12 September 2003

ASX ANNOUNCEMENT

LETTER TO SHAREHOLDERS AND NOTICE OF GENERAL MEETING – 13 OCTOBER 2003

In accordance with Listing Rule 15.2.1, I enclose copies of a letter to shareholders, Notice of Meeting and Proxy Form sent to shareholders today advising of a General Meeting to be held at the Company's Bundall office at 10.00am on 13 October 2003.

By Order of the Board

GARRY M EDWARDS
Company Secretary

Head Office

Level 1, 109 Upton Street
Bundall QLD 4217 Australia
Telephone: 61 7 5574 3999
Facsimile: 61 7 5574-3833
Email: montogc@ozemail.com.au

Monto Minerals Ltd
ACN 063 144 865
PO Box 7467
Gold Coast Mail Centre
Bundall QLD 9726 Australia

Website: www.montominerals.com

Monto Office

5 Newton Street
Monto QLD 4630 Australia
Telephone: 61 7 4166 3500
Facsimile: 61 7 4166-3137

Monto
Minerals

8 September, 2003

Dear Shareholder,

Please find enclosed a copy of the June 2003 quarterly report and a Notice of General Meeting for your information.

It is some time since I have been in touch with you and, I am pleased to report that we have executed a Project Cooperation Agreement with John Holland Development and Investments (JHDI) group.

Your Company experienced the passing of an era when it's founding Managing Director and more recently Executive Director, Mr Laurie Johnson, left us at the end of August. Your board wishes Laurie and his wife Julie well in their future endeavours. Shareholders should note that we have retained Laurie's services for on going advice for 18 months.

We took the opportunity to appoint non-Executive Director, Geoff Moore to the role of CEO, effective September 1. Geoff has a wealth of experience in the minerals sands industry and has been largely responsible for driving our marketing activity in Asia and Europe.

In the past four months, in addition to executing an agreement with JHDI, we have defined the feldspar and apatite as resources on the mining lease – this exercise yielded an increase in estimated grades for both apatite and feldspar. We continue to make good progress on the Goondicum Crater Project since the general meeting held in March. The following information will bring you up to date with the status of the project.

BACKGROUND

Our focus continues to be on a three-product strategy for the project; it is clear to your directors that this presents the best path forward and the only one likely to generate superior returns for shareholders.

A lot of excellent technical work has been done and we are confident we have the necessary understanding to build and operate the project. Some opportunities exist to enhance technical performance of the processing plant by increasing recoveries of apatite and ilmenite; if successful this will further improve potential revenue at the planned mining rate of 4.5million tpa.

As indicated to you in earlier correspondence, marketing and related logistics are the final part of the equation.

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MARKETING

Your directors are satisfied that we know who the important potential customers for the project are and they will be targeted to bring us through the Bankable Feasibility Study (BFS) Phase. Before the BFS Phase, the bulk samples, to be produced by the Demonstration Plant, will allow one to two month plant trials so customers can evaluate the performance of our products in full-scale production. The trials are critical to any commitment for long term supply contracts, particularly for market leaders in the pigment and glass industries.

DEVELOPMENT ACTIVITY THROUGH TO Q4 2004

The programme we have set ourselves is for a "demonstration plant" phase which will last from now until mid May 2004; this will cost approximately $5.75m including administrative and technical support costs for Monto. Of the $5.75m, Monto needs to fund $5.1m with the balance to be funded by JHDI.

Following this we will enter the "BFS" Phase which is expected to last approximately to the end of Q3 2004. The cost of this phase will be about $1.1m including Monto's administrative and technical support costs of some $400,000. JHDI will contribute a further $670,000 during this phase.

PARTNERS

In developing our strategy to construct and operate the demonstration plant we have sought to focus on reputable companies with the capacity and capability to deliver appropriate levels of support to Monto. Your directors are confident that JHDI has the capacity to do this.

JHDI have agreed, subject to jointly meeting a number of milestones, to work with us up to the achievement of drawdown of first finance for the main plant development (expected to commence in Q4 2004). JHDI will receive a success fee of approximately $1.35m if we reach this key milestone in addition to reimbursement of all expenses up to that time (budgeted at $1.37m). If we fail to achieve drawdown of finance, JHDI receives no fee and no reimbursement. This is therefore a truly win-win outcome for both parties.

FUNDING

Once again, some key shareholders have come to our support as follows:

➢ Global Profits	$1.25m	$2.665m
➢ Terry Morris super fund	$0.25m	
➢ Mr P Wright	$0.915m	
➢ Safe Pty Ltd	$0.25m	

In addition, a major superannuation fund has agreed to subscribe for $0.5m.

These subscriptions, which will be made at 5.5 cents a share, are more than 60% of the targeted funding of $5.1m. In addition a recent visit to Melbourne and Sydney has generated commitments for a further $1.0m at the same price.

