



MONTERAY
MINING GROUP LTD

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2014

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

CONTENTS

CORPORATE INFORMATION.....	2
DIRECTORS' REPORT.....	3
AUDITOR'S DECLARATION OF INDEPENDENCE	7
DIRECTORS' DECLARATION	8
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE INTERIM FINANCIAL REPORT	13
INDEPENDENT AUDITOR'S REVIEW REPORT	18

This financial report covers the Monteray Mining Group Limited, consisting of Monteray Mining Group Limited ("Monteray" or the "Company") and its subsidiaries. The financial report is presented in Australian dollars.

Monteray Mining Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Monteray Mining Group Limited
Ground Floor
16 Ord Street
West Perth WA 6005

The Company has the power to amend and reissue the financial report.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

CORPORATE INFORMATION

Directors:

Mr Alexander John (Sandy) Barblett
Non-Executive Director

Mr Andrew Habets
Non-Executive Director

Mr Michael Edwards
Non-Executive Director
(appointed 20 January 2015)

Chief Executive Officer:

Mr Michael Edwards

Company Secretary:

Mr Brett Tucker

Auditors:

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Bankers:

ANZ Banking Group Limited
1275 Hay Street
WEST PERTH WA 6005

Registered & Principal Office:

Ground Floor, 16 Ord Street
WEST PERTH WA 6005

Telephone: + 618 9482 0560
Facsimile: + 618 9482 0505

Email: info@monteraymining.com.au
Website: www.monteraymining.com.au

Postal Address:

P.O. Box 902
WEST PERTH WA 6872

Home Securities Exchange:

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

ASX Code:

MRY

Share Registry:

Link Market Services Limited
Level 4 Central Park
152 St Georges Terrace
PERTH WA 6000

Telephone: +61 1300 554 474

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

The Directors of Monteray Mining Group Limited present the following report for the half-year ended 31 December 2014:

DIRECTORS

The Directors in office at any time during the half year and until the date of this report are set out below:

Name	Period of Directorship
Alexander Barblett Non-Executive Director	Appointed 21 December 2010
Andrew Habets Non-Executive Director	Appointed 24 October 2012
Michael Edwards Chief-Executive Officer (CEO) & Non-Executive Director	Appointed 20 January 2015 as a Non-Executive Director
John Hannaford Non-Executive Director & Chairman	Appointed 21 December 2010, resigned 20 January 2015

PRINCIPAL ACTIVITIES

The principal activity of Monteray Mining Group Limited ("Monteray" or the "Group") was exploration on its gold permits located in Burkina Faso, West Africa.

On 9 December 2014 the Company announced it had entered into a binding term sheet with the major shareholder and board of Norwood Systems Pty Ltd ("Norwood") to acquire 100% of Norwood subject to a number of conditions being satisfied. As at the date of this report, all of the conditions precedent for completion of the acquisition of Norwood have not been completed.

Further details of Norwood are provided below.

REVIEW OF OPERATIONS AND RESULTS

Net loss after income tax of the Group for the six months ended 31 December 2014 was \$309,491 (2013: loss \$193,495). This loss was impacted by the evaluation of potential projects including due diligence on the Norwood acquisition and general administration costs associated with an ASX listed company.

NORWOOD SYSTEMS

Norwood is an advanced technology company that has developed an alternative roaming solution to significantly reduce mobile phone voice roaming charges for corporate travellers; through its proprietary **CO**rporate **RO**aming **N**etwork **A**ccess (**CORONA**) platform.

CORONA provides seamless integration for both the corporate organisation and end-user corporate traveller. No end-user behaviour change is needed – same dial-plan, no multiple SIMs and the same user interface as the native phone. No upfront costs are charged and no hardware is required as the software-based solution leverages existing communications infrastructure.

The development and refining of the CORONA platform has now largely been completed with a high level of customer adoption as evidenced by increasing average usage per user per month.

In conjunction with completion of the acquisition of Norwood, Monteray intends to complete a capital raising to raise a minimum of \$3.75m, with funds proposed to be mainly applied towards enhancing Norwood's sales and marketing capability.

Further details on the Norwood transaction are provided at Note 5 to the Interim Financial Statements.

DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

BURKINA FASO

The Company commenced a follow up desktop study at the Pepin permit during the Interim period which involving further analysis of previous drill data and interpretation of results. Further, the Company undertook as a regional, broad scale mapping and sampling program over the previously un-explored Guimba permit.

The mapping and sampling concentrated on prospective areas and included mapping of outcrop in the north eastern part of the permit. The Yilou Shear Zone (**Figure 1**) has been interpreted to run through the permit, which has been a focus of Norgold's (LSE:NORD) recent discoveries in the Bissa area.

