

QUARTERLY REPORT

ASX: MOO

FOR THE QUARTER ENDED 30 JUNE 2014

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Herberton Project - Highlights

Governor Norman Drill Results

- Initial drilling at the Governor Norman tin prospect returned significant results including 4m at 1.2% tin from 46m
- Deep drill holes to test extensions to mined mineralisation demonstrate continuity of alteration at depth in areas not previously drilled – potential for extensions to mineralisation
- First exploration drilling at Governor Norman since 1980's
- Former Jumna plant site located 2km to the north of Governor Norman

Prospects with Large Tonnage Tin Potential Targeted

- 253 rock chip samples collected at the granite-hosted Western Hill prospect with results ranging up to 4.68% tin
- Detailed geological and structural mapping completed at Western Hill which, together with the rock chip results, indicate the potential to define low grade mineralisation adjacent to the more discrete structurally controlled high grade (>20% tin) quartz/chlorite lodes
- Submission to a geophysical consultant of 9 fresh dump samples (historic tin ore) for geophysical character testing to determine if any of the mineralisation types have characteristics identifiable by conventional ground geophysical techniques. The identification of an effective geophysical tool for detecting subsurface tin mineralisation will revolutionise tin exploration in the Herberton Tin Field

Baal Gammon

- During the June 2014 quarter, the operator of the Monto Minerals owned Baal Gammon copper/silver mine, Snow Peak Mining Pty Ltd, informed Monto that they have suspended production at the Baal Gammon mine after receiving heavy rainfall associated with Cyclone Ita

Governor Norman Drilling Programme

During the June 2014 quarter Monto Minerals Limited (Monto or the Company) completed a drilling programme at the Governor Norman prospect located within the Herberton Tin Project, Queensland. The Governor Norman prospect comprises several historic high grade tin mines over a strike extent of 1.2km.

Compilation of historic drilling of 644 surface and underground holes at Governor Norman indicated that the structural zone hosting the workings is broadly mineralised at low grade. The vast majority of the 644 drill holes at Governor Norman are shallow (<30m) air track holes with only 22 RC or diamond holes (or 3.4% of holes) drilled to a depth greater than 100m. The results from historic drilling data indicated the potential to define a low grade mineralised zone (>0.3% tin) of significant tonnage along the Governor Norman trend.

Initial (pre-1980) analysis of drill samples was by a portable isotope x-ray fluorescence (PIF) device. The actual methodology and statistical determination of assay values for PIF analysis by previous explorers is unknown; as such Monto has chosen not to report these results. Drilling was required to validate the historical drill hole assays.

High grade tin was won from underground mines such as Kelly Norman which was mined to a depth of only 90m. The historic grade for mining at Kelly Norman was ~0.9% tin, however significant localised mineralisation was encountered at over 10% tin.

The initial drilling programme comprised a total of 8 holes for a total of 596m (see Figure 2). Four of the holes were completed in the zone of dense airtrack drilling, designed to validate the broad historic low grade intersections. Although low grade tin was encountered in the holes only two zones of elevated mineralisation were intersected, 3m at 0.18% tin and 1m at 1.0% tin (see Table 1).

Three holes were drilled further to the north, below the main zone of workings. One hole intersected a zone of quartz veining that contained significant tin mineralisation, 4m at 1.2% tin (see Table 1). This intersection appears to represent the down dip extension of the Governor Norman mine mineralisation and remains open at depth.

A single hole was completed to a depth of 158m, designed to test the down plunge extension of the high grade Kelly Norman mineralisation. The hole did not intersect significant tin mineralisation, however typical Governor Norman-style silica-pyrite alteration with some

tourmaline was intersected at depth in this hole and in the deeper holes to the south, demonstrating continuity of the main alteration zone.

Monto is currently assessing the results of the drilling programme to determine further work at the regionally significant Governor Norman zone of mineralisation. Monto's drilling demonstrates potential to define extensions to previously mined high grade mineralisation.

The Monto-controlled former Jumna tin processing site is located just 2km to the north of Governor Norman and is serviced by power, water and road infrastructure. The site, which ceased tin concentrate production in 1987 due to the tin price crash, has several tailings dams and represents a significant asset to the Company.

Tin mineralisation at the Herberton Project is in the form of cassiterite and is typically coarse grained and easily liberated, allowing simple and low-cost gravity separation methods to achieve high recoveries. The simple metallurgy of tin mineralisation at the Herberton project represents a significant advantage over other Australian tin projects.

