

25 May 2006

ASX ANNOUNCEMENT

FIRST DAY OF DEALINGS ON AIM **£16.7 MILLION RAISED BY PLACING**

Monto Minerals Ltd, an emerging Australian producer of industrial minerals, is pleased to announce that its shares commenced trading on AIM at 8am (London time) today. The Company has successfully placed 139.7 million New Shares with institutional investors at 12 pence per share to raise £16.7 million before expenses. Monto Minerals will have a market capitalisation of £22.7 million at the Placing Price and the shares are listed under the symbol AIM: MON.

The Company is an emerging producer of industrial minerals with substantial in-ground resources in Queensland, Australia. The Goondicum Industrial Minerals Project is a multi-product mine development focused on the production of ilmenite, feldspar, apatite and titanomagnetite. The proceeds of the Placing will be used to fund the construction and commissioning of commercial production facilities to enable full-scale production within 12 months.

Monto Minerals shares are already traded on the Australian Stock Exchange under the symbol ASX: MOO. Ambrian Partners Limited is acting as Nominated Adviser and Broker to Monto Minerals Ltd.

Key points:

- The Goondicum Project is a large uniform mineral resource with a mine life of 25 years and excellent transportation links;
- The operation is based on simple, proven process technology. The mineral deposits are found at the surface and will be mined at low-cost, using excavators and trucks.
- Unusually, four minerals will be mined from the same ore, which are:
 - Ilmenite – used as a white pigment in the paints and plastics industry
 - Feldspar – used in glass manufacture and surface coatings
 - Apatite – used in organic phosphate fertiliser
 - Titanomagnetite – used by the coal industry for coal washing
- Successful customer trials have been completed to establish the technical and market viability of the first three minerals. Initial trials have indicated that the titanomagnetite is a viable alternative to existing supplies, with negotiations underway for commercial scale testing by a potential customer;
- Monto Minerals has secured conditional customer commitments and letters of intent for approximately 50% of the first two years' production of ilmenite, feldspar and apatite, with further negotiations in progress;
- Addressing significant global and domestic end user markets;
- Highly experienced management team.

Commenting on Monto Minerals admission to AIM, Geoffrey Moore, Chief Executive Officer, said:

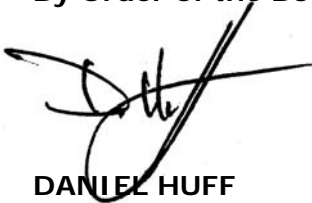
"We are delighted to join AIM today and to have raised the funds to push forward the development of our project in Queensland. Extensive testing and market research have been conducted to prove the quality of the minerals at Goondicum and establish market demand. The extraction and processing of the minerals employs simple and proven technology, which will be scaled-up to deliver commercial production within the next 12 months.

"Monto Minerals offers investors a stable alternative to some of the more volatile mining stocks on the market. We look forward to reporting our progress to shareholders."

AIM ADMISSION STATISTICS

Placing Price per New Share (with New Options attached)	12 pence
Number of New Shares being Placed	139,700,000
Number of New Options in issue following the Placing	26,609,526
Gross proceeds from the Placing	£16,764,000
Net proceeds of the Placing receivable by the Company	£15,264,000
Market capitalisation on Admission (undiluted, post Placing at Placing price)	£22,669,008
Number of shares in issue following the Placing (fully diluted)	227,299,773
Percentage of enlarged share capital being placed (fully diluted)	73.8%

By Order of the Board



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Company Secretary

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