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FOR IMMEDIATE RELEASE

4th QUARTER ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 JUNE 2010

Project Update - Activities

Monto Minerals Limited (Monto) has completed the preliminary technical review of the Middle Island and Hummock Hill Island Projects.

The historical records contain plans, sections and numerous technical reports including geological reports, environmental monitoring data including flora, fauna and archaeological surveys, resource estimation information, metallurgical test work reports, scoping studies and financial modelling data. Monto are continuing to assess and review all available information relating to the Middle Island and Hummock Hill Island Projects.

Monto have integrated historical survey information with modern digital data sets and, using Geographic Information Systems (GIS), have generated geo-referenced plans for both Middle and Hummock Hill Island which detail all drill lines and heavy mineral (HM) sand deposits. Using this detailed information, the following fieldwork was conducted in June 2010:

- Establishment of contact with local stakeholders and assessment of relevant issues such as island accessibility, tidal regime and vegetation.
- Ground-proofing of historical information including the identification of drill lines and ascertaining the approximate areal extents of existing historical deposits.
- Collection of soil samples using a hand auger drilling to maximum depths of 1.7m below ground surface (mbgs). Hole locations targeted previously identified shallow HM ‘strand’ features typical of the deposits identified on both Middle and Hummock Hill Island.
- Collection of surface soil samples where mineralisation was evident.

- Analysis of soil samples through density separation (providing percentage of HM present) and mineralogy (through a 300 modal point count).

Access to the island was by boat, however a causeway (trafficable only at low tide) does connect both Middle and Hummock Hill islands to the mainland. Tidal ranges in the area are typically high and during June 2010 tidal variability was in the vicinity of 3 metres.

Traverses were made of the deposits at both Middle and Hummock Hill Island correlating the GIS data with existing drill lines observable on the ground. Stakes delineating drill lines created in the early 1990s were discernable in some instances and hand auger locations were arbitrarily located in order to confirm the presence of HM sands. Generally the HM 'strands' were readily identifiable, however in several locations they are likely to exist at a greater depth than that achievable with a hand auger. Soil samples were collected at various depth intervals down the hand auger holes. Project location maps showing the previous drill lines and current hand auger locations for both Middle and Hummock Hill Island are provided below.

Hand auger hole SS5 in dunal area - Middle Island

From the soil samples collected the following were submitted for HM separation, the results of which are shown in the table below.

Sample ID	Grainsize (%)			HM
	>1mm	<1mm - >63µ	<63µ	%
SS1 – 1.2m	0.01	55.79	44.19	0.91
SS2 – 0.5m	0.03	95.68	4.29	14.61
SS3 – 1.7m	0.03	99.23	0.75	0.27
SS4 – 1.5m	0.02	94.89	5.09	3.20
SS5 – 1.0m	0.02	99.25	0.73	1.75
SS6 (selective)	0.02	99.19	0.79	63.43
SS7 – 1.4m	5.59	83.93	10.48	1.17
SS8 – 0.3m	0.05	98.24	1.71	3.46

Note: HM separation conducted using tetrabromoethane (TBE) (density 2.96)

Soil sample SS6 was selectively sampled from naturally concentrated HM sands and was submitted for mineralogical assessment using a standard 300 point count modal analysis. This technique basically comprises the production of a representative polished section and the point counting of every apparent mineral under a reflected polarizing microscope. The table below summarises the results:

Sample ID – SS6	
Mineral	**%**
Ilmenite Product	**85.9**
Leucoxene	**1.6**
Rutile Product	**1.9**
Zircon	**9.2**
Others (trash)	**1.4**
Total	**100**

Soil sample SS6 – Mineralogical Analysis

The overall HM grade of the samples is broadly in line with historically quoted non JORC-code compliant target mineralisation from both Middle and Hummock Hill Island. Of particular interest are the elevated HM grades of soil samples SS2-0.5m, SS4-1.5m, SS6 and SS8-0.3m.

