MONTO MINERALS LIMITED

ABN 71 063 144 865

Interim Financial Report

31 December 2014

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These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements dated 30 June 2014 and any public announcements made by the Company during the period from 1 July 2014 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate Directory

Directors	Gary Steinepreis Non-Executive Chairman James Allchurch Managing Director Patrick Burke Non-Executive Director
Company Secretary	Gary Steinepreis
Registered Office	Level 1, 33 Ord Street West Perth WA 6005 Telephone: 08 9420 9300
Share Register	Link Market Services Limited Level 4 Central Park 152 St Georges Terrace Perth WA 6000 PO Box 20013 World Trade Square, NSW 2002 Telephone: 1 300 554 474 +61 2 8280 7001
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008 Telephone: 08 6382 4600 Facsimile: 08 6382 4601
Stock Exchange Listing	Monto Minerals Limited shares are listed on the Australian Securities Exchange (ASX), home branch, Perth. Code: MOO
Website	www.montominerals.com

Your directors present their interim financial report on the consolidated entity consisting of Monto Minerals Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2014 (**Monto or the Company or the Group**).

Directors

The name of each person who has been a director during the half-year and to the date of this report are:

James Peter Allchurch

Gary Christian Steinepreis

Patrick Nicolas Burke

Company Secretary

The company secretary is Gary Steinepreis.

Principal Activity

The principal continuing activity of the Group is mineral exploration (principally tin) at the Herberton Project located in North Queensland.

Monto also holds tenure over the Baal Gammon Copper/Silver Mine which is operated by Snow Peak Mining Pty Ltd (SPM) under a Mineral Rights Agreement (MRA).

Review of Operations

Herberton Tin Project

The project is located 70km south west of Cairns in Far North Queensland and incorporates the regional towns of Herberton, Irvinebank and Watsonville. The Herberton Tin Field has historically produced over 76,300t of tin metal from over 2,000 recorded mines and is currently the pre-eminent area for hard rock tin exploration in Australia. Infrastructure in the immediate area is excellent with respect to sealed road access, power, workforce, suppliers and proximity to port (sealed road access to Cairns and Townsville).

The project is 100% owned by Monto and comprises four granted exploration permits (mineral) (EPM) with a combined total area of approximately 450km^2 as well as 13 granted Mining Leases (ML) and 2 Mining Lease Applications (MLA).

Governor Norman Prospect Drilling

The Company recently 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.

Review of Operations (continued)

Herberton Tin Project (continued)

Governor Norman Prospect Drilling (continued)

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. 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.

Please refer to Monto's ASX announcement of 14 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).

Review of Operations (continued)

Herberton Tin Project (continued)

Mt Ormonde Prospect Drilling

The Mt Ormonde area comprises numerous historic high grade tin workings over an area of approximately 1,200m x 1,200m including Alexandra, Dargo, Mt Ormonde, Edward and Zig Zag.

The high grade tin prospects constituting the Mt Ormonde area were first identified through the digitisation and assessment of historical drilling and mine production information. Subsequently, a detailed mapping and rock chip sampling exercise was undertaken in order to characterise tin mineralisation in the area and also identify potential drill targets. Over 270 rock chip samples have been collected with numerous high grade samples reporting up to 3.85% tin.

Drilling focused on the Mt Ormonde prospect, however a total of five holes (including one diamond hole) were spread across the Jack, Phoenix and Carney's prospects.

Significant results include:

MORC0005 - 6m @ 1.49% tin from 11m depth (includes 3m @ 2.8% tin)

MORC0002 - 5m @ 1.03% tin from 51m depth

MORC0001 - 3m @ 0.66% tin from 5m depth;

5m @ 0.94% tin from 14m depth; and

3m @ 0.39% tin from 32m depth

MORC0017 - 2m @ 2.61% tin from 30m depth

- 2m @ 0.28% tin from 125m to end of hole

MORC0013 - 4m @ 0.47% tin from 32m depth

MORC0016 - 6m @ 0.37% tin from 43m depth;

- 7m @ 0.23% tin from 54m depth; and

- 4m @ 0.19% tin from 74m depth

The results confirmed the presence of high grade tin mineralisation at both the Alexandra prospect (MORC0001 – MORC0003) and the Dargo prospect (MORC0004 and MORC0005).

