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FOR IMMEDIATE RELEASE

2nd QUARTER ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2010

Completion of Fieldwork and Follow-up Assays

During the previous quarter Monto Minerals Limited (Monto) received the final batch of results for the hand auger drilling campaign conducted at the Middle Island and Hummock Hill Island Projects in June 2010.

The overall heavy minerals (HM) grade of the samples was broadly in line with historically quoted target mineralisation from both Middle and Hummock Hill Island and the mineralogical composition was 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 is meaningful given the greater relative value ascribed to this product when compared to the other HM products such as ilmenite.

Project location maps showing the previous drill lines and current hand auger locations for both Middle and Hummock Hill Island are provided in Figures 1 and 2 respectively.

Ongoing Historical Data Review

As well as processing the recently acquired analytical data, during the December 2010 quarter Monto also continued the detailed review of existing historical records with particular emphasis on the integration of recent assay and mineralogical data with the historical drill database and existing metallurgical test work.

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 GIS, have generated geo-referenced plans for both Middle and Hummock Hill Island which detail all drill lines and HM sand deposits.

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.
- 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.

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.

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.

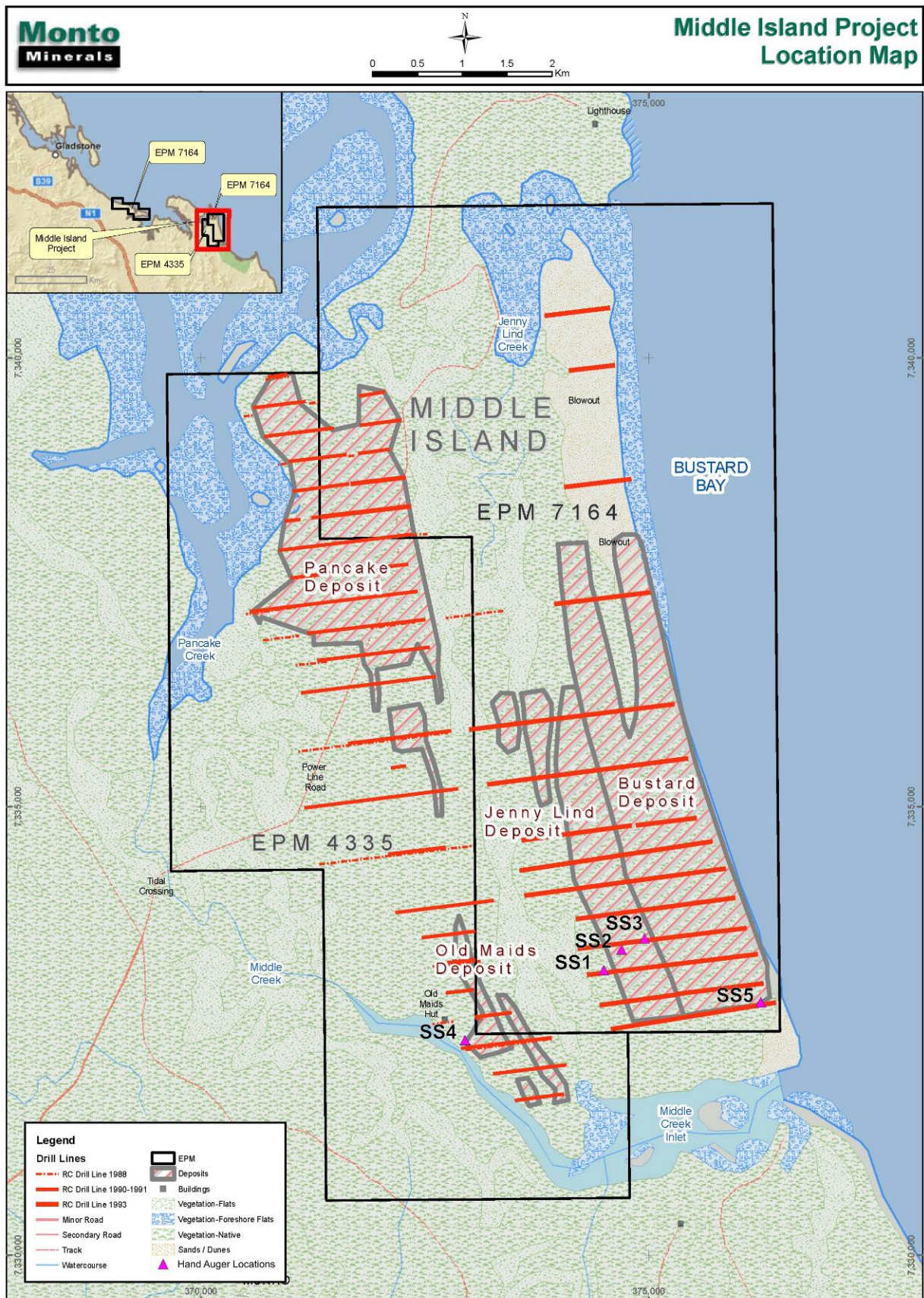


Figure 1: Middle Island Project Location Map – Hand Auger Locations & Drill Lines

