

Herberton Project - Highlights

Major Tin Anomalies Identified – Drilling to Commence

- Intensive soil and rock chip sampling have identified several large scale high grade tin anomalies within both metasediments and granite with rock chip grades up to 3.85% tin
- 4,693 soil geochemical samples collected to date with 740 follow-up rock chip samples as well as comprehensive digitisation of historical exploration and production data has greatly refined and upgraded drill targets
- Drilling of at least five compelling tin targets to commence in the coming days
- The 62ha Sailor mining lease incorporating tin mineralisation discovered and drilled by Newmont was granted in February 2013. Newmont identified a Target Mineralisation of 7 – 13MT @ 0.12% - 0.18%¹ tin with mineralisation open to the north, west and south

Baal Gammon Mine

- Hong Kong based investment group Snow Peak Mining (SPM) to commence mining of Stage 1 in the coming months representing cash flow for Monto. Currently a stockpile of 6,368t of broken ore grading 2.86% Cu and 67.87g/t Ag is on the ROM pad at the Baal Gammon mine site, awaiting trucking to Mt Garnet
- All production from Baal Gammon will attract a 2.5% net smelter royalty (NSR) payable to Monto on all metals for the first 550kt of ore processed, dropping to 2% NSR over 550kt of ore processed

¹ the potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the JORC code.

Summary of Activities

Intensive Fieldwork Continues - Drill Targets Identified

Monto has continued intensive fieldwork at the Herberton Project over the March 2013 quarter with particular emphasis on the identification and development of high priority drill targets. Fieldwork consisted of continued soil geochemical sampling and targeted rock chip sampling over identified high grade tin prospects.

Given the high proportion of outcrop over the project area, 740 rock chip samples have been collected over various high priority drill targets as identified through soil sampling and/or historical information.

In an important development, results of rock chip sampling have confirmed the existence of high grade tin mineralisation as the source of the tin soil geochemical anomalies in areas not previously recognised as hosting significant tin mineralisation.

During the March 2013 quarter Monto digitized a large volume of historical data, with particular focus on previous drilling results and former underground mining and sampling. This process identified the Mt Ormonde, Jack and Phoenix prospects as areas requiring follow-up work. During the quarter these prospects were geologically mapped and underwent significant rock chip sampling.

The Mt Ormonde area comprises numerous historic workings over an area of 1,200m by 1,200m including the Mt Ormonde, Talisman and Zig Zag mines that were worked by Great Northern Mining Company (GNMC) during the period 1983 to 1985.

Monto recognised the Mt Ormonde area as a potential target due to the high density of workings with grades generally above 1% tin over economic widths (>2m). To assess the area Monto compiled all available historic exploration and mining data and completed a detailed rock chip sampling programme comprising over 200 samples with the intention of defining new zones of mineralisation or extensions to historic workings. The sampling returned high grade tin values from quartz-tourmaline veins and haematitic (after chlorite) shears with values to 5.99% tin, a sample collected from a dump at the Sailor Boy mine. Parallel mineralised structures returning significant tin values of greater than 1% tin were defined at Dargo, the Edward-Talisman area, Con Goo and the Alexandra area.

A road cutting near the Dargo mine exposed a 3m wide zone of hematite alteration (presumably after chlorite) that returned values of 0.80 % tin and 0.65% tin over a three metre width. Shallow drilling by GNMC adjacent to the cutting returned an intersection of 5m at 2.89% tin from 30m depth. Additional rock chips along strike from the exposed zone returned 1.62% tin (37m to the NE) and 1.15% tin (45m to the SW). Sampling from small pits that are located on parallel structures to the above zone returned elevated values including 2.66% tin, 1.53% tin and 1.49% tin. In most cases mineralisation is hosted by quartz – tourmaline veins or haematitic (chloritic) shear zones.