Further, rock chip samples were collected for analysis and useful information was also obtained through observation, description and identification of outcrop throughout the target area (**Figure 2**).

Field trip observation noted wide spread lateritic cover throughout the project area, and it is recommended that the next phase of field work include a comprehensive regolith mapping program as well as a geophysical survey to better interpret the limits, contacts, and geological structures, prevalent in the area.

Assay results for the rock chip samples are pending and are expected to be received shortly.

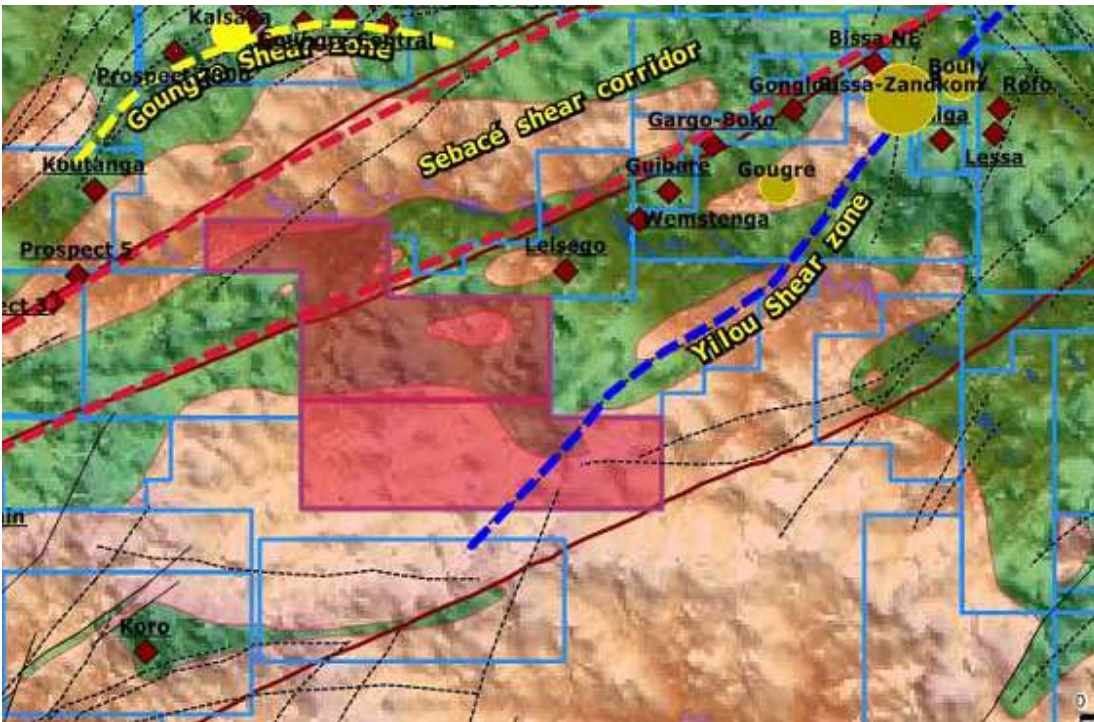


Figure 1 – Map showing the Guimba permit and interpreted Yilou Shear Zone

DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

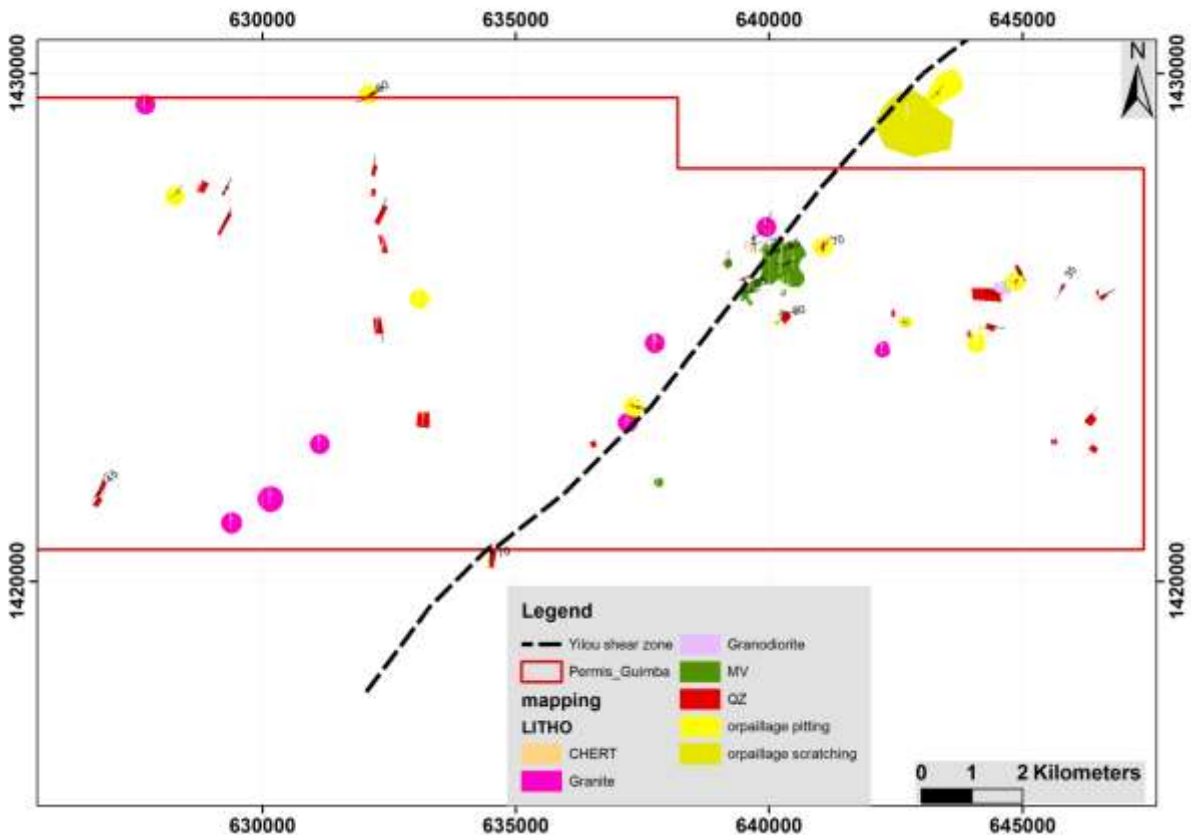


Figure 2 – Map showing the Guimba permit and interpreted Yilou Shear Zone and mapped outcrop areas

CORPORATE

On 19 August 2014 the Company undertook a 1 for 1 non-renounceable entitlements issue to shareholders at 1 cent per share to raise up to \$654,004 before costs.

The entitlements offer closed on 9 September 2014, raising a total of \$312,275 with a shortfall of 34,172,942 shares.

The placement of the total of the shortfall shares was managed by Ventnor Securities and occurred on 8 December 2014 to raise a further \$341,729.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

DIRECTORS' REPORT (CONTINUED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration is set out on page 7 and forms part of the Directors' Report for the half year ended 31 December 2014.

Signed in accordance with a resolution of the Directors.



Mr Michael Edwards
Non-Executive Director

18th February 2015

Competent Person's Statement

The information included in this report that relates to Historical Exploration Results is based on information compiled by Michael Edwards, B.Sc, B.Bus, Grad dip OEN, a competent person who is a member of the Australian Institute of Geoscientists. Mr Edwards is the Chief Executive Officer (CEO) of the Company. Mr Edwards has worked as a geologist in regional exploration, mine evaluation and resource estimation roles for over 10 years in precious and base metal deposits. Mr Edwards has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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'. Mr Edwards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MONTERAY MINING GROUP LIMITED

