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27 April 2011

3rd QUARTER ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 MARCH 2011

Acquisition

On 4 February 2011 Monto Minerals Limited (Monto) announced the acquisition of the Baal Gammon Copper Project and the Herberton Tin Project from Conquest Mining Ltd (Conquest Mining) (ASX: CQT).

The meeting of shareholders is to be held on 28 April 2011. The terms of the transaction are as follows:

- Monto to make a cash payment of $1,500,000 to Conquest Mining;
- Monto to issue 300,000,000 fully paid ordinary shares to Conquest Mining;
- Monto to issue and allot 150,000,000 options exercisable at 3 cents each on or before 30 June 2014 to Conquest Mining; and
- Monto to make a cash payment of $1,500,000 to Conquest Mining upon a decision to mine with respect to the Baal Gammon Copper Project.

Conquest Mining will have a minimum 23% shareholding in Monto post acquisition.

Capital Raising

On 21 February 2011 Monto announced a capital raising in the form of a Shareholder Entitlement Issue and Placement.

Shareholder Entitlement Issue

A 1 for 5 entitlement issue to existing shareholders was undertaken which approximates 131,359,064 ordinary shares at 1.5 cents each to raise up to $1,970,385 (excluding any options which may be exercised). The Shareholder Entitlement Issue closed on 20 April 2011 and the final acceptance numbers will be released over the next few days. The shortfall will not be placed.

Placement

Firm commitments have been received to raise $3,525,000 by the placement of 235,000,000 ordinary shares at a price of 1.5 cents each to sophisticated investors, subject to the settlement of the acquisition of the Baal Gammon Copper Project and the Herberton Tin Project.

The shareholder entitlement issue and placement will raise up to $5,495,385 which is in addition to Monto's existing cash position of approximately $1.8M.

The funds will be utilised to pursue an aggressive exploration and development programme of the exciting Herberton Tin Project, the advanced Baal Gammon Copper Project as well as settlement of the purchase acquisition ($1.5M) and working capital.

Preliminary Work Completed

Technical staff from Monto have made several visits to the project area since announcing the transaction and are advanced with respect to data processing and review. Drill targets have been identified and refined both in the field and with respect to the re-interpretation of existing information.

The former Conquest Mining office in the nearby town of Herberton (7km from the Baal Gammon deposit) along with a significant amount of exploration equipment has been made available and Monto are in the process of establishing this facility as a base from which to launch the forthcoming exploration programme.

An outline of the Baal Gammon Copper Project and Herberton Tin Project is provided below.

Project Highlights

Herberton Tin Project

- Over 534km^2 of tin exploration ground in the Herberton Tin Field of Northern Queensland
- Herberton Tin Field has historically produced over 109,000t of tin concentrates (concentrate comprising approximately 70% tin – 76,300t of tin metal) and is currently the pre-eminent area for hard rock tin exploration in Australia
- Several walk-up high grade drill targets already established; previous breccia pipe-hosted Vulcan mine mined to a depth of 425m with a grade of over 6% Sn for almost 14,000 tonnes of concentrate
- Targeting tin oxide cassiterite mineralisation (not skarn mineralisation), advantageous due to its relatively simple metallurgy
- Extensive digitized database including air and ground-based magnetics, IP surveys, extensive soil sampling, rock chip sampling and drilling. Over 14 tin targets identified to date
- Component of the exploration ground is located adjacent to Consolidated Tin's Mt Garnet Project
- Numerous Pb, Zn, Ag and Au targets over the extent of the exploration tenements defined through previous drilling and historical high-grade mining
- The tin price continues at historical high levels and is currently trading at around US$32,500/t

Baal Gammon Copper (Tin) Project

- 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

- 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**
- The copper price is currently trading at around US$4.25/lb or US$9,450/t
- Assessment of development options for Baal Gammon are underway

Project Summary

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. 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 comprises four granted exploration permits (mineral) (EPM) with a combined total area of 534.6km^2 as well as 11 granted Mining Leases (ML) and 9 Mining Lease Applications (MLA).

