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MONTO MINERALS LTD
ABN 71 063 144 865

Financial Report

For the Year Ended 30 June 2014

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Corporate Directory

Directors	James Allchurch Managing Director Gary Steinepreis Non-Executive Chairman Patrick Burke Non-Executive Director
Company Secretary	Gary Steinepreis
Registered Office	Level 1, 33 Ord Street West Perth Western Australia 6005 Telephone: 08 9420 9300
Share Register	Link Market Services Limited Level 4 Central Park 152 St Georges Terrace Perth WA 6000 PO Box 20013 World Square NSW 2002 Telephone: 1 300 554 474 +61 2 8280 7001
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco Western Australia 6008 Telephone: 08 6382 4600
Bankers	Westpac Banking Corporation 109 St Georges Terrace Perth Western Australia 6000
Stock Exchange Listing	Monto Minerals Ltd's shares are listed on the Australian Securities Exchange, home branch, Perth. Code: MOO
Website	www.montominerals.com

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Your directors present their financial report on Monto Minerals Ltd and its subsidiaries (Monto or the Company or the Group) for the year ended 30 June 2014.

DIRECTORS

The names of each person who have been directors during the year and continue in office at the date of this report are:

Gary Steinepreis
Patrick Burke
James Allchurch

Company Secretary

The company secretary is Gary Steinepreis. Mr Steinepreis is also a director of the Company. Details on Mr Steinepreis and his qualifications are included under the information on directors.

PRINCIPAL ACTIVITY

The principal continuing activity of the Company is mineral exploration.

SUBSIDIARIES

Monto Minerals Ltd is the sole shareholder of Herberton Tin Pty Ltd (ACN 149 585 393) and Baal Gammon Copper Pty Ltd (ACN 149 583 933) owning 100% of the issued capital. These wholly owned subsidiaries were incorporated as part of the acquisition of the Herberton Tin and Baal Gammon Copper tenements.

OPERATING RESULT

The loss for the financial year after providing for income tax was $2,666,040 (2013:$2,019,486).

The major factors contributing to the loss were:

1 The impairment of the carrying value of the Herberton Tin and Baal Gammon Copper Assets $2,035,146 (2013:$1,344,974); and
2 The amortisation of performance rights and options issued $128,512 (2013:$212,274).

Additional information on the operations and financial position of the Company and its business strategies and prospects is set out in this directors' report and the financial report.

REVIEW OF OPERATIONS

Herberton Tin Project

The Herberton Tin Project is located 70kms south west of Cairns in Far North Queensland and comprises tenements totaling over 472km^2. The Herberton Tin Field has historically produced over 76,300t of tin metal and is currently the pre-eminent area for hard rock tin exploration in Australia.

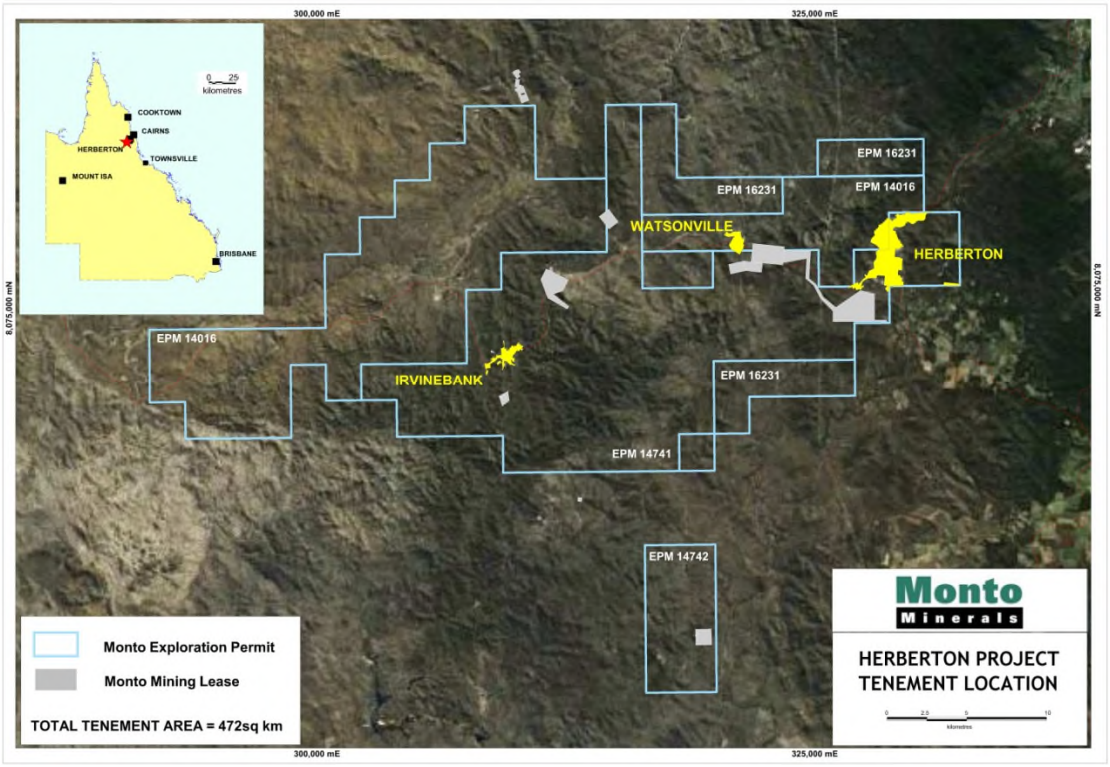
There has been no tin exploration conducted in the northern Herberton Tin Field since the tin price collapse of the mid-1980s. Historically, the area is renowned for high grade (>3% Sn) tin production with multiple mills, several processing plants and a smelter producing tin ingots. The largest historic mine in the tenement area is the Vulcan breccia pipe deposit which was mined to a depth of 425m at a head grade of over 6% tin generating over 13,000t of tin.

Tin mineralisation has primarily been associated with high grade structurally controlled breccia pipes hosting coarse grained cassiterite and, unlike the more metallurgically complex skarn-hosted tin deposits, tin ores of the northern Herberton Tin Field have been easily concentrated through gravity separation. The style of mineralisation historically evident at the Herberton Tin Project represents a distinct advantage over other tin projects in Australia and overseas.

The limited exploration work historically undertaken within the Herberton Tin Field was necessarily disjointed and fragmented given the many and various owners of the small (generally <1km^2) patchwork tenure of Mining Claims and Mining Leases. Only since 2005 when the area was consolidated into four large contiguous exploration permits for minerals (EPMs) has any form of coordinated regional exploration been possible. Monto is the first exploration company to have exclusive tenure over the entire northern Herberton Tin Field, thereby enabling the Company to apply modern regional exploration techniques over the entire area.

REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)



Herberton Tin Project – Location Plan

Governor Norman Prospect Drilling

During the year the Company completed a drilling programme at the Governor Norman prospect located within the Herberton Tin Project, Queensland. The Governor Norman prospect comprises several historic high grade tin mines over a strike extent of 1.2km.

Compilation of historic drilling of 644 surface and underground holes at Governor Norman indicated that the structural zone hosting the workings is broadly mineralised at low grade. The vast majority of the 644 drill holes at Governor Norman are shallow (<30m) air track holes with only 22 RC or diamond holes (or 3.4% of holes) drilled to a depth greater than 100m. The results from historic drilling data indicated the potential to define a low grade mineralised zone (>0.3% tin) of significant tonnage along the Governor Norman trend.

Initial (pre-1980) analysis of drill samples was by a portable isotope x-ray fluorescence (PIF) device. The actual methodology and statistical determination of assay values for PIF analysis by previous explorers is unknown; as such Monto has chosen not to report these results. Drilling was required to validate the historical drill hole assays.

High grade tin was won from underground mines such as Kelly Norman which was mined to a depth of only 90m. The historic grade for mining at Kelly Norman was ~0.9% tin, however significant localised mineralisation was encountered at over 10% tin.

The initial drilling programme comprised a total of 8 holes for a total of 596m. Four of the holes were completed in the zone of dense airtrack drilling, designed to validate the broad historic low grade intersections. Although low grade tin was encountered in the holes only two zones of elevated mineralisation were intersected, 3m at 0.18% tin and 1m at 1.0% tin (see Table 1).

Three holes were drilled further to the north, below the main zone of workings. One hole intersected a zone of quartz veining that contained significant tin mineralisation, 4m at 1.2% tin (see Table 1). This intersection appears to represent the down dip extension of the Governor Norman mine mineralisation and remains open at depth.

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REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

Governor Norman Prospect Drilling (continued)

A single hole was completed to a depth of 158m, designed to test the down plunge extension of the high grade Kelly Norman mineralisation. The hole did not intersect significant tin mineralisation, however typical Governor Norman-style silica-pyrite alteration with some tourmaline was intersected at depth in this hole and in the deeper holes to the south, demonstrating continuity of the main alteration zone.

Monto is currently assessing the results of the drilling programme to determine further work at the regionally significant Governor Norman zone of mineralisation. Monto's drilling demonstrates potential to define extensions to previously mined high grade mineralisation.

The Monto-controlled former Jumna tin processing site is located just 2km to the north of Governor Norman and is serviced by power, water and road infrastructure. The site, which ceased tin concentrate production in 1987 due to the tin price crash, has several tailings dams and represents a significant asset to the Company.

Tin mineralisation at the Herberton Project is in the form of cassiterite and is typically coarse grained and easily liberated, allowing simple and low-cost gravity separation methods to achieve high recoveries. The simple metallurgy of tin mineralisation at the Herberton project represents a significant advantage over other Australian tin projects.

Please refer to Monto's ASX announcement of 14 April 2014 for more detailed information relating to the Governor Norman exploration results summarised below.

Table 1. Governor Norman RC Drilling Intersection Summary

HOLE	DEPTH	EAST MGA	NORTH MGA	RL	DIP	AZIMUTH MGA	FROM	WIDTH	TIN (%)
GNRC0001	48	311421	8071777	897	-50	78			NSR
GNRC0002	50	311372	8071806	890	-75	78	20	3	0.18
							38	1	1.00
GNRC0003	48	311327	8071793	877	-50	78			NSR
GNRC0006	50	311316	8071857	872	-50	78			NSR
GNRC0007	66	311296	8071998	909	-50	78	46	4	1.20
GNRC0008	80	311262	8072050	908	-50	78			NSR
GNRC0009	96	311230	8072104	938	-50	78			NSR
GNRC0010	158	311165	8072316	890	-50	78			NSR

Note on analysis:

Significant intersections > 0.10% Sn and > 1m width.
All samples analysed at Australian Laboratory Services (ALS), Brisbane.
Sn analysis by pressed powder XRF (code ME-XRF05).

Mt Ormonde Prospect Drilling

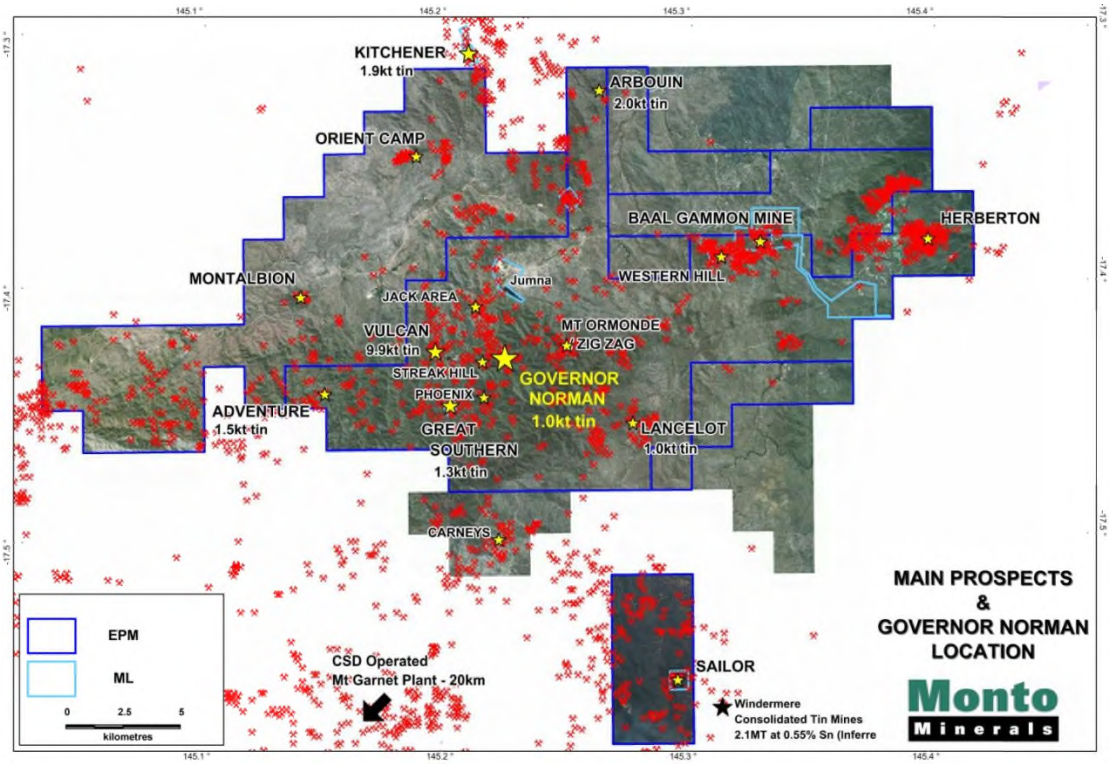
The Mt Ormonde area comprises numerous historic high grade tin workings over an area of approximately 1,200m x 1,200m including Alexandra, Dargo, Mt Ormonde, Edward and Zig Zag. The high grade tin prospects constituting the Mt Ormonde area were first identified through the digitisation and assessment of historical drilling and mine production information. Subsequently, a detailed mapping and rock chip sampling exercise was undertaken in order to characterise tin mineralisation in the area and also identify potential drill targets. Over 270 rock chip samples were collected through to April 2013 with numerous high grade samples reporting up to 3.85% tin.

REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

Mt Ormonde Prospect Drilling (continued)

The initial drilling programme conducted in May 2013 was primarily focused on the Mt Ormonde prospect, however a total of five holes (including one diamond hole) were spread across the Jack, Phoenix and Carney's prospects. In total, the initial drilling programme comprised 16 reverse circulation (RC) holes and one diamond hole for 1,348m RC and 100m HQ diamond core.



Herberton Project – Main Prospects and Historic Mines Showing Production of Tin Metal

Significant results include:

MORC0005 – 6m @ 1.49% tin from 11m depth (includes 3m @ 2.8% tin)
MORC0002 – 5m @ 1.03% tin from 51m depth
MORC0001 – 3m @ 0.66% tin from 5m depth;
5m @ 0.94% tin from 14m depth; and
3m @ 0.39% tin from 32m depth

The results confirmed the presence of high grade tin mineralisation at both the Alexandra prospect (MORC0001 – MORC0003) and the Dargo prospect (MORC0004 and MORC0005).

Cassiterite tin mineralisation appears to be structurally controlled and associated with either quartz and/or tourmaline lodes, or hosted by chloritic shear zones. Multielement assays were completed for all samples, with no significant sulphide content detected.

Significantly, the areas drilled by Monto had not previously been tested by drilling and were identified as targets through systematic geochemistry surveys involving soil and rock chip sampling. Further targets identified through high grade rock chip results, such as the Pretty Polly, Law King and Eagle prospects (rock chip values to 3.28% tin), located 700 metres west from Mt Ormonde, are currently being assessed for drilling. The rock chip and drilling results show the potential for discovering new zones of mineralisation at surface that have not been previously mined.

The identification of high grade tin mineralisation so close to the surface in the initial shallow RC holes at Mt Ormonde prompted Monto to immediately plan and execute a follow up drilling programme. Follow up drilling was conducted in June 2013 at both Alexandra and Dargo with the following significant results:

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REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

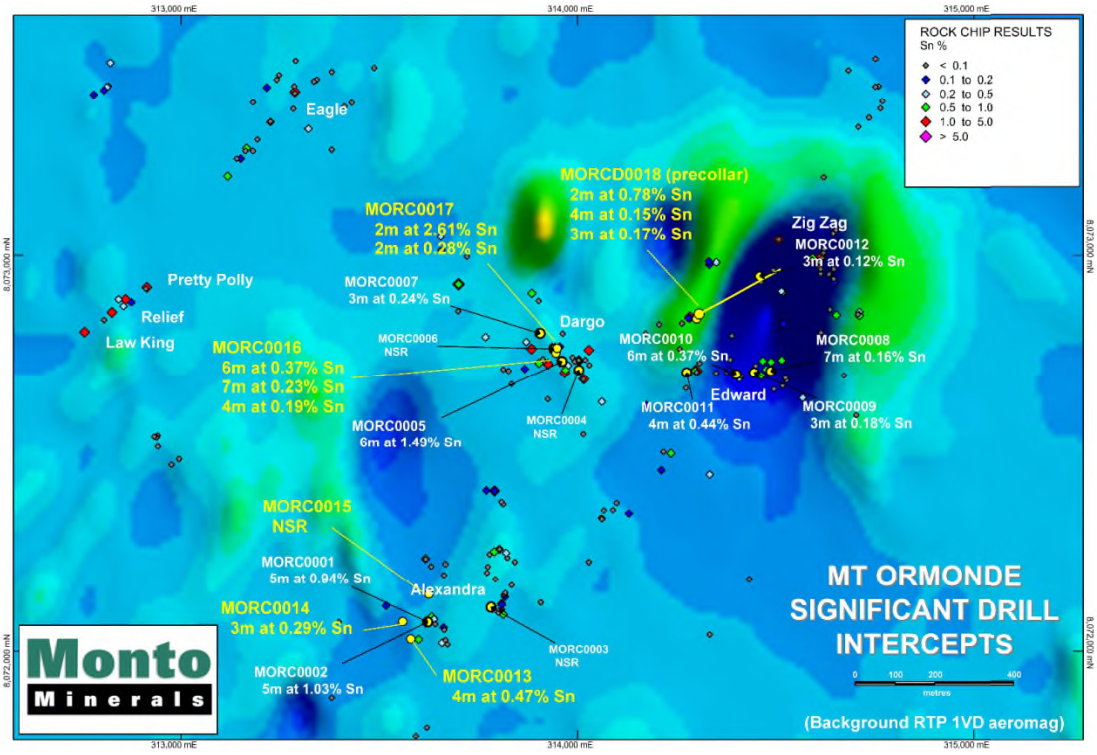
Mt Ormonde Prospect Drilling (continued)

MORC0017 - 2m @ 2.61% tin from 30m depth
- 2m @ 0.28% tin from 125m to end of hole

MORC0013 - 4m @ 0.47% tin from 32m depth

MORC0016 - 6m @ 0.37% tin from 43m depth;
- 7m @ 0.23% tin from 54m depth; and
- 4m @ 0.19% tin from 74m depth

Follow up drilling confirms the high grade nature of shallow tin mineralisation across the Alexandra and Dargo prospects within the Mt Ormonde area. Along with the high grade and shallow depth, of particular importance is the coarse nature of the tin mineral cassiterite which suggests ease of processing through gravity means, a cost-effective method historically employed by companies operating tin mines within the Mt Ormonde area.



Mt Ormonde Drill Hole Locations and Results – Aeromag (note Zig Zag magnetic anomaly)

Large Tonnage Tin Potential Targeted – Western Hill

Monto continued the comprehensive field and desktop-based assessment of several high priority tin and base metal targets over the course of the year.

Monto recently completed the laborious task of digitising and compiling all relevant historical data from the Western Hill area. This has included historical geological and structural mapping, underground surveys and the generation of a drill database incorporating all known historical drill holes.

Western Hill is situated immediately to the south of the Baal Gammon mine and incorporates a series of underground high grade mines. These mines were amongst the largest producers in Herberton Tin Field, with most developed from 1881 – 1930 with some additional production in the early 1980s. The Western Hill mines collectively produced over 1,750t of tin concentrate (~1,225t of tin metal), with mines being typically very high grade (20-25% tin), relatively low ore tonnage producers.

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REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

Large Tonnage Tin Potential Targeted – Western Hill (continued)

Monto was recently granted two Mining Leases covering the majority of the Western Hill area ensuring ease of exploration and exploitation.

During the year Monto conducted a comprehensive geological and structural mapping programme over Western Hill and also collected 253 rock chip samples.

Of the 253 rock chip samples collected, 93 samples returned a result above 0.1% tin, and 27 samples returned a value greater than 1.0% tin. The more significant results were primarily returned from dump material including the highest value of 4.68% tin. Of the 72 dump samples collected, 42 were above 0.1% tin and 18 above 1.0% tin. Lode outcrop samples returned 17 results above 0.1% tin and 5 above 1.0% tin of the 46 samples collected. Of importance for defining large tonnage mineralisation, of the 119 wall rock samples collected (i.e. samples not containing discernable lode material) 29 samples returned results greater than 0.1% tin with a maximum result of 2.28% tin.

The rock chip results indicate the potential to define low grade mineralisation adjacent to the more discrete structurally controlled high grade (>20% tin) quartz/chlorite lodes.

Geophysical Character Testing of Tin Ore

In order to determine the geophysical properties of the various tin mineralisation styles at the Herberton Project, nine fresh dump samples of tin ore were collected from several prospects and despatched to Systems Exploration NSW Pty Ltd for independent geophysical testing. Final results for the analysis have been received and are currently undergoing assessment by a leading geophysical consultant to determine the geophysical properties that can be detected by ground geophysical methods.

Monto's geophysical consultant will also review the existing 100m line spacing aeromagnetic data to determine whether additional processing, particularly magnetic inversion, may delineate the thickness of Hodgkinson Formation sediments overlying potentially mineralised granites.

Interpretation of existing data collected, particularly drilling, soil and rock chip data, by Monto along with a regional evaluation of the Herberton lithological and structural setting has given rise to the hypothesis that relatively large areas of tin mineralisation may exist as blind bodies hosted within granite intrusives (the original source of tin mineralisation for the Herberton Tin Field). A thin veneer of the locally occurring Hodgkinson metasediments would ensure the mineralised body has not been subject to exposure and erosion and, given the metasediment overlies the mineralising granite, may also host high grade lode tin that is characteristic of the area. In the context of the above hypothesis the identification of a geophysical tool for detecting tin mineralisation is crucial.

To aid geophysical lithological definition a regional database of background magnetic readings is being compiled by collecting outcrop readings using the KT10 magnetic susceptibility unit. This work commenced in the Mt Tin area. Background magnetic data compilation is ongoing.

The identification of an effective geophysical tool for detecting subsurface tin mineralisation will revolutionise tin exploration in the Herberton Tin Field.

Compelling IRGS Targets

Montalbion Group of Mines

The Montalbion lodes were discovered in 1885 and by 1895 1,583,693ozs of silver had been recovered from 39,170t of ore - an average of about 40ozs per ton (or 1,244g/t). The ore bodies consist of a variety of lead, silver, copper and zinc minerals associated with quartz veins and they form lenticular and pipe-like bodies situated along breccia zones. Most of the silver came from a zone of deep weathering and secondary enrichment which bottomed at about 60 metres.

Mareeba Mining and Exploration Pty. Ltd carried out exploration over the Montalbion leases for three years from January 1973, including an extensive geological survey, IP and electromagnetic surveys. The surface mapping and geochemical soil sampling programme showed very close correlation with the IP results.

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REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

Compelling IRGS Targets (continued)

Montalbion Group of Mines (continued)

A strike length of over 600m was confirmed. In 1973 Mareeba Mining completed three diamond drill holes, however no record of drill logs or assays is available.

Historical mining of the Montalbion silver mines through the late 1800s targeted ultra-high grade pockets of ore using hand sorting based on the visual inspection of mined material. Due to the selective high grade mining methods employed, the small extent of the historic workings and the lack of exploration drilling there is significant potential to define additional mineralisation between the previously mined lodes, extensions along strike and at depth. Furthermore, there has been no investigation as to the potential for lower grade, bulk tonnage polymetallic mineralisation. The potential for the discovery of further mineralisation is highlighted by the fact that samples collected at Albion (one of the Montalbion group mines) were from brecciated wall rock to the mined lode, returning values to 212g/t silver, 0.6% copper, 4.9% lead and 0.26g/t gold.

To determine the extent of potential mineralisation at Montalbion, reconnaissance rock chip sampling was recently conducted on the flanks and areas of lower relief surrounding Montalbion Hill where no previous mining has been undertaken. Mapping by previous explorers identified a series of small, sub-parallel quartz veins that have not previously been sampled. The veins are of similar orientation to the known mineralisation at Montalbion and may represent the surface expression of underlying mineralisation.

As analysis is being undertaken in house by hand held XRF, gold results cannot be obtained. However, the presence of intrusion related gold mineralisation (IRGS) pathfinder minerals will be used to determine samples for submission to a commercial laboratory for gold analysis. To date, five samples have returned elevated As, Sb, Ag and base metal pathfinder results with best values of 828ppm silver, 0.34% arsenic, 518ppm antimony, 9.8% lead and 0.40% zinc.

Also intriguing is the geophysical signature and structural setting of the Montalbion area. The Montalbion mineralisation lies adjacent to a regional scale northwest-southeast trending mafic dyke. Aeromagnetic imagery shows the dyke as a magnetic high. Where the dyke intersects the Montalbion mines it is disjointed and a discrete magnetic low is apparent. Based on the multielement mineralisation, the presence of a magnetic low, breccia pipe style mineralisation, confirmed gold mineralisation and the description of a series of (sheeted) massive quartz and chalcedony veins the mineralisation at Montalbion may represent the surface expression of an IRGS.

Zig Zag Prospect

In July 2013 Monto announced results from diamond drilling at the Zig Zag prospect within the greater Mt Ormonde prospect area. The Zig Zag hole (MORC0018) comprised an RC pre-collar to 198m followed by a diamond tail to 373m.

Several zones of elevated base metals and arsenic were intersected that can be related to discrete quartz veining or fracture mineralisation. These veins/fractures include copper to 0.84%, lead to 0.54%, zinc to 0.44% and arsenic to 0.68%. Bismuth (to 0.56%) and tellurium (to 5.34ppm) is elevated in most veins.

A zone of quartz veining and intense silica alteration occurs over 12m, from 333m and is interpreted to be vertically below the historic Zig Zag mine mineralisation.

The twelve metre zone of quartz veining and silicification from 333m contains elevated tungsten, bismuth and tellurium with a decrease in arsenic, zinc and copper values. The highest gold grades of 0.56g/t and 0.13g/t are within this zone.

There is a general distal zonation of copper, zinc and arsenic that diminishes with proximity to the intrusive zone. Indicators for proximity to gold mineralisation, (ie. bismuth, tungsten and tellurium) increase in the intrusive zone, as does gold. Lead and zinc values are uniformly low throughout the hole, indicating proximity to the main intrusive zone.

IRGS-style mineralisation is distinguished by a number of key features including the presence of a discrete granitic stock that will be present as a magnetic low in regional aeromagnetic data due to depleted magnetite.

