation of Shares to applicant Shareholders will be at the discretion of the Directors from time to time.

7. COSTS TO SHAREHOLDERS

No brokerage, commission or other transaction costs and no stamp duties will be payable by Shareholders on allotments of Shares to Shareholders under the Plan.

8. DURATION OF THE PLAN

The Plan will operate until terminated by the Directors.

9. MODIFICATIONS AND TERMINATION OF THE PLAN

9.1 The Directors may at any time resolve to:

- (a) vary the Plan and any agreement relating to the Plan in compliance with the Corporations Act;
- (b) suspend the operation of the Plan; or
- (c) terminate the Plan.

9.2 Any variation, suspension or termination of the Plan, made in accordance with clause 9.1:

- (a) subject only to clause 9.3, will be effective from the date of such resolution or otherwise from a date determined by the Directors; and
- (b) will not give rise to any liability on the part of or right of action against the Company or the Directors.

9.3 The Directors may at any time prescribe the manner in which notice to Shareholders of any variation, suspension or termination of the Plan will be given or deemed to have been given to Shareholders, including, without limitation, by an announcement by the Company to ASX, which notice will be effective immediately on the giving of that notice of variation, suspension or termination in the manner prescribed by the Directors.

9.4 The accidental omission to give notice of any variation, suspension or termination of the Plan to any Shareholder in the manner so prescribed by the Directors pursuant to clause 9.3 or, where applicable, the non-receipt of any

such notice by any Shareholders will not invalidate the variation, suspension or termination of the Plan.

10. DISPUTES

The Directors may resolve any dispute concerning the Plan in such manner as they see fit or adopt any administrative procedures in relation to the Plan as they deem appropriate. The decision of the Directors will be final and binding on the parties to the dispute or Shareholders or both, as the case may be.

11. NOTICES

11.1 Notices to the Company will only be effective if in writing, and in such form as the Company directs from time to time, and sent to the Company at its Share Registry, or such other address as is notified by the Company from time to time.

11.2 Notices must be received by the Company during the Acceptance Period to be effective for the issue of Shares that relate to that period. Notices received after the Acceptance Period will not be effective.

12. GOVERNING LAW

The Plan, the Terms and Conditions, and the operation of the Plan shall be governed by the law of the state of Western Australia.

MUNDO MINERALS LIMITED
ABN 97 117 790 897
SHARE PURCHASE PLAN OFFER

Mundo Minerals Limited ABN 97 117 790 897 ("**Company**" or "**Mundo Minerals**") wishes to raise up to \$5,320,000 pursuant to the Mundo Minerals Limited Share Purchase Plan ("**Plan**"). The Plan offers eligible Shareholders the ability to subscribe for either \$1,000, \$3,000 or \$5,000 worth of fully paid ordinary shares in the Company ("**Shares**") through the Plan. To be eligible, you are required to be registered as a holder of Shares, with a registered address in Australia or New Zealand as at 5.00pm (WST) on 18 July 2007.

Review of the Company's Exploration Activities

Details of the Company's recent exploration activities are provided below:

1. Engenho Gold Project

Engenho Gold Project is located in the State of Minas Gerais in Brazil.

The Engenho Gold Project has a current resource of 1.8 million tonnes at 5.59 g/t containing 326,500 ounces of gold. This Project is well advanced towards production and it is anticipated that initial production will commence early in the second quarter of 2008. The current mine plan anticipates annual production of between 26,000 and 30,000 ounce of gold pa. The current mine life is 10 years. The feasibility study based on a US\$640 per ounce gold price and a discount rate of 8% indicates that the Project based on the existing known resource has a net present value of A\$48.8 million.

Logistics with respect to moving towards production are well advanced. Mundo Minerals has acquired a second hand ball mill which is currently undergoing minor refurbishment, the crusher has been built and will be installed by the end of August 2007. All earthworks have been completed and the tailings dam will commence in July and should be complete by the end of October 2007.

There is an existing open pit located on the ore body. This is currently being dewatered and it is proposed that mining will commence in October 2007 to allow for development and a stockpile of ore to be established to coincide with the commissioning of the treatment facility.

The current ore resource remains open at depth and Mundo Minerals is confident that the existing mine life of 10 years will be enhanced once the resource has been further developed.