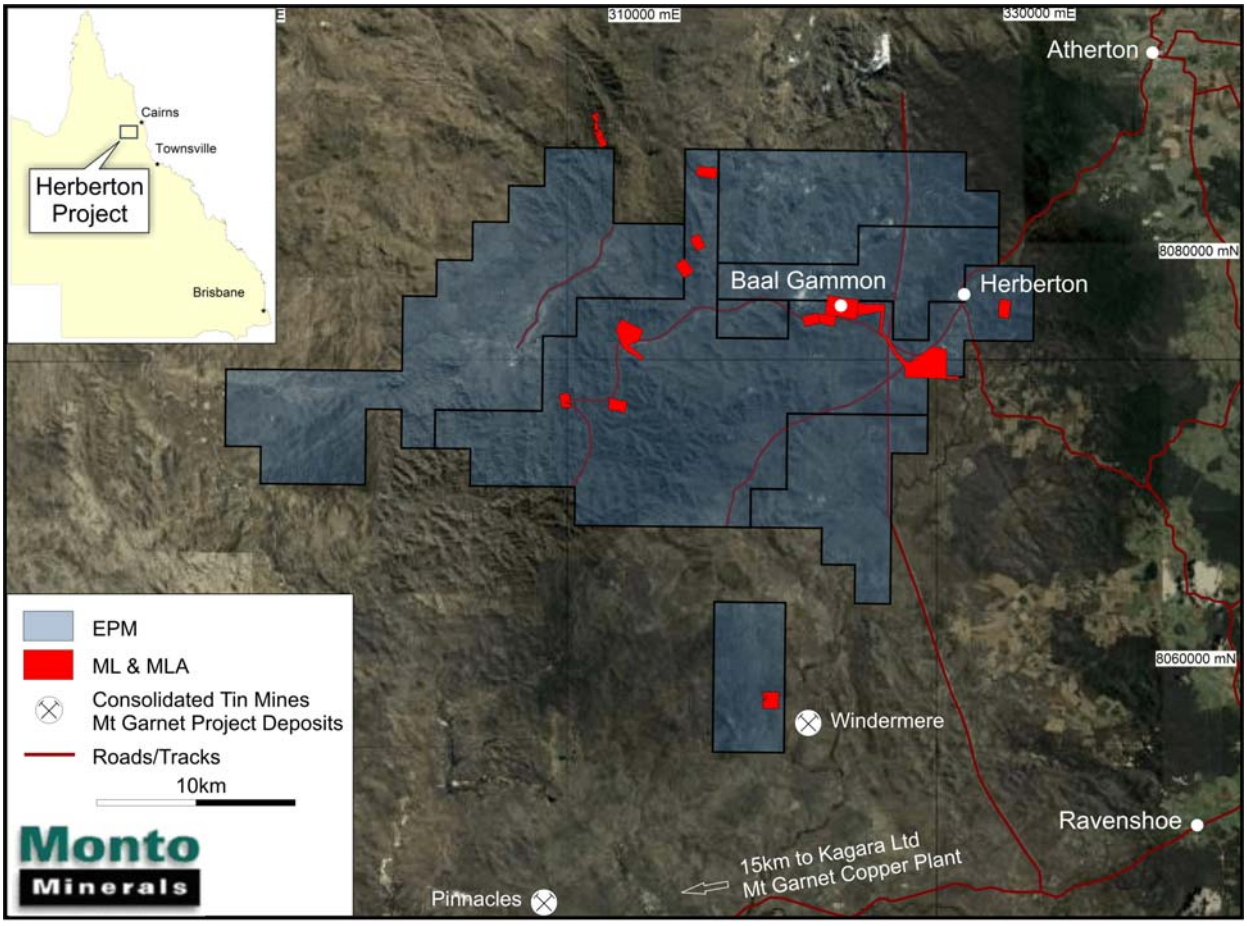

Figure 1: Tenement Locations

The Project is located within the Hodgkinson Province and is bounded to the west by Precambrian aged schist, amphibolites and gneissic granite. These rocks are faulted against the Mid-Silurian – Lower Carboniferous sedimentary units of the Hodgkinson Formation which is a thick clastic marine sequence of greywacke, sandstone, shale, slate, minor basic volcanics and chert. This sequence is intruded by and

overlain by Palaeozoic igneous rocks which are interpreted to be associated with mineralisation in the area.

