



20 April 2006

ASX ANNOUNCEMENT

COUNTDOWN TO PRODUCTION.....

MONTO RECEIVES POSITIVE PILOT TEST REPORT ON TITANOMAGNETITE

- **Full scale commercial testing as additional industrial mineral to proceed**
- **Titanomagnetite report comes ahead of Monto's proposed AIM admission**

Monto Minerals Limited (Monto) will undertake commercial scale testing of its emerging additional product, titanomagnetite, following a positive pilot test report from Australian Coal Industry Research Laboratory (ACIRL).

Monto is planning to add titanomagnetite for use as a dense medium in coal washing to the multi-product range of the company's 100% owned Goondicum Industrial Minerals Project in central Queensland.

The Goondicum deposit is located close to major export coal mines.

Commissioning of the project is expected to commence during January/February 2007.

The ACIRL report on titanomagnetite as a fifth product was received last Thursday and comes as Monto prepares to list next month on the Alternative Investment Market (AIM) in London to complete funding of the Goondicum project.

The ACIRL report states that:

- ACIRL has formed the view, subject to full scale testing, that Monto Minerals' magnetite product may be utilised as a dense medium stock within dense medium cyclone circuits of modern coal preparation plants.
- It is ACIRL's view that Monto Minerals magnetite is suitable for large scale testing in a dense medium cyclone coal preparation plant that has a well engineered recovery circuit with high field strength magnetic separators, preferably working in a two stage configuration.

Welcoming the report, Monto's Executive Chairman, Peter Slaughter, said, "This is the result we were hoping for when the company embarked on its pilot plant tests with ACIRL. The report's conclusion that our product should be bulk tested in a suitable commercial operation significantly improves the prospects of adding a fifth product to our proposed current suite of products.

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

"Commercialisation of titanomagnetite could be expected to increase the Goondicum Project's already robust economics.

"We will now schedule a bulk test using titanomagnetite to be produced from the Mount Goondicum trial processing plant. The test might be arranged within three to four months but this is dependent on obtaining a window of opportunity at a suitable commercial coal processing plant and having ACIRL technical people available to assist in the trial," Mr Slaughter said.

By Order of the Board

A handwritten signature in black ink, appearing to read 'G. Moore', written in a cursive style.

GEOFFREY P MOORE
Chief Executive Officer