A recent review of data received when the project was acquired has also revealed a high level gold anomaly within 2 km of the existing resource, located on the Mundo Minerals tenements. This anomaly will have exploration undertaken in the next 12 months with the aim of determining the extent if any of any additional resource. Exploration is required to determine the potential of this anomaly as well as other targets on the Company tenements but should exploration be successful then it is likely that the production profile from the Engenho Gold Project will be increased in the medium term.

Cash flow from Engenho will be available to develop other opportunities within the Engenho Gold Project as well as to develop the other projects that Mundo Minerals is associated with.

2. Torrecillas Gold Project

Torrecillas Gold Project is located in Peru.

Torrecillas Gold Project comprises some 9,000 hectares of tenements with a history of high-grade gold production in south-eastern Peru, a region which hosts a number of small-to-medium sized gold mines, including the Area, Capitana, Arirahua, Alcapay and Laytaruma operations – each of which have a production range of 25,000 – 80,000 oz per annum.

Since the acquisition of Torrecillas Gold Project, the Company's senior technical executives have spent a considerable period of time on location at Torrecillas planning the next phase of technical assessment of this Project.

This will enable the Company to establish a resource estimate for the Torrecillas Gold Project, prior to committing to production. This exercise, which is expected to take between 18 months and 2 years to complete, will also provide bulk samples for metallurgical test work.

Two contractors have visited Torrecillas to review the planned development and submit tenders for the decline development. It is expected that the decline development will commence within two months subject to environmental approvals being obtained. Applications are well in progress.

The Company has retained the services of the key mining personnel with extensive experience in mining the Torrecillas veins, including the mine geologist who has worked on the vein structures for several years as part of the small-scale mining operation conducted by the private vendors of the Project. A mining engineer has also been recruited as mine manager for the Torrecillas Gold Project to manage the day to day development.

This will enable the Company to progress the continued assessment of the Torrecillas Gold Project supported by a substantial bank of practical mining and geological experience with respect to the existing geological vein system built up over many years.

Torrecillas Gold Project contains multiple narrow-veined, high-grade mineralised zones extending over the tenements. There has been low-level production over the past 20 years from one of the veins, which has yielded an average production grade for the majority of the production period of approximately 30g/t.

To support the Company's emerging operations in Peru, an administrator has been retained and an office established in the town of Chala, near Torrecillas. It is expected that an office will be established in the capital Lima in July to support development of the Torrecillas Gold Project and the Company's longer term growth objectives in the region.

3. Tocantins Gold Project

The Company has negotiated a 24-month joint venture earn-in agreement with Rio Gameleira Prospeccao E Geologia Ltda with regard to their extensive tenement holdings in the state of Tocantins, Central Brazil. The properties are located 200km south of the state capital, Palmas, readily accessible from the bitumen highway which links Palmas to Brasilia via a network of all-weather roads. The tenements comprise 35 exploration licenses, totaling approximately 162,600ha, and 6 applications for exploration permits, covering 23,500ha. These concessions cover a substantial portion of the Natividade and Conceição-Almas-Dianopolis greenstone belt terrains, comprising a series of arcuate late-Achaean or Palaeoproterozoic volcano-sedimentary belts separated by Achaean basement gneisses.

The Company's initial results from its ongoing RAB drilling program at the Conceição Prospect have upgraded the potential for a significant new gold discovery on the tenements.

Approximately 45% of the planned 10,000m RAB (Rotary Air Blast) drilling program targeting a 3km long gold anomaly at Conceição East has now been completed, with results received for approximately 40% of the holes. Drilling is being conducted on 100m-spaced lines, and has to date tested 1,200m of the 3km-long anomalous zone. Significant results received from the drilling to date include:

2m @ 9.05g/t Au from surface.

2m @ 4.34g/t Au from surface.

0.7m @ 14.0g/t Au from 14 metres.

2.0m @ 3.47g/t Au surface.

The Conceição region of Brazil was a significant gold producer in the late 19th and early 20th centuries. Historical production was from relatively shallow underground operations associated with a series of prominent banded-iron formation (BIF) units, yielding typical recovered gold grades of around 8-9g/t. The depth of mining was restricted by the limited pumping capacity available at the time and difficulties in treating the deeper sulphidic ore.