Tin mineralisation is widespread throughout the region occurring mainly as cassiterite within greisen zones to certain granitic bodies, skarn rocks and younger intrusions such as the porphyry sill at Baal Gammon. Economic tin grades are mainly associated with altered and structurally deformed zones occurring as veins, lodes and pipe-like structures. Weathering and oxidisation is relatively shallow in the Herberton area (10-30m), particularly where primary cassiterite and base metal sulphides occur.

Monto are primarily targeting relatively high grade tin oxide cassiterite mineralisation which has been historically simple to process from a metallurgical perspective as it is devoid of the inherent complexities often associated with polymetallic skarn-hosted tin mineralisation.

Since discovery in 1880, significant quantities of tin, copper and silver have been produced from the Herberton region. Historically there has been in excess of 150,000t of concentrates mined from the field, including approximately 109,000t of tin concentrates (concentrate comprising ~70% Sn – 76,300t of tin metal).

The EPMs host over 2,000 former mining operations, from small alluvial workings to relatively large open pit and underground operations such as the Vulcan Tin Mine which was mined to a depth of 425m with a grade over 6% Sn for almost 14,000t of tin concentrate.

The Arbouin Tin Mine was also a significant high-grade producer which ceased operations in 1987, with underground drilling in unmined areas returning intercepts of 26.4m @ 2.78% Sn. The Arbouin Tin Mine, along with many of the historical mines in the project area, represent walk-up drill targets for the identification of both lateral and vertical extensions of the known mineralisation, associated potential lower grade haloes and nearby repeat structures and/or independent structures hosting mineralisation.

The Herberton Tin Field has historically been comprised of extremely small plots pegged by local prospectors, leading to a patchwork of licences with no centralised focus with respect to mineral exploration. In 2006 the smaller plots were successfully acquired and consolidated into the existing relatively large EPMs by former ASX-listed company North Queensland Metals (NQM). Conquest Mining completed a takeover of NQM in November 2010. Until the licence consolidation was achieved there had been no coordinated regional approach to exploration in the area and no utilisation of modern exploration techniques. This in itself has presented a genuine opportunity for Monto to apply modern exploration methods to a highly prospective metalliferous province that has been underexplored as a function of the previous land tenure situation.

Following consolidation of tenure, NQM instigated an airborne magnetic survey over the tenement package. This was the first survey of its kind covering the area and has facilitated a regional assessment of prospects and mineral occurrences. Areas of further interest were followed up with ground-based magnetics and induced polarization (IP) surveys.

NQM have also completed a series of significant rock-chip, soil sampling and drilling programmes in the area which have generated some attractive anomalies requiring follow-up work. Monto is in receipt of the extensive NQM Herberton electronic database.

Detailed target generation exercises based on geophysical surveys and soil, rock chip and drilling programmes have been conducted by NQM, identifying over 14 compelling tin targets. Of these, the following areas have been identified as potentially containing high tonnage deposits with viable grades:

- Herberton Hill
- Elaine-Boundary
- Arbouin-Peacemaker-Pompeii
- Sailor

The Sailor prospect is located to the south of the main group of EPMs and is located within 10km of Consolidated Tin's (ASX: CSD) Windermere Deposit that comprises the Mt Garnet Tin Project. The Mount Garnet Project has a total JORC Code-compliant resource of 7.3Mt @ 0.6% Sn.

