

29 August 2003

ASX ANNOUNCEMENT

RENEWED MEMORANDUM OF UNDERSTANDING (MOU) WITH CS ENERGY LIMITED

Monto Minerals renewed its MOU with CS Energy Ltd on August 29 as a result of the agreement reached on August 28 between John Holland Development and Investments (JHDI) and Monto Minerals (Monto).

The MOU reflects the intention of each party to support the potential development of a Titanium beneficiation plant at Callide Energy Park.

Monto's Goondicum project is planned to produce three products:

- Ilmenite – for use as feedstock for titanium processing plants
- Feldspar – for use in the plate and container glass industry
- Apatite – for use in fertiliser applications

Ilmenite could be used as feedstock for a titanium processing plant at Callide Energy Park.

The primary focus for Monto at this stage is to achieve delivery of its Goondicum project. Monto entered into a Project Cooperation Agreement with JHDI on August 28 to

- Construct and operate a demonstration plant
- Undertake a Bankable Feasibility Study
- Assist in securing finance for the main project

The demonstration plant will produce bulk samples for trial in key customer plants. In addition to the Goondicum resource, Monto holds additional tenements in the region, which are potential sources of ilmenite.

A handwritten signature in black ink, appearing to read "Peter J Slaughter".

PETER J SLAUGHTER
Executive Chairman

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