Cassiterite tin mineralisation appears to be structurally controlled and associated with either quartz and/or tourmaline lodes, or hosted by chloritic shear zones. Multielement assays were completed for all samples, with no significant sulphide content detected.

Significantly, the areas drilled by Monto had not previously been tested by drilling and were identified as targets through systematic geochemistry surveys involving soil and rock chip sampling. Further targets identified through high grade rock chip results, such as the Pretty Polly, Law King and Eagle prospects (rock chip values to 3.28% tin), located 700 metres west from Mt Ormonde, are currently being assessed for drilling. The rock chip and drilling results show the potential for discovering new zones of mineralisation at surface that have not been previously mined.

Review of Operations (continued)

Herberton Tin Project (continued)

Large Tonnage Tin Potential Targeted – Western Hill

Monto has continued the comprehensive field and desktop-based assessment of several high priority tin and base metal targets.

Monto recently 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.

Monto has conducted a comprehensive geological and structural mapping programme over Western Hill and also collected 253 rock chip samples.

Of the 253 rock chip samples collected, 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.

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 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.

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

Review of Operations (continued)

Herberton Tin Project (continued)

Compelling IRGS Targets

Montalbion Group of Mines

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.

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.

To determine the extent of potential mineralisation at Montalbion, reconnaissance rock chip sampling was recently conducted 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 silver, 0.34% arsenic, 518ppm antimony, 9.8% lead and 0.40% zinc.

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.

Review of Operations (continued)

Herberton Tin Project (continued)

Zig Zag Prospect (continued)

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 form gold-arsenic-antinomy 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 exoskarn-type mineralisation. This, together with the native bismuth, strongly suggests a nearby igneous intrusion.

Major 188km^2 Soil Geochemical Sampling Programme

In late September 2012 Monto commenced a major 188km^2 regional soil geochemical survey at the Herberton Project, representing the first time a large systematic exploration programme has been undertaken in the area. To date a total of 9,825 samples have been collected representing an area of over 100km^2. 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 geochemical results have generated exciting new data on which to base future targeting work. Thus far several highly anomalous zones have been identified and subjected to intense follow-up work including drilling.

Recent soil sampling north of the Orient Camp East Group of polymetallic workings outlined a strong tin-lead-zinc-arsenic-silver anomaly over a strike of 2,200 metres and up to 600 metres in width within felsic volcanics of the Featherbed Volcanic Group. Monto's geochemistry results in this area are an exciting new development as there are no known tin mines within the Featherbed Group. Follow up rock chip sampling is being undertaken to determine the source of the tin anomalism to define targets for drilling.

The two mining prospects, West Orient and East Orient, contain what are probably the best defined and most continuous ore bodies in the Herberton mining field. Discovered in 1886, they were worked for silver and lead however production figures are incomplete and insufficient to indicate total output. Records from the Queensland Mines Department include 6,600 tons of high grade ore averaging 1,430g/t (46 ozs) silver and 40% lead.

Review of Operations (continued)

Herberton Tin Project (continued)

Major 188km^2 Soil Geochemical Sampling Programme (continued)

The regional soil geochemical sampling programme also targeted the Kitchener south area, covering the southern extent of the Kitchener Mine Group sediment-hosted mineralised trend and felsic volcanics and granitic intrusives of the Featherbed Volcanic Complex north of the Orient Camp polymetallic mines.

Recent soil geochemical results identify a linear trend of tin anomalism extending for 1,600m from the northern boundary of EPM 14741. Initial rock chip sampling undertaken to follow up the soil geochemistry results has returned values up to 0.25% tin from altered sediments with minor quartz veining. Further sampling is being undertaken. The soil geochemical results indicate a 1,600m southern extension to the Kitchener group of high grade tin mines where field assessment is well underway with a view to generating well-defined drill targets.

The methodical exploration approach employed by the Company is continuing to identify compelling tin targets by extending known mineralised trends along possible structural controls. The soil programme has also identified an extensive polymetallic anomaly, including strong tin results, within a large felsic volcanic unit, previously regarded as largely unmineralised. This is an exciting development for the Company as it opens up a vast area to tin exploration. The extremely high silver and lead grades from the Orient group of mines are being assessed with a plan to generate compelling drill targets.