The mineralogical composition of SS6 is also proportionally similar to historical records with a high weighting towards ilmenite product (composed of ilmenite, altered ilmenite and pseudo rutile) and zircon. The relatively high concentration of zircon in SS6 is meaningful given the greater relative value ascribed to this product when compared to the other HM products such as ilmenite.

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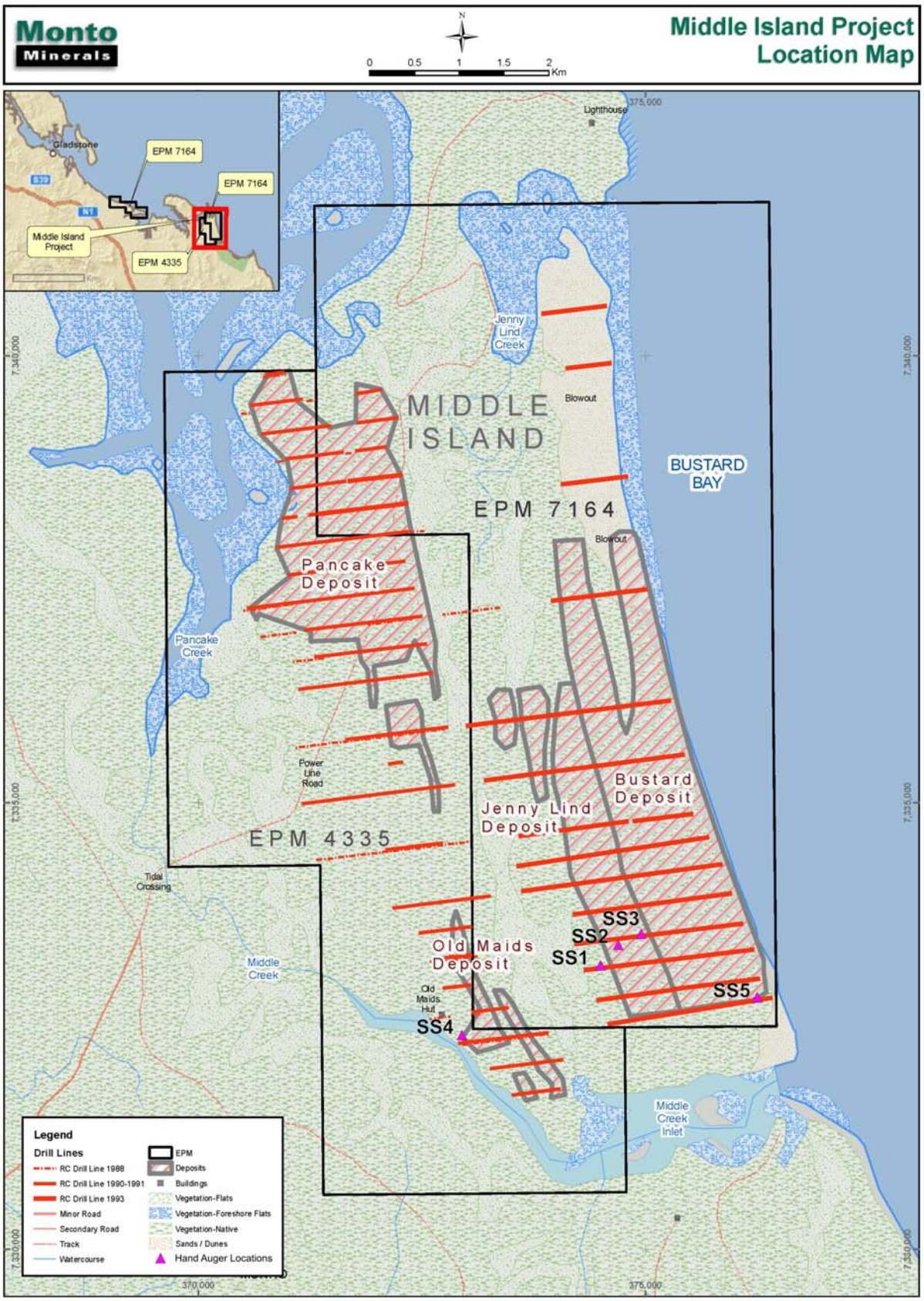
HM sands evident at soil sample location SS6 - Hummock Hill Island

