18 March 2005

ASX ANNOUNCEMENT

Countdown to Production...

SHARE PLACEMENT TO FUND COMPLETION OF FEASIBILITY STUDY INTO INDUSTRIAL MINERALS PROJECT

RIGHTS ISSUE OPTIONS TO SHAREHOLDERS

Monto Minerals Limited is an emerging producer of industrial minerals with substantial in-ground resources in Queensland. The company plans to supply international and Australian markets with feldspar in glass making, paint and industrial abrasives, ilmenite for pigment in paint, paper and plastics, and apatite for fertiliser.

Monto Minerals Limited (Monto) has today agreed to issue by way of private placement 17.5 million fully paid ordinary shares at 3.9c per share to private investors introduced by The Venture Group Limited based in Sydney or otherwise known to the Company. An Appendix 3B for this issue is attached.

Monto Executive Chairman Peter Slaughter said that the placement would raise $682,500 to fund the completion of the current feasibility study into the company's Goondicum industrial minerals project.

"The feasibility study is due to be completed late next month. Subject to the study's outcome, we plan to commence production of ilmenite, feldspar and apatite in early 2006, with initial production and sales of more than 200,000 tonnes a year," he said.

The Company seeks to rely on case 1 in Section 708A(5) of the Corporations Act ("Act") in respect of the issue of those placement shares.

The Company gives notice under paragraph (5) (e) of Section 708A of the Act to confirm that:

1. The Company issued the above shares without disclosure to the placees under Part 6D.2 of the Act.
2. As at the date of this notice the Company has complied with:
   (a) The provisions of Chapter 2M of the Act as applicable to the Company; and
   (b) Section 674 of the Act.
3. At the date of this notice there is no excluded information as defined in paragraph 7 of Section 708A of the Act which is required to be disclosed by the Company.

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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
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Issue of options in conjunction with share placement

The Company also will offer those investors acquiring shares pursuant to the placement options on the terms set out below to acquire fully paid ordinary shares. The options will be offered pursuant to a prospectus to be issued by the Company. Each investor will have the opportunity to subscribe for one option for each share issued to it under the placement.

Rights Issue of Options to Shareholders

In addition the Company will make a non-renounceable offer to all registered shareholders, the opportunity to acquire options on the terms set out below on the basis of a maximum of one option for each 7 fully paid ordinary shares held by each shareholder. The entitlement date will be subject to timing of the Prospectus with ASIC. For the purposes of calculating option entitlements fractions will be rounded up. The terms of the options will be contained in a prospectus to be issued by the Company. An Appendix 3B for this Rights Issue will be lodged when the Prospectus is lodged with the ASX.

The Company expects to issue the prospectus in relation to the options before April 15, 2005. The key terms of the options will be as follows.

- Each option will entitle the holder to subscribe for one fully paid ordinary share in the capital of the Company.
- The subscription price for each option will be 0.1c.
- The exercise price for the conversion of each option to a fully paid share will be 5.0 cents
- The options will be exercisable on or before 29 September 2006.
- If there are a sufficient number and spread of options on issue the Company will apply to ASX Limited for quotation of the options as soon as possible after the options are granted.

For further information contact the Company.

By Order of the Board

PETER J SLAUGHTER
EXECUTIVE CHAIRMAN

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

MONTO MINERALS LTD

ABN

71 063 144 865

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	FULLY PAID ORDINARY SHARES
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	17,500,000 FULLY PAID ORDINARY SHARES 17,500,000 OPTIONS
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	FULLY PAID ORDINARY SHARES RANKING EQUALLY WITH EXISTING SHARES. OPTIONS EXERCISABLE AT $0.05 EACH ON OR BEFORE 29 SEPTEMBER 2006

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	SHARES RANK EQUALLY WITH EXISTING FULLY PAID SHARES. OPTIONS DO NOT RANK EQUALLY UNLESS CONVERTED TO SHARES
5	Issue price or consideration	\$0.039 FULLY PAID ORDINARY SHARES \$0.001 OPTIONS
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	FUND FEASIBILITY STUDY ON GOONDICUM INDUSTRIAL MINERALS PROJECT & WORKING CAPITAL
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	UPON RECEIPT OF CLEAR FUNDS

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	SEE ATTACHED	

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	SEE ATTACHED	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NO DIVIDEND DISTRIBUTION IS ENVISAGED IN THE NEAR TERM	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements *in full* through a broker?	
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: (~~Director~~/Company secretary) Date: 18 MARCH 2005

Print name: GARRY M EDWARDS

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+ See chapter 19 for defined terms.

18 MARCH 2005

MONTO MINERALS LTD

SCHEDULE OF SECURITIES ON ISSUE

Quoted

Fully Paid Ordinary Shares
Number and class of all securities quoted on ASX (including the securities issued as per Clause 2 in the Appendix 3B incorporating this schedule:-

363,645,628	Fully Paid Ordinary Shares (MOO).
1,404,486	Maximum Shares remaining to be allocated - Equity Line of Credit Drawdown announced 21 September 2004
17,500,000	Placement announced 18 March 2005
382,550,114	TOTAL

5c Options Expiring 29 September 2006

17,500,000	Placement announced 18 March 2005

Unquoted

Number and class of all securities not quoted on ASX (including the securities issued as per Clause 2 in the Appendix 3B incorporating this schedule:-

1,750,000	Options exercisable at $0.10 on or before 31 March 2005.
9,000,000	Directors Options exercisable at $0.12 exercisable between 1 July 2004 and 30 June 2006 provided the Company, its subsidiary or descendent entity has produced and sold any mine products equal to or greater than $10,000,000 in value.
750,000	Employee Options exercisable at $0.10 on or before 31 December 2006