



29 June 2007

ASX ANNOUNCEMENT

Monto Minerals Limited (the "Company")

ENTERING THE PRODUCTION PHASE.....

- **Plant commissioning under way at Goondicum industrial minerals project**
- **First production mid-July**
- **Sales to commence second half calendar 2007**

Monto Minerals' Goondicum industrial minerals project has entered the production phase with commissioning of the processing plant.

The Company is planning to produce feldspar, ilmenite, apatite and titanomagnetite for domestic and export markets from its multi-product mining project in central Queensland.

Dry commissioning of mechanical equipment commenced on Friday 22nd June and will be staged as various parts of the plant are commissioned. Stockpiled ore will start to be processed through the plant from mid July with commercial production achieved during August. Mining began in February, the soft ore being easily accessed from the surface by excavator and truck.

Announcing the commissioning today, Monto Managing Director Mr Geoff Moore said: "Queensland will have an important new industry next month. The Goondicum project will commence production from the processing plant in mid-July and will be generating its first sales revenue during the second half of this year."

The 35 km water pipeline has been completed and water is being pumped to the site as the facility is commissioned over the next two weeks. Water is being pumped from the company's licensed bore in the Mulgildie Basin west of Monto.

Clearing for the power line has commenced and construction is expected to be completed in the September quarter to be followed by completion of the sub-station in October. Diesel generators are powering initial operations until power is available from the network provider.

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Also under construction is the feldspar washing plant at Dakiel, 25 km from the mine. The plant is on track for completion in September. Feldspar will be upgraded at Dakiel prior to sale.

Market development of the products is continuing. Commercial testing of titanomagnetite as a coal washing heavy medium will commence next month at a central Queensland coal washing plant. Installation of grinding equipment for preparation of the titanomagnetite product at the Goondicum plant has been deferred pending the successful completion of the commercial test.

Following a visit by the Board of Monto to the Goondicum site this week, Monto Chairman Mr Peter Slaughter said directors were pleased with the progress in bringing the production and infrastructure requirements of the project into operation in a timely manner.

"The multi-product strategy we have pursued over the last four years has enabled us to bring on line an internationally significant industrial minerals producer," he said.

"The Company is particularly grateful for the support of the Monto community for which the project has economic and social importance. Hiring of the local workforce has commenced with the engagement of four supervisors, two tradespeople and 20 operators."

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