

QUARTERLY REPORT

ASX: MOO

FOR THE QUARTER ENDED 31 MARCH 2015

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Herberton Project - Highlights

Prospects with Large Tonnage Tin Potential Targeted

- Aeromagnetic data indicates several prospects where the granite/overlying metasediment contact is close to surface providing a series of large blind tin targets through interpretation and identification of pluton cupolas and associated structures.
- Exploration at Western Hill indicates the potential to define low grade mineralisation adjacent to the more discrete structurally controlled high grade (>20% tin) quartz/chlorite lodes which are identifiable using IP.
- IP identified as crucial tool in identifying potential blind tin mineralised features at prospect scale.

Baal Gammon

- The operator of the Monto Minerals owned Baal Gammon copper/silver mine, Consolidated Tin Mines Limited, continue to operate the site on care and maintenance.

Corporate

- Prevailing difficult market conditions for junior explorers has necessitated a continued reduction in expenditure across all facets of Monto's operations, particularly overheads and staff salaries.
- Monto received \$273,000 after costs as part of the R&D Tax Incentive claim for the year ended 30 June 2014.
- Monto is actively pursuing a range of alternate business opportunities at present, including those in the technology sector, with a view to generating value for shareholders.

Targeting Large Tonnage Tin Potential

The high grade tin potential of the Herberton Project has been clearly demonstrated through historic mining and drilling results generated by Monto and previous operators. The precise genesis and controls on tin mineralisation have not been considered at Herberton despite the rich tin mining history of over 76,000t of tin metal produced.

In conjunction with recently conducted prospect-scale exploration that has included several drilling programmes, Monto is seeking to gain an understanding of the broader controls on tin mineralisation and how these may be identified through the application of modern exploration techniques such as geophysics.

Monto has conducted significant research into the potential of several geophysical survey techniques to identify large, blind (overlain by unmineralised material), moderate grade tin mineralisation. Research and exploration to date indicates that large tonnage tin mineralisation exists within, and associated with, felsic intrusive units of the Herberton Project.

Monto's geophysical consultant has determined that additional processing, particularly magnetic inversion, will likely delineate the thickness of Hodgkinson Formation sediments overlying potentially mineralised granites. Magnetic inversion and analysis of enhanced resolution RTP data indicates the potential to identify pluton cupolas of the tin-mineralising Permian/Carboniferous granites intruded within the overlying metasediments. Also evident through geophysical interpretation is the depth from surface of the granite/sediment contact, particularly relevant in the vicinity of cupolas which are interpreted to be the main source of tin mineralisation. Further, once the three-dimensional morphology and depth from surface of the granite are ascertained the geophysical data is also providing information on local structural features primarily in the overlying sediments which likely occurred contemporaneously with the emplacement of the granite.

Once the broader reprocessed aeromagnetic data has identified a shallow cupola (or other granite intrusion) with attributes described above, various induced polarisation (IP) techniques could be employed to further define the granitic cupola and associated features in order to provide refined prospect-scale drill targets.

Recent geophysical characterisation of hand specimens derived from various tin ores and representative country rock have indicated that structural features and alteration associated with

high grade (20-25% tin) quartz/chlorite tin lodes (known locally as 'black rock') at Western Hill has demonstrated anomalism when IP and sub audio magnetics (SAM/MMR) are employed.

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 the 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.

The unprecedented work undertaken by Monto has potentially identified a set of geophysical tools for detecting and defining subsurface tin mineralisation which will revolutionise tin exploration in the Herberton Tin Field.

Compelling IRGS Target - Montalbion

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.

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 was 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 arsenic, antimony, silver and base metal pathfinder results with best values of 828ppm silver, 0.34% arsenic, 518ppm antimony, 9.8% lead and 0.40% zinc.

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.

Monto is currently compiling historical mining and drillhole information with a view to undertaking field work during the dry season of 2015.

Baal Gammon Mine

The operator of the Monto owned Baal Gammon copper/silver mine in North Queensland, Consolidated Tin Mines Limited (CSD), 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 CSD informed Monto that they had temporarily suspended production at the Baal Gammon mine.

Corporate

As a response to prevailing market conditions for junior explorers, Monto has rationalised exploration operations at the Herberton project. Whilst cost-saving measures have been implemented, including staff and salary reductions, Monto is continuing with its modified exploration programme.

Monto received \$273,000 after costs as part of the R&D Tax Incentive claim for the year ended 30 June 2014 leaving a cash position of \$558,000 at the end of the March 2015 quarter.

Monto is actively pursuing a range of alternate business opportunities at present, including those in the technology sector, with a view to generating value for shareholders.

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.

