

# Mundo Minerals Limited

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8 February 2010

## ASX Announcement

### Non-Renounceable Rights Issue Notice under s708AA(2)(f) of the Corporations Act 2001

On 19 February 2010, Mundo Minerals Limited (**Company**) is proposing to dispatch to eligible shareholders an offer document in respect of the non-renounceable offer of up to 84,019,254 fully paid ordinary shares each at an issue price of 15 cents to raise approximately \$12.6 million on the basis of 1 share for every 2 shares held on the record date of 17 February 2010 (**Offer**).

The Company hereby gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) that:

- (a) the Company will offer the shares under the Offer without disclosure under Part 6D.2 of the Act.
- (b) this notice is being given under section 708AA(2)(f) of the Act.
- (c) as a disclosing entity, the Company is subject to regular reporting and disclosure obligations;
- (d) as at the date of this notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - (ii) section 674 of the Act.
- (e) as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708AA(8) of the Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document; and
- (f) the potential effect the issue of the shares under the Offer will have on the control of the Company, and the consequences of that effect, is described below.

#### **Effect of Offer on control of the Company**

If all eligible shareholders take up their entitlements in full, then the Offer will have no effect on the control of the Company.

If some eligible shareholders do not take up all of their entitlement under the Offer, then the shareholding interests of those eligible shareholders in the Company will be diluted.

The proportional interests of overseas shareholders excluded from the Offer may be diluted because such shareholders are not entitled to participate in the Offer.

Although the issue of New Shares to the existing substantial shareholders (persons who have a relevant interest in 5% or more of the Company) may increase the shareholding interests of those persons in the Company, these arrangements are not expected to have any material effect on the control of the Company.

The current relevant interests of the substantial shareholders of the Company, following completion of the placement (as announced on 8 February 2010), are as follows:

<b>Substantial shareholder (includes associated entities)</b>	<b>Number of shares held</b>	<b>% of total shares on issue</b>
Anglo Pacific Group	28,216,926	16.79%
Purlec Pty Ltd	8,410,000	5.00%
<b>Total</b>	<b>36,626,926</b>	<b>21.79%</b>

An analysis of the potential changes in control of the Company has been undertaken to indicate the effect on the total relevant interests of the substantial shareholders should they take up their full entitlement under the Offer.

**The table below shows the shareholder interests of the current substantial shareholders if the substantial shareholders take up all of their entitlements and other shareholders take up their entitlements in the manner set out below:**

<b>Substantial shareholder</b>	<b>% of total shares before Offer</b>	<b>% of total shares after Offer</b>			
		<b>Take up of entitlements by eligible shareholders (other than the substantial shareholder)</b>			
		<b>100%</b>	<b>75%</b>	<b>50%</b>	<b>0%</b>
Anglo Pacific Group	<b>16.79%</b>	<b>16.79%</b>	<b>17.96%</b>	<b>19.31%</b>	<b>22.71%</b>
Purlec Pty Ltd	<b>5.00%</b>	<b>5.00%</b>	<b>5.35%</b>	<b>5.75%</b>	<b>6.77%</b>
<b>Total</b>	<b>21.79%</b>	<b>21.79%</b>	<b>23.31%</b>	<b>25.06%</b>	<b>29.48%</b>

Yours faithfully



**John Langford**  
Chief Executive Officer