

9 July 2012

STREAK HILL TIN DRILLING COMMENCED – IP SURVEYS COMPLETE

Highlights

- **Drilling of historically mined high-grade tin mineralisation has commenced**
- **First tin drilling on northern Herberton Tin Field (free milling tin) since the 1980s**
- **Geophysical (IP) surveys at Streak Hill identify several encouraging anomalies**

Monto Minerals Limited (Monto) is pleased to announce the commencement of drilling at the Streak Hill tin prospect, located within Monto's 100%-owned Herberton Project in north Queensland.

The Streak Hill drilling programme commenced on Friday 6th July and will comprise approximately 1,500m of drilling in the initial phase with an additional 560m of drilling contingent on initial results. Holes are spaced approximately 50m apart and will test a strike extent of 400m (see Figure 1 below). The broader Streak Hill trend as identified by workings along the entire length of the mineralised corridor is approximately 1,500m in length and is currently being further assessed through mapping and rock chip sampling.

The Streak Hill drilling programme represents the first time since the early 1980s that drilling specifically targeting tin has occurred in the richly endowed north Herberton Tin Field. The north Herberton Tin Field is known for the high grade free milling coarse cassiterite tin that the field produced over a period spanning 100 years.

Streak Hill was mined primarily as an underground operation with maximum depth of workings around 70m below surface. Mining was undertaken on four levels over a strike length of 300m. As well as the underground workings, a number of relatively minor open cut workings exist across the prospect. The coarse grained cassiterite is associated with quartz, tourmaline and chlorite, with high grade lenses

ASX Announcement

historically recorded as containing greater than 2% tin. Ore has been concentrated by simple gravity means in the past with no complex metallurgical issues.

An additional 2 drill holes will test the Referendum and Stannum Ace mineralised zones located 350m east of Streak Hill. The Referendum and Stannum Ace prospects are sub-parallel (approximately 50m apart) north-south striking historically mined structures that produced a high grade ore similar in composition to Streak Hill. Each hole will be 200m in length and are designed to intersect both the Referendum and Stannum Ace structures.

As well as the recently completed trialling of both gradient array and dipole-dipole induced polarisation (IP) geophysical surveys described below, Monto has also recently reprocessed the previously acquired 100m line spaced aeromagnetic data including magnetic inversions to allow 3D analysis and interpretation of geology and structures.

Monto has also acquired 0.5m resolution Worldview2 satellite imagery to aid in the identification and assessment of prospective areas within the Herberton project and continues to compile the digital database, sourcing information from Monto's extensive in-house technical library of hardcopy reports and plans.

Monto is the first exploration company to apply a series of modern exploration techniques to the rich north Herberton Tin Field and have significantly increased the pace of exploration over the current dry season. The exploration team has been recently expanded through the addition of a Project Geologist.

Streak Hill IP Survey

The primary zone of workings at Streak Hill strike NNW (~340°) over a length of around 400m. The dense heavily mineralised zone dips steeply to the west and is associated with veinlets or "streaks" containing cassiterite ±quartz, ±chlorite, ±tourmaline, ±pyrite that have varying orientations and form broad stockworks of sub-parallel veins.

The objective of the IP survey was to determine the electrical qualities (chargeability/resistivity) of minerals and alteration associated with the known mineralised zone. The primary tin oxide mineral, cassiterite, has similar relatively high conductive properties as the sulphide mineral pyrite whilst quartz is resistive and, if in adequate relative abundance, will potentially be identified by a clear resistive anomaly. Increased silicic alteration has been historically associated with mineralisation at Streak Hill and can thus be potentially identified through a resistive signature.

Two IP surveys were conducted, gradient array and dipole-dipole. The gradient array has relatively shallow penetration, with results identifying a clear resistive feature along the line of historical workings as

ASX Announcement

shown in Figure 1. The current drilling programme will confirm the results of the gradient array survey by identifying the resistive lithology and demonstrating whether or not it is associated with tin mineralisation. The gradient array survey has also identified a parallel resistive zone to the east of Streak Hill that does not contain workings and has not been drill tested, representing a new exploration target.

The dipole-dipole IP survey was conducted over a single line running perpendicular to the Streak Hill mineralisation and has an effective depth penetration of 150m. The dipole-dipole IP data is still being processed with the results likely to be available in the coming days. These results may require the adjustment of various drill holes to test features identified by the survey.