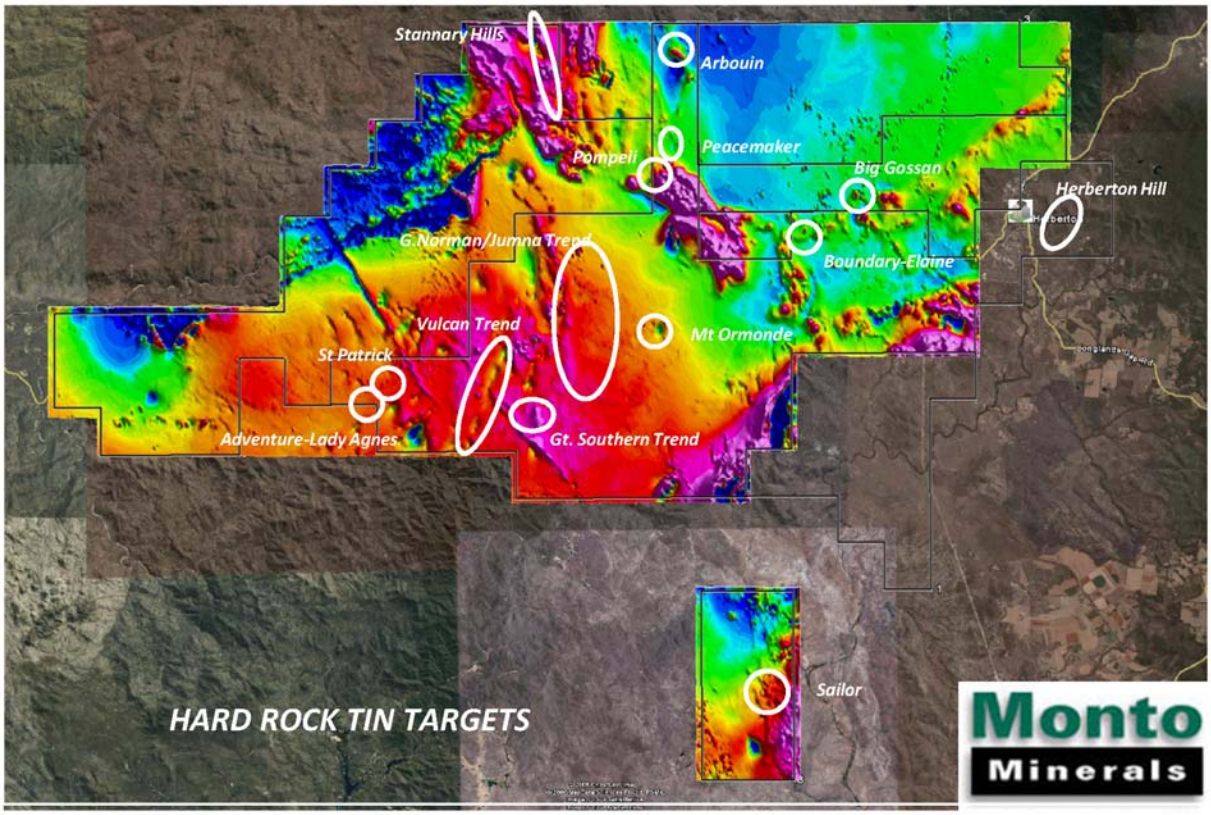

Figure 2: Aeromagnetic Image Showing Herberton Tin Targets

The region is also highly prospective for lead, zinc, silver and gold. A number of targets have been identified for each of these metals, including Zig Zag, Elizabeth Bluffs, Orient and Lancelot/Magnum Bonum, again centred on historic workings.

Baal Gammon Project

The Baal Gammon Project is located 7 kilometres west of Herberton immediately adjacent to the main sealed road between Herberton and Watsonville. Baal Gammon is located on granted MLs located with the broader Herberton Tin project area.

The Baal Gammon deposit comprises an area of around 1km^2 in which there have been 17 historical small mines. Tin and base metals were mined discontinuously between 1967 and 1983.

