



7 May 2004

ASX ANNOUNCEMENT

PROPOSED SHARE PLACEMENT AND RIGHTS ISSUE

An announcement was made earlier today regarding amendments to the Project Co-operation Agreement with John Holland Development and Investment, in which it was noted that Monto would use its best endeavours to raise \$2.4 million.

The company is currently negotiating a placement of shares at an issue price of 7 cents to raise approximately \$1.0 million. The placement, to a number of investors, is targeted to be completed on Tuesday May 11. Lands Kirwan Tong Stockbrokers Limited and Wilson HTM Limited are assisting Monto with the placement.

The Company is also preparing a Rights Issue Prospectus to offer existing shareholders additional shares at 7 cents to increase the total raised from both placements and a rights issue to a target of \$2.4 million after costs. The ratio of entitlements under the proposed rights issue and other details will be finalised dependent on the number of shares issued in the abovementioned placement.

Details of the rights issue will be announced when the prospectus is lodged with the Australian Securities and Investment Commission which is expected to occur by 17 May 2004. The prospectus will be made available to shareholders when the shares are offered. Shareholders who wish to acquire shares under the Rights Issue will need to complete the application form that will accompany the prospectus.

The funds which the company intends to raise by the placement and rights issue are to be directed to continuing operations until commencement of a bankable feasibility study (BFS), including in particular the operation of the Trial Plant at the Goondicum Industrial Minerals Project, the feldspar washing plant at Dinmore and shipment of bulk samples from the plant to selected potential customers. Any funds raised in surplus to immediate requirements will be applied to extending the Trial plant operation and for BFS activity.

By Order of the Board

A handwritten signature in black ink, appearing to read "Peter J Slaughter", written over a horizontal line.

PETER J SLAUGHTER
Executive Chairman

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