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29 February 2012

## TIN CIRCUIT FOR BAAL GAMMON ORE

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### *Highlights*

- **Tin circuit trials underway for Baal Gammon ore**
- **First shipment of Baal Gammon Cu/Ag concentrate in transit**

Monto Minerals Limited (Monto) is pleased to announce that Kagara Limited (Kagara) have commenced trialling a gravity jig circuit at their Mt Garnet processing facility to determine the potential for a tin concentrate to be produced from the Baal Gammon ore.

The trial of the tin circuit is an important step for Monto as exploration work gets underway at the Herberton Project. The production of a tin concentrate from the Baal Gammon ore, if successful, will represent an increase in revenue for Monto through the 2.5% NSR payable on all metals derived from Baal Gammon. Significantly, it will serve as an important proxy for future potential tin production and may represent a future processing option for tin ore identified across Monto's Herberton Project.

Kagara have been batch processing ore from the Monto-owned Baal Gammon deposit since November 2011 as part of a strategy to ensure maximum product returns through blending with other Kagara-produced concentrates. Kagara has produced a copper concentrate with significant silver credits, with the first shipment containing blended concentrate derived from Baal Gammon ore having been made.

Under the terms of the Baal Gammon Mineral Rights Agreement (MRA) Kagara will pay the NSR to Monto within five business days of receipt of payment from the product (concentrate) buyer.

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## **Baal Gammon Project Summary**

Baal Gammon is a copper/tin/silver/indium deposit incorporated in the broader Herberton project area and comprises the following **JORC Code-compliant resources**:

### **Baal Gammon Resource – 0.2% Cu cut-off**

<b>Resource Category</b>	<b>Volume m<sup>3</sup></b>	<b>Tonnes</b>	<b>Copper %</b>	<b>Silver g/t</b>	<b>Tin %</b>	<b>Indium g/t</b>
Inferred	10,492	30,636	0.6	18	0.1	63
Indicated	918,324	2,769,385	1.0	40	0.2	38
<b>Total</b>	<b>928,816</b>	<b>2,800,021</b>	<b>1</b>	<b>40</b>	<b>0.2</b>	<b>39</b>

Note: Material mined to date and known underground workings have been subtracted from the figures above

Within the above Baal Gammon Resource there is a higher grade zone as outlined below.

### **Baal Gammon Higher Grade Zone Resource**

<b>Resource Category</b>	<b>Volume m<sup>3</sup></b>	<b>Tonnes</b>	<b>Copper %</b>	<b>Silver g/t</b>	<b>Tin %</b>	<b>Indium g/t</b>
Inferred	1,047	3,622	2.7	94	0.4	146
Indicated	238,621	825,629	2.5	96	0.4	96
<b>Total</b>	<b>239,668</b>	<b>829,251</b>	<b>2.5</b>	<b>96</b>	<b>0.4</b>	<b>96</b>

Note: Material mined to date and known underground workings have been subtracted from the figures above

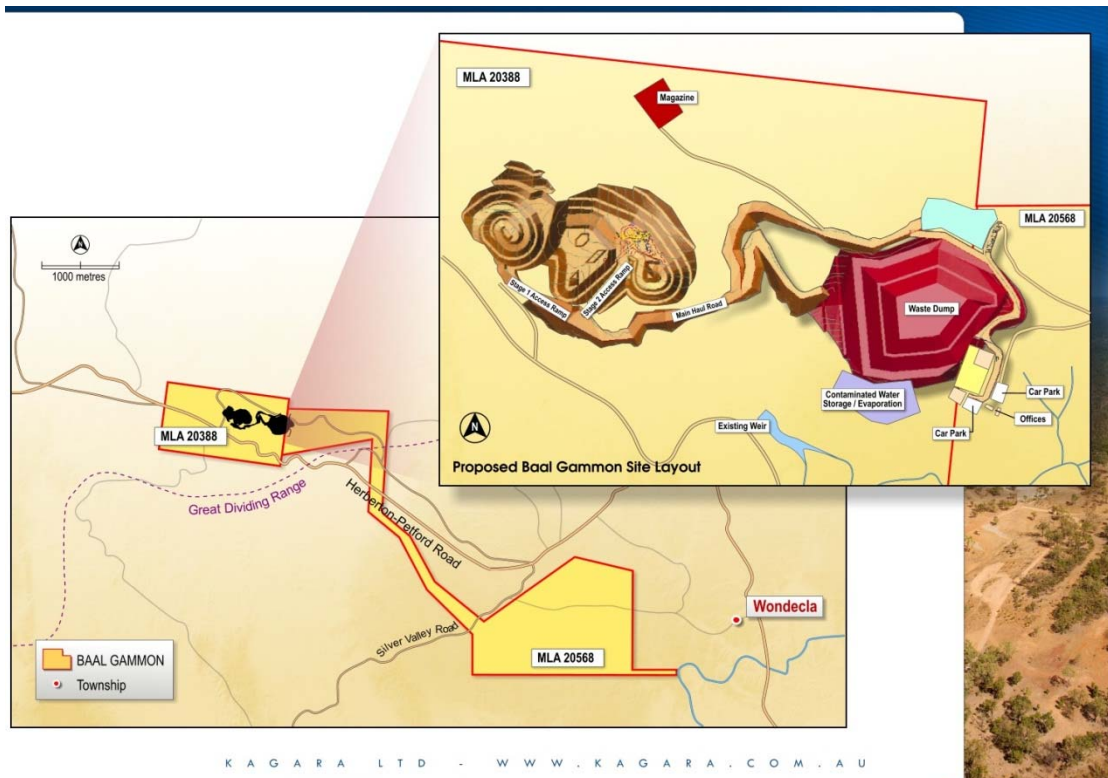
On 12 May 2011, Monto announced the signing of a Mineral Rights Agreement (MRA) for Kagara to mine Baal Gammon.

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 open pit 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.