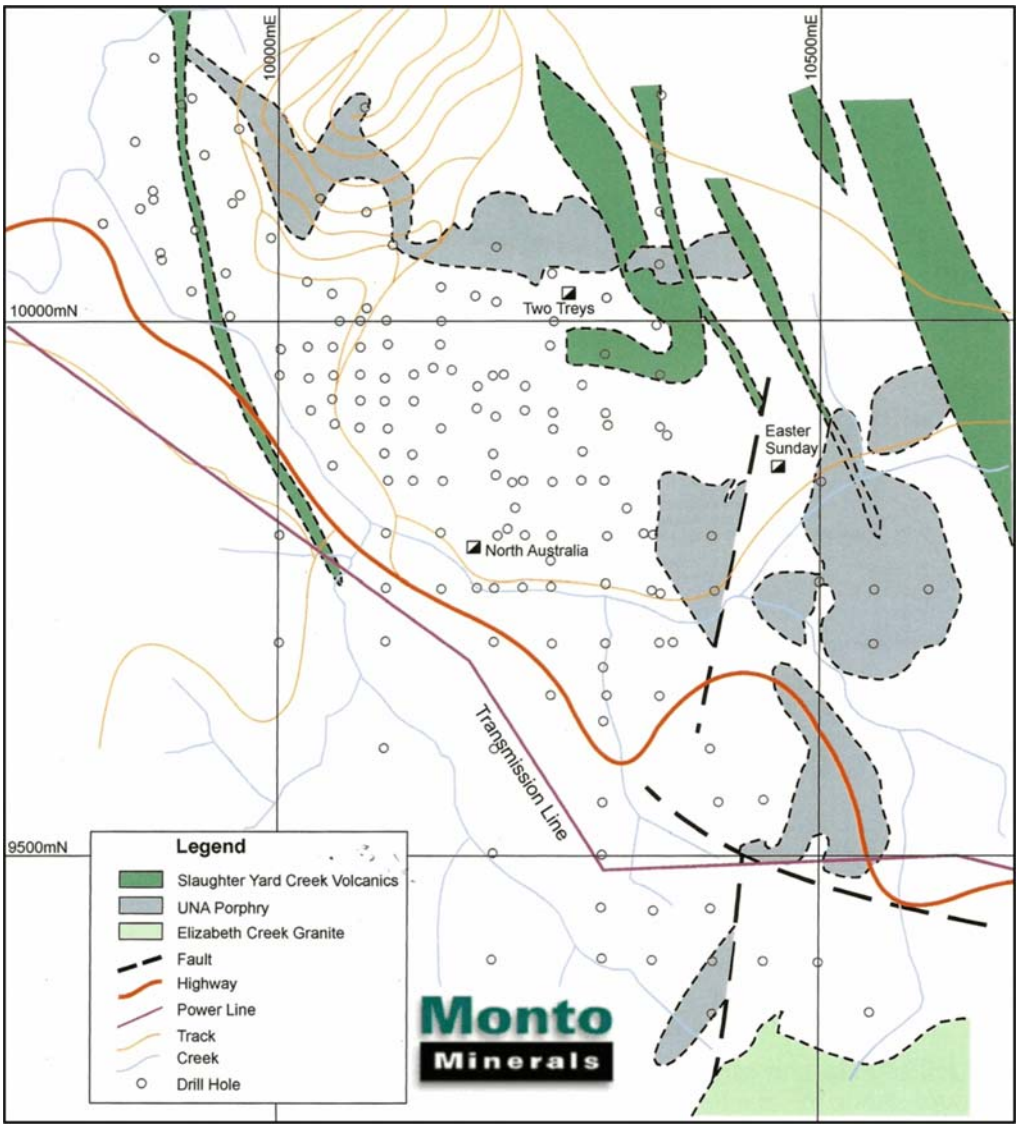

Figure 3: Baal Gammon Surface Geology and Drilling. Hodgkinson sediments are shown in white.

Baal Gammon is hosted by an interpreted roof pendant of Hodgkinson formation sediments which is intruded by a porphyry sill (known as the UNA Sill) which is thought to be a late stage, highly fractionized offshoot of the Elizabeth Creek Granite. The UNA is a greisenised quartz-sericite-topaz-muscovite rock that has been traced for some 1,200m along strike and has been drilled to 700m down dip. Drilling has shown the sill to dip at 20^0 to 60^0 to the south west and flatten with depth. The combination of the flattening in dip and faulting on the southern side of the sealed road causes a reversal in apparent dip so that the UNA Sill comes within 50m of the surface in that area. Its average thickness is about 15m in a typical range of less than 10m to 40m.

Mineralisation of economic interest is located mainly within the UNA Sill but there are also zones of elevated tin and copper/silver content in hanging wall sediments. It is thought that this mineralisation may be associated with a replacement of a dolomitic horizon in the sediments.