Baal Gammon Copper/Silver Mine

The Baal Gammon Copper Mine is located 7kms west of Herberton immediately adjacent to the main sealed road between Herberton and Watsonville. Baal Gammon is located on 100% Monto-owned MLs located with the broader Herberton Tin project area.

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 2014 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.

The information above 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 materially changed since it was last reported.

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 report of the statements based on this information in the form and context in which it appears.

Subsidiaries

Monto Minerals Limited is the sole shareholder of Herberton Tin Pty Ltd (ACN 149 585 393) and Baal Gammon Copper Pty Ltd (ACN 149 583 933) owning 100% of the issued capital.

Operating Result

The loss from continuing operations for the half-year after providing for income tax was $1,774,673 (2013: $391,998). The major factor contributing to the increased loss versus the corresponding period last year was the impairment of the exploration asset in Herberton Tin Pty Ltd ($1,582,678).

Additional information on the operations and financial position of the Group and its business strategies and prospects is set out in this directors' report and the interim financial report.

Dividends

No dividend has been paid or recommended for the current year.

After Reporting Date Events

Other than as noted above, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10 of the interim report.

This report is made in accordance with a resolution of the board of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the directors by:

James Allchurch
Director
20 February 2015

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DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF MONTO MINERALS LIMITED

As lead auditor for the review of Monto Minerals Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Monto Minerals Limited and the entities it controlled during the period.

Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 20 February 2015

	Note	2014 $	2013 $
Revenue from operations	3	132,727	17,201
Other expenses	4	(52,608)	(143,918)
Corporate compliance costs		(28,239)	(33,972)
Corporate management fees		(9,000)	(29,445)
Audit and non-audit service fees and disbursements		(16,878)	(18,013)
Occupancy costs		(25,262)	(37,170)
Employment costs		(2,392)	(20,762)
Salaries and wages		(130,027)	(46,920)
Employee superannuation		(4,716)	(4,340)
Share based payments		(27,806)	(54,000)
Proposed transaction costs		(27,794)	-
Impairment expense		(1,582,678)	-
Net royalty payments		-	(20,659)
Expenses from operations		(1,907,400)	(409,199)
Loss before income tax		**(1,774,673)**	**(391,998)**
Income tax expense		-	-
Loss after income tax for the half year		**(1,774,673)**	**(391,998)**
Other comprehensive income for the half year net of tax		**-**	**-**
Total comprehensive loss for the half-year attributable to the owners of Monto Minerals Limited		**(1,774,673)**	**(391,998)**
		Cents	**Cents**
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share		(0.135)	(0.030)
Diluted loss per share		n/a	n/a

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ASSETS	**Note**	**31 Dec 2014 $**	**30 June 2014 $**
Current assets			
Cash and cash equivalents		386,738	851,753
Trade and other receivables		2,733	17,061
Total current assets		**389,471**	**868,814**
Non-current assets			
Exploration and evaluation expenditure	5	3,600,000	5,000,919
Plant and equipment	6	32,533	47,844
Other non-current assets		21,900	23,340
Total non-current assets		**3,654,433**	**5,072,103**
Total assets		**4,043,904**	**5,940,917**
LIABILITIES			
Current liabilities			
Trade and other payables		16,400	166,546
Total current liabilities		**16,400**	**166,546**
Total liabilities		**16,400**	**166,546**
NET ASSETS		**4,027,504**	**5,774,371**
EQUITY			
Contributed equity	7	14,032,144	14,032,144
Option premium reserve	7	248,102	248,102
Share based payment reserve	7	129,600	101,794
Accumulated losses		(10,382,342)	(8,607,669)
TOTAL EQUITY		**4,027,504**	**5,774,371**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

2014	**Contributed equity**	**Option Premium reserve**	**Share based payment reserve**	**Accumulated losses**	**Total**
	$	**$**	**$**	**$**	**$**
Balance 1 July 2014	14,032,144	248,102	101,794	(8,607,669)	**5,774,371**
Total comprehensive loss for the half-year	-	-	-	(1,774,673)	**(1,774,673)**
Transactions with owners in their capacity as owners:					
Share based payments	-	-	27,806	-	**27,806**
Balance 31 Dec 2014	**14,032,144**	**248,102**	**129,600**	**(10,382,342)**	**4,027,504**