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REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

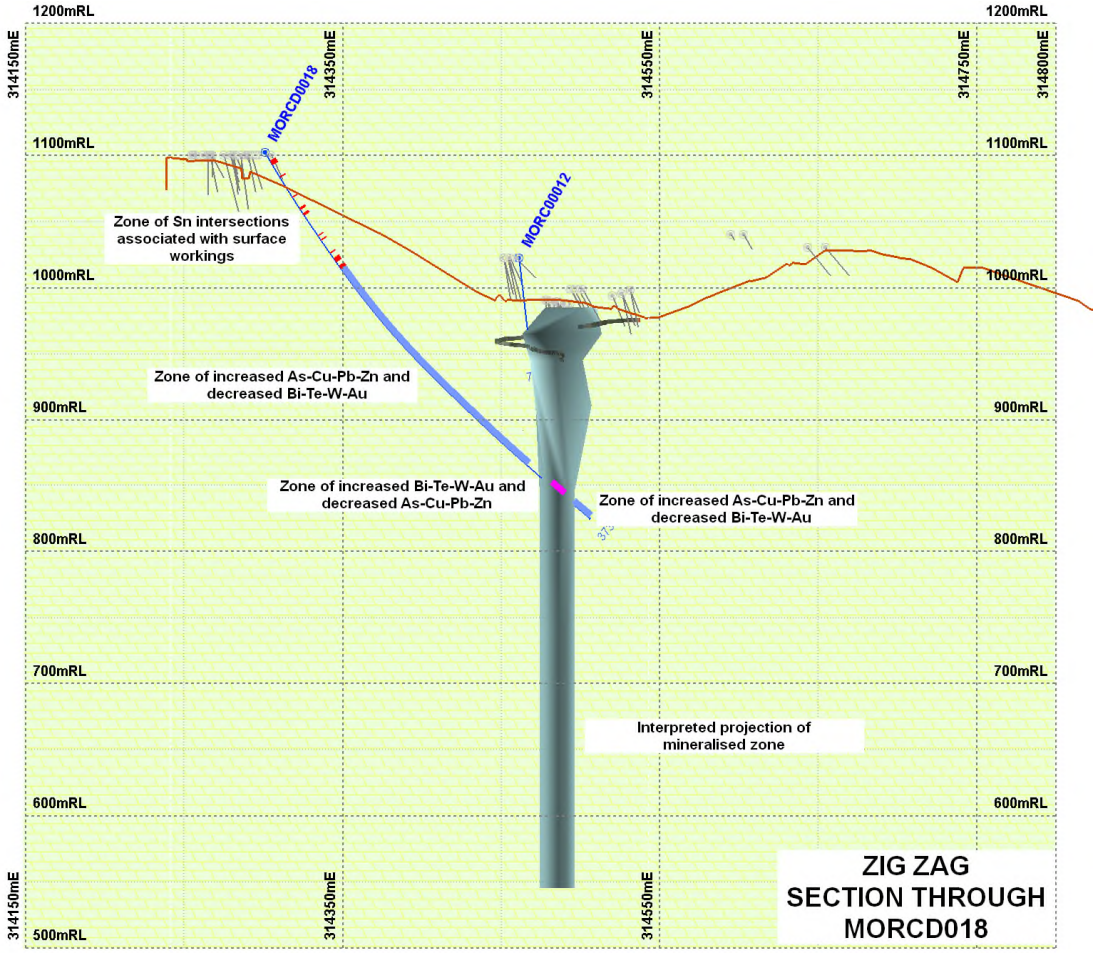
Compelling IRGS Targets (continued)

Zig Zag Prospect (continued)

Sheeted veins are the most distinctive style of IRGS gold mineralisation, comprising arrays of parallel quartz veins found over 10's to 100's of metres preferentially located in the granitic pluton's cupola. Concentric metal zonation develops outward from the central mineralising pluton with the intrusion-hosted sheeted veins having a general gold-bismuth-tungsten-tellurium signature and fissure veins varying outward from the pluton form gold-arsenic-antinomy to distal lead-zinc-silver signatures. Zonation occurs laterally and vertically.

The magnetic low geophysical signature of the discrete 300m by 600m Zig Zag pluton combined with the metal zonation and signature of the main zone of veining intersected by MORC0018 indicates IRGS-style mineralisation associated with the Zig Zag pluton.

Independent petrological studies of the anomalous zones within MORC0018 were commissioned by Monto and concluded that the tungsten-topaz-fluorite-garnet assemblage in altered sediment is indicative of exoskarn-type mineralisation. This, together with the native bismuth, strongly suggests a nearby igneous intrusion.



Zig Zag Section Showing MORC0012 and MORCD0018

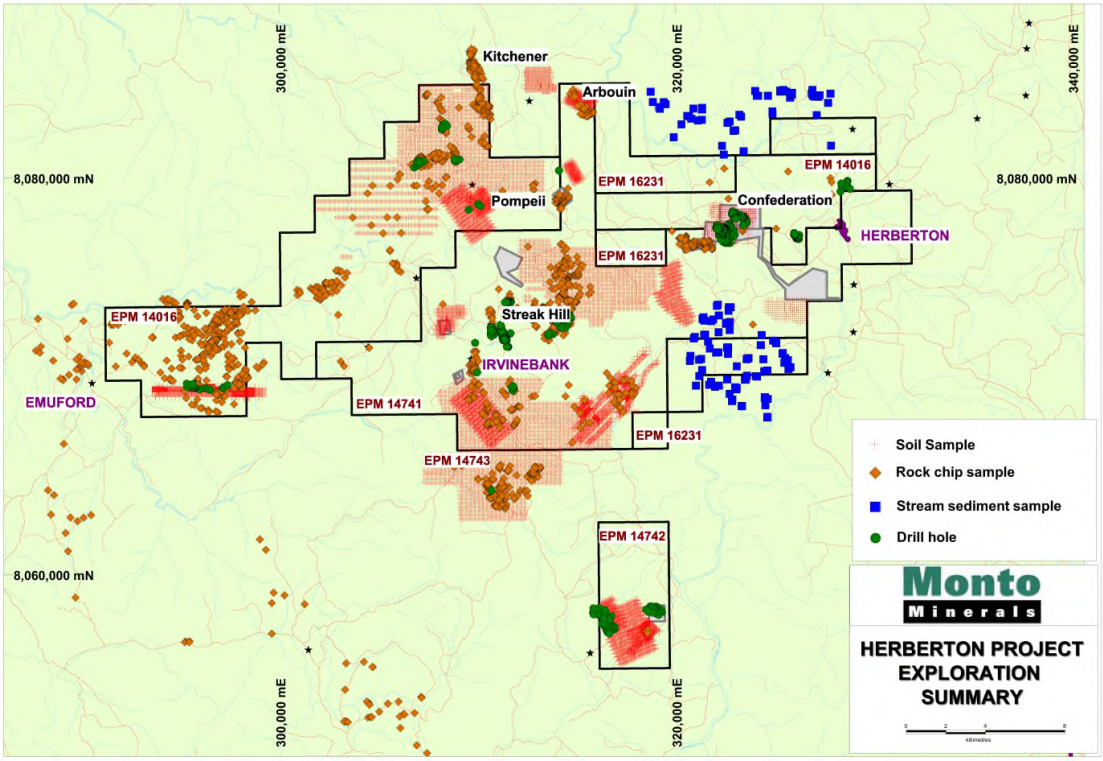
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REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

Compelling IRGS Targets (continued)

Zig Zag Prospect (continued)



Major 188km^2 Soil Geochemical Sampling Programme

In late September 2012 Monto commenced a major 188km^2 regional soil geochemical survey at the Herberton Project, representing the first time a large systematic exploration programme has been undertaken in the area. To date a total of 9,825 samples have been collected representing an area of over 100km^2. Soil samples are collected on 200m spaced lines at 50m intervals with analysis by hand-held XRF, saving considerable time and expense on analytical costs.

Soil geochemical results have generated exciting new data on which to base future targeting work. Thus far several highly anomalous zones have been identified and subjected to intense follow-up work including drilling.

Recent soil sampling north of the Orient Camp East Group of polymetallic workings outlined a strong tin-lead-zinc-arsenic-silver anomaly over a strike of 2,200 metres and up to 600 metres in width within felsic volcanics of the Featherbed Volcanic Group. Monto's geochemistry results in this area are an exciting new development as there are no known tin mines within the Featherbed Group. Follow up rock chip sampling is being undertaken to determine the source of the tin anomalism to define targets for drilling.

The two mining prospects, West Orient and East Orient, contain what are probably the best defined and most continuous ore bodies in the Herberton mining field. Discovered in 1886, they were worked for silver and lead however production figures are incomplete and insufficient to indicate total output. Records from the Queensland Mines Department include 6,600 tons of high grade ore averaging 1,430g/t (46 ozs) silver and 40% lead.

The regional soil geochemical sampling programme also targeted the Kitchener south area, covering the southern extent of the Kitchener Mine Group sediment-hosted mineralised trend and felsic volcanics and granitic intrusives of the Featherbed Volcanic Complex north of the Orient Camp polymetallic mines.

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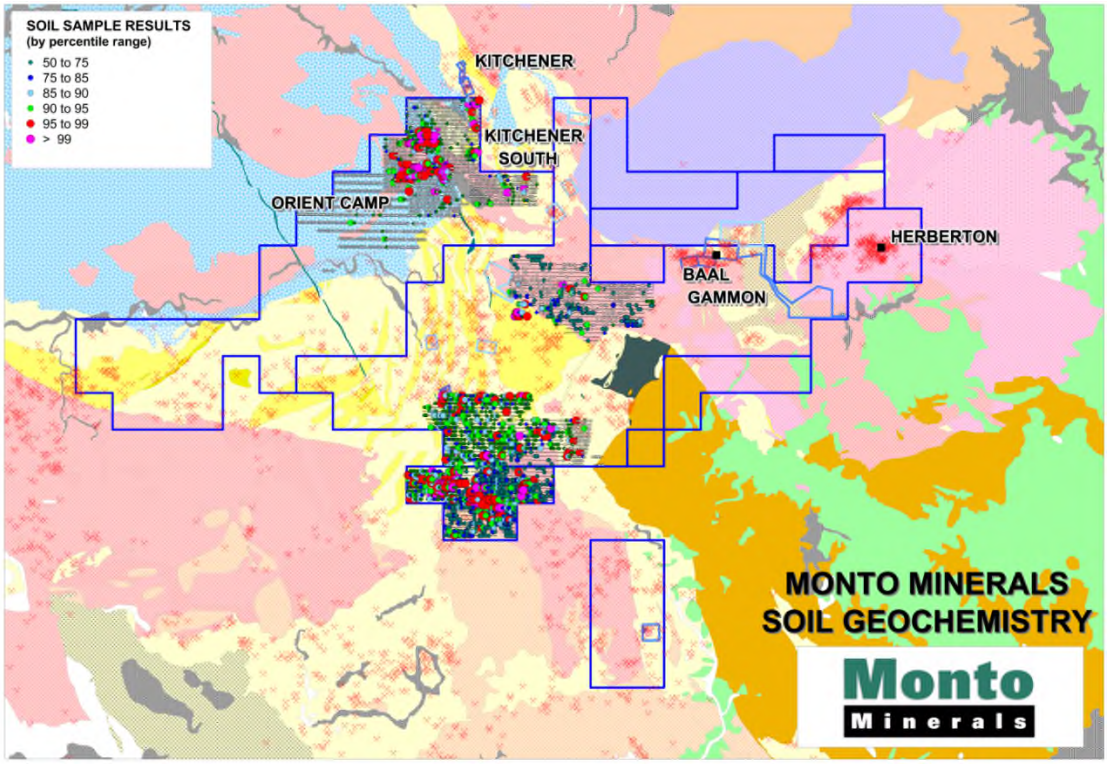
REVIEW OF OPERATIONS (continued)

Herberton Tin Project (continued)

Major 188km^2 Soil Geochemical Sampling Programme (continued)

Recent soil geochemical results identify a linear trend of tin anomalism extending for 1,600m from the northern boundary of EPM 14741. Initial rock chip sampling undertaken to follow up the soil geochemistry results has returned values up to 0.25% tin from altered sediments with minor quartz veining. Further sampling is being undertaken. The soil geochemical results indicate a 1,600m southern extension to the Kitchener group of high grade tin mines where field assessment is well underway with a view to generating well-defined drill targets.

The methodical exploration approach employed by the Company is continuing to identify compelling tin targets by extending known mineralised trends along possible structural controls. The soil programme has also identified an extensive polymetallic anomaly, including strong tin results, within a large felsic volcanic unit, previously regarded as largely unmineralised. This is an exciting development for the Company as it opens up a vast area to tin exploration. The extremely high silver and lead grades from the Orient group of mines are being assessed with a plan to generate compelling drill targets.



Herberton Project Soil Geochemical Survey to Date showing the Kitchener South and Orient Camp Zones

Baal Gammon Copper Mine

The Baal Gammon Copper Mine is located 7kms west of Herberton immediately adjacent to the main sealed road between Herberton and Watsonville. Baal Gammon is located on 100% Monto-owned MLs located with the broader Herberton Tin project area.

The operator of the Monto owned Baal Gammon copper/silver mine in North Queensland, Snow Peak Mining Pty Ltd (Snow Peak), commenced production at Baal Gammon on 14 March 2014.

Snow Peak have the right to operate the Baal Gammon mine under the Minerals 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.

REVIEW OF OPERATIONS (continued)

Baal Gammon Copper Mine (continued)

Under the MRA, Monto is entitled to a 2.5% net smelter royalty (NSR) payable on all metals for the first 550,000t of Baal Gammon ore processed, dropping to 2% NSR payable on all metals over 550,000t of Baal Gammon ore processed.

On 22 April 2014 Snow Peak informed Monto that they have temporarily suspended production at the Baal Gammon mine after receiving heavy rainfall associated with Cyclone Ita. Production at Baal Gammon is suspended whilst an assessment of the on-site hydrological balance is conducted and various operational solutions are considered.

Over 13,223t of high grade copper and silver ore have been trucked to the Mt Garnet polymetallic plant since recommencement of production in March 2014.

Competent Persons Statement
The majority of information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves was prepared and first disclosed under the JORC code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported. Exploration Results relating to the Governor Norman prospect were prepared under the JORC Code 2012.
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 2012 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.*

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DIVIDENDS

No dividends were paid or are proposed to be paid to members during the financial year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Other than as disclosed herein, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company's business strategies and prospects for growth in future financial years have been included in this report in the review of operations.

