4 March 2005

ASX ANNOUNCEMENT

REVISED INTERIM FINANCIAL ACCOUNTS TO 31 DECEMBER 2004

Attached are the Revised Interim Financial Accounts to 31 December 2004. The financial Statements lodged earlier today were a superseded version of the accounts. There are only minor formatting changes.

By Order of the Board

GARRY M EDWARDS
Company Secretary

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

Monto Minerals Ltd
ABN 71 063 144 865
PO Box 1791
MILTON BC QLD 4064 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 LTD AND CONTROLLED ENTITIES

ACN 063 144 865

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors are pleased to present their report on the Company and its controlled entities for the six months ended 31 December 2004.

DIRECTORS

The names of Directors in office at any time during or since the end of the period:

P J Slaughter	-	(Executive Chairman)
P G Dowling	-	(Non-executive Deputy Chairman)
G P Moore	-	(Executive Director – CEO)
R I Cottee	-	(Non-executive Director)
P M Wright	-	(Non-executive Alternate Director to Richard Cottee)

REVIEW OF OPERATIONS

(i) Fund Raising During the Half Year

Monto Minerals Ltd raised a net $3,000,584 and extinguished debt of $223,073 by the issue of shares in the Company. Funds were applied to advance the Goondicum Industrial Minerals Project and to provide working capital.

Subsequent to the end of the half year, the Company issued a further 2,676,133 fully paid ordinary shares in the fourth of five tranches to Cornell Capital Partners Offshore as announced on 21 September 2004

(ii) Goondicum Crater Project

With the mineral asset already established, Monto continued to focus attention on the feasibility of developing the company's Goondicum Industrial Minerals Project in central Queensland, and the marketing of the three products; feldspar, ilmenite, and apatite.

Monto announced in November 2004 that it would proceed with a full feasibility study into the development of the project.

The study is now well advanced and the results are expected to be available early in the June 2005 quarter.

A programme of metallurgical test work being undertaken at Roche MT is almost complete. Flow sheet design of the main processing and feldspar washing plants is expected to be completed next week. Plant layout and design by RJ Robbins & Associates should be completed by early April.

If the outcome of the study is positive, construction of the project is expected to take six months and full-scale production is targeted to commence by early 2006, partially dependent on equipment availability.

The company is confident of funding the project without recourse to bank finance. The project is considered to be sufficiently robust to be funded from non-bank/market sources available to the company. Preliminary estimate for the cost of the commercial operation is $25 million plus working capital of $10 million.

As reported last month, Monto and JHDI have reached an amicable agreement not to proceed jointly with the Goondicum project, although the termination of the Project Cooperation Agreement between the companies does not preclude the possibility of future contractual relationships between them.

(iii) Product Marketing

By the end of the December half, customer Letters of Intent had been secured for over 60% of the projects planned initial two years production.

<u>Summary by Product</u>

<u>Feldspar</u>

It is expected that the percentage of commitments will increase once full-scale production trials using Goondicum feldspar as the sole source of alumina for both clear and coloured bottles at ACI's Brisbane glass manufacturing plant are completed. The ACI trials, which are expected to conclude in March 2005, are progressing with positive results.

Monto has also agreed to provide a 100-150 tonne sample of feldspar for industrial scale tests by a major Asian glass manufacturer, and preparation of the sample will be completed for shipping in March.

In a further widening of the applications of the project's products, the sale of high value fine ground feldspar for use in paint manufacture is being pursued following encouraging initial test results in Germany and Australia. Further evaluation is in progress with final results expected during the current quarter. Market studies are progressing with particular initial focus on European and Japanese customers. Feldspar for use as an industrial abrasive in the repair and maintenance of ships and oil industry infrastructure is also being investigated.

An important benefit of the Goondicum feldspar is the absence of free silica, a critical occupational health and safety consideration.

Ilmenite

Letters of Intent have been received from customers to purchase all of the proposed first two years ilmenite production from the Goondicum project, subject to satisfactory commercial scale trials. One of the customers is also interested in purchasing additional tonnage as production expands.

Considerable effort has been devoted to developing business with potential feldspar and ilmenite customers in Europe in order to establish co-shipping opportunities for these products on Panamax size vessels. Co-shipping, which is a key component of the company's European marketing strategy, would reduce supply chain costs and allow competitive supply products into the European market.

Apatite

An Australian company has offered to purchase the project's total output of apatite for use in organic fertiliser production.

Indicative Project Timing

- Feasibility study completion, early in the second quarter 2005;
- Commence project construction, mid 2005;
- Initial production early 2006, followed by;
- Staged expansion to meet market demand.

(iv) Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 10 and forms part of the Directors' Report for the half-year.