2013	**Contributed equity**	**Option Premium reserve**	**Share based payment reserve**	**Accumulated losses**	**Total**
	$	**$**	**$**	**$**	**$**
Balance 1 July 2013	14,033,876	1,507,804	146,484	(7,374,532)	**8,313,632**
Total comprehensive loss for the half-year	-	-	-	(391,998)	**(391,998)**
Transactions with owners in their capacity as owners:					
Share based payments	-	-	54,000	-	**54,000**
Balance 31 Dec 2013	**14,033,876**	**1,507,804**	**200,484**	**(7,766,530)**	**7,975,634**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	2014 $	2013 $
Cash flow from operating activities		
Interest received	6,290	17,201
Other income	186	-
BAS refund received	-	16,790
Royalty payments	-	(20,659)
Payments to suppliers and employees	(291,172)	(258,110)
Net cash outflow from operating activities	**(284,696)**	**(244,778)**
Cash flows from investing activities		
Refund of security deposit	1,440	-
Payments expended on exploration assets	(181,759)	(506,647)
Net cash outflow from investing activities	**(180,319)**	**(506,647)**
Net decrease in cash and cash equivalents	**(465,015)**	**(751,425)**
Cash and cash equivalents at the beginning of the half-year	851,753	1,854,200
Cash and cash equivalents at the end of the half-year	**386,738**	**1,102,775**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

This general purpose interim financial report includes the financial statements and notes of Monto Minerals Limited, a public listed entity, and its controlled entities for the half-year ended 31 December 2014.

Basis of preparation

The consolidated interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements as at and for the year ended 30 June 2014 and any public announcements made by the Company during the period from 1 July 2014 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The historical cost basis has been used, except for investment properties, land and buildings, derivatives and available for sale financial assets which have been measured at fair value.

The accounting policies adopted are consistent with those of the previous financial years and the corresponding interim reporting period.

New and amended standards adopted by the entity

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2015 annual report as a consequence of these amendments.

Impact of standards issued but not yet applied by the entity

Since 30 June 2014 there have been no new standards issued that have been applied by Monto Minerals Limited. The 30 June 2014 annual report disclosed that Monto Minerals Limited anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2014.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business. The consolidated entity incurred a net loss of $1,774,673 and had a net cash outflow from operating activities of $284,696 for the half year ended 31 December 2014. The directors are confident that the group, subject to capital raising and or the sale of assets will continue as a going concern and will be able to meet existing commitments as and when they fall due. The directors will also carefully manage discretionary expenditure in line with the group's cash flow. Should a capital raising or the sale of assets not be obtained then there is significant uncertainty whether the group will continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial reports.

2 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

2 Segment Information (continued)

The Group currently operates in one operating segment being the mining and exploration sector. However the chief operating decision makers look at areas of interest when reviewing exploration activities and the allocation of resources. The areas of interest are contained within separate operating entities and reported on accordingly.

The directors are of the opinion that the current financial position and performance of the Group is equivalent to the operating segments identified and the following disclosure is provided.

31 December 2014	Monto Minerals	Herberton Tin	Baal Gammon Copper	Consolidated
	$	$	$	$
Income	6,231	1	126,495	132,727
Expenses	(270,640)	(1,636,703)	(57)	(1,907,400)
Operating (loss) / profit	**(264,409)**	**(1,636,702)**	**126,438**	**(1,774,673)**
Assets				
Cash & cash equivalents	319,339	16,307	51,092	386,738
Other receivables	1,282	1,446	5	2,733
Plant & equipment	5,219	27,314	-	32,533
Capitalised exploration	-	3,600,000	-	3,600,000
Security deposits	20,500	1,400	-	21,900
	346,340	**3,646,467**	**51,097**	**4,043,904**
Liabilities				
Other payables	16,207	194	-	16,401
	16,207	**194**	**-**	**16,401**
Net Assets	**330,133**	**3,646,273**	**51,097**	**4,027,503**

30 June 2014	Monto Minerals	Herberton Tin	Baal Gammon Copper	Consolidated
	$	$	$	$
Income	64,047	20,738	5,327	90,112
Expenses	(218,098)	(2,193,667)	(344,387)	(2,756,152)
Operating (loss)	**(154,051)**	**(2,172,929)**	**(339,060)**	**(2,666,040)**
Assets				
Cash & cash equivalents	815,940	30,003	5,810	851,753
Other receivables	10,517	6,444	100	17,061
Plant & equipment	10,822	37,022	-	47,844
Capitalised exploration	-	5,000,919	-	5,000,919
Security deposits	20,500	2,840	-	23,340
	857,779	**5,077,228**	**5,910**	**5,940,917**
Liabilities				
Provisions	29,404	-	-	29,404
Other payables	9,674	1,218	126,250	137,142
	39,078	**1,218**	**126,250**	**166,546**
Net Assets	**818,701**	**5,076,010**	**(120,340)**	**5,774,371**