Please refer to Monto's ASX announcement of 14th April 2014 for more detailed information relating to the Governor Norman exploration results summarised below.

Table 1. Governor Norman RC Drilling Intersection Summary

HOLE	DEPTH	EAST MGA	NORTH MGA	RL	DIP	AZIMUTH MGA	FROM	WIDTH	TIN (%)
GNRC0001	48	311421	8071777	897	-50	78			NSR
GNRC0002	50	311372	8071806	890	-75	78	20	3	0.18
							38	1	1.00
GNRC0003	48	311327	8071793	877	-50	78			NSR
GNRC0006	50	311316	8071857	872	-50	78			NSR
GNRC0007	66	311296	8071998	909	-50	78	46	4	1.20
GNRC0008	80	311262	8072050	908	-50	78			NSR
GNRC0009	96	311230	8072104	938	-50	78			NSR
GNRC0010	158	311165	8072316	890	-50	78			NSR

Note on analysis:

Significant intersections > 0.10% Sn and > 1m width.

All samples analysed at Australian Laboratory Services (ALS), Brisbane.

Sn analysis by pressed powder XRF (code ME-XRF05).

Large Tonnage Tin Potential Targeted – Western Hill

Monto continued the comprehensive field and desktop-based assessment of several high priority tin and base metal targets over the course of the June 2014 quarter.

Western Hill

During the preceding March 2014 quarter Monto completed the laborious task of digitising and compiling all relevant historical data from the Western Hill area. This has included historical geological and structural mapping, underground surveys and the generation of a drill database incorporating all known historical drill holes.

Western Hill is situated immediately to the south of the Baal Gammon mine and incorporates a series of underground high grade mines. These mines were amongst the largest producers in Herberton Tin Field, with most developed from 1881 – 1930 with some additional production in the early 1980s. The Western Hill mines collectively produced over 1,750t of tin concentrate (~1,225t of tin metal), with mines being typically very high grade (20-25% tin), relatively low ore tonnage producers.

Monto was recently granted two Mining Leases covering the majority of the Western Hill area ensuring ease of exploration and exploitation.

During the June 2014 quarter Monto conducted a comprehensive geological and structural mapping programme over Western Hill and also collected 253 rock chip samples. To assist with comparison and interpretation rock chip samples were classified according to the location of the source rock. The classification consisted of five rock types:

- A – Hanging Wall Rock
- B – Lode Material
- C – Foot Wall Rock
- D – Dump Material
- E – Outcrop not associated with a historic mine

Rock chips are processed in a laboratory-grade ring mill and subsequently analysed using a hand-held XRF unit.

Of the 253 rock chip samples collected during the quarter, 93 samples returned a result above 0.1% tin, and 27 samples returned a value greater than 1.0% tin. The more significant results were primarily returned from dump material including the highest value of 4.68% tin. Of the 72 dump

samples collected, 42 were above 0.1% tin and 18 above 1.0% tin. Lode outcrop samples returned 17 results above 0.1% tin and 5 above 1.0% tin of the 46 samples collected. Of importance for defining large tonnage mineralisation, of the 119 wall rock samples collected (i.e. samples not containing discernable lode material) 29 samples returned results greater than 0.1% tin with a maximum result of 2.28% tin.

The rock chip results indicate the potential to define low grade mineralisation adjacent to the more discrete structurally controlled high grade (>20% tin) quartz/chlorite lodes.

Geophysical Character Testing of Tin Ore

In order to determine the geophysical properties of the various tin mineralisation styles at the Herberton Project, nine fresh dump samples of tin ore were collected from several prospects and despatched to Systems Exploration NSW Pty Ltd for independent geophysical testing. Final results for the analysis have been received and are currently undergoing assessment by a leading geophysical consultant to determine whether any of the mineralisation styles have attributes suitable for detection by ground geophysical techniques. If so, trial surveys will be planned and costed for several areas.

Monto's geophysical consultant will also review the existing 100m line spacing aeromagnetic data to determine whether additional processing, particularly magnetic inversion, may delineate the thickness of Hodgkinson Formation sediments overlying potentially mineralised granites.