Peter Slaughter
Executive Chairman

Peter Dowling
Deputy Chairman

Dated this 4th day of March 2005

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Monto Minerals Limited for the half-year ended 31 December 2004, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

BDO Kendalls

BDO Kendalls
Chartered Accountants

C J Skelton
Partner

Brisbane
Dated: 4 March 2005

MONTO MINERALS LTD AND CONTROLLED ENTITIES
ACN 063 144 865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
SIX MONTHS ENDED 31 DECEMBER 2004

	Economic Entity 31 Dec 2004 $	Economic Entity 31 Dec 2003 $
Loss from ordinary activities before income tax expense	(1,023,913)	(480,703)
Income tax expense relating to ordinary activities	-	-
Net loss attributable to members of Monto Minerals Ltd	(1,023,913)	(480,703)
Total change in equity other than those resulting from transactions with owners as owners	(1,023,913)	(480,703)
	Cents per share	**Cents per share**
Basic earnings (negative earnings) per share	(0.39)	(0.26)
Diluted earnings(negative earnings) per share	(0.39)	(0.26)

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

MONTO MINERALS LTD AND CONTROLLED ENTITIES
ACN 063 144 865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2004

	Economic Entity	
	31 Dec 2004	30 June 2004
	$	$
CURRENT ASSETS		
Cash Assets	1,015,807	1,017,352
Receivables	78,192	336,946
Other	9,996	9,996
Total Current Assets	**1,103,995**	**1,364,294**
NON-CURRENT ASSETS		
Receivables	42,500	40,000
Property, plant and equipment	5,126	4,854
Other	18,295,364	17,231,579
Total non-current assets	**18,342,990**	**17,276,433**
TOTAL ASSETS	**19,446,985**	**18,640,727**
CURRENT LIABILITIES		
Payables	1,152,733	2,547,394
Provisions	5,897	4,721
TOTAL LIABILITIES	**1,158,630**	**2,552,115**
NET ASSETS	**18,288,355**	**16,088,612**
EQUITY		
Contributed equity	27,238,710	24,015,053
Accumulated losses	(8,950,355)	(7,926,441)
TOTAL EQUITY	**18,288,355**	**16,088,612**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

MONTO MINERALS LTD AND CONTROLLED ENTITIES
ACN 063 144 865

CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2004

	Economic Entity	
	31 Dec 2004 $ Inflows/ (Outflows)	31 Dec 2003 $ Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,020,380)	(307,848)
Interest Paid	(17,187)	-
Interest Received	12,725	21,902
GST Refunds	319,837	58,454
Net cash outflow from operating activities	**(705,005)**	**(227,492)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase property, plant & equipment	(272)	(5,434)
Exploration and evaluation expenditure	(2,437,162)	(795,461)
Net cash outflow from investing activities	**(2,437,434)**	**(800,895)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of securities	3,156,350	3,802,200
Cost of fund raising	(201,456)	(177,143)
Proceeds from borrowings	500,000	-
Repayments of borrowings	(314,000)	-
Net cash flow from financing activities	**3,140,894**	**3,625,057**
Net increase (decrease) in cash held	**(1,545)**	**2,596,670**
Cash at 1 July	1,017,352	117,113
Cash at 31 December*	**1,015,807**	**2,713,783**

* The above figure is reconciled to cash at the end of the financial period as shown in the Statement of Financial Position as follows:

Balance of Cash as per Statement of Financial Position	1,015,807	2,713,783

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This general purpose financial report comprises condensed consolidated financial statements of the Company, Monto Minerals Ltd, and the entities it controlled at the end of, or during, the half-year. This financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by Monto Minerals Ltd and controlled entities during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the Economic Entity and are consistent with those applied in the 30 June 2004 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The financial statements have been prepared on a going concern basis. The ability of the Consolidated Entity to construct and commence operations of the Goondicum mine, and hence the continued adoption of the going concern assumption, will depend upon the successful funding of this aspect of the mine project.

No adjustments have been made in these financial statements to the carrying value of assets or recorded amount of liabilities should the fundraising not be successfully completed.

NOTE 2: CONTINGENT LIABILITY

There have been no changes in contingent liabilities since the last annual reporting date.

NOTE 3: ADOPTION OF AUSTRALIAN EQUIVELENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Monto has commenced transitioning its accounting policies and financial reporting from current Australian Standards to equivalents of International Financial Reporting Standards (IFRS). The Company has allocated internal resources to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS. As a result of these procedures, Monto has graded impact areas as either: high, medium or low and has allocated internal resources to address each of the areas in order of priority as represented by the gradings. Management is conducting regular views of the progress being made in these areas.