The Conceição region has been subjected to very limited exploration using modern exploratory techniques. Part of the area currently being tested by RAB drilling is covered by lateritic duricrust up to 10m thick, rendering the primitive prospecting methods of the historical miners totally ineffective.

The mineralisation identified to date is associated with three principal sulphidic BIF units and local quartz veining, along an established mineralised trend. All three trends are open along strike, both to the NE and SW. The southeastern trend, containing intersections of 0.7m @ 14.0g/t (open), 2m @ 9.05g/t and 2m @ 3.47g/t is largely untested (see fig 3), and infill drilling is being initiated. As the light RAB drills being utilised are unable to penetrate fresh rock, drill holes are commonly terminated on encountering impenetrable BIF and vein quartz.

The results should therefore be regarded largely as representing a deep geochemical sample rather than a complete sample of the mineralised zone. Nonetheless, the fact that this style of reconnaissance RAB drilling has returned significant localised grades of up to 14g/t Au and the extent of the anomalous zone identified to date has substantially upgraded the potential for a significant new gold discovery at Conceição East.

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Share Purchase Plan Details

The offer of Shares under the Plan ("**Offer**") is the second part of a capital raising initiative recently announced by the Company. The first part saw the successful completion of a placement to sophisticated investors through Tolhurst Limited to raise \$7,200,000 (before placement costs) and proposes a further placement to raise \$10,800,000 (before placement costs) subject to prior Shareholder approval.

The Offer opens on 23 July 2007 and **closes at 5pm (WST) on 22 August 2007**. No late applications will be accepted, however, the directors of the Company ("**Directors**") reserve the right to extend the closing date.

The purchase price for each Share under the Plan is 50 cents per Share. This price is a 14% discount from the average market price of Shares in the Company sold on ASX Limited ("**ASX**") during the previous five trading days ending 17 July 2007.

If you are eligible to subscribe for Shares under the Plan and you wish to participate, you must subscribe for either 2,000 Shares for a consideration of \$1,000, 6,000 Shares for a consideration of \$3,000 or 10,000 Shares for a consideration of \$5,000. If and to the extent to which the total value of all applications for Shares under the Offer exceeds \$5,320,000, the Company reserves the right to scale back applications. If this occurs, eligible Shareholders may be allotted Shares to a value which is less than that applied for. The Company reserves the right to allot fewer Shares than an eligible Shareholder applies for under the Offer or no Shares and any determination by the Directors in respect of any scaling back will be final. If a scale back occurs, the Company will refund any excess application money to eligible Shareholders (without interest). In the event the Company wishes to allot fewer Shares than an eligible Shareholder applies for or is not permitted to issue all the Shares offered as a result of any law or Listing Rules, the Company will use its best endeavours to allocate Shares to Shareholders applying for Shares on a pro-rata basis.

Please carefully read the terms and conditions relating to the Offer, as you will be bound by them.

If you have any questions in respect of the Plan, the Offer, or these terms and conditions please contact Mr John Langford on (08) 9429 8894.

12.1 TERMS AND CONDITIONS

The following are the terms and conditions of the Offer under the Plan ("**Terms and Conditions**"). By accepting the offer to subscribe for Shares under the Plan, you will have agreed to be bound by these Terms and Conditions and the Company's constitution.

1. **Class order 02/831 issued by the Australian Securities and Investments Commission (ASIC)**

The Offer has been structured to comply with the Australian Securities & Investments Commission Class Order 02/831 (as amended) to enable the Company to issue Shares without a prospectus.

2. Opening and closing date of the Offer

The Offer opens at 9.00am (WST) on 23 July 2007.
The Offer closes at 5pm (WST) on 22 August 2007.

No late applications will be accepted, however the Directors reserve the right to extend the closing date.

3. Who is eligible to participate in the offer?

You are eligible to apply for Shares in the Offer if:

- your registered address, as recorded in the Company's register of members, is in Australia or New Zealand; and
- you were registered as a holder of Shares, or are a Beneficiary as described in paragraph 8, as at 5pm (WST) on 18 July 2007.

The Offer to each eligible Shareholder is made on the same terms and conditions.

The Offer is non-renounceable (ie. you may not transfer your right to subscribe for Shares under the Offer to anyone else).

4. Is the Offer voluntary?

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you don't want to.

5. How was the issue price determined?

The issue price for each Share under the Offer is 50 cents. This price is a 14% discount to the average market price of Shares in the Company sold on the ASX during the previous five trading days ending 17 July 2007.