Interpretation of existing data collected, particularly drilling, soil and rock chip data, by Monto along with a regional evaluation of the Herberton lithological and structural setting has given rise to the a hypothesis that relatively large areas of tin mineralisation may exist as blind bodies hosted within granite intrusives (the original source of tin mineralisation for the Herberton Tin Field). A thin veneer of the locally occurring Hodgkinson metasediments would ensure the mineralised body has not been subject to exposure and erosion and, given the metasediment overlies the mineralising granite, may also host high grade lode tin that is characteristic of the area. In the context of the above hypothesis the identification of a geophysical tool for detecting tin mineralisation is crucial.

To aid geophysical lithological definition a regional database of background magnetic readings is being compiled by collecting outcrop readings using the KT10magnetic susceptibility unit. This work commenced in the Mt Tin area. Background magnetic data compilation is ongoing.

The identification of an effective geophysical tool for detecting subsurface tin mineralisation will revolutionise tin exploration in the Herberton Tin Field.

Compelling IRGS Targets

Montalbion Group of Mines – Work Conducted June 2014

To determine the extent of potential mineralisation at Montalbion, reconnaissance rock chip sampling (23 samples collected for the June 2014 quarter) is currently being undertaken on the flanks and areas of lower relief surrounding Montalbion Hill where no previous mining has been undertaken. Mapping by previous explorers identified a series of small, sub-parallel quartz veins that have not previously been sampled. The veins are of similar orientation to the known mineralisation at Montalbion and may represent the surface expression of underlying mineralisation.

As analysis is being undertaken in house by hand held XRF, gold results cannot be obtained. However, the presence of intrusion related gold mineralisation (IRGS) pathfinder minerals will be used to determine samples for submission to a commercial laboratory for gold analysis. To date, five samples have returned elevated As, Sb, Ag and base metal pathfinder results with best values of 828ppm Ag, 0.34% As, 518ppm Sb, 9.8% Pb and 0.40% Zn.

The primary target at Montalbion is IRGS. The outcropping quartz veins may represent sheeted vein sets that are typically associated with IRGS mineralisation. Although in-house analysis by XRF cannot be used to detect gold mineralisation, the presence of IRGS pathfinder minerals will be used to determine samples for submission to a commercial laboratory for gold analysis.

Montalbion Group of Mines Background

The Montalbion lodes were discovered in 1885 and by 1895 1,583,693ozs of silver had been recovered from 39,170t of ore - an average of about 40ozs per ton (or 1,244g/t). The ore bodies consist of a variety of lead, silver, copper and zinc minerals associated with quartz veins and they form lenticular and pipe-like bodies situated along breccia zones. Most of the silver came from a zone of deep weathering and secondary enrichment which bottomed at about 60 metres.

Mareeba Mining and Exploration Pty. Ltd carried out exploration over the Montalbion leases for three years from January 1973, including an extensive geological survey, IP and electromagnetic surveys. The surface mapping and geochemical soil sampling programme showed very close correlation with

the IP results. A strike length of over 600m was confirmed. In 1973 Mareeba Mining completed three diamond drill holes, however no record of drill logs or assays is available.

Historical mining of the Montalbion silver mines through the late 1800s targeted ultra-high grade pockets of ore using hand sorting based on the visual inspection of mined material. Due to the selective high grade mining methods employed, the small extent of the historic workings and the lack of exploration drilling there is significant potential to define additional mineralisation between the previously mined lodes, extensions along strike and at depth. Furthermore, there has been no investigation as to the potential for lower grade, bulk tonnage polymetallic mineralisation. The potential for the discovery of further mineralisation is highlighted by the fact that samples collected at Albion (one of the Montalbion group mines) were from brecciated wall rock to the mined lode, returning values to 212g/t silver, 0.6% copper, 4.9% lead and 0.26g/t gold.

Also intriguing is the geophysical signature and structural setting of the Montalbion area. The Montalbion mineralisation lies adjacent to a regional scale northwest-southeast trending mafic dyke. Aeromagnetic imagery shows the dyke as a magnetic high. Where the dyke intersects the Montalbion mines it is disjointed and a discrete magnetic low is apparent. Based on the multielement mineralisation, the presence of a magnetic low, breccia pipe style mineralisation, confirmed gold mineralisation and the description of a series of (sheeted) massive quartz and chalcedony veins the mineralisation at Montalbion may represent the surface expression of an IRGS.

Zig Zag Prospect

In July 2013 Monto announced results from diamond drilling at the Zig Zag prospect within the greater Mt Ormonde prospect area. The Zig Zag hole (MORC0018) comprised an RC pre-collar to 198m followed by a diamond tail to 373m.

