31 May 2007

ASX ANNOUNCEMENT

ISSUE OF SHARES AND OPTIONS

The Company has today issued 43,256,878 fully paid ordinary shares and 2,000,000 options.

41,666,666 fully paid ordinary shares were issued as part of the shareholder approved funding package comprising placements and convertible notes. 130,212 fully paid ordinary shares were issued from the exercise of UK Directors options. Commissions on the funding package will result in the issue of another 1,460,000 shares and 2,000,000 options.

An Appendix 3B for the issue of shares and options is attached.

The Company will announce to the ASX the issue of remaining shares approved by shareholders and convertible notes when the issues are made.

The Company seeks to rely on case 1 in Section 708A(5) of the Corporations Act ("Act") in respect of the issue of the 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 7098A of the Act) which is required to be disclosed by the Company.

By Order of the Board

DANIEL E HUFF
Company Secretary

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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, 24/10/2005.

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	148,511,503 fully paid ordinary shares 15,700,000 unlisted subordinated unsecured loan notes 2,000,000 unlisted 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. Unlisted subordinated unsecured loan notes on terms set out in notice of EGM dated 27 April 2007 with face value of A$1.00 (A$15,700,000 in aggregate) **(Loan Notes)**. Unlisted options exercisable at $0.19 expiring 28 May 2012.

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. 28 May 2012 options do not rank equally unless converted to shares. Loan Notes – new class.
5	Issue price or consideration	84,254,625 fully paid ordinary shares at £0.075 per share* 42,666,666 fully paid ordinary shares at $0.1875 per share* *For approximately each 8.08 shares issued a Loan Note will be issued as consideration for a selective capital reduction - see notice of EGM dated 27 April 2007 for details. 20,000,000 fully paid ordinary shares to be issued for nil cash consideration to the providers of $12,000,000 convertible notes and $6,000,000 loan facility in consideration for the entry into those agreements as subscribers. 130,212 fully paid ordinary shares from the exercise of UK Directors options. Exercise price £0.001 per option. Issued in lieu of directors' fees. 1,460,000 fully paid ordinary shares issued for nil cash consideration as commission on placement at notional issue price of $0.20 per share. 2,000,000 unlisted 28 May 2012 options issued as commission on placement.

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Development of Goondicum Project - see notice of EGM dated 27 April 2007 for further details.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	43,256,878 shares -31 May 2007 85,254,625 shares - expected to be 12 June 2007 15,700,000 Loan Notes - expected to be 12 June 2007 20,000,000 shares - expected to be 28 August 2007 2,000,000 options – 31 May 2007 Announcements will be made to ASX when remaining shares and the Loan Notes are issued.

		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.

+ See chapter 19 for defined terms.

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	

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)		

+ See chapter 19 for defined terms.

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.

- 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: Date: 31 May 2007
(~~Director~~/Company secretary)

Print name: DANIEL E HUFF
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31 MAY 2007

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:-

235,108,086	Fully Paid Ordinary Shares (MOO)
85,254,625	Fully Paid Ordinary Shares (MOO) expected to be issued on 12 June 2007
20,000,000	Fully Paid Ordinary Shares (MOO) expected to be issued 28 August 2007
340,362,711	TOTAL Fully Paid Ordinary Shares

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):-

1,900,000	Directors Options exercisable at $0.455 on or before 25 May 2011. Options approved by shareholders 21 April 2005
1,397,000	Options exercisable at GBP0.12 (12 pence) on or before 25 May 2009
26,609,526	Options exercisable at GBP0.15 (15 pence) on or before 25 May 2009
335,365	Options issued to UK Directors for 2007 Remuneration Exercisable at GBP0.001 (1 tenth of a pence) on or before 25 May 2012
2,000,000	Options exercisable at $0.19 on or before 28 May 2012
15,700,000	Unsecured subordinated loan notes with face value of A$1.00 expected to be issued 12 June 2007

+ See chapter 19 for defined terms.