ENVIRONMENTAL REGULATIONS

The Company's operations are subject to the environmental regulation under the laws of the Commonwealth and State of Queensland.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS OF THE GROUP

There have been no significant changes in the state of affairs of the group

INFORMATION ON CURRENT DIRECTORS

JAMES ALLCHURCH (Managing director, age 37)

Experience and Expertise

Mr Allchurch is a geologist with experience in mineral exploration, geotechnical assessment and mining operations. He has expertise in the identification and assessment of resource projects over a broad range of commodities in geographies including Europe, Australia, Africa and South America.

Other Current Directorships

Mr Allchurch is not currently a director of any other publicly listed company.

Former Directorships in the Last Three Years

None

Special Responsibilities

Managing Director

GARY STEINEPREIS (Non-executive Chairman, age 48)

Experience and Expertise

Mr Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

Other Current Directorships

Norseman Gold Plc since 3 December 2007
AVZ Minerals Limited since 30 November 2012
New Horizon Coal Ltd since 4 June 2010
Intercept Minerals Ltd since 8 April 2014

Former Directorships in the Last Three Years

Minerals Corporation Limited 17 February 2011 to 14 October 2011
Agri Energy Limited 22 June 2009 to 11 June 2012
WAG Limited 2 November 2006 to 23 May 2013

Special Responsibilities

Company Secretary

INFORMATION ON CURRENT DIRECTORS (continued)

PATRICK BURKE (Non-Executive director, age 45)

Experience and Expertise

Patrick Burke holds a Bachelor of Laws degree from the University of Western Australia. He has more than twenty two years' experience working in law firms and companies in Australia and Ireland.

His expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. He contributes general corporate and legal skills along with a strong knowledge of the Australian Securities Exchange requirements.

Other Current Directorships

Anatolia Energy Limited since 21 July 2014
Intercept Minerals Limited since 8 April 2014

Former Directorships in the Last Three Years

Sirocco Energy Ltd 23 July 2009 to 23 December 2013
Emergent Resources Ltd 1 April 2013 to 31 May 2014
Minerals Corporation Limited 17 February 2011 to 2 December 2013
Fraser Range Metals Group Ltd 14 March 2011 to 5 February 2013
WAG Limited 20 December 2006 to 23 May 2013
New Horizon Coal Ltd 4 June 2010 to 2 December 2011
Zylotech Limited 4 December 2009 to 20 July 2010

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2014, and the numbers of meetings attended by each director were:

Name of Director	Number of Meetings - A	Number of Meetings - B
Gary Steinepreis	8	8
Patrick Burke	8	8
James Allchurch	8	8

A = Number of meetings attended

B = Number of meetings held during the time the Director held office during the year

DIRECTORS' INTERESTS IN THE COMPANY

At 30 June 2014, Directors, in office, held a relevant interest in the following securities of the Company:

Name	Ordinary Shares	Options	Performance Rights
James Allchurch	44,400,000	13,000,000	9,000,000
Patrick Burke	19,200,000	2,500,000	-
Gary Steinepreis	133,200,000	5,000,000	-

REMUNERATION REPORT (AUDITED)

The principles adopted by the Board are set out under the following main headings:

(1) Principles used to determine the nature and amount of remuneration
(2) Details of remuneration
(3) Employment contracts of Directors and Senior Executives
(4) Performance based remuneration

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under section 300A of the Corporations Act 2001.

1 Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered.

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REMUNERATION REPORT (AUDITED) (continued)

1 Principles used to determine the nature and amount of remuneration (continued)

The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;
(ii) acceptability to shareholders;
(iii) performance linkage / alignment of executive compensation;
(iv) transparency; and
(v) capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' and program participants' interests:

(i) focuses on sustained growth in shareholder wealth;
(ii) attracts and retains high calibre executives;
(iii) rewards capability and experience; and
(iv) provides a clear structure for earning rewards.

Fees and payments to directors reflect the demands and responsibilities of the directors and are in line with the market.

2 Details of Remuneration

The key management personnel of the Company including the directors and company secretary are:

James Allchurch	Director
Patrick Burke	Director
Gary Steinepreis	Director / Secretary
Erik Norum	Exploration Manager

Remuneration Governance

There is no remuneration committee the entire board which comprises three directors are responsible for remuneration packages. Remuneration consultants were not used in the establishment of remuneration packages. At the 2013 AGM, 99.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2013. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Salaries, fees and superannuation are fixed payments whilst equity based payments are linked to performance. Of the total remuneration for the financial year ended 30 June 2014, 14% was linked to performance.

The amount of remuneration of the directors and key management personnel is set out below:

2014	**Short term employee benefits**		**Post-employment benefits**	**Equity based payments**		
Name	**Salary**	**Directors fees**	**Superannuation**	**Options & rights**	**Bonus Payment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Directors:						
James Allchurch	210,000	-	19,425	84,910	-	314,335
Patrick Burke	6,000	29,445	555	-	-	36,000
Gary Steinepreis	6,000	29,445	555	-	-	36,000
Key Executives:						
Erik Norum	200,041	-	18,504	-	-	218,545
TOTAL	**422,041**	**58,890**	**39,039**	**84,910**	**-**	**604,880**

There were no equity based payments made during the year ended 30 June 2014. Equity based payments consisted of the continued amortisation of performance rights and the conversion of 9,000,000 performance rights to ordinary shares upon the tranche 2 milestone being achieved.

REMUNERATION REPORT (AUDITED) (continued)

2 Details of Remuneration (continued)

2013	Short term employee benefits		Post-employment benefits	Equity based payments		
Name	Salary	Directors fees	Superannuation	Options & rights	Bonus Payment	Total
	$	$	$	$	$	$
Directors:						
James Allchurch	210,000	-	18,900	212,274	-	441,174
Patrick Burke	6,000	29,460	540	-	-	36,000
Gary Steinepreis	6,000	29,460	540	-	-	36,000
Key Executives:						
Erik Norum	200,000	-	18,000	-	-	218,000
TOTAL	**422,000**	**58,920**	**37,980**	**212,274**	**-**	**731,174**

3 Employment Contracts of Directors and Senior Executives

The directors, other than James Allchurch, serve on a month to month basis and provided management services on a fee for service basis at the rate of $2,455 per month and were paid a salary and superannuation in the amount of $545 per month for their roles in the day to day activities of the Company. There are no termination payments payable to directors.

The managing director, James Allchurch, and exploration manager, Erik Norum, have service contracts with the Company the details of which follow:

The managing director, **James Allchurch**, is engaged under an executive services agreement. The basic terms and conditions of that agreement are as follows:
- A salary of $210,000 per year is payable monthly in arrears;
- The contract can be terminated by one month's written notice given by either party;
- Entitled to four weeks annual leave for each completed year of service; and
- Superannuation is payable at the statutory rate, from 1 July 2014 9.50%.

The exploration manager, **Erik Norum**, is engaged under a contract of employment. The basic terms and conditions of that agreement are as follows:
- A salary of $200,000 per year is payable monthly in arrears;
- The contract can be terminated by five weeks written notice given by either party;
- Entitled to four weeks annual leave for each completed year of service; and
- Superannuation is payable at the statutory rate, from 1 July 2014 9.50%.

Mr Norum's employment with the Company ceased on 9 August 2014.

4 Performance-based Remuneration

Executive directors and key management personnel received equity based payments as part of their compensation packages during the year ended 30 June 2014 - $84,910 (30 June 2013 - $212,274).

2014	Options	Options		Performance rights	Performance rights		Bonus Payment	
Name	Number	$	%*	Number #	$	%*	$	%*
Directors:								
James Allchurch	-	-	-	9,000,000	84,910	27	-	-
Patrick Burke	-	-	-	-	-	-	-	-
Gary Steinepreis	-	-	-	-	-	-	-	-
Key Executives:								
Erik Norum	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**9,000,000**	**84,910**	**14**	**-**	**-**

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REMUNERATION REPORT (AUDITED) (continued)

4 Performance-based Remuneration (continued)

Equity based payments consisted of the continued amortisation of performance rights. Also during the year the conversion of 9,000,000 performance rights to ordinary shares occurred upon the tranche 2 milestone being achieved.

2013 **Name**	**Options** **Number**	**Options** **$**	**%***	**Performance rights** **Number #**	**Performance rights** **$**	**%***	**Bonus Payment** **$**	**%***
Directors:								
James Allchurch	-	-	-	18,000,000	212,274	48.1	-	-
Patrick Burke	-	-	-	-	-	-	-	-
Gary Steinepreis	-	-	-	-	-	-	-	-
Key Executives:								
Erik Norum	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**18,000,000**	**212,274**	**29.0**	**-**	**-**

* The value of options, performance rights and bonus payment as a percentage of total remuneration.

Shareholders, at a general meeting held on 22 February 2012, approved the establishment of the Monto *Employee Performance Rights Plan (**PRP**),* including the grant of performance rights to Mr James Allchurch, a director of the Company, under the PRP.

To achieve its corporate objectives, the Company needs to attract and retain its key staff. The board believes that grants made to eligible participants under the PRP will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the plan will enable the Company to recruit, incentivise and retain key management personnel (including directors) needed to achieve the Company's business objectives, link the reward of key staff with the achievements of strategic goals and the long term performance of the Company, align the financial interest of participants with those of shareholders and provide incentives to participants to focus on superior performance that creates shareholder value.

The PRP provides for the issuance of performance rights which, upon a determination by the board that the performance conditions attached to the performance rights have been met, will result in the issue of one ordinary share in the Company for each performance right. Performance rights will be issued for no consideration and no amount will be payable upon exercise thereof.

The performance conditions may include one or more of the following:

(i) service to the Company of a minimum period of time;
(ii) achievement of specific performance conditions by the participant and/or by the Company;
(iii) a vesting period after satisfaction of performance conditions before the rights vest, or
(iv) such other performance conditions as the board may determine.

Performance rights have an expiry date which cannot be extended without shareholder approval. The performance conditions have a milestone date which the board can extend where it considers that unforeseen circumstances or events have caused a delay in achieving the performance condition by the milestone date. The board shall not be permitted to extend the milestone date beyond the expiry date of the performance rights.

If a performance condition is not achieved by the earlier of the milestone date or the expiry date then the performance rights will lapse. A performance right will also lapse if the participant ceases to be an eligible employee for the purposes of the PRP for any reason (other than as a result of retirement, disability, bona fide redundancy or death).

Performance rights were issued in three tranches of 9,000,000. Each performance right converts to one ordinary share upon reaching the relevant milestone. The performance rights have been valued and the value is being written off over the vesting period. As at the date of this report tranche 1 and 2 milestones have been achieved and tranche 1 and 2 performance rights (18,000,000) were converted into ordinary shares on 22 February 2013 and 2014 respectively.

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REMUNERATION REPORT (AUDITED) (continued)

4 Performance-based Remuneration (continued)

Tranche	Performance Condition	Milestone Date
Tranche 3 Performance rights Number 9,000,000	The participant being an employee of the Company	The third anniversary of the date of grant.

The tranche 3 performance rights shall have the following expiry date: Tranche 3 shall expire on the fourth anniversary of the date of grant.

The fair value of service received in return for performance rights granted is measured by reference to the fair value of the rights granted.

The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology using the following inputs:

	Tranche 3
Exercise price	$0.00
Expiry date	21/2/2015
Share price at grant date	1.8 cents
Expected volatility	71.71%
Dividend yield	0%
Risk free interest rate	4.25%
Performance right value	1.8 cents
Dollar value	$162,000
Discount	20%*
Final dollar value	$129,600

* A 20% discount was applied to the value due to the uncertainty of the rights vesting due to the time between grant date and the expiry date. The Company has reviewed the values and considers then to be appropriate.

Summary of Employee Option Acquisition Plan and Performance Rights Plan

Plan	Date of grant	Number of rights	Fair value at date of grant - cents	Award value at date of grant - $	Expiry date	First vesting date	Last vesting date	Vested %	Forfeited %	Maximum total value of grant yet to vest - $
PRP	22/2/12	9,000,000	1.44	129,600	21/2/16	21/2/15	21/2/16	-	-	129,600
		9,000,000		129,600						129,600
		Options								
EOAP	22/2/12	2,500,000	0.90	22,500	21/2/16	22/2/12	22/2/12	100	-	-
EOAP	22/2/12	5,000,000	0.90	45,000	21/2/16	22/2/12	22/2/12	100	-	-
EOAP	22/2/12	13,000,000	0.90	117,000	21/2/16	22/2/12	22/2/12	100	-	-
		20,500,000		184,500						-
EOAP	10/4/12	2,500,000	0.80	20,000	10/4/16	10/4/13	10/4/13	100	-	-
		23,000,000		204,500						-

PPR – Performance rights plan. EOAP – Employee option acquisition plan.

All share based payments are at risk to the extent that no benefit will be achieved unless:

(a) The share price of shares traded on ASX increases from the current traded value of .004 cents to at least the exercise price of the options, those being 2.9 and 2.4 cents. The performance measurement attributed to the incentive issued to directors and key management will be the increase in the share price which will be a benefit to all shareholders.

(b) The performance rights milestones are achieved.