Several zones of elevated base metals and arsenic were intersected that can be related to discrete quartz veining or fracture mineralisation. These veins/fractures include copper to 0.84%, lead to 0.54%, zinc to 0.44% and arsenic to 0.68%. Bismuth (to 0.56%) and tellurium (to 5.34ppm) is elevated in most veins.

A zone of quartz veining and intense silica alteration occurs over 12m, from 333m and is interpreted to be vertically below the historic Zig Zag mine mineralisation.

The twelve metre zone of quartz veining and silicification from 333m contains elevated tungsten, bismuth and tellurium with a decrease in arsenic, zinc and copper values. The highest gold grades of 0.56g/t and 0.13g/t are within this zone.

There is a general distal zonation of copper, zinc and arsenic that diminishes with proximity to the intrusive zone. Indicators for proximity to gold mineralisation, (ie. bismuth, tungsten and tellurium) increase in the intrusive zone, as does gold. Lead and zinc values are uniformly low throughout the hole, indicating proximity to the main intrusive zone.

IRGS-style mineralisation is distinguished by a number of key features including the presence of a discrete granitic stock that will be present as a magnetic low in regional aeromagnetic data due to depleted magnetite. Sheeted veins are the most distinctive style of IRGS gold mineralisation, comprising arrays of parallel quartz veins found over 10's to 100's of metres preferentially located in the granitic pluton's cupola. Concentric metal zonation develops outward from the central mineralising pluton with the intrusion-hosted sheeted veins having a general gold-bismuth-tungsten-tellurium signature and fissure veins varying outward from the pluton from gold-arsenic-antimony to distal lead-zinc-silver signatures. Zonation occurs laterally and vertically.

The magnetic low geophysical signature of the discrete 300m by 600m Zig Zag pluton combined with the metal zonation and signature of the main zone of veining intersected by MORC0018 indicates IRGS-style mineralisation associated with the Zig Zag pluton.

Independent petrological studies of the anomalous zones within MORC0018 were commissioned by Monto and concluded that the tungsten-topaz-fluorite-garnet assemblage in altered sediment is indicative of exokarn-type mineralisation. This, together with the native bismuth, strongly suggests a nearby igneous intrusion.

Baal Gammon Mine

The operator of the Monto owned Baal Gammon copper/silver mine in North Queensland, Snow Peak Mining Pty Ltd (Snow Peak), commenced production at Baal Gammon on 14 March 2014.

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.

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.

On 22 April Snow Peak informed Monto that they have temporarily suspended production at the Baal Gammon mine after receiving heavy rainfall associated with Cyclone Ita. Production at Baal Gammon is suspended whilst an assessment of the on-site hydrological balance is conducted and various operational solutions are considered.

Over 13,223t of high grade copper and silver ore have been trucked to the Mt Garnet polymetallic plant since recommencement of production in March 2014.

Contact Information:

Managing Director

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Competent Persons Statement

The information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves was prepared and first disclosed under the JORC code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported.

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 2012 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.