3 Revenue from continuing operations

	Dec 2014	**Dec 2013**
	$	**$**
Interest received *	6,290	17,201
Other income	126,437	-
	132,727	**17,201**

* Interest income is received on deposits held in bank accounts at floating interest rates.

4 Other expenses	Dec 2014 $	Dec 2013 $
Administration and accounting	18,000	18,370
AGM, GM and annual report	12,214	12,773
Telecommunications	1,136	1,562
Depreciation	15,310	18,211
Information technology	420	748
Office consumables, supplies and equipment	490	2,244
Travel	3,453	2,538
Legal fees and stamp duty	1,190	7,154
Fines and levies *	-	80,104
Other	395	214
Total other expenses	**52,608**	**143,918**

* In April 2013 the Department of Environment and Heritage Protection initiated action against Kagara Limited (subject to deed of company arrangement) (the former operator of the Baal Gammon Mine) and Baal Gammon Copper Pty Ltd (BGC) (a subsidiary of Monto Minerals Limited), in relation to a release of contaminated water from the Baal Gammon mine site.

Though not the operator of the Baal Gammon mine site, at the time of the release, BGC was charged as it is the holder of the Baal Gammon Environmental Authority and exploration license.

BGC paid a fine of $80,000 with no conviction recorded as settlement of this action. A levy relating to court costs of $104 was charged and paid in full.

5 Exploration and evaluation expenditure	31 Dec 2014 $	30 June 2014 $
Opening net book amount	5,000,919	6,633,121
Net research and development refund	-	(334,723)
Capitalised exploration expensed	-	(73,848)
Exploration costs	181,759	811,515
Impairment of carrying value	(1,582,678)	(2,035,146)
Closing net book amount	**3,600,000**	**5,000,919**

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The decision to impair exploration and evaluation assets is based on the reduced expectation regarding the recoupment of the carrying value through sale or development in future years.

6 Plant and Equipment

	31 Dec 2014 $	30 June 2014 $
Motor Vehicles		
Opening net book value	8,152	17,064
Plus acquisitions during the period	-	-
	8,152	17,064
Less depreciation expense during the period	(3,689)	(8,912)
Closing net book amount	**4,463**	**8,152**
Furniture and fittings		
Opening net book value	1,028	2,411
Plus acquisitions during the period	-	-
	1,028	2,411
Less depreciation expense during the period	(691)	(1,383)
Closing net book amount	**337**	**1,028**
Exploration equipment		
Opening net book value	33,359	48,960
Plus acquisitions during the period	-	-
	33,359	48,960
Less depreciation expense during the period	(7,800)	(15,601)
Closing net book amount	**25,559**	**33,359**
Office Equipment		
Opening net book value	5,304	13,773
Plus acquisitions during the period	-	-
	5,304	13,773
Less depreciation expense during the period	(3,130)	(8,469)
Closing net book amount	**2,174**	**5,304**
Total closing net book value	**32,533**	**47,844**

7 Contributed Equity

(a) Share Capital

	Half-Year 31 Dec 2014 Shares	Half-Year 31 Dec 2014 $	30 June 2014 Shares	30 June 2014 $
Ordinary shares fully paid	**1,325,440,555**	**14,032,144**	1,325,440,555	14,032,144

(b) Movement in Ordinary Share Capital

31 December 2014 Date	Details	Number of shares	Amount $
1/7/2014	Opening balance	1,325,440,555	14,032,144
31/12/2014	**Balance**	**1,325,440,555**	**14,032,144**

31 December 2013 Date	Details	Number of shares	Amount $
1/7/2013	Opening balance	1,316,440,555	14,033,876
31/12/2013	**Balance**	**1,316,440,555**	**14,033,876**

7 Contributed Equity (continued)

(b) Movement in Ordinary Share Capital (continued)