6. Important Information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current market price of Shares, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX. Please note that the market price of Shares may rise or fall between the date of this Offer and the date when the Shares are issued to you under the Plan. This means that the price you pay per Share under this Offer may be greater than or less than the price of Shares at the time the Shares are issued to you pursuant to this Offer. *In determining whether you wish to participate in this Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.*

7. How Much Can You Invest in the Offer?

If you are an eligible Shareholder under the Plan, you can subscribe for either:

- (a) 2,000 Shares which will cost \$1,000; or
- (b) 6,000 Shares which will cost \$3,000; or

- (c) 10,000 Shares which will cost \$5,000.

Please note that the maximum limit of 10,000 Shares applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint Shareholder of the Company as at 18 July 2007, you can only apply for Shares under the Offer once, either in your capacity as sole Shareholder or joint Shareholder, not both.

No fractions of Shares will be issued.

8. Beneficiaries

If on 18 July 2007 a trustee or nominee is expressly noted on the register of members as holding Shares on account of another person (a "**Beneficiary**"):

- (a) the Beneficiary is taken to be the registered holder in regard to those Shares; and
- (b) any application for the issue of Shares or certification for the purposes referred to in the Application Form by, and any issue of Shares to, the trustee or nominee, is taken to be an application or certification by, or an issue to, the Beneficiary.

Trustees and nominees, if expressly noted on the register of members, may apply for one maximum parcel of Shares in respect of each Beneficiary.

9. Costs of Participation

The only cost to you associated with the Offer is the issue price of the number of Shares you wish to subscribe for. Under the Offer you do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

10. Allotment of Shares and Variation on Number of Shares Issued

The Shares will be allotted within 10 business days after the closing date.

The Company's share registry, Security Transfer Registrars Pty Limited, will send to you a holding statement in due course.

If and to the extent to which the total value of all applications for Shares under the Offer exceeds \$5,320,000, the Company reserves the right to scale back applications. If this occurs, eligible Shareholders may be allotted Shares to a value which is less than that applied for. The Company reserves the right to allot fewer Shares than an eligible Shareholder applies for under the Offer or no Shares and any determination by the Directors in respect of any scaling back will be final. If a scale back occurs, the Company will refund any excess application money to eligible Shareholders (without interest). In the event the Company wishes to allot fewer Shares than an eligible Shareholder applies for or is not permitted to issue all the Shares offered as a result of any law or Listing Rules, the Company will use its best endeavours to allocate Shares to Shareholders applying for Shares on a pro-rata basis.

11. What Rights Will the Shares Carry?

Once the Shares are issued, they will rank equally with existing Shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

12. Can the Company Change the Plan?

The Plan may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the Plan it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the Plan or the non-receipt of any such notice will not invalidate the change, suspension or termination.

13. Directors' Participation

The Directors, as eligible Shareholders, may participate in the Offer (without having to obtain Shareholder approval), on the same terms as all other Shareholders in the Company.

14. How Do You Pay for the Shares?

All amounts in this Offer are expressed in Australian dollars. You must pay for the Shares by cheque in Australian dollars. Please make your cheque payable to "**Mundo Minerals Limited**" and cross the cheque with "**Not Negotiable**".

15. Please provide a cheque for the exact amount.

If you do not provide the exact amount, the Company reserves the right to return your Application Form and cheque. The amount that you provide will either be \$1,000, \$3,000 or \$5,000.

If the Company returns your Application Form and cheque, no Shares will be allotted to you.

You may only subscribe for either:

- (a) 2,000 Shares for a consideration of \$1,000; or
- (b) 6,000 Shares for a consideration of \$3,000; or
- (c) 10,000 Shares for a consideration of \$5,000.

That is, you are not able to apply for any other number of Shares under the Offer.

16. Will the Shares be quoted on the ASX?

The Company will apply for the Shares allotted to you to be quoted on the Australian Securities Exchange, within the relevant period specified in the Listing Rules.

17. How is a Dispute Resolved?

The Company may settle any dispute in connection with the Plan in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision shall be final and binding.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.

