

30 APRIL 2008

ASX ANNOUNCEMENT

Monto Minerals Limited ('Monto' or the 'Company')

THIRD QUARTER ACTIVITIES AND CASH FLOW REPORT

FOR THREE MONTHS TO 31 MARCH 2008

FOCUS ON INCREASING PRODUCTION TO MEET STRONG MARKETS

Strong market demand continued during the quarter for the high quality industrial minerals produced by Monto's 100% owned Goondicum Project in central Queensland, in particular ilmenite on international markets and phosphate rock for Australian fertiliser requirements.

Ilmenite, feldspar and phosphate rock are being delivered to customers, and sales of titanomagnetite are planned for the second half of calendar 2008.

In the first full quarter of operation for the project, the focus was on increasing production. The utilisation rate of the processing plant increased during the quarter, but total product output did not reach expectations.

Production

Following initial production in October 2007, the operational emphasis during the March 2008 quarter was on increasing the availability of the processing plant and, consequently, lifting production to planned levels. Production was restricted by problems in providing the plant with feed at a consistent throughput rate and by technical and training issues affecting the total time that the plant was operating. As reported last month, unforeseen equipment modifications, power restrictions, the quality of initial ore feed and heavy rain all contributed to the lower than planned availability.

Plant availability averaged 46% during the quarter but has been increased to a rate of approximately 60% during the month of April. Emphasis was placed on the production of ilmenite which is the Company's largest generator of revenue.

Page 1 of 4

Head Office

Suite 3, 470 Upper Roma Street
Brisbane QLD 4000
Telephone: 61 7 3034 3100
Facsimile: 61 7 3034 3199
Email: admin@montominerals.com

Monto Minerals Ltd
ABN 71 063 144 865

PO Box 1791
MILTON BC QLD 4064

Website: www.montominerals.com

Monto Office

5 Newton Street
Monto QLD 4630 Australia
Telephone: 61 7 4166 3500
Facsimile: 61 7 4166 3137

Goondicum Plant - Quarterly Production & Sales Results

	Tonnes	
	Production	Sales
Ilmenite	5,456	6,077
Apatite	1,708	1,510
Feldspar	2,268	
Titanomagnetite	1,150	
Total	10,582	7,587

Independent engineers were engaged to examine production limiting issues and to recommend both immediate and longer term improvements, including preliminary advice on significant expansion of production capacity. Several actions were taken to improve the performance of the plant. These included the addition of specialist maintenance personnel and improved training for plant operators. Further recommendations will be forthcoming progressively from the engineers' reviews.

The feldspar processing plant at Dakiel, 25km west of Goondicum, was brought into production during the quarter.

Sales and marketing

A strong emphasis continued to be placed on building relationships with customers, expanding initial markets and developing new ones.

Two consignments of ilmenite were shipped from Gladstone as part of a long term contract to supply a manufacturer of titanium dioxide pigment in South Korea. Stimulated by the economic growth of China, Monto's high quality sulphateable ilmenite is in heavy demand in Asia where the sulphate route is the dominant process for TiO₂ manufacture.

With demand for fertiliser increasing due to strong markets for farm produce, domestic organic fertiliser manufacturer Ausmin Australia continued to take delivery of all of the production of phosphate rock from Goondicum.

Deliveries of feldspar for Australian glass manufacture commenced during the quarter, being trucked to Brisbane from Monto's feldspar upgrading facility at Dakiel.

The Company continues to pursue markets for high value feldspar in finely ground form for use in paint and powder coatings. An initial 20-tonne consignment was shipped to the United States during the quarter for market development testing, followed by a second 100-tonne shipment earlier this month.

The market outlook for titanomagnetite as a highly competitive coal washing agent in central Queensland's large coal mining industry continues to improve due to the greatly increased cost of imported magnetite. A grinding and processing plant is expected to be in production at Goondicum during the September 2008 quarter.

Infrastructure

The Company expects to continue bearing the cost of one diesel generator for several months to supplement the mains power supply. The Goondicum operation has still not transferred wholly to mains power due to delays in network upgrades encountered by the Queensland Government owned corporation responsible for supply. The Company

built the power line to connect Goondicum to mains power in order to significantly reduce operating costs.

Another Queensland Government owned corporation continued to face problems with the pipeline supplying water to Goondicum but these have been managed so as not to impede operations. A failed pump at the main bore had to be replaced and further leaks in the pipeline continue to be repaired although the frequency and size of the leaks have been reducing.

Eulogie

The company is currently preparing a preliminary mine design and infrastructure layout for a Mineral Lease Application of the titanomagnetite deposit held by Monto at Eulogie in central Queensland. Preliminary discussions were held with an interested party regarding the iron ore potential and Monto's future development options

Outlook

In the current June quarter,

- The Company will target increased production at Goondicum, with remedial actions identified through operating experience at the processing plant and on the advice of independent consultant engineers
- Further sales agreements will be pursued, including a long term ilmenite supply contract
- Preliminary planning for the expansion of the Goondicum operations will continue
- Development of additional applications of Monto's feldspar, including high value paint and powder coatings, will be continued
- Construction and commissioning of the titanomagnetite plant should be well advanced
- A review of the funding requirements for the project will be completed in order to estimate the cost for expansion and the short term working capital needs during the current period of slower than anticipated production ramp-up.
- The Board will continue with the process of engaging a new Chief Executive Officer to succeed Mr Geoff Moore who, as announced last week, has given notice of his intention to retire in July.