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REMUNERATION REPORT (AUDITED) (continued)

5 Equity Instruments held by Key Management Personnel

The following tables show the number of equity instruments that were held during the financial year directly, indirectly or beneficially by key management personnel and / or their related parties.

a) *Options*

2014 Name	Held at 1/7/2013	Options granted as compensation	Options exercised	Held at 30/6/2014	Vested and exercisable at 30/6/2014
James Allchurch (1)	13,000,000	-	-	13,000,000	13,000,000
Gary Steinepreis (3)	5,000,000	-	-	5,000,000	5,000,000
Patrick Burke (2)	2,500,000	-	-	2,500,000	2,500,000
Erik Norum	2,500,000	-	-	2,500,000	2,500,000
	23,000,000	**-**	**-**	**23,000,000**	**23,000,000**

b) *Performance Rights*

2014 Name	Held at 1/7/2013	Rights granted as compensation	Rights converted	Held at 30/6/2014	Vested and convertible at 30/6/2014
James Allchurch (1)	18,000,000	-	(9,000,000)	9,000,000	-
Gary Steinepreis (3)	-	-	-	-	-
Patrick Burke (2)	-	-	-	-	-
Erik Norum	-	-	-	-	-
Total	**18,000,000**	**-**	**(9,000,000)**	**9,000,000**	**-**

c) *Shareholdings*

2014 Name	Held at 1/7/2013	Shares acquired	Other changes	Balance 30/6/2014	Balance held nominally
James Allchurch (1)	35,400,000	-	9,000,000	44,400,000	-
Gary Steinepreis (3)	133,200,000	-	-	133,200,000	8,400,000
Patrick Burke (2)	19,200,000	-	-	19,200,000	-
Erik Norum	-	-	-	-	-
Total	**187,800,000**	**-**	**9,000,000**	**196,800,000**	**8,400,000**

(1) **James Allchurch** holds his interests in shares indirectly through the Manstein Holdings Trust of which he is trustee and a potential beneficiary. He holds his options and performance rights in his own name.

(2) **Patrick Burke** holds his interests in shares indirectly through Rowan Hall Pty Ltd as trustee of the Rowan Hall Investment Trust of which he is a potential beneficiary. He holds his options directly in his own name.

(3) **Gary Steinepreis** holds his interests in shares directly in his own name and indirectly through: Jacqueline Steinepreis his spouse; Leisurewest Consulting Pty Ltd as trustee of the Leisurewest Trust of which he is a director and potential beneficiary; Oakhurst Enterprises Pty Ltd of which he is a director and shareholder; and Ascent Capital Holdings Pty Ltd, of which, he is a director and Oakhurst Enterprises Pty Ltd is a 50% shareholder. He holds his options directly in his own name.

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REMUNERATION REPORT (AUDITED) (continued)

5 Equity Instruments held by Key Management Personnel (continued)

(d) Other Transactions with Key Management Personnel

Office accommodation – Provided by Ascent Capital Holdings Pty Ltd, an entity owned by interests associated with Gary Steinepreis, on commercial terms and conditions.

Services provided by key management personnel and recognised as an expense	**2014 $**	**2013 $**
Short term benefits – Office accommodation	16,500	48,750
	16,500	**48,750**

End of the audited remuneration report.

INDEMNIFYING OF OFFICERS OR AUDITOR

The Company does not have directors and officers insurance. The Company does not have auditor insurance.

OPTIONS

At the date of this report, share options on issue to take up fully paid Ordinary Shares in the capital of the Company are as follows:

2014 Date of issue	**No. of Options Outstanding**	**Expiry Date**	**Exercise Price**
22/02/2012	20,500,000	21/02/2016	$0.029
10/04/2012	2,500,000	10/04/2016	$0.024
07/02/2014	30,000,000	07/02/2017	$0.008
TOTAL	**53,000,000**		

2013 Date of issue	**No. of Options Outstanding**	**Expiry Date**	**Exercise Price**
05/05/2011	150,000,000	30/06/2014	$0.030
29/10/2009	10,182,273	31/12/2013	$0.005
22/02/2012	20,500,000	21/02/2016	$0.029
10/04/2012	2,500,000	10/04/2016	$0.024
TOTAL	**183,182,273**		

The names of persons who currently hold options are entered in a register kept by the Company pursuant to Section 170 of the Corporations Act 2001, which may be inspected free of charge.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of the Company or any other corporation. Subsequent to year end no options have been exercised.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

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AUDITOR

BDO (Audit) WA Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-Audit Services

During the financial year no fees were paid or are payable for non-audit services provided by the auditor.

The Board of Directors are satisfied that the provision of non-audit services was compatible with the general standard of independence for auditors imposed by APES 110 code of ethics for professional accountants.

Audit Services

During the financial year $36,000 (2013:$34,000) was paid or is payable for audit services provided by the auditor.

Assurance Services	**2014**	**2013**
Audit Services	**$**	**$**
Amounts paid/payable to BDO (Audit) WA Pty Ltd (BDO) for audit and review of the financial reports	36,000	34,000
Amounts paid/payable to BDO (Audit) WA Pty Ltd (BDO) for non-audit services	-	-
	36,000	**34,000**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 22 of the financial report.

CORPORATE GOVERNANCE

The directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement included with this report.

Signed in accordance with a resolution of the Board of Directors



Gary Steinepreis
Director
West Perth
17 September 2014

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Australia

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF MONTO MINERALS LIMITED

As lead auditor of Monto Minerals Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Monto Minerals Limited and the entities it controlled during the period.



Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 17 September 2014

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BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

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Monto Minerals Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Note	2014 $	2013 $
Revenue from operations	5	90,112	83,693
Total revenue		**90,112**	**83,693**
Administration expenses	6	(248,410)	(181,514)
Corporate compliance costs	7	(41,108)	(44,312)
Occupancy costs	7	(60,742)	(125,081)
Corporate management fees	7	(58,890)	(58,920)
Employee benefits expense	7	(109,496)	(136,104)
Share based payments	8	(128,512)	(212,274)
Impairment of exploration expenditure	14	(2,035,146)	(1,344,974)
Exploration asset expensed	14	(73,848)	-
Expenses from operations		**(2,756,152)**	**(2,103,179)**
Loss before income tax		**(2,666,040)**	**(2,019,486)**
Income tax expense	9	-	-
Loss after tax from operations for the year		**(2,666,040)**	**(2,019,486)**
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year attributable to the members of Monto Minerals Ltd		**(2,666,040)**	**(2,019,486)**
		Cents	**Cents**
Loss per share from operations attributable to the ordinary equity holders of the Company:			
Basic / Diluted loss per share	25	(0.202)	(0.154)

The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Monto Minerals Ltd
Consolidated statement of financial position
As at 30 June 2014

	Note	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	10	851,753	1,854,200
Trade and other receivables	11	17,061	19,545
Total current assets		**868,814**	**1,873,745**
Non-current assets			
Plant and equipment	13	47,844	82,208
Exploration and evaluation expenditure	14	5,000,919	6,633,121
Security deposit	15	23,340	21,940
Total non-current assets		**5,072,103**	**6,737,269**
Total assets		**5,940,917**	**8,611,014**
LIABILITIES			
Current liabilities			
Trade and other payables	12	166,546	297,382
Total current liabilities		**166,546**	**297,382**
Total liabilities		**166,546**	**297,382**
NET ASSETS		**5,774,371**	**8,313,632**
EQUITY			
Contributed equity	16	14,032,144	14,033,876
Option reserve	16	248,102	1,507,804
Share based payment reserve	16	101,794	146,484
Accumulated losses	17	(8,607,669)	(7,374,532)
TOTAL EQUITY		**5,774,371**	**8,313,632**

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

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2014	**Ordinary shares**	**Option reserve**	**Performance Rights**	**Accumulated losses**	**Total**
	$	**$**	**$**	**$**	**$**
Balance 1 July 2013	14,033,876	1,507,804	146,484	(7,374,532)	8,313,632
Loss for the year	-	-	-	(2,666,040)	**(2,666,040)**
Other comprehensive income for the year	-	-	-	-	**-**
Total comprehensive loss for the year	-	-	-	(2,666,040)	**(2,666,040)**
Transactions with owners in their capacity as owners:					
Performance rights expensed	-	-	84,910	-	**84,910**
Performance rights converted	-	-	(129,600)	129,600	**-**
Options issued	-	43,602	-	-	**43,602**
Options expired	-	(1,303,304)	-	1,303,304	**-**
Transaction costs	(1,732)	-	-	(1)	**(1,733)**
Balance 30 June 2014	**14,032,144**	**248,102**	**101,794**	**(8,607,669)**	**5,774,371**

2013	**Ordinary shares**	**Option reserve**	**Performance Rights**	**Accumulated losses**	**Total**
	$	**$**	**$**	**$**	**$**
Balance 1 July 2012	14,035,526	1,507,804	96,210	(5,517,046)	**10,122,494**
Loss for the year	-	-	-	(2,019,486)	**(2,019,486)**
Other comprehensive income for the year	-	-	-	-	**-**
Total comprehensive loss for the year	-	-	-	(2,019,486)	**(2,019,486)**
Transactions with owners in their capacity as owners:					
Performance rights expensed	-	-	212,274	-	**212,274**
Performance rights converted	-		(162,000)	162,000	**-**
Transaction costs	(1,650)	-	-	-	**(1,650)**
Balance 30 June 2013	**14,033,876**	**1,507,804**	**146,484**	**(7,374,532)**	**8,313,632**

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Monto Minerals Ltd
Consolidated statement of cash flows
For the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Other income		-	32,902
Research & development grant net		51,340	352,610
Interest received		30,302	71,317
Payments to suppliers and employees		(604,164)	(709,121)
Net cash outflow from operating activities	24	**(522,522)**	**(252,292)**
Cash flows from investing activities			
Payments for exploration costs capitalised		(811,515)	(1,016,715)
Research & development grant net		334,722	97,508
Payments for acquisition of plant and equipment		-	(68,172)
Net cash outflow from investing activities		**(476,793)**	**(987,379)**
Cash flows from financing activities			
Refund of security deposit		-	32,000
Accommodation bond		(1,400)	-
Costs associated with share issue		(1,732)	(1,650)
Net cash (outflow) / inflow from financing activities		**(3,132)**	**30,350**
Net decrease in cash and cash equivalents		**(1,002,447)**	**(1,209,321)**
Cash and cash equivalents at the beginning of the financial year		1,854,200	3,063,521
Cash and cash equivalents at the end of the financial year	10	**851,753**	**1,854,200**

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 Notes to the Consolidated Financial Statements

(a) Basis of preparation

The financial statements include the financial statements and notes of Monto Minerals Ltd, a public limited entity. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Monto Minerals Ltd is a for profit entity for the purposes of preparing the financial statements. The financial statements have been approved for issue on 17 September 2014 by the Board of Directors.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise indicated.

(b) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

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1 Notes to the Consolidated Financial Statements (continued)

(c) Segment Reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company currently operates in one operating segment being the mining and exploration sector. However the chief operating decision makers look at areas of interest when reviewing exploration activities and the allocation of resources. The areas of interest are contained within separate operating entities and reported on accordingly. The directors are of the opinion that the current financial position and performance of the Company is equivalent to the operating segments identified.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties.

Interest Revenue

Interest income is recognised on a time proportion basis using the effective interest rate method.

Government Grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit and loss on a straight-line basis over the expected lives of the related assets.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

1 Notes to the Consolidated Financial Statements (continued)

(f) Impairment of Assets (continued)

Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit and Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

(g) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated using the straight line method to write off the net cost of each item of plant and equipment over its expected useful life, being 1 to 5 years.

(h) Cash and Cash Equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the Statement of Profit and Loss and Other Comprehensive Income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Contributed Equity

Ordinary shares are classified as equity. Costs associated with capital raisings (exclusive of GST) directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs associated with capital raisings (net of income taxes) is recognised directly in equity.

(l) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

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1 Notes to the Consolidated Financial Statements (continued)

(l) Earnings Per Share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated exclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(n) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are impaired in full and recognised in profit and loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when a decision to develop the area has been made. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(o) Equity Settled Compensation

The Group operated an equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees became entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of options is ascertained as the market bid price. The fair value of options was ascertained using a Black–Scholes pricing model which incorporated all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted was based on the number of equity instruments that eventually vested.

(p) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

1 Notes to the Consolidated Financial Statements (continued)

(q) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB 139: *Recognition and Measurement of Financial Instruments*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(r) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Monto Minerals Ltd ("company" or "parent entity") as at 30 June 2014 and the results of all subsidiaries for the year then ended. Monto Minerals Ltd and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the Statement of Profit and Loss and Other Comprehensive Income. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit and Loss and Other Comprehensive Income and statement of financial position respectively. Investments in subsidiaries are accounted for at cost in the individual financial statements of Monto Minerals Ltd.

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1 Notes to the Consolidated Financial Statements (continued)

(s) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(t) New Accounting Standards and Australian Accounting Interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2014, but have not been applied in preparing this financial report.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly;

1 Notes to the Consolidated Financial Statements (continued)

(t) New Accounting Standards and Australian Accounting Interpretations (continued)

Annual Improvements to IFRSs 2010-2012 Cycle (continued)

Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

(u) Parent Entity Financial Information

The financial information for the parent entity, Monto Minerals Ltd, disclosed in note 26 has been prepared on the same basis as the consolidated financial statements.

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2 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks and trade payables. The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the board of directors under policies approved by the Board. The board identifies and evaluates financial risks for overall risk management.

Interest Rate Risk

As the Group has no significant interest-bearing assets other than cash at bank, the Group's income and operating cash flows are not materially exposed to changes in market interest rates. The risk arises due to changes in interest rates offered by the bank. The risk is managed by seeking alternative quotes from competing banks.