Samples collected at the small Edward pit, located 300m east of Dargo, returned values of 3.85% tin, 1.84% tin and 1.09% tin. Sampling to the west of Edward, towards the Talisman mine, returned numerous elevated tin values to 0.82% tin from small pits of less than one metre depth and from haematitic outcrop. The mineralisation occurs along a series of subparallel structures trending 350° to 030°.

Once all sample results were compiled it was recognised that mineralised structures defined a radial pattern centred on the Zig Zag Mine, coincident with a bullseye magnetic anomaly. It is highly likely the magnetic high represents an intrusive body and, based on the orientation of mineralised structures, is the source for tin mineralisation in the area. GNMC did not undertake any deep drilling at Zig Zag (maximum 80m down hole depth) nor any multielement analysis of drill hole samples, therefore there is no information regarding metal zonation or potential depth to the intrusive body.

The Jack area consists of two high grade underground mines, Jack Johnson and Jack in the Box. Modelling of the shallow underground workings together with field observations and rock chip sampling indicate potential extensions and repetitions of structures known to host tin mineralisation.

During the quarter, Monto completed further detailed rock chip sampling across the 1,600m x 500m Carney's tin anomaly, including a 25m rock chip traverse over a previously identified mineralised zone consisting of sub-parallel quartz vein sets hosted within granite.

The objective of the rock chip traverse at the Carney's anomaly was to follow up previous high grade results and determine the lateral extent of tin mineralisation and, crucially, assess the grade potential of the granite host.

A total of 30 rock chip samples were collected along a 25m traverse perpendicular to the orientation of mineralised quartz veins (see Figure 1). Specific sampling targeted both the vein material and the granite host rock, with veins returning tin grades up to 1.18% tin and, importantly, the granite host rock consistently grading over 0.1% tin. The quartz veins hosting the higher grade tin were typically 2-10cm in width occurring every 50cm over a total width of approximately 50m. Considerable dilation of veins has occurred along the length of various veins included in the traverse, providing potential for larger zones of higher grade mineralisation. The strike length of the quartz vein sets is unknown as it becomes obscured beneath scree and vegetation.

The detailed sampling of the Carney's anomaly has confirmed the tonnage and grade potential of the prospect.

Monto will commence drilling the targets detailed above in the coming days.

Soil Geochemical Programme

In late September 2012 Monto commenced a major 188km² regional soil geochemical survey at the Herberton Project, representing the first time a large systematic exploration programme has been undertaken in the area. As of the end of the March 2013 quarter, 4,693 samples have been collected representing an area of nearly 50km². Soil samples are collected on 200m spaced lines at 50m intervals with analysis by hand-held XRF, saving considerable time and expense on analytical costs.

Soil sampling has identified several anomalies, including two large 1,600m x 500m parallel tin in soil anomalies, known as the Scandinavian anomaly and Carney's anomaly, in a granite area previously not recognized for hard rock tin mineralisation.

Soil geochemical sampling across the former Western Mining Corporation (WMC) Mount Tin mine, east of the Carney's and Scandinavian anomalies, has revealed a further strong tin in soil anomaly extending approximately 1km north from the Mount Tin mine.

Recent laboratory analysis of samples collected from the Mount Tin waste rock dump has revealed high tin grades including 4.64% tin, 2.34% tin and 1.33% tin. All waste rock dump samples collected are identified as heavily albitized granite greisen.

Soil geochemical sampling completed to date is presented in Figure 2.

During the quarter Monto also completed soil geochemical sampling over a prominent bullseye magnetic anomaly located 5km west of the Baal Gammon mine. Results have been received and are currently undergoing interpretation.

Granting of Mining Lease - Sailor

Mining Lease (ML) 20429, known as the Sailor ML, was granted in February 2013. The 62ha Sailor ML is fully incorporated within Monto's exploration tenure at the Herberton Project.

