

Mundo Minerals Limited

45 Ventnor Avenue
West Perth WA 6005
Telephone 08 9429 8894

8 February 2010

Dear Optionholder

PARTICIPATION IN PRO RATA NON-RENOUNCEABLE ENTITLEMENT OFFER

Overview

Mundo Minerals Limited (**Mundo**) wishes to advise that it intends to proceed with a non-renounceable pro rata offer of 1 ordinary share in Mundo (**New Share(s)**) for every 2 ordinary shares in Mundo (**Share(s)**) at an offer price of 15 cents per Share to raise approximately A\$12.6 million before costs (**Offer**).

Only shareholders who are registered at 5.00pm (WST) on 17 February 2010 (**Record Date**) will be eligible to participate in the Offer. There is no inherent right in your options to participate in the Offer. The purpose of this letter is to give you notice prior to the Record Date in which you may exercise your options should you wish to participate in the Offer.

Accordingly, if you wish to participate in the Offer (to the extent of any Shares which would be issued upon exercise of your options) you must exercise your options in time for Shares to be allotted to you before the Record Date. To ensure that your Shares are allotted and issued before the Record Date, your notice of exercise of option (**Notice of Exercise**) together with your cheque for the necessary amount must be received by Mundo no later than **5.00pm (WST) on 12 February 2010**. Any Shares to be issued in relation to a Notice of Exercise received after this date cannot be assured of being allotted and issued before the Record Date.

If you do not wish to participate in the Offer (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Offer carefully and consult with your professional adviser if necessary.

Key Dates

The New Shares will be offered via the Offer without disclosure to eligible shareholders under Part 6D.2 of the Corporations Act 2001 (Cth) (**Corporations Act**) in accordance with the following timetable:

Announce Offer	Monday, 8 February 2010
Cleansing notice pursuant to paragraph 708AA(2)(f) of the Corporations Act lodged with ASX Appendix 3B	Monday, 8 February 2010
Notice of Offer sent to security holders	Wednesday, 10 February 2010
Existing Shares quoted on an 'ex' basis	Thursday, 11 February 2010

Record Date	Wednesday, 17 February 2010
Offer Document and Entitlement and Acceptance Form despatched to Shareholders and announce completion of despatch	Friday, 19 February 2010
Offer period opens	
Offer period closes (Closing Date)	5.00pm on Friday, 5 March 2010
Securities quoted on deferred settlement basis	Tuesday, 9 March 2010
Shortfall notification date	Tuesday, 9 March 2010
Allotment date of new Shares	
Despatch holding statements	Thursday, 11 March 2010
Deferred settlement trading ends	
Commencement of trading of the New Shares	Thursday, 11 March 2010

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the ASX Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases.

In that event, the relevant application money (being the amount paid for new Shares applied for in a duly completed Entitlement and Acceptance Form) will be returned without interest.

Further Details

Full details of the Offer are contained in the Offer Document which has been lodged with the ASX and is available on ASX's website: www.asx.com.au. The Offer Document is also available on Mundo's website: www.mundominerals.com.

If you have any questions, please do not hesitate to contact Mundo on +61 8 9429 8889.

Yours sincerely



John Langford
Chief Executive Officer