2014 Consolidated **Financial Instruments**	**Floating interest rate**	**Fixed interest rate maturing 1 year or less**	**Non-interest bearing**	**Total**	**Weighted average effective interest rate**
(i) Financial assets	**$**	**$**	**$**	**$**	**%**
Cash assets	851,753	-	-	851,753	2.00
Security deposit	-	-	23,340	23,340	
Trade and other receivables	-	-	17,061	17,061	
Total financial assets	**851,753**	**-**	**40,401**	**892,154**	
(ii) Financial liabilities					
Trade and other payables	-	-	166,546	166,546	
Total financial liabilities	**-**	**-**	**166,546**	**166,546**	

2013 Consolidated **Financial Instruments**	**Floating interest rate**	**Fixed interest rate maturing 1 year or less**	**Non-interest bearing**	**Total**	**Weighted average effective interest rate**
(i) Financial assets	**$**	**$**	**$**	**$**	**%**
Cash assets	1,854,200	-	-	1,854,200	2.75
Security deposit	-	-	21,940	21,940	
Trade and other receivables	-	-	19,545	19,545	
Total financial assets	**1,854,200**	**-**	**41,485**	**1,895,685**	
(ii) Financial liabilities					
Trade and other payables	-	-	297,382	297,382	
Total financial liabilities	**-**	**-**	**297,382**	**297,382**	

Net Fair Values

The net fair value of financial assets and liabilities are materially in line with their carrying values.

Sensitivity Analysis – Interest Rate Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in interest rates.

	2014	**2013**
Change in loss:	**$**	**$**
Increase by 2% (2013: 2%)	17,035	37,084
Decrease by 2% (2013: 2%)	(17,035)	(37,084)
Change in equity:		
Increase by 2% (2013: 2%)	17,035	37,084
Decrease by 2% (2013: 2%)	(17,035)	(37,084)

2 Financial Risk Management (continued)

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group has no long term or short term debt and its risk with regard to liquidity relates to its ability to maintain its current operations prior to the generation of future income streams. The Group's ability to raise equity funding in the market is paramount in this regard. The Group manages liquidity by ensuring that it has at least sufficient cash to meet its budgeted commitments for at least 12 months.

As at 30 June 2014 Consolidated	Less than 6 months	6-12 months	1-2 years	3-5 years	Over 5 years	Total contractual	Carrying amount
Trade and other payables	$ 151,142	15,404	-	-	-	$ 166,546	$ 166,546

As at 30 June 2013 Consolidated	Less than 6 months	6-12 months	1-2 years	3-5 years	Over 5 years	Total contractual	Carrying amount
Trade and other payables	$ 287,327	10,055	-	-	-	$ 297,382	$ 297,382

Credit Risk

The Group has no significant concentrations of credit risk. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings.

Cash at bank and short term bank deposits	**2014**	**2013**
	$	**$**
Westpac Banking Corporation - AA	851,753	1,854,200

Price risk

The Group is not exposed to commodity price risk.

3 Critical Accounting Estimates, Judgements and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(n). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the Statement of Profit and Loss and Other Comprehensive Income.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

The Company issued performance based options to Key Management Personnel during the year ended 30 June 2012 based upon conditions outlined in note 8. The Company follows the guidelines of AASB2 '*Share Based Payments'* and takes into account vesting and non-vesting conditions and estimates the probability and expected timing of achieving the performance conditions.

No critical accounting estimates and/or assumptions have been made during the preparation of the financial statements other than as disclosed elsewhere in this financial report.

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4 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group currently operates in one operating segment being the mining and exploration sector. However the chief operating decision makers look at areas of interest when reviewing exploration activities and the allocation of resources. The areas of interest are contained within separate operating entities and reported on accordingly.

The directors are of the opinion that the current financial position and performance of the Group is equivalent to the operating segments identified and the following disclosure is provided.

2014	Monto Minerals	Herberton Tin	Baal Gammon Copper	Consolidated
	$	$	$	$
Income	64,047	20,738	5,327	90,112
Expenses	(218,098)	(2,193,667)	(344,387)	(2,756,152)
Operating loss	**(154,051)**	**(2,172,929)**	**(339,060)**	**(2,666,040)**

2014	Monto Minerals	Herberton Tin	Baal Gammon Copper	Consolidated
Assets	$	$	$	$
Cash and cash equivalents	815,940	30,003	5,810	851,753
Trade and other receivables	10,517	6,444	100	17,061
Plant and equipment	10,822	37,022	-	47,844
Capitalised exploration	-	5,000,919	-	5,000,919
Security deposits	20,500	2,840	-	23,340
	857,779	**5,077,228**	**5,910**	**5,940,917**
Liabilities				
Provisions	29,404	-	-	29,404
Trade and other payables	9,674	1,218	126,250	137,142
	39,078	**1,218**	**126,250**	**166,546**
Net Assets	**818,701**	**5,076,010**	**(120,340)**	**5,774,371**
Capitalised Exploration				
Exploration expensed	-	73,848	-	73,848
Exploration impaired	-	2,032,510	2,636	2,035,146
	-	**2,106,358**	**2,636**	**2,108,994**

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4 Segment Information (continued)

2013	Monto Minerals	Herberton Tin	Baal Gammon Copper	Consolidated
Assets	$	$	$	$
Cash and cash equivalents	1,732,761	82,430	39,009	1,854,200
Trade and other receivables	2,432	16,352	761	19,545
Plant and equipment	25,515	56,693	-	82,208
Capitalised exploration	-	6,633,121	-	6,633,121
Security deposits	20,500	1,440	-	21,940
	1,781,208	**6,790,036**	**39,770**	**8,611,014**
Liabilities				
Provisions	28,555	-	-	28,555
Trade and other payables	15,106	104,161	149,560	268,827
	43,661	**104,161**	**149,560**	**297,382**
Net Assets	**1,737,547**	**6,685,875**	**(109,790)**	**8,313,632**
Capitalised Exploration				
Exploration impaired	-	-	1,344,974	1,344,974
	-	-	**1,344,974**	**1,344,974**

5 Revenue from operations	**2014**	**2013**
	$	**$**
Interest received *	30,302	71,317
Research and development grant **	57,158	-
Other revenue ***	2,652	-
Net smelter royalty ****	-	12,376
	90,112	**83,693**

* Interest income is received on deposits held in bank accounts at floating interest rates.

** Refund of expenditure related to the research and development projects.

*** Other income resulted from a provision for Royalties expensed being less than the actual amount paid to the Queensland Government.

**** Net smelter royalty is the payment received for ore processed from the Baal Gammon Mine by Kagara Limited (in liquidation).

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6 Administration expenses	2014 $	2013 $
Administration & accounting fees	(36,000)	(36,655)
AGM and GM costs	(6,663)	(5,385)
Annual report costs	(6110)	(6,804)
Telecommunication costs	(3,569)	(3,402)
Depreciation expense	(34,365)	(38,177)
Information technology expenses	(1,372)	(4,832)
Corporate advisory fees	(10,000)	-
Meetings & conferences	(1,805)	(1,300)
Printing, postage & stationery	(1,032)	(4,132)
Office consumables & staff amenities	(2,894)	(2,296)
Software costs	-	(2,069)
Travel costs	(5,836)	(9,970)
Office equipment	(393)	(2,334)
General insurance costs	(8,501)	(12,329)
Legal fees	(6,049)	(13,298)
Stamp duty	(1,436)	(1,434)
Enforcement order and levy	(80,103)	-
Audit costs	(33,926)	(36,232)
R&D consultants fees	(7,022)	-
Other expenses	(1,334)	(865)
Total administration expenses	**(248,410)**	**(181,514)**

7 Expenses from operations

Corporate compliance costs: includes ASIC fees, ASX fees, share registry maintenance costs and tax agent's charges.
Occupancy costs: includes office rent and outgoings and office operating costs.
Corporate management fees: includes fees charged by directors for services provided in the management of the company.
Employee benefits expense: includes salaries, wages and superannuation paid to and on behalf of employees that relates to the general management of the company and employment on-costs such as workers compensation insurance.

8 Share based payments

Executive directors and key management personnel received equity based payments as part of their compensation packages during the year ended 30 June 2014 - $84,910 (30 June 2013 - $212,274). The payment consisted of the continued amortisation of performance rights and the conversion of 9,000,000 performance rights to ordinary shares upon the tranche 2 milestone being achieved.

As part of an agreement upon the appointment of a corporate advisor 30,000,000 options were issued to the advisor and valued using the Black and Scholes model at $43,602. (30 June 2013 - $0)

2014 **Name**	**Options** **Number**	**Options** **$**	**%**	**Performance rights** **Number**	**Performance rights** **$**	**%** *	**Bonus Payment** **$**	**%**
Directors:								
James Allchurch	-	-	-	9,000,000	84,910	27	-	-
Patrick Burke	-	-	-	-	-		-	-
Gary Steinepreis	-	-	-	-	-		-	-
Key Executives:								
Erik Norum	-	-	-	-	-		-	-
	-	**-**	**-**	**9,000,000**	**84,910**	**14**	**-**	**-**
Non-related Parties								
Corporate Advisor	30,000,000	43,602	100	-	-	-	-	-
	30,000,000	**43,602**	**100**	**-**	**-**	**-**	**-**	**-**

* The value performance rights payment as a percentage of total remuneration.

8 Share based payments (continued)

2013 Name	Options Number	Options $	%*	Performance rights Number	Performance rights $	%*	Bonus Payment $	%*
Directors:								
James Allchurch	-	-	-	18,000,000	212,274	48.1	-	-
Patrick Burke	-	-	-	-	-		-	-
Gary Steinepreis	-	-	-	-	-		-	-
Key Executives:								
Erik Norum	-	-	-	-	-		-	-
TOTAL	**-**	**-**	**-**	**18,000,000**	**212,274**	**29.0**	**-**	**-**

(a) Corporate Advisor Options

The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology using the following inputs:

	Options
Exercise price	$0.008
Issue date	7/2/2014
Expiry date	7/2/2017
Share price at grant date	$0.004
Expected volatility	80.30%
Dividend yield	0%
Risk free interest rate	2.50%
Per option value	0.15 cents
Quantity	30,000,000
Dollar value	$43,602

(b) Performance Rights

Shareholders, at a general meeting held on 22 February 2012, approved the establishment of the Monto *Employee Performance Rights Plan (**PRP**), including the grant of performance rights to Mr James* Allchurch, a director of the Company, under the PRP.

Performance rights were issued in three tranches of 9,000,000.

Each performance right converts to one ordinary share upon reaching the relevant milestone.

The performance rights have been valued and the value is being written off over the vesting period.

As at the date of this report tranche 1 and 2 milestones have been achieved and tranche 1 and 2 performance rights (18,000,000) were converted into ordinary shares on 22 February 2013 and 2014 respectively.

The tranche 3 performance rights remain outstanding.

Tranche	Performance Condition	Milestone Date
Tranche 3 Performance rights Number 9,000,000	The participant being an employee of the Company	The third anniversary of the date of grant of the tranche 3 performance rights.

The tranche 3 performance rights shall have the following expiry date: The fourth anniversary of the date of grant.

The fair value of service received in return for performance rights granted is measured by reference to the fair value of the rights granted.

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8 Share based payments (continued)

(b) Performance Rights (continued)

The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology using the following inputs:

Performance rights	Tranche 3
Exercise price	$0.00
Expiry date	21/2/2015
Share price at grant date	1.8 cents
Expected volatility	71.71%
Dividend yield	0%
Risk free interest rate	4.25%
Performance right value	1.8 cents
Dollar value	$162,000
Discount	20%*
Final dollar value	$129,600

* A 20% discount was applied to the value due to the uncertainty of the rights vesting due to the time between grant date and the expiry date. The Company has reviewed the values and considers then to be appropriate.

(c) Summary of Employee Option Acquisition Plan and Performance Rights Plan

Plan	Date of grant	Number of rights	Fair value at date of grant - cents	Award value at date of grant - $	Expiry date	First vesting date	Last vesting date	Vested %	Forfeited %	Maximum total value of grant yet to vest - $
PRP	22/2/12	9,000,000	1.80	162,000	21/2/14	21/2/13	21/2/14	100	-	-
PRP	22/2/12	9,000,000	1.44	129,600	21/2/15	21/2/14	21/2/15	100	-	-
PRP	22/2/12	9,000,000	1.44	129,600	21/2/16	21/2/15	21/2/16	-	-	129,600
		27,000,000		421,200						129,600
		Options								
EOAP	22/2/12	2,500,000	0.90	22,500	21/2/16	22/2/12	22/2/12	100	-	-
EOAP	22/2/12	5,000,000	0.90	45,000	21/2/16	22/2/12	22/2/12	100	-	-
EOAP	22/2/12	13,000,000	0.90	117,000	21/2/16	22/2/12	22/2/12	100	-	-
		20,500,000		184,500						-
EOAP	10/4/12	2,500,000	0.80	20,000	10/4/16	10/4/13	10/4/13	100	-	-
		23,000,000		204,500						-

PPR – Performance rights plan. EOAP – Employee option acquisition plan.

All share based payments are at risk to the extent that no benefit will be achieved unless:

(a) The share price of shares traded on ASX increases from the current traded value of .006 cents to at least the exercise price of the options, those being 2.9 and 2.4 cents. The performance measurement attributed to the incentive issued to directors and key management will be the increase in the share price which will be a benefit to all shareholders.

(b) The performance rights milestones are achieved.

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9 Income Tax Expense	2014 $	2013 $
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Losses recouped not previously recognised	-	-
	-	-

The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:	2014 $	2013 $
Prima facie tax benefit on loss from continuing activities before income tax at 30% (2013: 30%)	(799,812)	(605,846)
Add tax effect of:		
Revenue losses not recognised	771,645	629,467
Share based payments	38,554	63,682
Other non-allowable items	25,931	86
	36,318	87,389
Less tax effect of:		
Non-assessable items	18,921	71,368
Deferred tax balances not recognised	17,397	16,021
Income Tax	-	-

Deferred tax recognised		
Deferred tax liabilities:		
Exploration and evaluation expenditure	(1,646,228)	(2,024,351)
Deferred tax assets:		
Carry forward revenue losses	1,646,228	2,024,351
Net deferred tax	-	-

Unrecognised deferred tax assets:	2014 $	2013 $
Carry forward revenue losses	817,906	405,484
Carry forward capital losses	1,177,129	817,906
Capital raising costs	14,723	31,648
Provisions and accruals	8,821	8,676
Financial assets	769,231	769,231
Other	109	206
	2,787,919	**2,033,151**

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the Group continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the group in utilising the benefits.