For further information on Monto Minerals, please visit the Company's website at www.montominerals.com

By Order of the Board



GEOFFREY P MOORE
Managing Director

Background

Monto Minerals was established to develop the unique mineral resource at the Goondicum Crater, near Monto in Queensland.

The Goondicum project is a multi-product project to produce ilmenite (for paint, paper and plastic pigment), glass feldspar (for glass manufacture), ground feldspar (for paint and powder coating), apatite (for organic fertiliser) and titanomagnetite (for coal washing) for Australian and international markets.

Mine development and construction of the processing plant at Goondicum, and a washing plant at Dakiel, 25km from Goondicum, to upgrade the feldspar prior to sale are complete. Stockpiles of ilmenite, feldspar, apatite and titanomagnetite have been established at Goondicum and production rates are being increased gradually.

Monto began supplying apatite for organic fertiliser production in November 2007 and is scheduled to commence the supply of feldspar for Australian glass manufacture in February 2008. The Company also plans to sell titanomagnetite as a coal washing agent to plants at central Queensland coal mines later in 2008.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

MONTO MINERALS LTD

ACN or ARBN

063 144 865

Quarter ended ("current quarter")

31 MARCH 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	511	520
1.2 Payments for		
(a) exploration and evaluation	(26)	(110)
(b) development	(81)	(174)
(c) production	(2,805)	(5,874)
(d) administration	(481)	(1,406)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	453	1,377
1.5 Interest and other costs of finance paid	(320)	(709)
1.6 Income taxes paid – R&D Tax Offset received		280
1.7 Other (provide details if material)		85
Net Operating Cash Flows	(2,749)	(6,011)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(3,070)	(22,531)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(3,070)	(22,531)
1.13 Total operating and investing cash flows (carried forward)	(5,819)	(28,542)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(5,819)	(28,542)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		12,882
1.17	Repayment of borrowings	(29)	(70)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Capital Raising Costs		
	Net financing cash flows	(29)	12,812
	Net increase (decrease) in cash held	(5,848)	(15,730)
1.20	Cash at beginning of quarter/year to date	21,309	31,193
1.21	Exchange rate adjustments to item 1.20	(11)	(13)
1.22	Cash at end of quarter	15,450	15,450

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	149
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Refer attached note

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

The Company has an equity facility with US-Based Investment Fund Cornell Capital Partners Offshore LP as announced on 16 August 2004.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities – Capital Expansion Facility	6,000	Nil
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	500
Total	520

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	657	1,101
5.2 Deposits at call	2,136	7,551
5.3 Bank overdraft		
5.4 Other (provide details) Cash collateralised term deposits securing bank guarantees	12,657	12,657
Total: cash at end of quarter (item 1.22)	15,450	21,309

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities <i>(description)</i>	Nil	Nil	Nil	Nil
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil	Nil	Nil
7.3 ⁺ Ordinary securities	340,362,711	340,362,711		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil	Nil
7.5 ⁺ Convertible debt securities <i>(description)</i>	120 Secured Convertible Notes each with a \$100,000 face value	Nil	Conversion Price \$0.25 per share	Nil
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil	Nil Nil	Nil Nil
7.7 Options <i>(description and conversion factor)</i>	1,900,000 26,609,526 1,397,000 335,635 2,000,000 2,880,000	Nil Quoted on AIM only Nil Nil Nil Nil	<i>Exercise price</i> 45.5 Cents 15 UK Pence 12 UK Pence 0.1 UK Pence 19 Cents 15.6 Cents	<i>Expiry date</i> 25/5/2011 25/5/2009 25/5/2009 25/5/2012 28/5/2012 1/2/2011
7.8 Issued during quarter	2,880,000	Nil	<i>Exercise price</i> 15.6 Cents	<i>Expiry date</i> 1/2/2011
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	\$15,699,818	Nil	Loan Notes as approved by shareholders 28 May 2007	

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date 24 April 2008

Print name:DANIEL ERIC HUFF.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.

Appendix 5B - Notes

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

MONTO MINERALS LTD

ACN or ARBN

063 144 865

Quarter ended ("current quarter")

31 March 2008

ITEM 1.25 PAYMENTS MADE TO DIRECTORS AND RELATED ENTITIES

	Current Quarter	Year to Date
	\$	\$
(a) Reimbursement of out of pocket expenses	18,715	28,441
(b) Directors fees	51,999	162,139
(c) Office administration costs	0	0
(d) Consulting fees	0	123,664
(e) Salary and Wages	69,461	202,894
(f) Superannuation Contributions	8,750	27,068
(g) Interest Paid	0	21,477
TOTAL	148,925	565,683

+ See chapter 19 for defined terms.