Tenement Details - Tenements Held as at 31 March 2015

Tenement Type	Tenement ID	Holder	Location	% Interest
EPM	14016	Herberton Tin Pty Ltd	Herberton	100
EPM	14741	Herberton Tin Pty Ltd	Herberton	100
EPM	14742	Herberton Tin Pty Ltd	Herberton	100
EPM	16231	Herberton Tin Pty Ltd	Herberton	100
ML	3802	Herberton Tin Pty Ltd	Herberton	100
ML	3881	Herberton Tin Pty Ltd	Herberton	100
ML	3918	Herberton Tin Pty Ltd	Herberton	100
ML	3948	Herberton Tin Pty Ltd	Herberton	100
ML	3957	Herberton Tin Pty Ltd	Herberton	100
ML	3959	Herberton Tin Pty Ltd	Herberton	100
ML	4192	Herberton Tin Pty Ltd	Herberton	100
ML	4253	Herberton Tin Pty Ltd	Herberton	100
ML	20388	Baal Gammon Copper Pty Ltd	Herberton	100
MLA	20389	Herberton Tin Pty Ltd	Herberton	100
ML	20429	Herberton Tin Pty Ltd	Herberton	100
ML	20443	Herberton Tin Pty Ltd	Herberton	100
ML	20444	Herberton Tin Pty Ltd	Herberton	100
MLA	20445	Herberton Tin Pty Ltd	Herberton	100
ML	20568	Baal Gammon Copper Pty Ltd	Herberton	100

Note:

EPM – Exploration Permit for Minerals

ML – Mining Lease

MLA – Mining Lease Application

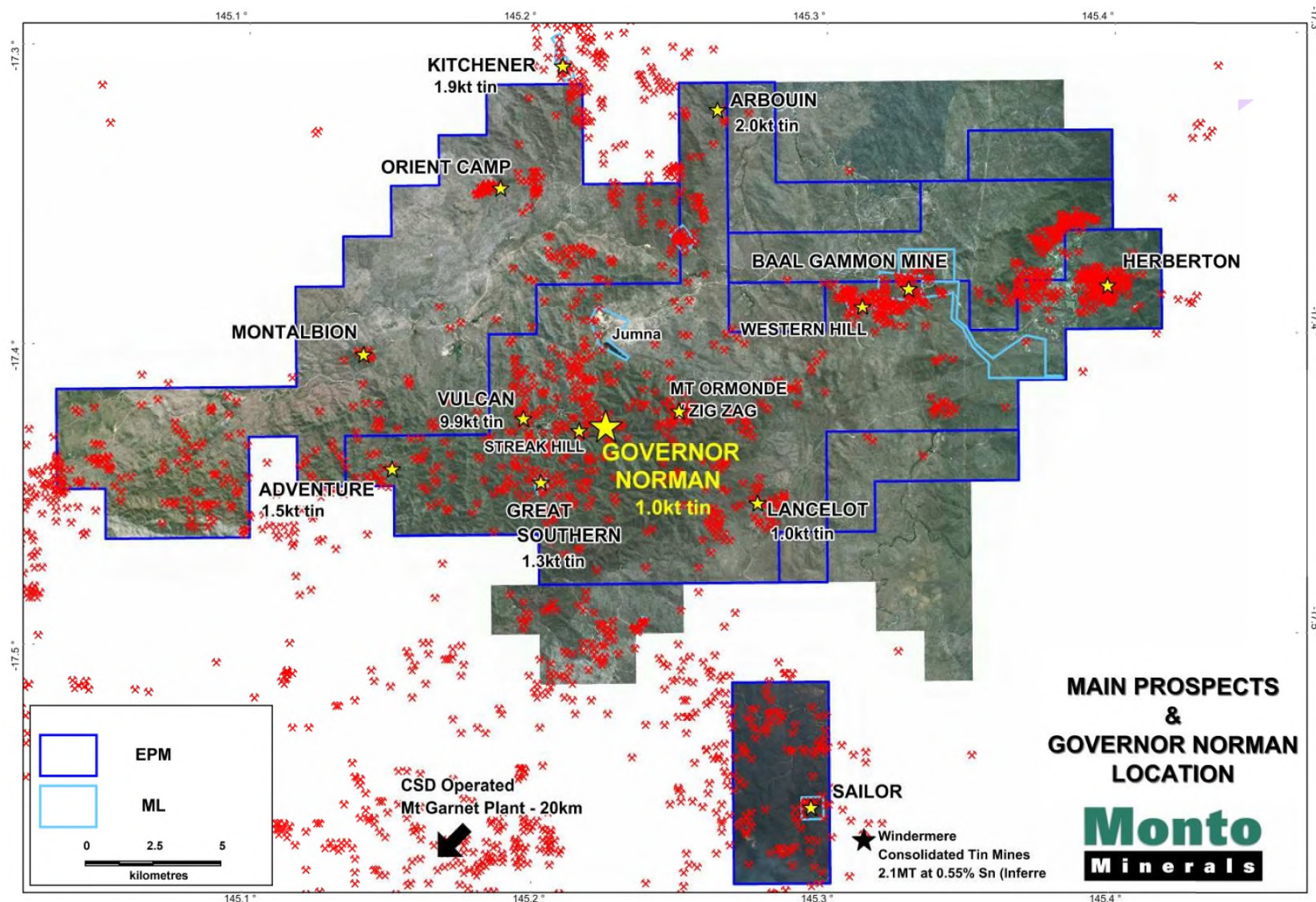
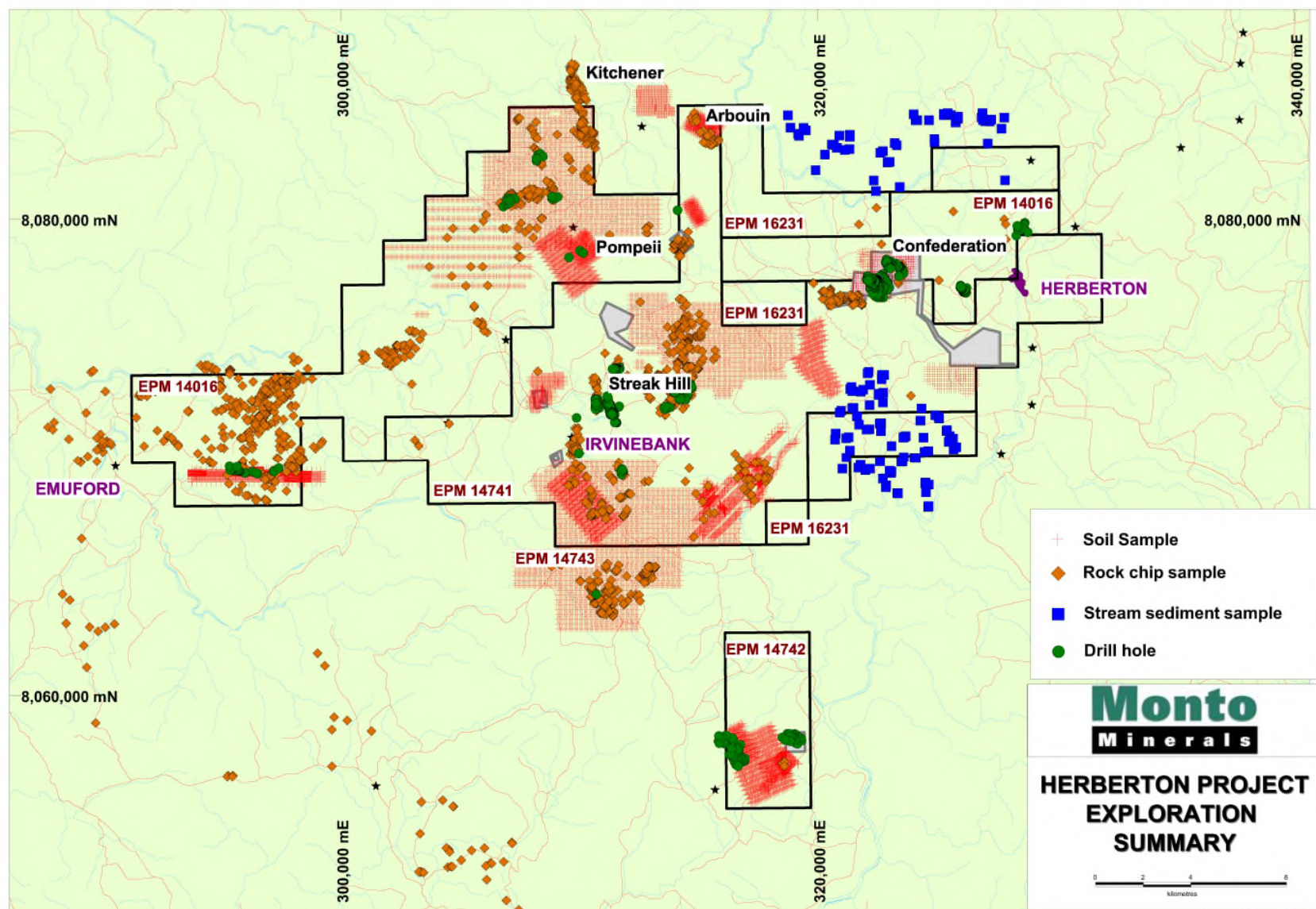


Figure 1: Herberton Project – Main Prospects and Historic Mines Showing Production of Tin Metal



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")

31 MARCH 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.01 Receipts from product sales and related debtors		
1.02 Payments for (a) exploration staff costs (b) development (c) production (d) administration	- (64)	(97) (257)
1.03 Dividends received		
1.04 Interest and other items of a similar nature received	3	9
1.05 Net smelter royalty income / payments	15	15
1.06 R&D grant received	273	273
1.07 Other		
Net Operating Cash Flows	227	(57)
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	(56) -	(238) 1
1.09 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	(56)	(237)
1.13 Total operating and investing cash flows (carried forward)	171	(294)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	171	(294)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares & options		
1.15	Cost of shares & options issued		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	171	(294)
1.20	Cash at beginning of quarter/year to date	387	852
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	558	558

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	66
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 - 62 Fees paid to directors and/or director related entities - 4 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	65
Total	115

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	558	387
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	558	387

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	-	-	-
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.

Appendix 5B
Mining exploration entity quarterly report

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 August 2015 (extended by mutual consent)
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				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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.

James Allchurch
Director
April 2015

+ See chapter 19 for defined terms.

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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