

# Mundo Minerals Limited

45 Ventnor Avenue  
West Perth WA 6005  
Telephone 08 9429 8894

10 February 2010

Dear Shareholder

## **PARTICIPATION IN PRO-RATA NON-RENOUCEABLE ENTITLEMENT OFFER**

I am pleased to inform you that Mundo Minerals Limited (**Mundo** or **Company**) has announced 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 New Share to raise up to \$12.6 million before costs (**Offer**).

Shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**) and **registered at 5.00pm (WST) on 17 February 2010 (Record Date)** are eligible to participate in the Offer.

Pursuant to the ASX Listing Rules (**Listing Rules**), the Company is required to provide you with certain information as part of the procedure under the Offer. This notice contains all the information required by Appendix 3B of the Listing Rules.

An Offer Document was lodged with the ASX on 8 February 2010. This document will be dispatched to all Eligible Shareholders, together with an Entitlement and Acceptance Form, on 19 February 2010. A copy of the Offer Document as lodged with the ASX is available from the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.mundominerals.com](http://www.mundominerals.com)). Full details of the terms and conditions of the Offer are contained in the Offer Document.

Pursuant to the Offer, the Company may issue up to a maximum of 84,019,254<sup>1</sup> New Shares at an offer price of 15 cents each. If the Offer is fully subscribed, the Company will have 252,057,761 Shares on issue following the completion of the Offer. The New Shares will have the same rights as, and will rank equally with, existing Shares on issue.

The Offer is non-renounceable. This means that there will be no trading of entitlements to subscribe for the New Shares (**Entitlements**) on the ASX and you may not dispose of your Entitlement to subscribe for New Shares under the Offer to any other party.

Please note that Shareholders at the Record Date who have an address registered outside Australia or New Zealand (**Excluded Shareholders**) will not be eligible to participate in the Offer.

Eligible Shareholders who wish to subscribe for either:

- (a) some or all of the New Shares making up their Entitlement; or
- (b) all of the New Shares making up their Entitlement plus any additional shares out of any shortfall,

must return a completed Entitlement and Acceptance Form with their application money by no later than **5.00 pm (WST) on 5 March 2010**.

After the payment of costs associated with the Offer, Mundo intends to apply the funds raised to developing the Crista deposit to production via the Engenho treatment plant, including infrastructure improvements required to increase the production throughput of existing facilities. Expenditure will include a second ball mill, additional tankage and a gravity circuit.

In addition, funds will be used to continue development at the Torrecillas project in Peru and finalise the feasibility study as well as finalising the drilling programme at the Jaquiera gold project in Brazil.

As required under the Listing Rules, the Company informs you that no shareholder approval is required for the Offer and, therefore, no shareholder approval will be sought. The Company also

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<sup>1</sup> Assuming that existing option holders do not exercise their options and no options are issued and subsequently exercised.

informs you that given its status as a mining exploration and development company, it currently has no established dividend policy.

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 Offer period opens	Friday, 19 February 2010
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 Deferred settlement trading ends	Thursday, 11 March 2010
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.

Before taking up Entitlements under the Offer, Eligible Shareholders should read the announcements released to the market on 8 February 2010 and all the information set out in the Offer Document, including the risk factors. If you have any enquiries, please consult your professional adviser.

For further information on your entitlement to the Offer, or how to deal with the Offer, please contact the Company Secretary on +61 8 9429 8889 or the Company's Share Registry, Security Transfer Registrars Pty Ltd on +61 8 9315 2333.

Yours sincerely



**Joe Mobilia**  
Company Secretary