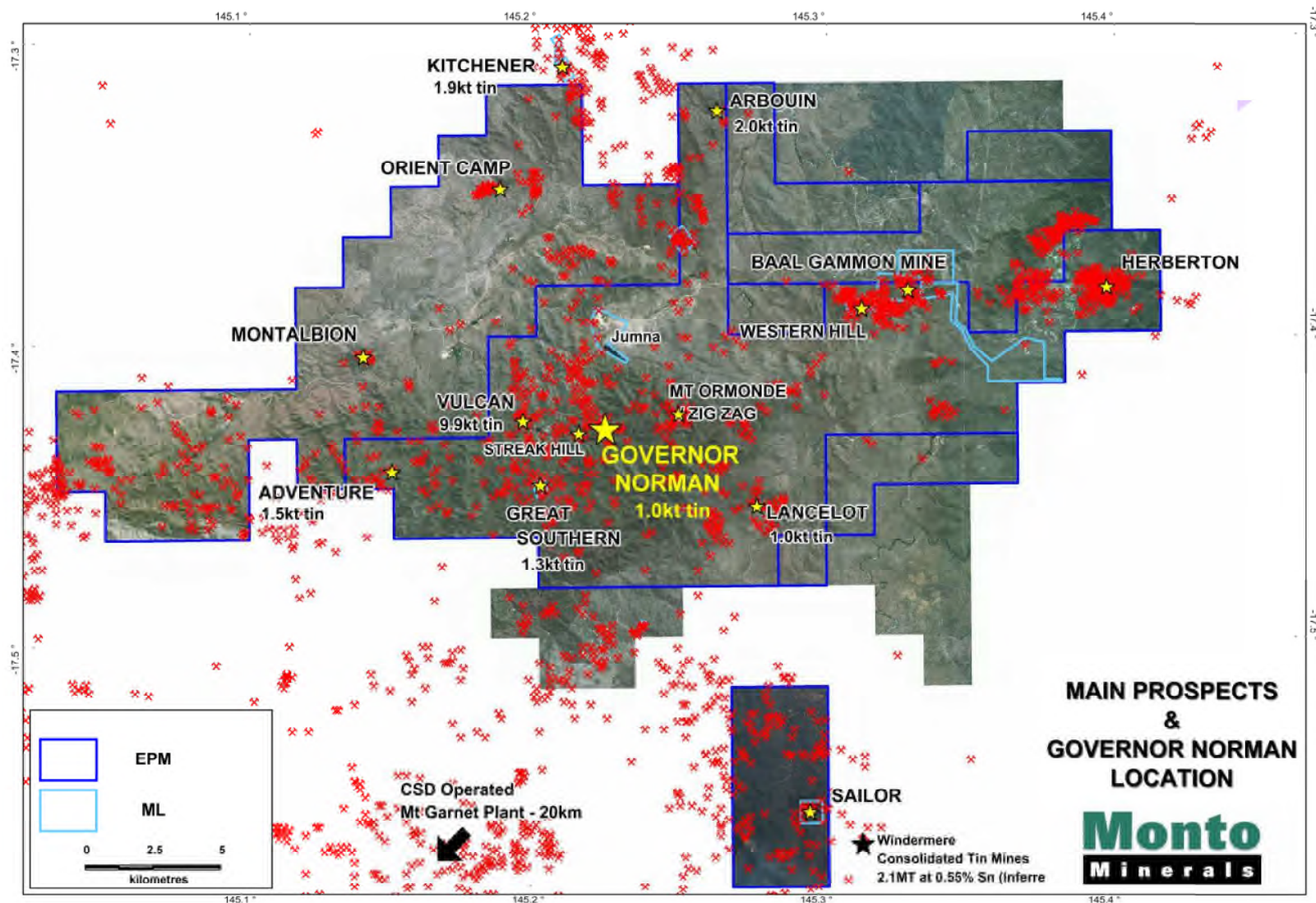


Figure 1: Herberton Project – Main Prospects and Historic Mines Showing Production of Tin Metal