There are two dominant forms of potentially economic mineralisation identified at Baal Gammon:

- Copper and silver with associated indium in a suite of sulphides minerals comprising pyrrhotite, chalcopyrite and arsenopyrite with lesser pyrite.
- Tin occurs in quartz-tourmaline-cassiterite lodes and in complex tin sulphides. It is typically located in faults, fractures and joints. Tin occurs as both cassiterite, a tin oxide, and as stannite, a copper-tin-iron sulphide. Cassiterite accounts for some 70% - 75% of the total tin content in the UNA Sill.

AMC Consultants Pty Ltd (AMC) was engaged in March 2006 by NQM, to prepare a mineral resource estimate for the Baal Gammon copper-tin-silver-indium deposit in North Queensland. The resource estimation provided by AMC was constructed using historical data acquired primarily from historical drilling, together with recent exploration conducted by NQM to verify the validity of the existing database. The dataset comprises 386 drill holes, approximately 50% percussion and 50% diamond core.

The total JORC-compliant Resources (98% of which are in the Indicated Category) for the Baal Gammon copper-tin-silver-indium deposit is 5.48Mt @ 0.8% Cu, 0.2% Sn, 29g/t Ag and 29g/t In - or 1.8% Cu equivalent*.

Ore Type	Category	Tonnes (000t)	Cu (%)	Sn (%)	Ag (g/t)	In (g/t)	CuEQ (%)*	Cu Metal (000t)+
Sulphide	Indicated	3,770	0.7	0.2	27	26	-	27.1
	Indicated	423	1.2	0.2	48	46	-	5.1
	Indicated	306	0.8	0.3	50	19	-	2.4
	Indicated	414	0.8	0.2	25	40	-	3.4
Total Sulphide	Indicated	4,913	0.8	0.2	30	28	-	38.1
Sulphide	Inferred	109	0.4	0.2	10	30	-	0.4
Total Sulphide	Ind + Inf	5,022	0.8	0.2	30	28	-	38.5
Oxide	Indicated	460	0.7	0.1	17	38	-	3.1
Total Oxide + Sulphide	Indicated	5,373	0.8	0.2	29	29	1.8	41.2
Total Oxide + Sulphide	**Ind + Inf**	**5,482**	**0.8**	**0.2**	**29**	**29**	**1.8**	**41.6**

Table 1: Summary of Resources - Baal Gammon Deposit (0.2% Cu cut-off)

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

Mine optimisations for Baal Gammon were completed by Snowden in 2006. At a copper price of $3/lb (current price ~$4.25/lb) the Whittle optimization produces an optimal pit based on the discounted cash-flow with a mining inventory of 3Mt at 0.82% Cu, 0.2% Sn, 32.7g/t Ag and 32.8g/t In.

