



18 April 2005

ASX ANNOUNCEMENT

COUNTDOWN TO PRODUCTION.....

SUCCESSFUL FELDSPAR TRIALS FOR USE IN GLASS MAKING

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 for use in glass making, paint manufacture and as an industrial abrasive, ilmenite for manufacturing white pigment used in paint, paper and plastics and apatite as a fertiliser.

Leading international glass company O-I (formerly known in Australia as ACI) has approved Monto Minerals' feldspar for use at its major glass container manufacturing plant in Brisbane and intends to switch to the product when it becomes commercially available.

O-I has confirmed that the Monto feldspar is technically acceptable to it following industrial trials carried out over the past seven months at O-I's Brisbane plant.

Monto Executive Chairman Peter Slaughter said today that Monto and O-I would now negotiate a supply contract which, if agreed, would be subject to the outcome of a feasibility study now being finalised into the commercial development of Monto's Goondicum industrial minerals project, and to construction of the full scale processing plant.

"This is an important approval in the countdown to the commercial development of Monto's industrial minerals project," Mr Slaughter said.

"O-I is the world's largest glass container manufacturer, producing over 50% of all glass containers made worldwide.

"As a result of the successful trials, O-I intends to use, subject to commercial agreement and project development being achieved, Monto feldspar as the sole source of alumina in the production of glass containers at its Brisbane plant.

"Monto could start initial production within six months, followed by full scale production in early 2006, if the current feasibility study proves positive.

"O-I's endorsement (attached) of the quality of Monto feldspar will have an important impact on the international marketing of the product."

Mr Slaughter said that negotiations on the supply contract with O-I would start immediately on the basis that the existing trial processing plant at the Goondicum mine would provide bridging production ahead of full scale production.

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"A review of requirements to restart the trial plant, which is now on care and maintenance, is already well advanced," he said. "Limited production of feldspar for O-I as well as ilmenite for a plant trial by a major overseas customer, is planned for later this year. Increased production from the trial plant may be facilitated by the temporary installation of some equipment to be later installed in the main plant.

"Full-scale production of feldspar, ilmenite, and apatite, initially totalling more than 200,000 tonnes a year, is targeted for early 2006 subject to the feasibility study which is scheduled for completion at the end of April.

"Monto has letters of intent for the sale of more than 60% of the initial two years' production. A successful sales contract with O-I will increase this, and the O-I endorsement is expected to assist in achieving further sales of feldspar internationally.

"The increasing sales commitments validate the strategy devised two years ago to target the economic development of the Goondicum deposit by producing and marketing three separate products," Mr Slaughter said.

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TRIAL OF MONTO GOONDICUM FELDSPAR IN O-I BRISBANE PLANT

Between September 2004 and March 2005, a total of 580 tonnes of Goondicum Feldspar obtained from Monto Minerals was used in two raw material trials at the O-I Brisbane Plant.

In the first trial which ran for 7 weeks during September and October 2004, the current low iron source of alumina in the flint glass was gradually replaced by feldspar over a two week period. A full feldspar batch was used for four weeks before reverting back to the normal source of alumina. During the period that feldspar was used, no adverse effect on glass quality was observed. While the iron content in the flint increased by about 0.015% Fe_2O_3 , the colour remained within specification at all times.

In the second trial which ran for a total of six weeks (3 weeks during October and November 2004 and for 3 weeks during February and March 2005), the current source of alumina in the amber glass was gradually replaced by feldspar over a week. A full feldspar batch was then used for two weeks before the trial had to be temporarily suspended. When it was restarted in February 2005, the full feldspar batch was quickly reintroduced and the trial ran for a further three weeks. During the period that feldspar was used, the cullet level was maintained at 40% and no adverse effect on glass quality was noted.

Of the 580 tonnes of material used, 500 tonnes had less than 1% retained on 425 μm while 80 tonnes had about 35% retained on 425 μm with less than 1% retained on 600 μm . In the case of the first trial in flint, only the finer material was used. In the case of the second trial in amber, no adverse effect on melting rates or glass quality was observed when the finer material was replaced by the coarser material in the second half of the trial.

The feldspar was easy to handle, free flowing and did not create a dust problem.

O-I intends to use the Goondicum Feldspar in their Brisbane Plant when it becomes available commercially provided that the quality is similar to that of the material used in the trial and a satisfactory commercial agreement can be reached.

G Higginbotham
14 April 2005