REPORT ON ACTIVITY FOR THE PERIOD ENDED 30 JUNE 2003

Highlights

- **Indicated Resources of feldspar and apatite reported based on recoverable mineral in the mining lease; this increased the grades previously being used for these minerals.**

- **Large sample of feldspar provided to major Japanese Company for testing.**

- **Amended Environmental Management Overview Strategy and Plan of Operations lodged for Crater Mining Lease.**

- **Independent Experts Report completed in May 2003 confirms financial robustness. Based on this report discussions have been initiated and are continuing with several parties who have expressed interest in the project.**

- **Share Purchase Plan raises funds.**

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MONTO MINERALS LTD

REPORT FOR THE QUARTER ENDED 30 JUNE 2003

Project Economics

Indicated Resources of feldspar and apatite, which are reported as recoverable grades increased the estimated recoveries by 28% for apatite and 13% for feldspar. The increase in apatite recovery has a significant impact on the project economics.

Financial modelling of the Project and Company by independent experts, now shows an Internal Rate of Return (IRR) of 20.2% for the ungeared nominal base case with increased apatite sales. Using the same parameters but increasing ilmenite and feldspar sales by 7.5% and 25.7% in years 1 to 10 the ungeared nominal IRR increases to 23.5%. 50% geared nominal return to equity shows a Net Present Value at 10% discount of $56.3 million.

Marketing

A large sample of feldspar has been provided to a major Japanese company for testing in several glass plants.

An interim report from a European firm has confirmed the potential for European sales of feldspar based on our market assumptions for price and logistics costs.

Demonstration Plant

An amended Environmental Management Overview Strategy (EMOS) has been lodged with respect to the full-scale mining and processing operation and the Demonstration Plant on the Crater Mining Lease. These amendments reflect the simplified mine plan developed for the Independent Experts Report.

A Plan of Operations has also been lodged for the Crater Mining Lease Demonstration Plant operations.

Independent Experts Report (IER)

The IER completed in May 2003 has confirmed the financial robustness of the Project and given the Directors confidence to move to the next stage - Demonstration Plant operation and product testing.

The Demonstration Plant operation and distribution of products to consumers for testing and the completion of the Bankable Feasibility Study are estimated to cost approximately $6 million.

Monto Minerals Ltd has initiated discussions with several parties and financiers regarding construction and operation of the Demonstration Plant, environmental rehabilitation and completion of the Bankable Feasibility Study.

Funding

During the Quarter a Share Purchase Plan for shareholders raised $325,000 before costs.

By Order of the Board

P.J. SLAUGHTER FAIM FAICD FAusIMM
Executive Chairman
30 July 2003