

19 August 2014

Dear Option holder,

NOTICE TO OPTIONHOLDERS OF NON-RENOUCEABLE RIGHTS ISSUE

We are writing to you in relation to your option holding in Monteray Mining Group Limited ("**Monteray**" or the "**Company**").

On 19 August 2014 the Company announced a pro-rata non-renounceable entitlements issue ("**Entitlements Issue**") to shareholders with a registered address in Australia or New Zealand ("**Eligible Shareholders**") on the basis of one (1) new share ("**New Share**") in the Company for every one (1) share held as at 5:00pm (WST) on 26 August 2014. New Shares will have an issue price of \$0.01 each.

Pursuant to the Entitlement Issue, the Company may raise approximately \$654,004 (before expenses of the issue).

Full details of the Entitlement Issue are contained in the offer document (a copy of which has been lodged at ASX and can be obtained from www.asx.com.au), and Eligible Shareholders should carefully consider the offer document before deciding whether to acquire New Shares. Applications for New Shares can only be made on the personalised application form that will accompany the entitlements issue offer document.

The Record Date for the purposes of determining security holders entitled to participate in the Entitlement Issue is 26 August 2014 ("**Record Date**"). The offer document and personalised application form for the Entitlement Issue will be dispatched to all Eligible Shareholders soon after the Record Date. The purpose of this letter is to give you notice that if you wish to participate in the Entitlement Issue with respect to your options, you must exercise your options before the Record Date.

To ensure that your new shares are allotted before the Record Date, your option exercise notice together with the correct monies must be received by the Company no later than 5:00pm WST on 19 August 2014. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlement Issue (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Issue carefully and if in any doubt, consult with your professional advisor.

Should you have any queries in relation to this matter, please do not hesitate to contact the Company on (+61 8) 9482 0560.

Yours sincerely,

For and on behalf of Monteray Mining Group Limited



Brett Tucker
Company Secretary