Your directors are confident the remaining funding ($0.9m) can be obtained through a combination of:

- Sale of samples from the demonstration plant (Approximate value $500,000)
- Additional placement of shares during the shareholder notice period under the 15% rule

- Additional placement of securities after the shareholder notice period under the 15% rule but at a higher price than 5.5 cents per share.
- Other sources of funding including an R & D START grant for which the Company is in the process of applying.

As well as these initiatives your board feels the need to develop and strengthen ties with influential and reputable companies in the marketing of industrial minerals. To this end we are continuing to work to put in place at least one long-term relationship with a major trading company.

Wilson HTM Limited has acted as financial advisors to Monto on the above transactions. Lands Kirwan Tong in Melbourne has provide substantial support through their client base.

THE IMMEDIATE FUTURE

The focus for Monto over the next 8 months will be: -

- Obtaining shareholder approval for placements and a renewal of our capacity to place up to 15% of current shareholding.
- Construction and Operation of the demonstration plant to produce bulk samples.
- Distribution of bulk samples to customers in Australia, Asia and Europe
- Further visits to customers to obtain initial commitments
- Investigating the viability of producing significant additional ilmenite from an adjacent area commencing in year four (considerable work on this has been undertaken previously). A simple scheme involving preconcentration of the river tenement ilmenite and transport of this preconcentrate to the Goondicum processing plant will be investigated.
- Utilising our newly appointed CEO, Geoff Moore, and a range of key consultants to advance the project.

The board and I look forward to the challenges ahead and we will keep you informed of progress. Please feel free to call myself on (07) 32121352 or Geoff Moore on (07) 5574 3999 if you would like further clarification on any matter.

Yours faithfully,
MONTO MINERALS Limited

PETER J SLAUGHTER
EXECUTIVE CHAIRMAN

MONTO MINERALS LTD
ABN 71 063 144 865

Notice of Meeting

NOTICE is hereby given that a General Meeting of Shareholders of Monto Minerals Ltd will be held at 10 am on October 13, 2003 at the offices of Monto Minerals Ltd, Level 1, 109 Upton Street, Bundall, Queensland.

Business

1. Issue of Shares to Phillip Wright,

That in accordance with the provisions of Listing Rule 7.1 of the Official Listing rules of the Australian Stock Exchange Ltd, and for all other purposes, the issue of 16,640,000 fully paid ordinary shares in the capital of the Company at an issue price of 5.5 cents per share to Phillip Wright be approved. The shares are expected to be issued by 28 October, 2003 but in any case not later than three months after the date of this meeting.

The shares will have the same rights and entitlements as existing fully paid ordinary shares in the capital of the Company. Funds raised from the issue will be used to construct a demonstration plant, produce and distribute bulk product samples for trial production run assessment by potential customers, and for working capital.

The Company will disregard any votes cast on these resolutions by:

- *Phillip Wright*
- *an associate of Phillip Wright.*

However the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

2. Issue of Shares to Global Profits Limited,

That in accordance with the provisions of Listing Rule 7.1 of the Official Listing rules of the Australian Stock Exchange Ltd, and for all other purposes, the issue of 23,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 5.5 cents per share to Global Profits Limited be approved. The shares will be issued progressively but not later than three months after the date of this meeting.

The shares will have the same rights and entitlements as existing fully paid ordinary shares in the capital of the Company. Funds raised from the issue will be used to construct a demonstration plant, produce and distribute bulk product samples for trial production run assessment by potential customers, and for working capital.

The Company will disregard any votes cast on these resolutions by:

- *Global Profits Limited*
- *an associate of Global Profits Limited.*

However the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides*

3. Issue of Shares to Terry Morris Pty Ltd as Trustee for Morris Family Superannuation Fund Unit Trust,

That in accordance with the provisions of Listing Rule 7.1 of the Official Listing rules of the Australian Stock Exchange Ltd, and for all other purposes, the issue of 4,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 5.5 cents per share to Terry Morris Pty Ltd as Trustee for Morris Family Superannuation Fund Unit Trust be approved. The shares will be issued progressively but not later than three months after the date of this meeting.

The shares will have the same rights and entitlements as existing fully paid ordinary shares in the capital of the Company. Funds raised from the issue will be used to construct a demonstration plant, produce and distribute bulk product samples for trial production run assessment by potential customers, and for working capital.

The Company will disregard any votes cast on these resolutions by:

- *Terry Morris Pty Ltd*
- *an associate of Terry Morris Pty Ltd.*

However the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides*

4. Issue of Shares to LUCRF Pty Ltd,

That in accordance with the provisions of Listing Rule 7.1 of the Official Listing rules of the Australian Stock Exchange Ltd, and for all other purposes, the issue of 9,090,909 fully paid ordinary shares in the capital of the Company at an issue price of 5.5 cents per share to LUCRF Pty Ltd be approved. The shares are expected to be issued by 28 October, 2003 but in any case not later than three months after the date of this meeting.