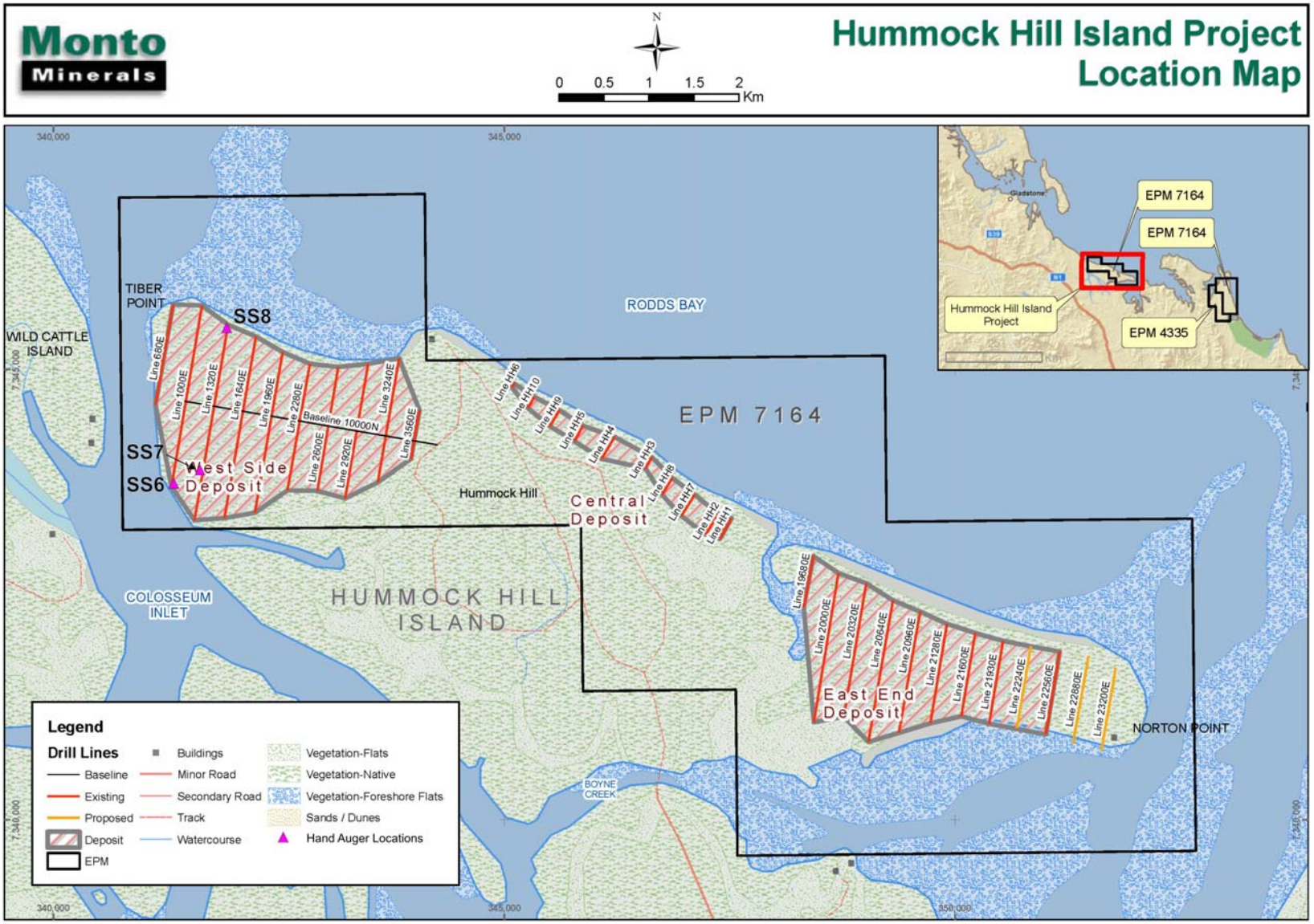
Monto have a number of samples being held at the laboratory that have not yet been processed for HM, likewise not all of the samples have been analysed for mineralogical composition. Monto is currently considering the need for additional analysis of these soil samples.