Tax Consolidation

Monto Minerals Ltd and its wholly owned Australian resident subsidiaries have formed a tax consolidated group with effect from 28 February 2011. Monto Minerals Ltd is the head entity of the tax consolidated group.

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10 Current assets – cash and cash equivalents	2014 $	2013 $
Cash at bank and in hand	**851,753**	**1,854,200**

The Group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash at bank and in hand.

11 Trade and other receivables - current	2014 $	2013 $
Trade and other receivables	17,061	19,545
	17,061	**19,545**

Refer to note 2 for the risk management policy of the Group.

As at 30 June 2014, no trade receivables were past due or impaired. The total of receivables relates to the June BAS return representing the amount of net activity resulting in a refund due from the ATO and a refund owing from the Queensland Government for excess workers compensation insurance paid.

12 Trade and other payables - current - unsecured	2014 $	2013 $
Provision for annual leave and audit fees	29,404	28,555
Trade and other payables	137,142	268,827
	166,546	**297,382**

All amounts payable are expected to be settled within 12 months

13 Plant and Equipment	2014 $	2013 $
Motor Vehicles		
Opening net book value	17,064	31,261
Plus acquisitions during the period	-	-
	17,064	31,261
Less depreciation expense during the period	(8,912)	(14,197)
Closing net book amount	**8,152**	**17,064**
Furniture and fittings		
Opening net book value	2,411	3,811
Plus acquisitions during the period	-	-
	2,411	3,811
Less depreciation expense during the period	(1,383)	(1,400)
Closing net book amount	**1,028**	**2,411**
Exploration equipment		
Opening net book value	48,960	1,871
Plus acquisitions during the period	-	60,878
	48,960	62,749
Less depreciation expense during the period	(15,601)	(13,789)
Closing net book amount	**33,359**	**48,960**
Office Equipment		
Opening net book value	13,773	15,270
Plus acquisitions during the period	-	7,295
	13,773	22,565
Less depreciation expense during the period	(8,469)	(8,792)
Closing net book amount	**5,304**	**13,773**
Total closing net book value	**47,844**	**82,208**

There are no impaired or pledged assets.

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14 Capitalised Exploration Expenditure	2014 $	2013 $
Opening net book amount	6,633,121	**7,058,888**
Net research and development refund	(334,723)	(97,508)
Capitalised exploration expensed	(73,848)	-
Exploration costs	811,515	1,016,715
Impairment of carrying value	*(2,035,146)	*(1,344,974)
Closing net book amount	**5,000,919**	**6,633,121**

*Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The decision to impair exploration and evaluation assets was based on the reduced expectation regarding the recoupment of the carrying value through sale or development in future years.

15 Security deposit	2014 $	2013 $
Herberton Tin assurance deposits	20,500	20,500
Accommodation bond Atherton	2,840	1,440
	23,340	**21,940**

16 Contributed Equity	2014 Shares	2014 $	2013 Shares	2013 $
(a) Share Capital				
Ordinary shares fully paid	**1,325,440,555**	**14,032,144**	**1,316,440,555**	**14,033,876**

(b) Movement in Ordinary Share Capital

2014 Date	Details	Number of shares	Issue price	Amount $
1/7/2013	Opening balance	1,316,440,555		14,033,876
22/2/2014	Conversion of performance rights	9,000,000		-
28/3/2014	Cost of share issue	-		(1,732)
30/6/2014	**Balance**	**1,325,440,555**		**14,032,144**

2013 Date	Details	Number of shares	Issue price	Amount $
1/7/2012	Opening balance	1,307,440,555		14,035,526
22/2/2013	Conversion of performance rights	9,000,000		-
28/3/2013	Cost of share issue	-		(1,650)
30/6/2013	**Balance**	**1,316,440,555**		**14,033,876**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Other Equity Securities

2014 Options	Expiry Date	Exercise Price	Number under option	Amount $
Unlisted options	21-February-2016	$0.029	20,500,000	184,500
Unlisted options	10-April-2016	$0.024	2,500,000	20,000
Unlisted options	7-February-2017	$0.008	30,000,000	43,602
			53,000,000	**248,102**

2014 Performance Rights	Milestone Date		Number of rights	Amount $
Performance rights	22-February-2015	-	9,000,000	101,794
			9,000,000	**101,794**

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16 Contributed Equity (continued)

(c) Other Equity Securities (continued)

2013 Options	**Expiry Date**	**Exercise Price**	**Number under option**	**Amount $**
Unlisted options	30-June-2014	$0.030	150,000,000	1,303,304
Unlisted options	31-December-2013	$0.005	10,182,273	-
Unlisted options	21-February-2016	$0.029	20,500,000	184,500
Unlisted options	10-April-2016	$0.024	2,500,000	20,000
			183,182,273	**1,507,804**

2013 Performance Rights	**Milestone Date**		**Number of rights**	**Amount $**
Performance rights	22-February-2014	-	9,000,000	87,890
Performance rights	22-February-2015	-	9,000,000	58,594
			18,000,000	**146,484**

(d) Movement in Other Equity Securities

(i) Performance Rights

2014		**Number of rights**	**Amount**
Date	**Details**		**$**
1/7/2013	Opening balance	18,000,000	146,484
31/12/2013	Performance rights expensed	-	54,000
22/2/2014	Performance rights expensed	-	9,310
22/2/2014	Performance rights converted	(9,000,000)	(129,600)
30/6/2014	Performance rights expensed	-	21,600
30/6/2014	**Balance**	**9,000,000**	**101,794**

2013		**Number of rights**	**Amount**
Date	**Details**		**$**
1/7/2012	Opening balance	27,000,000	96,210
31/12/2012	Performance rights expensed	-	135,195
22/2/2013	Performance rights expensed	-	23,079
22/2/2013	Performance rights converted	(9,000,000)	(162,000)
30/6/2013	Performance rights expensed		54,000
30/6/2013	**Balance**	**18,000,000**	**146,484**

(ii) Option Reserve

2014		**Number of options**	**Amount**
Date	**Details**		**$**
1/7/2013	Opening balance	183,182,273	1,507,804
31/12/2013	Options expired	(10,182,273)	-
7/2/2014	Options issued	30,000,000	43,602
30/6/2014	Options expired	(150,000,000)	(1,303,304)
30/6/2014	**Balance**	**53,000,000**	**248,102**

2013		**Number of options**	**Amount**
Date	**Details**		**$**
1/7/2012	Opening balance	183,182,273	1,507,804
30/6/2013	**Balance**	**183,182,273**	**1,507,804**

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16 Contributed Equity (continued)

(d) Movement in Other Equity Securities (continued)

Nature and Purpose of Reserves

(1) Performance Rights

The share based payment reserve is used to recognise the fair value of performance rights issued to employees but not converted into ordinary shares. The reserve is recognised in contributed equity when and if the relevant milestone is attained within the specified period and as a result the performance rights concerned convert to ordinary shares.

(2) Option Reserve

The option reserve is used to recognise funds received from options issued to shareholders, the value of options issued as consideration in the purchase of assets and the fair value of options issued to employees but not exercised. The reserve is recognised in contributed equity when the options are exercised and converted to ordinary share capital.

(e) Capital Risk Management

The Group's objective is to safeguard the ability to continue as a going concern, so that it can provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Group may adjust the return of capital to shareholders, issue new shares or sell assets to reduce debt. The Group defines capital as cash and cash equivalents plus equity. The board of directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital. There are no gearing ratios as the Group has not derived any income from their mineral exploration and currently has no debt facilities in place.

17 Accumulated Losses	**2014**	**2013**
	$	**$**
Movements in accumulated losses:		
Balance at the beginning of the year	(7,374,532)	(5,517,046)
Options expired written out of reserve	1,303,303	-
Performance rights converted written out of reserve	129,600	162,000
Net loss from operations	(2,666,040)	(2,019,486)
Balance at the end of the year	**(8,607,669)**	**(7,374,532)**

18 Dividends

There were no dividends recommended or paid during the financial year.

19 Key Management Personnel Disclosures

(a) Directors

The following persons were directors during the financial year:

James Allchurch appointed on 9 December 2009.
Gary Steinepreis appointed on 26 June 2009.
Patrick Burke appointed on 26 June 2009.

(b) Key Management

Erik Norum, the exploration manager, together with the directors, form the key management personnel.

Services provided by key management personnel and recognised as an expense	**2014**	**2013**
	$	**$**
Short term employee benefits	480,931	480,920
Post-employment benefits	39,039	37,980
Security based payments	84,910	212,274
	604,880	**731,174**

Detailed remuneration disclosures are provided in the audited remuneration report in the directors' report.

19 Key Management Personnel Disclosures (continued)

(c) Other Transactions with Key Management Personnel

Office accommodation – Provided by Ascent Capital Holdings Pty Ltd, an entity owned by interests associated with Gary Steinepreis, on commercial terms and conditions.

Services provided by key management personnel and recognised as an expense	**2014 $**	**2013 $**
Short term benefits – Office accommodation	16,500	48,750
	16,500	**48,750**

20 Related Party Transactions

(a) Subsidiaries

Herberton Tin Pty Ltd and Baal Gammon Copper Pty Ltd are wholly owned subsidiaries (100%) of Monto Minerals Ltd. Transactions between the entities are eliminated upon consolidation.

(b) Key Management Personnel

Disclosures relating to key management personnel are set out in note 19 and detailed remuneration disclosures are provided in the audited remuneration report in the directors' report.

(c) Outstanding balances arising from sales / purchases of goods and services

There are no outstanding balances arising from sales / purchases of goods and services.

(d) Loans to / from Related Parties

There are no loans to or from related parties.

21 Remuneration of Auditors

Assurance Services *Audit Services*	**2014 $**	**2013 $**
Amounts paid/payable to BDO (Audit) WA Pty Ltd (BDO) for audit and review of the financial reports	36,000	34,000
Amounts paid/payable to BDO (Audit) WA Pty Ltd (BDO) for non-audit services	-	-
	36,000	**34,000**

It is the Company's policy to employ BDO on assignments additional to their statutory audit duties where BDO's expertise and experience with the Company are important.

These assignments are principally tax advice and due diligence reporting on acquisitions, or where BDO are awarded assignments on a competitive basis.

It is the Company's policy to seek competitive tenders for all major material consulting projects.

22 Mineral Tenement Commitments

The Consolidated Entity has established minimum exploration commitments as follows:

	2014 $	**2013 $**
Within one year	391,019	450,592
Later than one year but not later than five years	1,262,077	1,523,435
	1,653,096	**1,974,027**

This expenditure will only be incurred should the Consolidated Entity retain its existing level of interest in its various exploration areas.

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23 Events Occurring After the Reporting Period

Other than as disclosed herein, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

24 Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities	2014 $	2013 $
Loss for the year	(2,666,040)	(2,019,486)
Non cash operating items:		
Exploration asset expensed	73,848	-
Impairment expense	2,035,146	1,344,974
Share based payments	128,512	212,274
Depreciation expense	34,364	38,177
Changes in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	2,484	26,566
Increase / (decrease) in trade and other payables	(130,836)	145,203
Net cash outflow from operating activities	**(522,522)**	**(252,292)**

There was no non-cash financing or investing activities during the period ended 30 June 2014.

25 Loss Per Share	2014 Cents	2013 Cents
(a) Basic and Diluted Loss Per Share		
Loss attributable to the ordinary equity holders of the Company	**(0.2020)**	**(0.154)**

(b) Reconciliation of Loss used in Calculating Loss Per Share	2014 $	2013 $
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	**(2,666,040)**	**(2,019,486)**

(c) Weighted Average Number of Shares Used as the Denominator	2014 Number	2013 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	**1,319,596,719**	**1,310,596,719**

(d) Information Concerning the Classification of Securities

Options and performance rights are considered to be potential ordinary shares. The options and performance rights have not been included in the determination of basic earnings per share or diluted earnings per share as the company is in a position of loss.

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26 Monto Minerals Ltd Parent Company Information

Financial Position	**2014**	**2013**
	$	**$**
Current assets		
Cash and cash equivalents	815,940	1,732,761
Trade and other receivables	10,518	2,432
Total current assets	**826,458**	**1,735,193**
Non-current assets		
Loans to subsidiaries	7,503,523	6,611,950
Impairment of intercompany loans	(2,550,000)	-
Plant and equipment	10,822	25,515
Security deposit	20,500	20,500
Total non-current assets	**4,984,845**	**6,657,965**
Total assets	**5,8118,303**	**8,393,158**
Current liabilities		
Provisions	29,404	28,555
Trade and other payables	9,674	15,106
Total liabilities	**39,078**	**43,661**
Net Assets	**5,772,225**	**8,349,497**
Equity		
Contributed equity	14,032,144	14,033,876
Option premium reserve	248,102	1,507,804
Share based payment reserve	101,794	146,484
Accumulated losses	(8,609,815)	(7,338,667)
Total Equity	**5,772,225**	**8,349,497**

Financial Performance	**2014**	**2013**
	$	**$**
Revenue from operations	314,047	69,167
Expenses from operations	(3,018,098)	(624,207)
Loss before income tax	**(2,704,051)**	**(555,040)**
Income tax expense	-	-
Loss for the year	**(2,704,051)**	**(555,040)**
Other comprehensive income net of tax	-	-
Total comprehensive loss attributable to the members of Monto Minerals Ltd	**(2,704,051)**	**(555,040)**

27 Contingent Liability

The Company is aware that native title applications have been registered under the Native Title Act 1993 over land included within the boundaries of some of the exploration and mining tenements owned by the Company. It is not possible at this time to quantify the financial impact (if any) that these applications may have on the Group.

28 Commitments

As at 30 June 2014 and 2013, the Company had no commitments other than exploration commitments disclosed in note 22.