The Sailor ML covers a tin mineralised greisen body discovered and investigated by Newmont Holdings Pty Ltd (Newmont) from 1978 to 1980. The Sailor mineralisation was discovered during the course of a regional tin exploration programme that was directed at examining the margins of the Elizabeth Creek granitic pluton for mineralised layered greisen bodies.

Tin mineralisation at Sailor occurs within the greisenised upper section of a granitic cusp emanating from the granitic pluton, where it intrudes sedimentary rocks of the Hodgkinson Formation. Tin occurs as cassiterite within sub-horizontal lenticular bodies of greisen.

Newmont drilled 32 percussion holes and three diamond drill holes, most holes were vertical with zones of tin mineralisation encountered at depths of 20 – 60m below surface and close to the granite-sediment contact.

In 1980, prior to the introduction of the JORC Code, Newmont generated a Target Mineralisation at Sailor of 7 - 13MT @ 0.12% - 0.18%² tin based on completed drilling.

Drill testing by Newmont covered an area 800m x 400m to a vertical depth of 140m. Real potential exists to extend the mineralisation to the north, west and south as, due to Queensland Mines Department restrictions on exploration at that time, Newmont were not permitted access beyond the pre-existing tenure boundaries and could therefore not determine the full extent of mineralisation.

Due to the broad hole spacing, Newmont were unable to correlate higher grade zones within the lenticular bodies of greisen. Drill hole PS33, drilled at the western extreme of the Target Mineralisation encountered 8m @ 0.41% tin within a broader zone of 13m @ 0.3% tin from 53m.

Further drilling would be required to potentially increase the areal and depth extent of tin mineralisation and, importantly, provide adequate data with which to potentially identify higher grade laterally continuous lenses of shallow mineralisation.

Sailor represents an opportunity to quickly define open pittable easily processed cassiterite tin mineralisation. Sailor is located approximately 20km from the 1Mtpa Mt Garnet polymetallic plant which was recently purchased by Snow Peak Mining Pty Ltd and is operated by Consolidated Tin Mines Limited (ASX: CSD).

The Company is currently assessing the various options for progressing Sailor.

Baal Gammon Mine

The operator of the Monto Minerals Limited (Monto) owned Baal Gammon copper/silver mine in North Queensland, Snow Peak Mining Pty Ltd (Snow Peak), have informed Monto that they are committed to completing Stage 1 of the Baal Gammon project. Currently a stockpile of 6,368t of broken ore grading 2.86% Cu and 67.87g/t Ag is on the ROM pad at the Baal Gammon mine site, awaiting trucking to Mt Garnet.

Snow Peak have the right to operate the Baal Gammon mine under the Minerals Rights Agreement (MRA) whereby the operator is responsible for all costs and obligations with respect to Baal Gammon mine development and operations, including environmental obligations.

Snow Peak is a Hong Kong based investment group associated with Consolidated Tin Mines Limited (ASX: CSD).

Under the MRA, Monto is entitled to a 2.5% net smelter royalty (NSR) payable on all metals for the first 550,000t of Baal Gammon ore processed, dropping to 2% NSR payable on all metals over 550,000t of Baal Gammon ore processed.

² the potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the JORC Code.