If effective in identifying tin mineralisation, IP will be an important tool for future exploration. Historic exploration has largely focussed on testing existing workings to determine potential for immediate mining. No regional exploration or exploration in areas along strike of existing workings has been undertaken. IP can be used in prospective areas to test for blind deposits that do not outcrop and hence were not identified by previous miners and explorers, especially in areas of fresh outcrop where geochemistry will not be effective. IP surveys are cost effective and easy to implement as they are non-invasive, requiring no vegetation clearing.

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 James Allchurch, a Director, who is a Member of the Australian Institute of Geoscientists. Mr Allchurch 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' (The JORC Code). Mr Allchurch consents to the inclusion in this announcement of the statements based on this information in the form and context in which it appears.

Contact Information:

James Allchurch - +61 8 9420 9300

www.montominerals.com

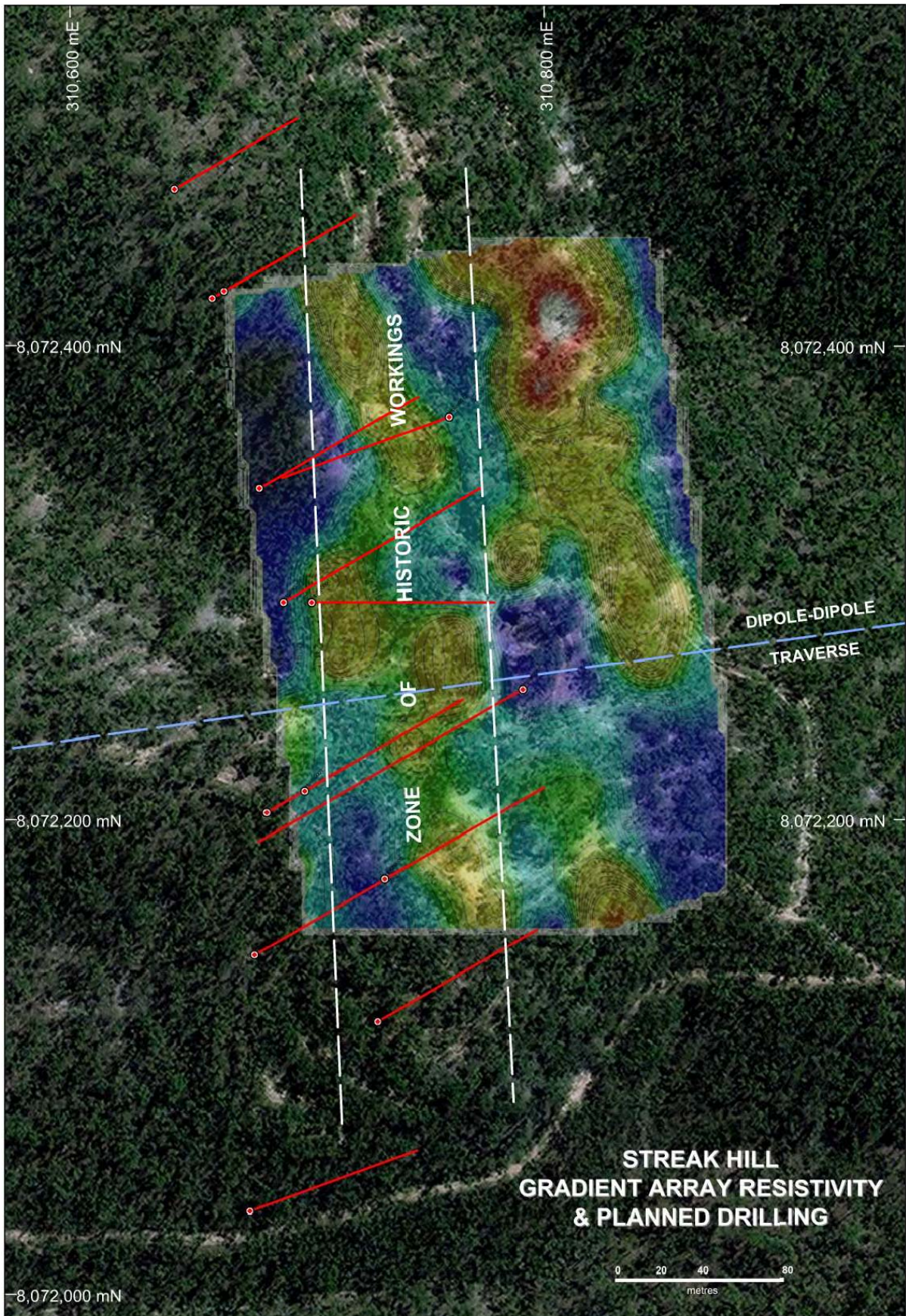


Figure 1 – Streak Hill Planned Drilling and Gradient Array Resistivity (IP)