The shares will have the same rights and entitlements as existing fully paid ordinary shares in the capital of the Company. Funds raised from the issue will be used to construct a demonstration plant, produce and distribute bulk product samples for trial production run assessment by potential customers, and for working capital.

The Company will disregard any votes cast on these resolutions by:

- *LUCRF Pty Ltd*
- *an associate of LUCRF Pty Ltd.*

However the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides*

5. Issue of Shares to LSD Services Pty Ltd as Trustee for SAFE Superannuation Fund,

That in accordance with the provisions of Listing Rule 7.1 of the Official Listing rules of the Australian Stock Exchange Ltd, and for all other purposes. The issue of up to 4,550,000 fully paid ordinary shares in the capital of the Company to LSD Services Pty Ltd as Trustee for SAFE Superannuation Fund, for no cash but in lieu of payment for the construction and commissioning of Acid Washing Facilities for the Company's feldspar, be approved.

- The price used to determine the number of shares issued will be 5.5 cents per share and equates to $250,250 if the maximum number of shares are issued.

The shares will have the same rights and entitlements as existing fully paid ordinary shares in the capital of the Company.

The Company will disregard any votes cast on these resolutions by:

- *LSD Services Pty Ltd*

- *an associate of those persons.*

However the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

6. Ratification of Previous Issues

To consider and if thought fit, pass, an ordinary resolution in accordance with Australian Stock Exchange Listing Rule 7.4 to ratify the issue of shares and options by the Company as detailed in the following table.

Date of Issue and allottees	Number of Securities Issued	Terms of the Securities	Price at which Securities were Issued	Gross Amount raised by Issue	Use of the Funds Raised (after costs)
01/04/2003 LSD Services Pty Ltd as Trustee of SAFE Superannuation Fund	500,000 250,000	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 31/3/2004 or 10c from 1/4/2004 until 31/3/2005	$0.05 Nil	$25,000	Supplemented the Company's working capital
01/04/2003 Mr Phillip Wright	1,000,00 0 500,000	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 31/3/2004 or 10c from 1/4/2004 until 31/3/2005	$0.05 Nil	$50,000	Supplemented the Company's working capital
01/04/2003 Mr Terence Morris	3,000,00 0 1,500,00 0	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 31/3/2004 or 10c from 1/4/2004 until 31/3/2005	$0.05 Nil	$150,000	Supplemented the Company's working capital
02/06/2003 Presbyterian & Methodist Schools Association	1,000,00 0	Fully paid ordinary shares	$0.05	$50,000	Supplemented the Company's working capital
06/08/2003 AG & LA McLauchlan	500,000 250,000	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 6/8/2004	$0.05 Nil	$25,000	Supplemented the Company's working capital
06/08/2003 Ingatatus Pty Ltd Superannuation Fund	500,000 250,000	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 6/8/2004	$0.05 Nil	$25,000	Supplemented the Company's working capital
06/08/2003 Phillip Wright	700,000 350,000	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 6/8/2004	$0.05 Nil	$35,000	Supplemented the Company's working capital

Date of Issue and allottees	Number of Securities Issued	Terms of the Securities	Price at which Securities were Issued	Gross Amount raised by Issue	Use of the Funds Raised (after costs)
13/08/2003 LSD Services Pty Ltd as Trustee of SAFE Superannuation Fund	500,000 250,000	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 13/8/2004	$0.05 Nil	$25,000	Supplemented the Company's working capital
03/09/2003 Terry Morris Pty Ltd as Trustee for Morris Family Superannuation Fund	1,000,000 500,000	Fully paid ordinary shares Free attaching options exercisable at 7.5c by 3/9/2004	$0.05 Nil	$50,000	Supplemented the Company's working capital

If all of the issues of shares described in the table are ratified by shareholders in accordance with the proposed resolutions, those issues will be treated as having been made with approval of shareholders for the purpose of Australian Stock Exchange Listing Rule 7.1.

The result of this approval would be that the directors will be entitled to exercise, in appropriate circumstances, the power to issue further new shares or options, numbering in aggregate up to 15% of the number of shares currently on issue, without offering them pro rata to existing shareholders or obtaining prior approval of existing shareholders.

The Company will disregard any votes cast on any of these resolutions by:

- *a person who participated in the issue of securities that is the subject of the resolution; or*
- *an associate of those persons.*

However the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

OTHER BUSINESS

To deal with any other business, which may be legally brought before the meeting in accordance with the Company's Constitution and the Corporations Act 2001.