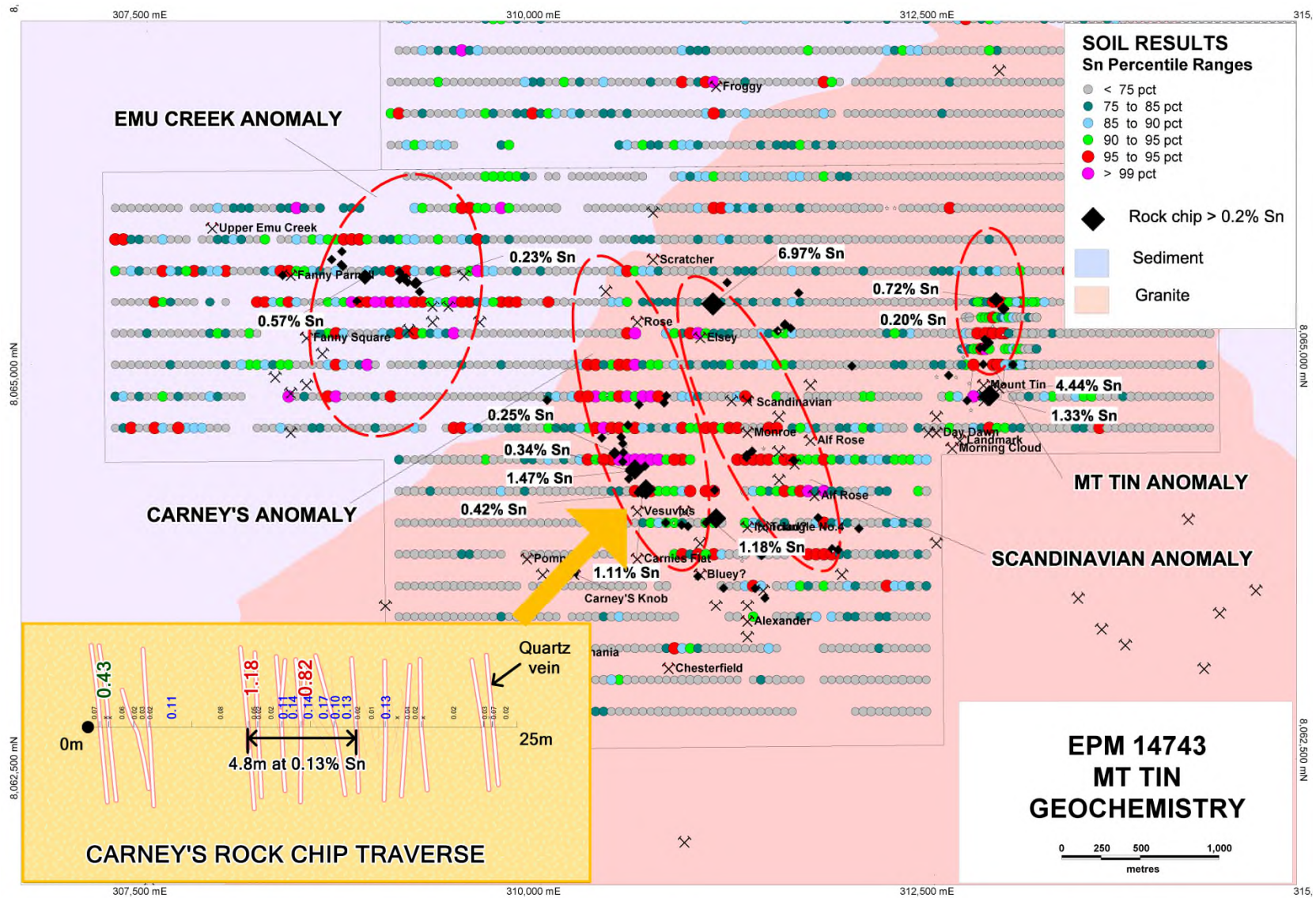


Figure 1: Soil Geochemical Sampling and Rock Chip Results

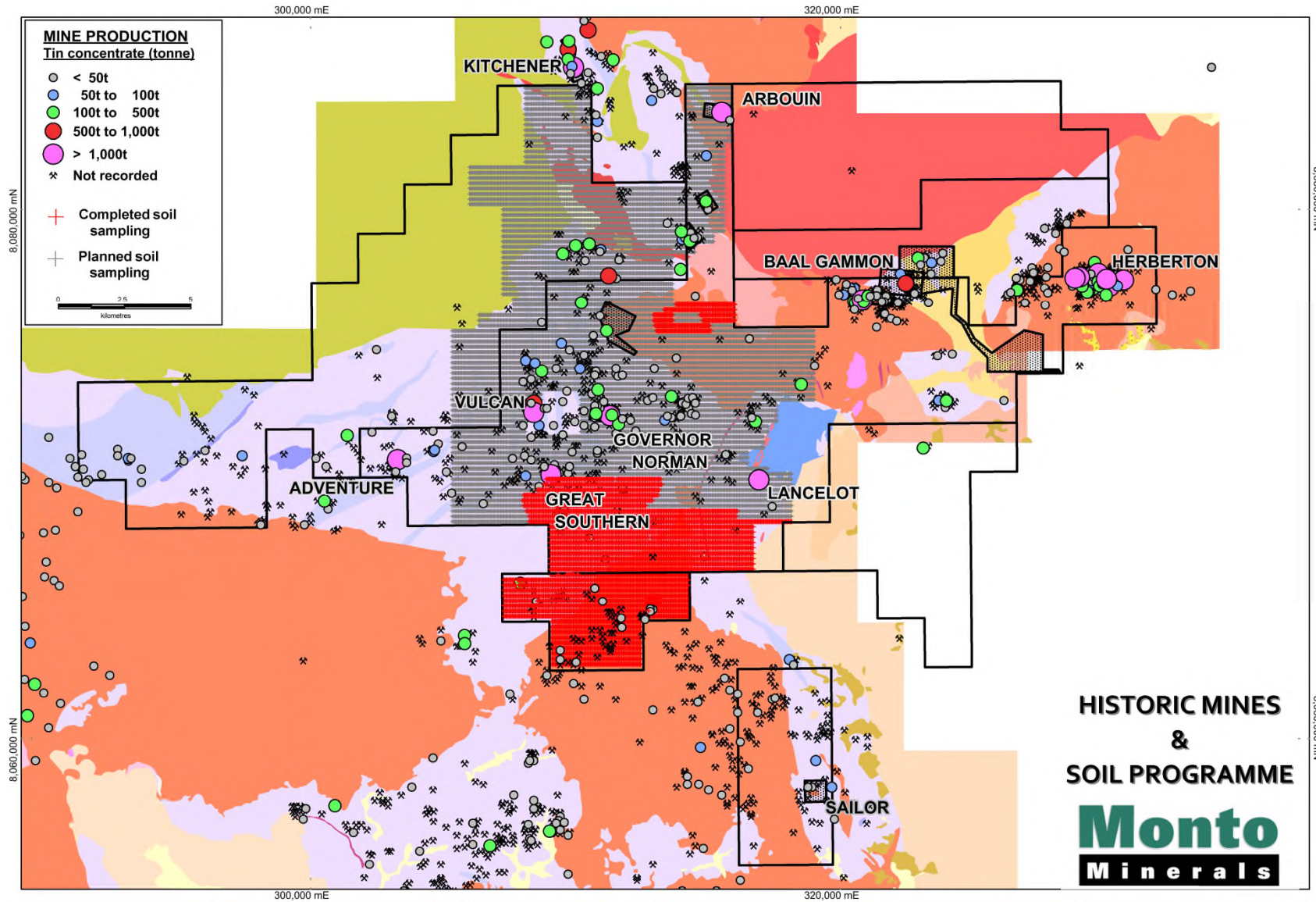


Figure 2: Soil Geochemical Sampling to Date and Historical Production - Herberton Tin Project

Regional Soil Geochemical Survey - Rationale

The 188km² soil geochemical survey currently underway specifically incorporates tenement areas most prospective for tin mineralisation and includes several of the larger historic tin mines that produced “clean” cassiterite ores that are simpler to process than metallurgically complex multi-commodity ores such as is typically found, for example, in skarn-style deposits.

As a function of the previous small patchwork nature of tenure within the Herberton Project area, historical exploration has been restricted to the delineation of immediate extensions to known mineralisation within small mining leases. There has been no systematic modern exploration undertaken within the exploration tenements.