As Monto has a 30th June year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB accounting equivalents as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future and is required when Monto prepare its first fully compliant financial report for the year ending 30 June 2006. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Monto. At this stage the Company has not been able to reliably quantify the impact on the financial report.

Impairment of Assets

The economic entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of AASB136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use (which is determined using discounted cash flows). It is likely that this change in accounting policy will lead to impairments being recognised more often than under existing policy.

Income Tax

Currently, the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently being brought into account as wither a provision for deferred income tax or future income tax benefit. In terms of AASB112: Income Taxes, the economic entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of timing and permanent differences between taxable income and accounting profit.

NOTE 3: ADOPTION OF AUSTRALIAN EQUIVELENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Share Based Payments

Under AASB2: Share Based Payments, the Company will be required to determine the fair value of options issued to employees as remuneration and recognise an expense in the Statement of Financial Performance spread over the relevant vesting periods. This will result in additional expenses being recognised during vesting periods and therefore lower earnings. There will also be an initial negative impact on opening balances of retained earnings, and positive impact on equity (option reserves) at 1 July 2004 where retrospective adjustments are made for options that have not vested by 1 January 2005. This standard is not limited to options and also extends to other forms of equity based remuneration. It applies to all share-based payments made after 7 November 2002 which have not been vested as at 1 January 2005. At the date of this report, a detailed assessment of the financial impact on transition has not been completed.

Exploartion Expenditure

Under AASB6: Exploration for and Evaluation of Minerals Resources, exploration and evaluation assets will be subject to impairment tests when facts and circumstances suggest that the carrying amount of those assets may be impaired. This may result in asset write-downs being recognised sooner. Development and construction assets are not covered by AASB6, therefore guidance on the treatment of these will need to be taken from other standards. At the date of this report, a detailed assessment of the financial impact on transition has not been completed.

NOTE 4: SEGMENT INFORMATION

	Economic Entity	
	31 Dec 2004 $	31 Dec 2003 $
Business Segment Summary		
Mining Exploration and Evaluation		
Total Segment Revenue	12,725	21,902
Segment Result	(1,023,913)	(480,703)

NOTE 5: EVENTS OCCURING AFTER BALANCE DATE

(a) On 15 February 2005, the Parent Entity issued 2,676,133 fully paid ordinary shares in the fourth of five tranches to Cornell Capital Partners Offshore as announced on 21 September 2004. The price per share was $0.03736735.

MONTO MINERALS LTD AND CONTROLLED ENTITIES
ACN 063 144 865

DIRECTORS' DECLARATION

The consolidated financial statements for the six month period ended 31 December 2004 have been prepared in the Company's usual manner with internal checks and verifications normally applied. In order to contain costs, the financial statements have not been subjected to a full external audit.

The Directors of the Company declare that:

(a) the financial statements and notes set out on pages 4 to 8:

(i) give a true and fair view of the consolidated entity's financial position as at 31 December 2004 and its performance for the half-year ended on that date; and

(ii) comply with accounting standard AASB1029: Interim Financial Reporting and the Corporations Regulations; and

(b) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

As set out in Note 1, the financial statements have been prepared on a going basis. The ability of the Economic Entity to construct and commence operations of the Goondicum mine, and hence the continued adoption of the going concern assumption, will depend upon the successful funding of this aspect of the mine project.

No adjustments have been made in these financial statements to the carrying value of assets or recorded amount of liabilities should the fundraising not be successfully completed.

This declaration is made in accordance with a resolution of the Directors.

Signed this 4th day of March 2005

Peter Slaughter
Executive Chairman

Peter Dowling
Deputy Chairman

MONTO MINERALS LTD AND CONTROLLED ENTITIES
ACN 063 144 865

INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF MONTO MINERALS LTD

Scope

We have reviewed the financial report comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying notes and Director's Declaration of Monto Minerals Limited for the half-year ended 31 December 2004. The Company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the Financial Report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the Company to lodge the financial report with the Australian Securities & Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Monto Minerals Limited is not in accordance with:

(a) the Corporations Act 2001, including:

  (a) giving a true and fair value of the Company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and

  (b) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Emphasis of Matter Regarding Going Concern

Without qualification to the statement expressed above attention is drawn to the following matter. As set out in Note 1, the Financial Statements have been prepared on a going concern basis. The ability of the Economic Entity to construct and commence operations of the Goondicum mine, and hence the continued adoption of the going concern assumption, will depend upon the successful raising, in the future, of necessary funding for this aspect of the mine project.

No adjustments have been made to the carrying value of assets or recorded amount of liabilities should be Company's plans not eventuate.

BDO Kendalls

BDO Kendalls
Chartered Accountants

C J SKELTON
Partner

Brisbane
Dated: 4 March 2005