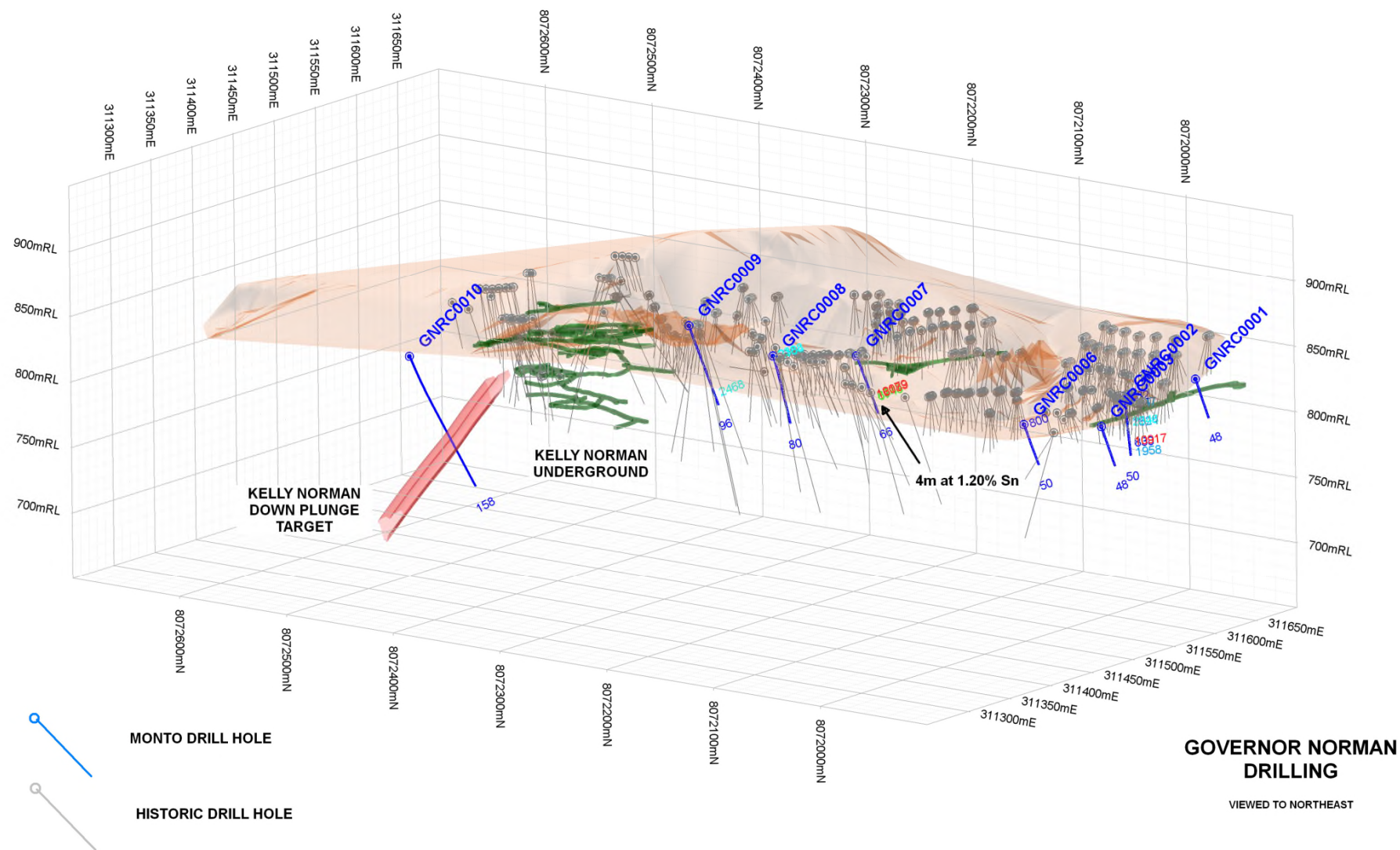


Figure 2: Governor Norman Drilling

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

MONTO MINERALS LTD

ABN

71 063 144 865

Quarter ended ("current quarter")

30 JUNE 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.01 Receipts from product sales and related debtors		
1.02 Payments for (a) exploration & evaluation (b) development (c) production (d) administration (e) R&D consultants fee	(105)	(506)
1.03 Dividends received		
1.04 Interest and other items of a similar nature received	6	30
1.05 Net smelter royalty income / payments	-	(21)
1.06 R&D grant received	-	57
1.07 Other ()		
Net Operating Cash Flows	(99)	(440)
Cash flows related to investing activities		
1.08 Payment for purchases of: (a) Exploration & evaluation assets (b) Equity investments (c) Other fixed assets (d) Refund of security deposit (e) R & D grant received	(264)	(937)
1.09 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	378
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net investing cash flows	(264)	(559)
1.13 Total operating and investing cash flows (carried forward)	(363)	(999)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(363)	(999)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares & options		
1.15	Cost of shares & options issued	-	(2)
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Accommodation bond)	-	(1)
	Net financing cash flows	-	(3)
	Net increase (decrease) in cash held	(363)	(1,002)
1.20	Cash at beginning of quarter/year to date	1,215	1,854
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	852	852

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	75
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 - 60	
	Fees paid to directors and/or director related entities - 15	
	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

N/A

- 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

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	50
4.2 Development	-
4.3 Production	-
4.4 Administration	70
Total	120

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	852	1,215
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	852	1,215

Appendix 5B

Mining exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	MLA 20692	Mining Lease Application	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

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	1,325,440,555	1,325,440,555	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor) Performance Rights: 1 right converts to 1 ordinary share	20,500,000 2,500,000 30,000,000 9,000,000	- - - -	<i>Exercise price</i> \$0.029 \$0.024 \$0.008 -	<i>Expiry date</i> 21 February 2016 10 April 2016 7 February 2017 22 February 2016
7.8	Issued during quarter Options Performance Rights: 1 right converts to 1 ordinary share				
7.9	Exercised during quarter				
7.10	Expired during quarter Performance Rights: Converted during the quarter	150,000,000	-	\$0.030	30 June 2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 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).
- This statement does give a true and fair view of the matters disclosed.

James Allchurch
Director
July 2014

Notes

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 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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