As lead auditor for the review of Monteray Mining Group Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Monteray Mining Group Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 18 February 2015

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

DIRECTORS' DECLARATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Mr Michael Edwards
Non-Executive Director

18th February 2015

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 31 December 2014

	Consolidated	
Note	31 December 2014 \$	31 December 2013 \$
Revenue	3,344	6,698
Administration expenses	(94,699)	(88,020)
Directors' benefit expense	(41,063)	(40,969)
Exploration and evaluation expenses	(137,447)	(47,560)
Other expenses	(6,180)	(23,644)
Project analysis and due diligence	(33,446)	-
Loss before income tax expense	(309,491)	(193,495)
Income tax expense	-	-
Loss after income tax for the period	(309,491)	(193,495)
Other Comprehensive Income:		
Other Comprehensive Income for the period, net of income tax	-	-
Total Comprehensive Loss for the period attributed to members of Monteray Mining Group Limited	(309,491)	(193,495)
Loss per share for the year attributable to the members of Monteray Mining Group Limited		
Basic and Diluted Loss per share – cents per share	(0.35)	(0.30)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		Consolidated	
		31 December	30 June
		2014	2014
Note		\$	\$
ASSETS			
Current Assets			
	Cash and cash equivalents	523,605	342,534
	Trade and other receivables	12,590	16,901
	Total Current Assets	536,195	359,435
Non-Current Assets			
	Prepaid Investment	75,000	-
	Total Non-Current Assets	75,000	-
	TOTAL ASSETS	611,195	359,435
LIABILITIES			
Current Liabilities			
	Trade and other payables	68,967	107,083
	Total Current Liabilities	68,967	107,083
	TOTAL LIABILITIES	68,967	107,083
	NET ASSETS	542,228	252,352
EQUITY			
	Issued capital	12,508,851	11,909,484
	Reserves	2,015,107	2,015,107
	Accumulated losses	(13,981,730)	(13,672,239)
	TOTAL EQUITY	542,228	252,352