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In the Directors' opinion:

1 The financial statements and notes as set out on pages 23 to 48 are in accordance with the *Corporations Act 2001*, and

(i) comply with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position of the Group as at 30 June 2014 and of its performance for the year ended on that date.

2 The Managing Director has given the declarations required by S295A of the Corporations Act 2001.

3 The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

4 In the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Gary Steinepreis
Director
West Perth
17 September 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Monto Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Monto Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Monto Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Monto Minerals Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 20 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Monto Minerals Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll

Director

Perth, 17 September 2014

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Corporate Governance Statement

Monto Minerals Ltd, its wholly owned subsidiaries (the Group) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

The disclosure of corporate governance practices can be viewed on the Company website at www.montominerals.com

The directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board.

Corporate Governance Compliance

A description of the Group's main corporate governance practices are set out below. The Group has considered the ASX Corporate Governance Principles and Recommendations (3rd edition) to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

Disclosure of Corporate Governance Practices Summary Statement

	ASX Principles and Recommendations	"If not, why not"
Recommendation 1.1	✓	
Recommendation 1.2	✓	
Recommendation 1.3	✓	
Recommendation 1.4	✓	
Recommendation 1.5	✓	
Recommendation 1.6	✓	
Recommendation 1.7	✓	
Recommendation 2.1		✓
Recommendation 2.2		✓
Recommendation 2.3	✓	
Recommendation 2.4		✓
Recommendation 2.5		✓
Recommendation 2.6	✓	
Recommendation 3.1	✓	
Recommendation 4.1		✓
Recommendation 4.2	✓	
Recommendation 4.3	✓	
Recommendation 5.1	✓	
Recommendation 6.1	✓	
Recommendation 6.2	✓	
Recommendation 6.3	✓	
Recommendation 6.4	✓	
Recommendation 7.1	✓	
Recommendation 7.2	✓	
Recommendation 7.3		✓
Recommendation 7.4	✓	
Recommendation 8.1		✓
Recommendation 8.2	✓	
Recommendation 8.3		✓

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Disclosure – Principles & Recommendations - financial year 2013/2014

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the Board and those delegated to management and disclose those functions.

Disclosure:

The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board, the Managing Director (who acts in the capacity as CEO) and the Exploration Manager.

The matters that the Board has specifically reserved for its decision are:

- the appointment and management of the CEO;
- approval of the overall strategy and annual budgets of the business;
- overseeing the accounting and corporate reporting systems, including the external audit; and
- compliance with constitutional documents.

The CEO is delegated the authority to ensure the effective day-to-day management of the business and the Board monitors the exercise of these powers. The CEO is required to report regularly to the Board on the performance of the Business.

Some Board functions are handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

Recommendation 1.2:

Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure:

The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.

All security holder releases will contain material information about any candidate to enable an informed decision to be made.

Recommendation 1.3:

Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:

Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment including a director's interest agreement with respect to disclosure of security interests.

Recommendation 1.4:

The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Disclosure:

The Company Secretary has a direct reporting line to the Board, through the Chair.

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Recommendation 1.4: (continued)

Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment including a director's interest agreement with respect to disclosure of security interests.

Recommendation 1.5:

The Company should establish a policy concerning diversity and disclose the policy or summary of the policy. The policy should include requirements for the Board to establish measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

Disclosure:

The Board supports diversity but the Group has not yet developed a policy. It is the Board's intention to develop a policy at a time when the size of the Group and its activities warrants such a structure.

There is currently one woman employee in the organization who is not in a senior executive positions or on the Board. Women represent 25% of the Group employees (including directors).

Recommendation 1.6:

The Company should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Chairman is responsible for evaluating the performance of the Board, its committees and individual directors. This is generally done through a meeting with the Chair.

The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance. There was no formal performance evaluation during the financial year.

Recommendation 1.7:

The Company should have and disclose a process for periodically evaluating the performance of senior executives and whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Board is responsible for evaluating the senior executives. Induction procedures are in place and senior executives have formal job descriptions which includes the process for evaluating their performance.

There was no formal performance evaluation of the senior executives during the financial year.

Principle 2 – Structure the board to add value

Recommendation 2.1:

The Board should establish a Nomination Committee which the majority should be independent directors (including the Chair).

Disclosure:

A nomination committee has not been established. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.2:

The Company should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Recommendation 2.2: (continued)

Disclosure:

The Board Charter provides that the Board will review capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required. An essential component of this will be the time availability of Directors.

Recommendation 2.3:
The Company should disclose the names of the directors considered to be independent directors and length of service of each director.

Disclosure:
Patrick Burke is considered an independent director.
The dates of appointment as a director are contained in the Directors' Report.

Recommendation 2.4:

A majority of the Board of the Company should be independent directors.

Disclosure:

The Group does not have a majority of independent directors.

Consistent with the size of the Group and its activities, the Board is comprised of three (3) directors, one of which is currently considered to be an independent director.

The Board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the Board does not currently conform to its policy. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.5:

The Chair of the Board should be an independent director.

Disclosure:

Gary Steinepreis acts as Chair of the Board he is not independent. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.6:

The Company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

The Board Charter provides for induction and professional development for the Board.

Principle 3 – Act ethically and responsibly

Recommendation 3.1:

Companies should have a Code of Conduct for its directors, senior executives and employees.

Disclosure:

The Company has a Code of Conduct that applies to all Directors, senior executives, employees and contractors.

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Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1

The Board should have an Audit Committee.

Disclosure:

An audit committee has not been established. The role of the Audit Committee has been assumed by the full Board operating under the Audit Committee Charter adopted by the Board.

Recommendation 4.2

The Board of the Company should, before it approves the Company's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

This recommendation is included as part of the Audit Committee Charter adopted by the Board.

Recommendation 4.3

The Company should ensure that the external auditor is present at the AGM and be available to answer questions from security holders relevant to the audit.

Disclosure:

The Company invites the auditor or representative of the auditor to the AGM.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.

Disclosure:

The Board Charter contains the policies designed to ensure compliance with ASX Listing Rule disclosure.

Principle 6 – Respect the rights of security holders

Recommendation 6.1:

Companies should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has a website for making this information available to shareholders and investors.

Recommendation 6.2:

Companies should design and implement an investor relations program to facilitate two-way communication with investors.

Disclosure:

The Company encourages shareholders to attend and participate in general meetings and will makes itself available to meet shareholders and regularly responds to enquiries made via telephone and in writing.

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Recommendation 6.3:

Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

The Company encourages shareholders to attend and participate in general meetings. As a junior company the shareholder attendance numbers are low however, if a shareholder wishes to provide a comment or question and is not able to attend the meeting, the Company will address this as part of the meeting.

Recommendation 6.4:

Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

The Company is currently reviewing and implementing a strategy to receive communications from, and send communications, to its shareholders.

Principle 7 – Recognise and manage risk

Recommendation 7.1:

The Board should have a committee or committees to oversee risk.

Disclosure:

The Board has adopted a Risk Management Policy. There is no risk management committee and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about:

1. Assessing the internal processes for determining and managing key risk areas, particularly:
   - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
   - litigation and claims; and
   - relevant business risks other than those that are dealt with by other specific Board Committees.
2. Ensuring that the Group has an effective risk management system and that major risks to the Group are reported at least annually to the Board.
3. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
4. Evaluating the process the Group has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
5. Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
6. Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Group's control environment.

Recommendation 7.2:

The Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose whether such a review has taken place.

Disclosure:

The Board meets on a regular basis to discuss the operating activities. As part of this all risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than an annual formal review.

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Recommendation 7.3:

The Company should disclose if it has an internal audit function.

Disclosure:

The Company does not have an internal audit function but reviews its risk management and internal control processes on a regular basis.

Recommendation 7.4:

The Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Company is of the view that its operations do not create a material exposure to economic, environmental and social sustainability risks.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1:

The Board should have a Remuneration Committee.

Disclosure:

A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Recommendation 8.2:

Companies should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

The Company provides disclosure of all Directors and executives remuneration in its annual report.

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares and / or options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Recommendation 8.3:

A Company which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or summary of it..

Disclosure:

The Company does not have an equity based remuneration scheme which is affected by this recommendation.

The shareholder information set out below was applicable as at the dates specified.

1 Distribution of Equity Securities (Current as at 17 September 2014)

Analysis of numbers of ordinary shareholders by size of holding:

			Number of Shareholders	Number of Shares
1	-	1,000	1,813	396,143
1,001	-	5,000	233	523,611
5,001	-	10,000	24	163,743
10,001	-	100,000	182	9,7372,010
100,001		and over	444	1,314,620,048
			2,696	**1,325,440,555**

There were 2,220 holders of less than a marketable parcel of ordinary shares.

2 Unquoted Equity Securities – Options (Current as at 17 September 2014)

	Number on issue	Number of holders
Options expire 21/02/2016 at an exercise price of $0.029 per option	20,500,000	3
Options expire 10/04/2016 at an exercise price of $0.024 per option	2,500,000	1
Options expire 07/02/2017 at an exercise price of $0.008 per option	30,000,000	1
	53,000,000	

Holders of more than 20% of unlisted options	Number of options	Percentage of options
Options expire 07/02/2017 at an exercise price of $0.008 per option:		
Zenix Nominees Pty Ltd	30,000,000	100%
Options expiring 21/02/2016 at an exercise price of $0.029 per option:		
James Allchurch	13,000,000	63.41%
Gary Steinepreis	5,000,000	24.39%
Patrick Burke	2,500,000	12.20%
	20,500,000	100%
Options expiring 10/04/2016 at an exercise price of $0.024 per option:		
Erik Norum	2,500,000	100%

3 Substantial Holders (Current as at 17 September 2014)

Substantial holders of equity securities in the Company are set out below:

Ordinary Shares		
Name	**Number held**	**Percentage of issued shares**
Conquest Mining Limited	300,000,000	22.63%
Oakhurst Enterprises Pty Ltd and Gary Steinepreis	133,200,000	10.12%
N & J Mitchell Holdings Pty Ltd and Linda Steinepreis	77,388,276	5.88%

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4 Restricted Securities

There are no restricted ordinary shares in escrow.

5 Voting Rights

The voting rights attaching to each class of equity securities are set out below:

(i) Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(ii) Options and Performance Rights

These securities have no voting rights.

6 Equity Security Holders (Current as at 17 September 2014)

The names of the twenty largest holders of quoted equity securities are listed below:

Ordinary Shares

Rank	Name	Number of shares	%
1	Conquest Mining Limited	300,000,000	22.63
2	Mr James Peter Allchurch <Manstein Holdings A/C>	44,400,000	3.35
3	LeisureWest Consulting Pty Ltd <LeisureWest Trust A/C>	42,000,000	3.17
4	Ascent Capital Holdings Pty Ltd	37,800,000	2.85
5	Helmet Nominees Pty Ltd <Tim Weir Family Fund A/C>	36,000,000	2.72
5	Oakhurst Enterprises Pty Ltd	36,000,000	2.72
6	Mr Donald Robin Walker	33,333,333	2.51
7	Gremar Holdings Pty Ltd	25,500,000	1.92
8	Pheakes Pty Ltd <Senate A/C>	24,871,272	1.88
9	North Asia Metals Ltd	23,391,901	1.76
10	David Christian Steinepreis	21,588,276	1.63
11	Mr A C Kenny & Mrs J Kenny <A C Kenny Super Fund A/C>	21,000,000	1.58
12	Mr MJ Marzec & Mrs BA Wiszniewski <Marzec Family S/Fund A/C>	20,613,883	1.56
13	Rowan Hall Pty Ltd <Rowan Hall Trading A/C>	19,200,000	1.45
14	Hazardous Investments Pty Ltd	18,600,000	1.40
15	N & J Mitchell Holdings Pty Ltd <Steinepreis Super Fund A/C>	18,000,000	1.36
16	Mr Donald Robin Walker	17,000,000	1.28
17	Yarrumup Pty Ltd <Capulet Super Fund A/C>	16,400,000	1.24
18	Mr Paul Robert Hearne <The PRH A/C>	15,435,000	1.16
19	Mr GN Bungey & Mrs VAN Bungey <Bungey S/Fund A/C>	15,200,000	1.15
20	Mr David Arthur Paganin <DA Paganin Family No 2 A/C>	14,303,063	1.08
	TOTAL FOR TOP 20:	**800,636,728**	**60.41%**

7 On-Market Buy-Back

There is no current on-market buy-back.

8 Tenement Schedule

Tenements held as at 30 June 2014

Tenement Type	Tenement ID	Holder	Location	% Interest
EPM	14016	Herberton Tin Pty Ltd	Herberton	100
EPM	14741	Herberton Tin Pty Ltd	Herberton	100
EPM	14742	Herberton Tin Pty Ltd	Herberton	100
EPM	16231	Herberton Tin Pty Ltd	Herberton	100
ML	3802	Herberton Tin Pty Ltd	Herberton	100
ML	3881	Herberton Tin Pty Ltd	Herberton	100
ML	3918	Herberton Tin Pty Ltd	Herberton	100
ML	3948	Herberton Tin Pty Ltd	Herberton	100
ML	3957	Herberton Tin Pty Ltd	Herberton	100
ML	3959	Herberton Tin Pty Ltd	Herberton	100
ML	4192	Herberton Tin Pty Ltd	Herberton	100
ML	4253	Herberton Tin Pty Ltd	Herberton	100
ML	20388	Baal Gammon Copper Pty Ltd	Herberton	100
MLA	20389	Herberton Tin Pty Ltd	Herberton	100
ML	20429	Herberton Tin Pty Ltd	Herberton	100
ML	20443	Herberton Tin Pty Ltd	Herberton	100
ML	20444	Herberton Tin Pty Ltd	Herberton	100
MLA	20445	Herberton Tin Pty Ltd	Herberton	100
ML	20568	Baal Gammon Copper Pty Ltd	Herberton	100

Note:
EPM – Exploration Permit for Minerals
ML – Mining Lease
MLA – Mining Lease Application

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