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Other Reserves	**Half-Year 31 Dec 2014 Number**	**Half-Year 31 Dec 2014 $**	**30 June 2014 Number**	**30 June 2014 $**
Options	**53,000,000**	**248,102**	53,000,000	248,102
Performance rights	**9,000,000**	**129,600**	9,000,000	146,484

31 Dec 2014 Options	**Expiry Date**	**Exercise Price**	**Number under option**	**Amount $**
Unlisted options	7 Feb 2017	$0.008	30,000,000	43,602
Unlisted options	21 Feb 2016	$0.029	20,500,000	184,500
Unlisted options	10 Apr 2016	$0.024	2,500,000	20,000
			53,000,000	**248,102**

31 Dec 2014 Performance Rights	**Expiry Date**	**Exercise Price**	**Number**	**Amount $**
Performance rights	22 Feb 2015	-	9,000,000	129,600
			9,000,000	**129,600**

31 Dec 2013 Options	**Expiry Date**	**Exercise Price**	**Number under option**	**Amount $**
Unlisted options	30 June 2014	$0.030	150,000,000	1,303,304
Unlisted options	21 Feb 2016	$0.029	20,500,000	184,500
Unlisted options	10 Apr 2016	$0.024	2,500,000	20,000
			173,000,000	**1,507,804**

31 Dec 2013 Performance Rights	**Expiry Date**	**Exercise Price**	**Number**	**Amount $**
Performance rights	22 Feb 2014	-	9,000,000	120,290
Performance rights	22 Feb 2015	-	9,000,000	80,194
			18,000,000	**200,484**

(d) Movement in Other Reserves

(i) Share Based Payment Reserve – Performance Rights

2014 Date	**Details**	**Number**	**Amount $**
1/7/2014	Opening balance	9,000,000	101,794
31/12/2014	Performance rights expensed	-	27,806
31/12/2014	**Balance**	**9,000,000**	**129,600**

2013 Date	**Details**	**Number**	**Amount $**
1/7/2013	Opening balance	18,000,000	146,484
31/12/2013	Performance rights expensed	-	54,000
31/12/2013	**Balance**	**18,000,000**	**200,484**

7 Contributed Equity (continued)

(d) Movement in Other Reserves (continued)

(i) Share Based Payment Reserve – Performance Rights (continued)

Performance rights have being expensed over their vesting period.

(ii) Option Reserve

2014 Date	 Details	Number of options	Amount $
1/7/2014	Opening balance	53,000,000	248,102
31/12/2014	**Balance**	**53,000,000**	**248,102**

2013 Date	 Details	Number of options	Amount $
1/7/2013	Opening balance	183,182,273	1,507,804
31/12/2013	Options expired	(10,182,273)	-
31/12/2013	**Balance**	**173,000,000**	**1,507,804**

Nature and Purpose of Reserves

(1) Share Based Payment Reserve

The share based payment reserve is used to recognise the fair value of performance rights issued to employees but not converted into ordinary shares. The reserve is recognised in contributed equity when and if the relevant milestone is attained within the specified period and as a result the performance rights concerned convert to ordinary shares.

(2) Option Reserve

The option reserve is used to recognise funds received from options issued to shareholders, the value of options issued as consideration in the purchase of assets and the fair value of options issued to employees but not exercised. The reserve is recognised in contributed equity when the options are exercised and converted to ordinary share capital.

8 Fair Value of Financial Instruments

The Group does not have any financial instruments that are subject to recurring fair value measurements.

Due to their short-term nature the carrying amounts of current receivables and current trade and other payables is assumed to approximate their fair value.

9 Events Occurring After the Reporting Date

Other than as noted above, there have been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group’s operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group’s state of affairs in future financial years.

10 Contingencies

Contingent Liability

The Company is aware that native title applications have been registered under the Native Title Act 1993 over land included within the boundaries of some of the exploration and mining tenements owned by the Group. It is not possible at this time to quantify the financial impact (if any) that these applications may have on the Group.

The Directors' of the Group declare that:

1 The interim financial statements and notes as set out on pages 11 to 21 are in accordance with the *Corporations Act 2001*, and

(i) comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.

2 In the opinion of the directors' there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

James Allchurch
Director
West Perth
20 February 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Monto Minerals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Monto Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Monto Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Monto Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Monto Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll

Director

Perth, 20 February 2015