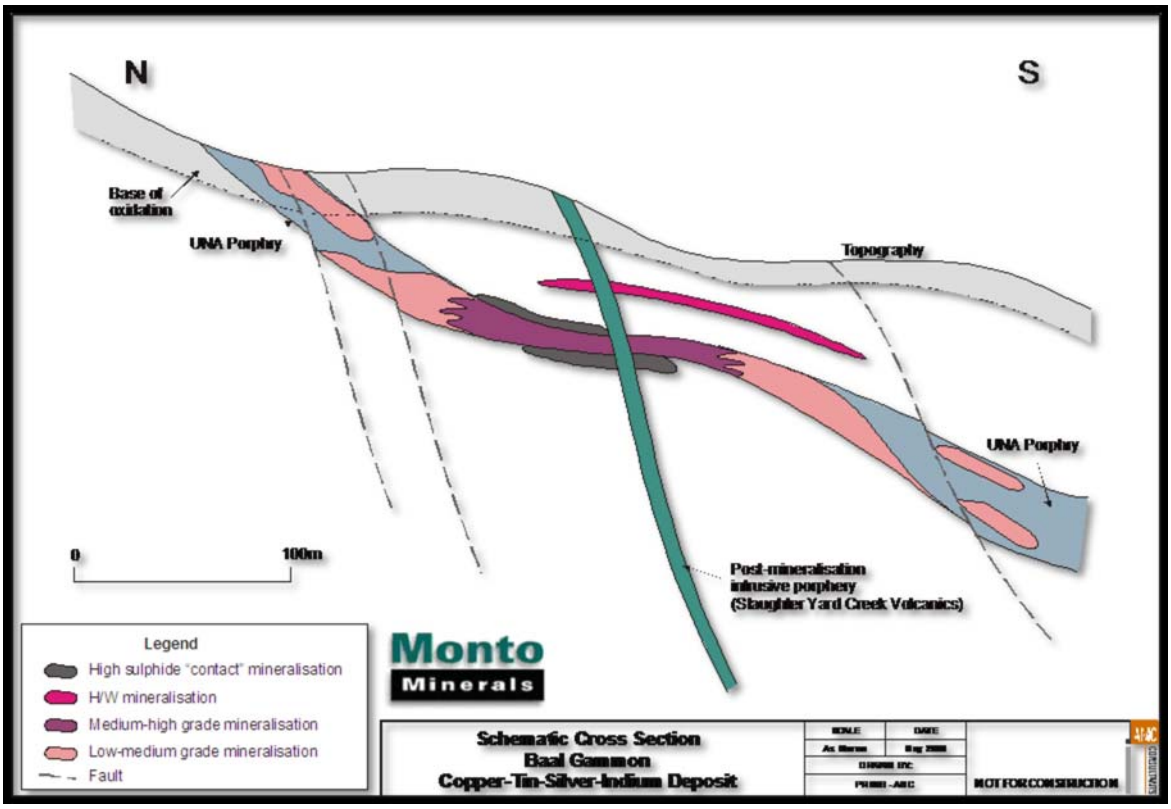

Figure 4: Schematic Cross Section, Baal Gammon Deposit

Based on the resource model generated by AMC and the Whittle modeling completed by Snowden, NQM generated the following Probable Ore Reserves in 2007:

Category	Ore Tonnes (000t)	Cu (%)	Sn (%)	Ag (g/t)	In (g/t)
Ore	2,676,282	1.07	0.23	38.1	33.5
Low Grade Ore	430,725	0.26	0.13	9.6	5.3
Total Ore Reserve	3,107,007	0.96	0.22	34.2	29.6

Table 2: Summary of Probable Ore Reserves

Ore as defined in the table comprises blocks above a cut-off grade of a metal value of 0.53% Cu according to a formula used by Snowden. Low grade ore is material which has a value higher than the incremental cost of treatment. The cut-off grade used is 0.40% Cu based on the same formula. Estimated mineral processing recovery factors used have been based on metallurgical test work performed by Newmont

NQM have made considerable progress with respect to developing the deposit and have commenced, and in most instances completed, detailed studies relating to all aspects of pre-mine feasibility including environmental, heritage, tailings storage, power supply, water supply and plant location.

Old mining areas and mines exist within 1km to 1.5km north-east of Baal Gammon. The mineral occurrences are in a similar geological setting to Baal Gammon, though with variations to mineralogy. The identification of additional ore to supplement Baal Gammon has been prioritized in the past and some high quality targets exist in close proximity to Baal Gammon.

The Copper Firing Line, Consolation and Isabel prospects all represent potential sources of addition copper ore for any potential Baal Gammon operation. 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, NQM drilled six percussion holes 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

Table 3: Consolation Drilling Results

Monto are currently assessing the various development options for the Baal Gammon Project and surrounding advanced copper-based prospects.

Proposed Exploration Programme

Monto will continue to review all exploration data collected to date with a view to refining existing tin targets and generating new areas of interest. Data review will include the re-interpretation of existing geophysical data, soil data and drill data. As warranted and dictated by the data review, Monto will commence additional geophysical surveys and soil gridding work to further refine tin targets.

With the advanced near-mine targets, drill programmes will be designed to investigate areas of tin mineralisation associated with historical mines/workings as well as targets in the immediate vicinity that have been identified primarily through existing geophysical and soil sampling work.

Monto will also commence a review of the current commerciality of the Baal Gammon project as a prelude to investigating the various development options.

Middle Island and Hummock Hill Island Projects

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

Monto Minerals Contact Information

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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) x 0.0002 + Ag(ppm)x0.0103 + In(ppm) x 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 Al 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.