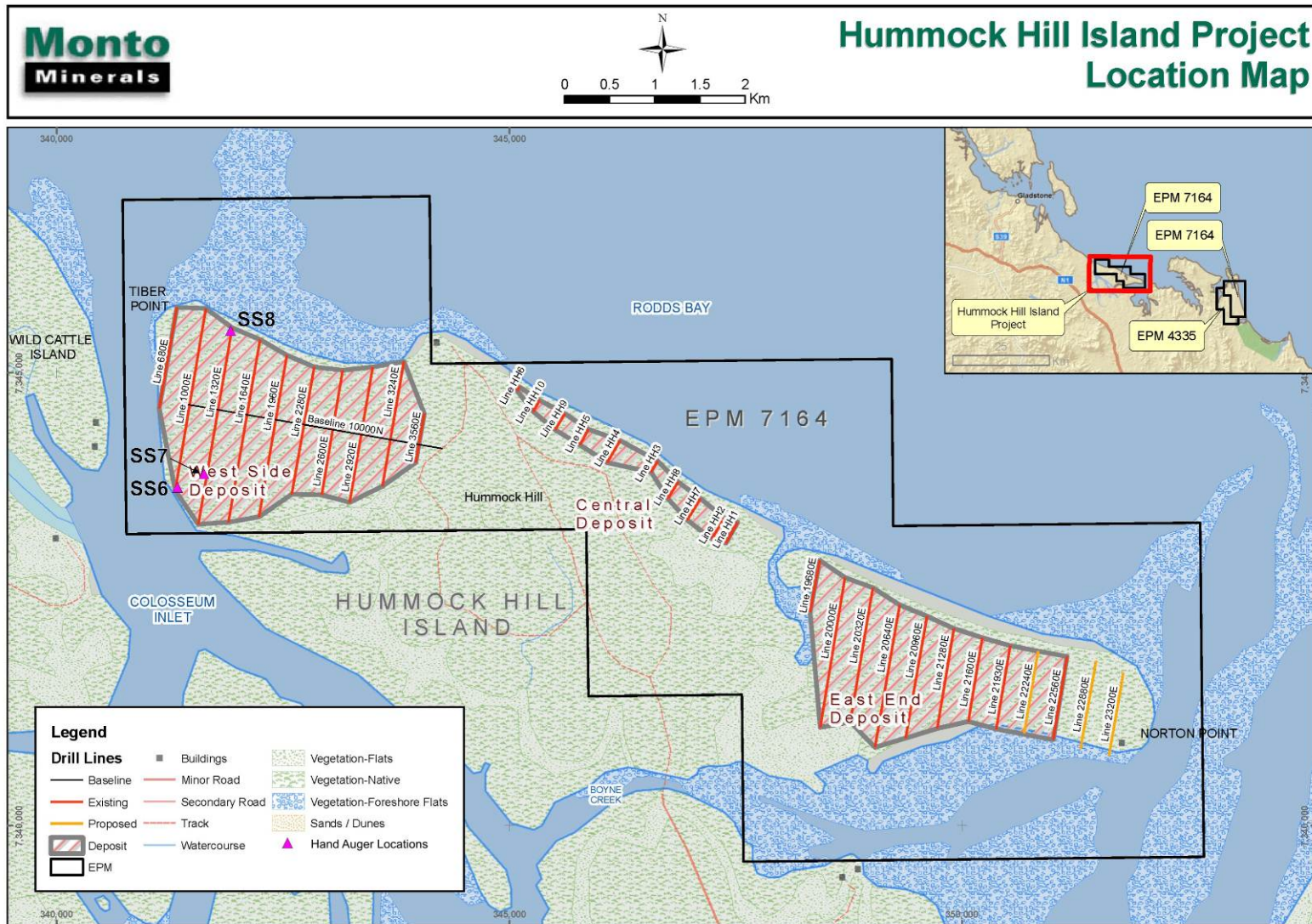


Figure 2: Hummock Hill Island Project Location Map - Hand Auger Locations and Drill Line