

13 July 2011

**4th QUARTER ACTIVITIES REPORT
FOR THE QUARTER ENDED 30 JUNE 2011**

Completion of Acquisition

During the reporting period Monto Minerals Limited (Monto) finalised the acquisition of the Baal Gammon Copper Project and the Herberton Tin Project from Conquest Mining Ltd (Conquest Mining) (ASX: CQT).

Shareholder approval for the acquisition was received on 28 April 2011 and all of the formal agreements and documentation have been finalised and, where appropriate, lodged with relevant government departments for processing.

Conquest Mining were allotted 300,000,000 fully paid ordinary (FPO) shares and 150,000,000 options exercisable at 3 cents each on or before 30 June 2014, as consideration for the acquisition, on 5 May 2011. The FPO shares are escrowed until 5 May 2012.

Conquest is now Monto's largest shareholder at approximately 23%.

Kagara - Baal Gammon Transaction and Strategic Alliance

On 12 May 2011, Monto announced the signing of an agreement with Kagara Ltd (Kagara) for Kagara to contract mine the Baal Gammon polymetallic deposit.

Transaction terms are as follows:

- \$6,000,000 as an initial capital payment payable in Kagara shares
- 2.5% NSR payable on all metals for the first 550,000t of ore processed
- 2% NSR payable on all metals over 550,000t of ore processed

Development of Baal Gammon

Baal Gammon is a highly advanced project incorporated in the Herberton tenements and comprises the following **JORC Code-compliant resources**:

JORC Category	Tonnes (000t)	Cu (%)	Sn (%)	Ag (g/t)	In (g/t)	CuEQ* (%)	Cu Metal (000t) ⁺
Inferred Resources	109	0.4	0.2	10	30	1.25	0.4
Indicated Resources	5,373	0.8	0.2	29	29	1.8	41.2
Total Resources	5,482	0.8	0.2	29	29	1.8	41.6

Note - 0.2% copper cut-off grade

⁺ - Contained Cu metal represents the Cu component only - it does not include credits from the other metals

Based on mine optimisations and open pit designs, a Probable Ore Reserve for Baal Gammon has been generated - **3.1Mt @ 0.95% Cu, 0.2% Sn, 34.3 g/t Ag and 29.6 g/t In (29,000t copper metal⁺)**

Kagara own and operate the nearby 500,000tpa Mt Garnet copper plant which will be used to process ore derived from Baal Gammon. Baal Gammon is located on a granted Mining Lease and is well advanced with respect to approvals and permitting. **It is anticipated that mine development will commence immediately with ore production scheduled for October 2011.**

Kagara will act as a contract miner and be responsible for all costs with respect to remaining approvals and permitting as well as mine development and operation.

Strategic Tin Alliance

Monto and Kagara are to jointly investigate the technical feasibility and commerciality of implementing a tin extraction circuit at the Mt Garnet processing facility. The investigation is intended to form the basis of a strategic tin alliance between Kagara and Monto with respect to both potential tin production from Baal Gammon and potential processing of yet to be identified material at the 534km² Herberton Tin Project.

The strategic tin alliance with Kagara is an important step for Monto in fulfilling its vision of becoming a tin producer in the near to medium term.

Agreement for Base Metal Exploration (non Tin)

Monto will conduct a thorough review of the non-tin base metals prospects with a view to establishing specific terms for the proposed Joint Venture whereby Kagara will have the right to explore for base metals (excluding tin) over Monto's Herberton tenements. The formal terms of the joint venture are to be agreed in the near future.

This agreement will provide further exploration activity for base metals and advance Monto's projects whilst Monto remains focused on its Herberton Tin Project.

There are a number of high quality targets in close proximity to Baal Gammon including the Copper Firing Line, Consolation and Isabel prospects. Considerable historical exploration has been undertaken at these prospects, including drilling, and in the case of Consolation and Isabel a target mineralisation range has been developed. Furthermore, six percussion holes were drilled at Consolation in late 2008, three of which contained significant mineralisation:

Hole ID	From (m)	To (m)	Total (m)	Cu (%)	In (g/t)	Ag (g/t)	Sn (%)
CSN02	93	94	1	2.0	140	57.5	0.025
CSN04	111	134	23	2.24	160	74.55	0.073
(includes)	118	124	6	3.90	270	132.5	0.143
CSN06	47	51	4	1.44	177	90.25	0.158

Consolation Drilling Results

Herberton Tin Project Exploration Programme

Preparation is well advanced for the forthcoming Herberton Tin Project exploration programme. Monto has established a field office in Herberton and has formed an experienced technical team.

A local drilling contractor has been engaged with drilling expected to commence late July or early August dependent on the existing commitments of the drilling contractor.

Middle Island and Hummock Hill Island Projects

Monto did not conduct any field work during the quarter on these projects.

Capital Raising

During the reporting period Monto successfully raised \$5,254,622 through the combination of a placement and a 1 for 5 entitlement issue to shareholders at 1.5 cents per share. The shortfall from the entitlement issue was not placed.

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*** Copper Equivalent Calculation Explanation:**

The copper equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result

nor metallurgical flowsheet considerations. The copper equivalent calculation is intended as an indicative value only. Copper equivalent conversion factors and long-term price assumptions used follow:

Copper Equivalent Formula= $Cu \% + Sn(ppm) \times 0.0002 + Ag(ppm) \times 0.0103 + In(ppm) \times 0.0059$

Price Assumptions- Cu (US\$9,041/t), Sn (US\$25,775/t), Ag (US\$28/oz), In (US\$540/kg)

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 Allen J Maynard, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and independent consultant to the Company. Mr Maynard is principal of AJ Maynard & Associates and has over 30 years of exploration and mining experience in a wide variety of mineral deposit styles including base metals. Mr Maynard 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". Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.