

17 March 2014

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## **BAAL GAMMON MINE COMMENCES PRODUCTION**

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### ***Highlights***

- **The 100% Monto-owned Baal Gammon mine commenced mining 14<sup>th</sup> March**
- **High grade copper and silver ore to be trucked to the nearby Mt Garnet processing facility**
- **2.5% NSR payable to Monto on all metals produced – cash flow imminent**

The operator of the Monto Minerals Limited (Monto) owned Baal Gammon copper/silver mine in North Queensland, Snow Peak Mining Pty Ltd (Snow Peak), has informed Monto that they have commenced production from Stage 1 of the Baal Gammon mine.

Snow Peak have the right to operate the Baal Gammon mine under the Mineral Rights Agreement (MRA) whereby the operator is responsible for all costs and obligations with respect to Baal Gammon mine development and operations, including environmental obligations.

Under the MRA, Monto is entitled to be paid a 2.5% net smelter royalty (NSR) on all metals for the first 550,000t of Baal Gammon ore processed, and a 2% NSR payable on all metals over 550,000t of Baal Gammon ore processed. Monto forecasts cash flow derived from the Baal Gammon royalty to commence in April 2014.

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Snow Peak informed Monto that mining of copper/silver ore from Baal Gammon commenced on the 14<sup>th</sup> March.

Ore material is trucked to Snow Peak's Mt Garnet polymetallic processing plant (formerly owned by Kagara Limited (in liquidation)) for upgrading into a copper/silver concentrate which will in turn be exported from the Port of Townsville.

### *Corporate*

Monto is also pleased to advise that it has received a research and development refund of \$436,063 for the financial year ending June 30 2013.

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