By Order of the Board

G M EDWARDS
Company Secretary

9 September 2003

Proxies:
A member entitled to attend and vote may appoint not more than two proxies to attend and vote instead of a member. Where two proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member. To be valid, proxies must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the meeting. A proxy form is attached.

Voting Entitlement:
For the purposes of the meeting, shares will be taken to be held by the persons who are registered holders at 5pm 9 October, 2003. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

MONTO MINERALS LTD

ABN 71 063 144 865

PROXY FORM

(For information on how to complete please see the reverse of this form)

PLEASE PRINT WHEN COMPLETING THIS FORM

NAME AND ADDRESS

SHAREHOLDER REFERENCE NUMBER/HIN

❶ ***Please insert your telephone number (business hours)***

( )

❷ **I/WE APPOINT**

Name of Proxy:	

or failing the person so named, or if no person is named, **the Chairperson of the Meeting** to vote in accordance with the following directions or, if no directions have been given, as the proxy or the Chairperson sees fit at the General Meeting of the Company to be held on 13 October 2003 commencing at 10.00 am and at any adjournment thereof.

❸ **VOTING DIRECTIONS**

Should you desire to direct your proxy how to vote on any Resolution, please insert a tick (4) in the appropriate box below.

		For	Against	Abstain
1.	Approval for the issue of shares to Phillip Wright	☐	☐	☐
2.	Approval for the issue of shares to Global Profits Limited	☐	☐	☐
3.	Approval for the issue of shares to Terry Morris Pty Ltd	☐	☐	☐
4.	Approval for the issue of shares to LUCRF Pty Ltd	☐	☐	☐
5.	Approval for the issue of shares to LSD Services Pty Ltd	☐	☐	☐
6.	Ratification of previous share issues	☐	☐	☐

☐ If you do not wish to direct your proxy how to vote, please place a tick (4) in the box.^

^ The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Resolution and that votes cast by him, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes in respect of those Resolutions and your votes will not be counted in computing the required majority if a poll is call on a Resolution.

APPOINTMENT OF A SECOND PROXY Note this section is only to be completed if two proxies are being appointed

Name of Second Proxy:	

or failing the person so named, **the Chairperson of the Meeting** to vote in accordance with the abovestated directions or, if no directions have been given, as the proxy or the Chairperson sees fit at the General Meeting of the Company to be held on 13 October 2003 commencing at 10.00 am and at any adjournment thereof.

% *First Proxy*	% *Second Proxy*

State here the percentage of your voting rights applicable to the first and second proxy

❹ **SIGNATURE(S)**

______________________ ______________________

(If a corporation please refer to Note 4 on the reverse of this form.)

MONTO MINERALS LTD

ABN 71 063 144 865

PROXY FORM INFORMATION

Please direct your proxy how to vote

For your vote to be counted, the Proxy form, duly completed, must be received not later than 10.00 am on 11 October 2003.

INSTRUCTIONS ON HOW TO COMPLETE THE PROXY FORM

➊ Insert your business hours telephone number in case we need to contact you.

➋ Insert here the name of the person you wish to appoint as proxy; shareholders cannot appoint themselves. **The Chairperson of the meeting** will act as your proxy if you do not appoint someone. You can vote your shares by proxy even if you plan to attend the meeting.

A shareholder is entitled to appoint up to two persons (whether shareholders or not) to attend the meeting and vote. If you wish to appoint two proxies please enter the second proxy's name and complete the section indicating the percentage of your voting rights each proxy is to represent. Note the aggregate % total must equal 100.

➌ **Voting Directions**

If you wish to direct your proxy how to vote on any item, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate boxes. The vote will be invalid if a mark is made in more than one box for a particular item or if the total shareholding shown in the 'FOR', 'AGAINST' and 'ABSTAIN' boxes is more than your total registered shareholding at the time when entitlements for voting purposes are determined. The "snapshot" time for determining entitlements for voting purposes will be 5.00pm on 11 October 2003.

➍ **Shareholders must sign here**

This proxy must be signed by the shareholder, or if a Corporation, under its Common Seal, or under the hand of an authorised officer or attorney. If this proxy is signed by a person who is not the registered member then the relevant authority must be enclosed with this proxy.

Corporate shareholders should note that to be eligible to vote the Company must either lodge a proxy form nominating an individual or individuals as proxies or must present a duly completed "notice of appointment of corporate representative" form prior to the commencement of the meeting. These forms can be obtained from the share registrars.

FURTHER IMPORTANT INFORMATION

To be valid, the proxy must be received at the registered office of the Company, Level 1, 109 Upton Street, Bundall QLD 4217, not less than 48 hours before the time of the meeting. A facsimile of the proxy will be accepted if received by the Company on fax number (07) 5574 3833 not less than 48 hours before the time of the meeting.