



18 March 2004

## ASX ANNOUNCEMENT

### **MONTO MINERALS COMPLETES CONSTRUCTION**

Queensland resource company Monto Minerals has announced that the processing plant at the Company's Central Queensland project site has completed construction and is being commissioned.

The \$6 million demonstration plant will produce a range of minerals for industrial scale testwork by prospective long term customers in Australia and overseas.

Monto Minerals Executive Chairman Peter Slaughter said this was a significant milestone in the Company's development.

"This project was reinvigorated two years ago, when a new board moved the focus from producing just one mineral to examine the potential for producing and marketing a number of the different minerals which occur in the deposit.

"Since then we have made rapid progress and our aim of establishing a full scale mining and processing operation is a significant step closer," Mr Slaughter said.

Monto Minerals will produce feldspar, ilmenite and apatite from the deposit, using a new combination of gravity and magnetic separation techniques.

"Whilst the various techniques we are using to extract multiple products from a single deposit are all individually well proven, their combination is unique and to the Company's knowledge has not previously been used in the Industrial Minerals Industry. We believe that this approach can also be used elsewhere to enable the development of other multi-mineral deposits currently considered to be uneconomic."

Construction work began last December and was completed on 17<sup>th</sup> March 2004. The site facilities include the plant, which is a three-storey structure approximately 30 metres long, as well as a project office, laboratory and 12 Mega litre dam.

The plant was built with the assistance of John Holland Development and Investment. Monto Minerals entered into a Project Cooperation Agreement with JHDI last August, which allowed for the design, construction, commissioning and operation of the plant.

**Head Office**  
Level 6, 303 Coronation Drive  
Milton QLD 4064 Australia  
Telephone: 61 7 3858 6100  
Facsimile: 61 7 3858 6199  
Email: [admin@montominerals.com](mailto:admin@montominerals.com)

**Monto Minerals Ltd**  
ABN 71 063 144 865  
PO Box 1791  
MILTON BC QLD 4064 Australia  
Website: [www.montominerals.com](http://www.montominerals.com)

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

It will be capable of processing 20 tonnes of ore per hour. The Company is planning to operate the plant for three months to produce 4000 tonnes of mineral products.

In addition, Monto Minerals has secured an agreement with the Ipswich based Alroc Mineral Fertilisers, part of the SAFE Group of Companies. SAFE is constructing and will operate a washing facility for the feldspar product at its Ipswich plant and will also purchase all of the apatite produced by the demonstration plant as a raw material for its fertiliser products.

Bulk quantities of between 200-1000 tonnes of the three minerals will be shipped to a number of potential long term customers in Australia, Asia and Europe, allowing them to run full-scale plant trials.

Monto Minerals CEO Geoff Moore has spearheaded a marketing campaign over the past 18 months, targeting potential customers in Australia and overseas which has included the supply of small samples of the minerals for laboratory scale testing.

"We have embarked on an extensive marketing campaign and the reaction from many customers has been very positive and they have been particularly impressed with the quality of the Monto minerals," Mr Moore said. To support this campaign the company has recently appointed Mr Hugh Babbage as Marketing Manager. Mr Babbage was formerly Coal Marketing Manager for Mount Isa Mines.

"Several have requested bulk mineral samples so that they can run full scale plant trials which are a pre-requisite for entering into long term commercial contracts. We expect to receive indications from these customers by later this year as to whether they will formalise supply contracts."

By road the project site is 50 kilometres from Monto and approximately 160 kilometres south of Gladstone. The site has significant deposits of feldspar, used in the production of glass, ilmenite, which is used to make white pigment, and apatite, used in fertiliser production and also by itself as slow-release organic fertiliser.

"The worldwide demand for industrial minerals is increasing, particularly in South-east and North Asia. New and growing export opportunities are available for Australian mineral products and Monto Minerals is in a strong position to capitalise on these opportunities, including the creation of a new Australian export business for feldspar" Mr Slaughter said.

**By Order of the Board**



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**Peter J Slaughter**  
**Executive Chairman**