The objective of the soil sampling programme is to identify and define mineralised trends for tin and other commodities such as copper and silver thereby working up targets for near-term drilling. The Herberton Tin Field has been a prolific high grade producer of tin, silver and copper, so this unprecedented regional soil survey represents a unique opportunity for the Company to generate a highly meaningful dataset which will guide future targeting and exploration.

Drilling at Streak Hill and Referendum in July 2012 provided new information for interpreting the potential of specific styles of mineralisation. Multielement analysis of drill samples has provided a suite of pathfinder elements specific to cassiterite tin mineralisation that will be utilised when assessing the soil results. Monto has also been compiling historic mining records and exploration drilling and geochemistry information, producing three dimensional wireframes of underground mines from hard copy plans and generating a far more comprehensive drilling and geochemistry database than was inherited from previous explorers.

Monto is undertaking a regional approach to exploration with the aim of discovering new deposits rather than repeating the efforts of previous explorers who focused efforts on areas of known mineralisation. Despite the regional approach however, Monto will continue to review previously mined areas to provide a better understanding of the distribution and nature of tin mineralisation in the Herberton field. Monto has engaged consultants to reprocess aeromagnetic data producing magnetic inversion models that will be used to produce a three dimensional lithological and structural interpretation. The interpretation will be used to delineate major regional structures associated with tin mineralisation and also to determine depth to prospective granitic intrusives known to host tin mineralisation.

The synthesis of soil geochemistry results with the new aeromagnetic interpretation and geological mapping will provide the best approach for the discovery of new tin ore bodies. Further target delineation will involve infill soil sampling and possibly ground geophysics such as gradient array induced polarization (IP), which was shown at Streak Hill to be effective in detecting alteration associated with mineralisation, prior to undertaking drilling.

Monto is the first exploration company to apply a series of modern exploration techniques to the rich north Herberton Tin Field.

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 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MONTA MINERALS LTD

ABN

71 063 144 865

Quarter ended ("current quarter")

31 MARCH 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration (e) R&D consultants fee	(91) (53)	(380) (53)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	15	56
1.5 Net smelter royalty income	12	12
1.6 R&D grant received	353	353
1.7 Other (net GST activity)	-	31
Net Operating Cash Flows	236	19
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) Exploration & evaluation assets (b) Equity investments (c) Other fixed assets	(67) - -	(722) (68)
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		
Net investing cash flows	(67)	(790)
1.13 Total operating and investing cash flows (carried forward)	169	(771)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	169	(771)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares & options		
1.15	Cost of shares & options issued	(2)	(2)
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (funds held in trust)		
	Net financing cash flows	(2)	(2)
	Net increase (decrease) in cash held	167	(773)
1.20	Cash at beginning of quarter/year to date	2,124	3,064
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,291	2,291

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	183
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salary, Super & PAYG paid to or on behalf of directors	- 140
Fees paid to directors and/or director related entities	- 15
Office Rent and Outgoings paid to a director related entity	- 28
Payments are net of any applicable GST	

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

9,000,000 ordinary shares issued for nil consideration upon conversion of 9,000,000 Tranche 1 performance rights.

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

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	180
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	280

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	2,291	2,124
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,291	2,124

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				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	1,316,440,555	1,316,440,555		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	9,000,000	9,000,000		
7.5 *Convertible debt securities				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	10,182,273	-	<i>Exercise price</i> \$0.005	<i>Expiry date</i> 31 December 2013
	150,000,000	-	\$0.030	30 June 2014
	20,500,000	-	\$0.029	21 February 2016
	2,500,000	-	\$0.024	10 April 2016
Performance Rights: 1 right converts to 1 ordinary share	9,000,000	-	-	22 February 2015
	9,000,000	-	-	22 February 2016
7.8 Issued during quarter Options Performance Rights: 1 right converts to 1 ordinary share				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter Performance Rights: Converted during the quarter	(9,000,000)	-		
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Gary Steinepreis
Director
April 2013

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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+ See chapter 19 for defined terms.