Forthcoming Exploration Activities

Monto anticipate undertaking the following activities at the Middle Island and Hummock Hill Island Projects:

- Additional geological reconnaissance work to further delineate existing deposit boundaries and provide a basis for a more comprehensive soil sampling campaign.
- An extensive grid sampling programme collecting soil from immediately beneath the surface. This soil sampling program will be designed to cover the broad areal extent of the mineralised zones and validate results against historical findings.
- Depending on the outcome of preceding exploration work, a shallow mechanized drilling programme may be warranted to provide an indication of the depth of mineralisation at the various deposits and provide verification for the existing historical information.
- The non-JORC historical Target Mineralisation quoted in the Preliminary Feasibility Study (PFS) has been generated from a considerable amount of drill and sample data. Given the comprehensive work completed as a basis for the PFS, Monto believes that the historical Target Mineralisation at Middle Island may be converted to a JORC-Code compliant resource. Mineral sands specialists continue to be consulted in this regard.


Monto Minerals
Middle Island Project
Location Map
N
0 0.5 1 1.5 2 Km
Gladstone
B39
N1
EPM 7164
EPM 7164
Middle Island Project
EPM 4335
Km
Lighthouse
375,000
Jenny Lind Creek
MIDDLE ISLAND
Blowout
BUSTARD BAY
EPM 7164
Blowout
Pancake Deposit
Pancake Creek
Power Line Road
Bustard Deposit
Jenny Lind Deposit
EPM 4335
Tidal Crossing
SS3
SS2
SS1
SS5
Old Maids Deposit
Middle Creek
Old Maids Hut
SS4
Middle Creek Inlet
7,340,000
7,335,000
7,330,000
370,000
375,000
Legend
Drill Lines
RC Drill Line 1988
RC Drill Line 1990-1991
RC Drill Line 1993
Minor Road
Secondary Road
Track
Watercourse
EPM
Deposits
Buildings
Vegetation-Flats
Vegetation-Foreshore Flats
Vegetation-Native
Sands / Dunes
Hand Auger Locations



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Acquisition Update

Monto is engaged in the ongoing review and assessment of a number of resource projects across a broad range of commodities and geographic locations. Monto is presently seeking a suitably attractive resource project in which it can invest with a view to developing and advancing the asset. At this stage, no decision to acquire, farm-in or joint venture into any project has been made and the process of project review is continuing as opportunities arise.

Project Background

Middle and Hummock Hill Islands are entirely incorporated in EPM 4335 and EPM 7164. The vast majority of the HM sands identified in the Middle Island Pre Feasibility Study (PFS) completed by former owners RZM Limited (now Bemax Resources Limited) is located on Middle Island itself.

Middle Island is located 76km by road south of Gladstone in Central Queensland in a tidal mangrove environment. The island is mainly comprised of low irregular shaped vegetated undulating sand dunes, flat coastal sand areas and coastal mud flats. Previous explorers had identified HM sands on Middle Island and during the 1960s and 70s several hand auger and mechanical drilling programs had been undertaken on the island. RZM Limited commenced further exploration on the island in 1986 upon grant of the EPM and have completed over 50,000 metres of drilling on the site which culminated in the generation of a detailed PFS released in 1994.

Please see attached figures detailing the project locations and drilling work undertaken by RZM Limited.

Contact Information

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Competent Persons Statement
The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen J Maynard, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and independent consultant to the Company. Mr Maynard is principal of Al Maynard & Associates and has over 30 years of exploration and mining experience in a wide variety of mineral deposit styles including mineral sands. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.