HOW DO YOU APPLY FOR SHARES UNDER THE OFFER

1. If you want to participate in this Offer please carefully read the Terms and Conditions relating to the Offer.
2. Complete all the required details in the enclosed Application Form, noting that all amounts are expressed in Australian dollars:
 - (i) Enter the exact number of Shares you want to subscribe for, being either:
 - (a) 2,000 Shares; or
 - (b) 6,000 Shares; or
 - (c) 10,000 Shares.
 - (ii) To work out the exact amount payable, multiply the number of Shares subscribed for by the price per Share of 50 cents and insert the total amount payable (in Australian dollars), being either \$1,000, \$3,000 or \$5,000.
 - (iii) Complete the cheque details section and ensure that the "Amount" section corresponds to the exact amount payable for the Shares you wish to subscribe for. Remember, **you will either be subscribing for \$1,000 worth of Shares, \$3,000 worth of Shares or \$5,000 worth of Shares.**
 - (iv) Insert your telephone contact numbers so that we may contact you if necessary.
 - (v) You do not need to sign the Application Form.
3. Write out a cheque for the exact amount of the Share parcel you want to subscribe for. Make the cheque payable to "**Mundo Minerals Limited**" and cross the cheque with "**Not Negotiable**".
4. Return the completed Application Form, together with the cheque, to Security Transfer Registrars Pty Limited in the enclosed reply paid envelope.

5. Ensure that your completed Application Form and cheque reach Security Transfer Registrars Pty Limited by the closing date of the Offer being no later than 5pm (WST) on 22 August 2007. **No late applications will be accepted, although the Directors reserve the right to extend the closing date.**

In determining whether you wish to participate in this Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

By accepting this Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.

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12.2 MUNDO MINERALS LIMITED

13. ABN 97 117 790 897

Share Purchase Plan
Application Form

Date of Offer: 23 July 2007
Closing Date of Offer: 5 pm (WST) 22 August 2007

Name
Address1
Address2
Address3
Address4

I/We wish to apply for the number of shares set out below in accordance with the terms of the Share Purchase Plan (SPP). I/we confirm that the total cost of the shares purchased by us (including through joint holding(s), multiple share accounts or any holding in which I/we have a beneficial interest(s)) does not exceed A\$5,000 in accordance with the Applicant's Certification and Acknowledgement below.

Applicant's Certification and Acknowledgement

By lodging this Application Form:

- (a) I/we acknowledge that I/we have read the terms and conditions of the SPP; and
- (b) I/we certify that the aggregate of the application price for the following does not exceed A\$5,000:
 - (i) the shares the subject of this application; and
 - (ii) any other shares applied for by me/us under the SPP (or any similar arrangement in the 12 months prior to this application), whether:
 - A. in my/our own right; or
 - B. jointly with one or more persons; or
 - C. in my/our capacity as a beneficiary (as defined below),

but not including in my/our capacity as a trustee or nominee where it is expressly noted on Mundo Minerals Limited's register of members that my/our shareholder is held on account of another person.

Notes:

If 2 or more persons are recorded in the register of members as jointly holding the shares to which this entitlement relates, they are taken to be a single registered holder and this certificate given by any of them is taken to be given by all of them.

If a trustee or nominee is expressly noted on Mundo Minerals Limited's register of members as holding the shares to which this entitlement relates on account of another person (the "**Beneficiary**"), this certification and acknowledgement is taken to be given by the Beneficiary in respect of him/her/itself (and not the trustee or nominee).

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(a) Application for Shares

The purchase price for each share is 50 cents.
 You may only apply for either 10,000 Shares, 6,000 Shares or 2,000 Shares.

To apply for 10,000 shares → Tick the box to enclose a cheque for **\$5,000**

A. OR

To apply for 6,000 shares → Tick the box to enclose a cheque for **\$3,000**

OR

To apply for 2,000 shares → Tick the box to enclose a cheque for **\$1,000**

(b) Cheque Details

Drawer	Bank	Branch/BSB	Amount
.....	\$.....
....

Your cheque or bank draft must be **drawn on a bank in Australia and in Australian Currency** made payable to **“Mundo Minerals Limited”** and crossed **“Not Negotiable”**. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected.

Telephone numbers where we may contact you, if needed in conjunction with this application

BH:	AH:	Mobile:	Contact Name:
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(i) This offer closes at 5.00 pm WST on 22 August 2007.

Return this form with your cheque in the reply paid envelope **OR** to: