

8 December 2011

FURTHER HIGH GRADE INTERCEPTS AT BAAL GAMMON

Highlights

High grade intersections at Baal Gammon include:

- **2m @ 16.91% Cu, 468g/t Ag, 951g/t In and 0.88% Sn from 28.1m**
- **8.1m @ 5.18% Cu, 101g/t Ag, 179g/t In and 0.17% Sn from 30m**
- **10.7m @ 2.91% Cu, 131g/t Ag, 136g/t In and 0.69% Sn from 52.5m**

Monto Minerals Limited (Monto) is pleased to release the final batch of results derived from resource diamond drilling conducted by Kagara Limited (Kagara) at the Baal Gammon mine. The 28 hole drilling programme concluded on 30 October 2011.

The full suite of analytical results has been received for all holes drilled, with a number of significant intersections identified, as summarised below.

Table 1. Baal Gammon Drilling - Significant Intercepts

Hole ID	From (m)	To (m)	Intersection (m)	Copper (%)	Silver g/t	Indium g/t	Tin %
BG517	32	36	4	2.01	99	51	0.08
BG517	43.8	48.2	4.4	2.71	143	89	0.09
BG518	29	31.9	2.9	1.7	152	42	0.14
BG519	52.5	63.2	10.7	2.91	131	136	0.69
BG520	30	38.1	8.1	5.18	101	179	0.17
BG525	55.9	62	6.1	1.7	31	140	0.20
BG527	28.1	30.1	2	16.91	468	951	0.88
BG530	29.2	32.6	3.4	3.32	78	128	0.11

Hole ID	Copper Results Previously Reported						
	From (m)	To (m)	Intersection (m)	Copper (%)	Silver g/t	Indium g/t	Tin %
BG509	7	14	7.00	3.29	73	155	0.13
BG509	22	29	7.00	7.77	201	462	0.04
BG512	22.15	22.8	0.65	2.85	66	71	0.26
BG514	16.3	20	3.70	1.31	28	54	0.03
BG514	32.7	37.5	4.80	1.93	125	79	0.15
BG514	39.5	43.3	3.80	1.81	61	68	0.04
BG515	20	21.7	1.70	11.89	185	185	0.11
BG515	34	42	8.00	2.01	94	109	0.08

Note:

Only Cu results were previously reported for BG507-BG516. Ag, In and Sn results for these holes have just been received. All drill holes vertical with the exception of BG509 (-71°/68°), BG511 (-55°/100°), BG513 (-62°/65°), BG514 (-48°/53°), BG515 (-73°/98°), BG518 (-72°/324°) and BG521 (-79°/346°).

The objective of the drilling programme was to reinforce the existing mine reserve model for the deposit, investigate potential extensions to the existing mineralisation, as well as providing metallurgical information for copper, silver and tin processing. The consistency of the geology has been encouraging with minimal deviation from the existing resource model.

As previously announced, mining operations commenced at Baal Gammon in late September, whilst trucking of ore to Kagara's Mt Garnet processing facility commenced on 28 November 2011.

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Baal Gammon Project Summary

Baal Gammon is a highly advanced copper/tin/silver/indium deposit 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⁺)**

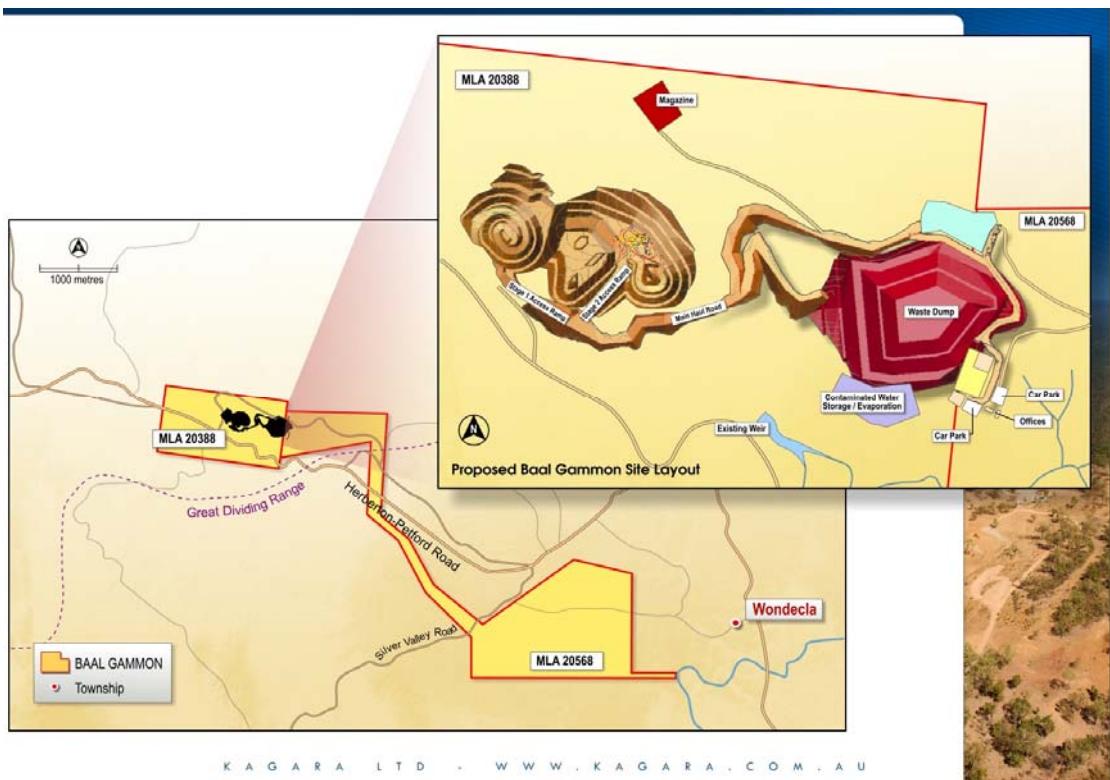
On 12 May 2011, Monto announced the signing of a Mineral Rights Agreement (MRA) for Kagara to mine Baal Gammon.

Transaction terms as follows:

- \$6,000,000 initial capital payment payable in Kagara shares (payment complete)
- 2.5% NSR (Net Smelter Royalty) payable on all metals for the first 550,000t of ore processed
- 2% NSR payable on all metals over 550,000t of ore processed

Kagara commenced mining operations in September 2011 and are processing Baal Gammon ore at their nearby 500,000tpa Mt Garnet copper processing facility. Under the terms of the Baal Gammon MRA Kagara will pay the NSR to Monto within five business days of receipt of payment from the product (concentrate) buyer. Kagara at present generally sell concentrate from the Mt Garnet facility on a monthly basis.

Kagara is responsible for all costs with respect to Baal Gammon mine development and operations.



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