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2014

	Share Capital	Share Option Reserve	Accumulated Losses	Total Equity
Note	\$	\$	\$	\$
Total Equity at 1 July 2013	11,909,484	2,015,107	(10,846,649)	3,077,942
Total Comprehensive Loss for the Period				
Loss for the period	-	-	(193,495)	(193,495)
Total Other Comprehensive Income	-	-	-	-
Total Comprehensive Loss for the Period	-	-	(193,495)	(193,495)
Transactions with Equity Holders				
Shares issued, net of transactions	-	-	-	-
Options issued	-	-	-	-
Total Equity at 31 December 2013	11,909,484	2,015,107	(11,040,144)	2,884,447
Total Equity at 1 July 2014	11,909,484	2,015,107	(13,672,239)	252,352
Total Comprehensive Loss for the Period				
Loss for the period	-	-	(309,491)	(309,491)
Total Other Comprehensive Income	-	-	-	-
Total Comprehensive Loss for the Period	-	-	(309,491)	(309,491)
Transactions with Equity Holders				
Shares issued, net of transactions	3 599,367	-	-	599,367
Options issued	-	-	-	-
Total Equity at 31 December 2014	12,508,851	2,015,107	(13,981,730)	542,228

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2014

	Note	Consolidated	
		31 December 2014 \$	31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3,344	8,503
Payments for exploration and evaluation expenditure		(137,447)	(123,652)
Payments relating to project analysis and due diligence		(38,134)	-
Payments to suppliers and employees		(171,059)	(185,438)
Net cash used in operating activities		(343,296)	(300,587)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Norwood acquisition deposit		(75,000)	-
Net cash used in investing activities		(75,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and options	3	654,004	-
Capital raising costs	3	(54,637)	-
Net cash provided by financing activities		599,367	-
Net increase / (decrease) in cash and cash equivalents		181,071	(300,587)
Cash and cash equivalents at the beginning of the period		342,534	772,672
Cash and cash equivalents at the end of the period		523,605	472,085

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

NOTES TO THE INTERIM FINANCIAL REPORT

For the six months ended 31 December 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report is a general purpose financial report prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity. The half-year financial report should be read in conjunction with the annual financial report of Monteray Mining Group Limited as at 30 June 2014 which was prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards. It is also recommended that the half-year financial report be considered together with any public announcements made by the company during the period 1 July 2014 to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

(a) Basis of Accounting

The half-year financial report has been prepared on the basis of historical cost, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(b) Adoption of New and Revised Accounting Standards

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2014.

In the half-year ended 31 December 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with the current period's disclosures.

The half year financial report was approved by the Board of Directors on 18th February 2015.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 31 December 2014

NOTE 2: SEGMENT INFORMATION

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the consolidated Group. The Group's primary business segment is mineral exploration. The Company operates in two geographical segments; Australia and Burkina Faso, West Africa.

	Mineral Exploration							
	Australia		Burkina Faso		Head Office		Consolidated	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
Segment income								
Interest received	-	-	-	-	3,344	6,698	3,344	6,698
Total income	-	-	-	-	3,344	6,698	3,344	6,698
Segment expenses								
Mineral exploration and evaluation costs	-	-	(137,447)	(47,560)	-	-	(137,447)	(47,560)
Net other costs	-	-	-	-	(175,388)	(152,233)	(175,388)	(152,233)
Loss before depreciation	-	-	(137,447)	(47,560)	(172,044)	(145,535)	(309,491)	(193,095)
Depreciation	-	-	-	-	-	(400)	-	(400)
Loss before income tax	-	-	(137,447)	(47,560)	(172,044)	(145,935)	(309,491)	(193,495)
Segment assets and liabilities								
Exploration and evaluation	-	-	-	2,398,184	-	-	-	2,398,184
Other current assets	-	-	-	-	536,195	515,328	536,195	515,328
Non-current assets	-	-	-	-	75,000	-	75,000	-
Liabilities	-	-	-	-	(68,967)	(29,065)	(68,967)	(29,065)
Net Assets	-	-	-	2,398,184	542,228	486,263	542,228	2,884,447

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 31 December 2014

NOTE 2: SEGMENT INFORMATION (CONTINUED)

The following table presents the geographical information from the Group's two geographical locations, Australia and Burkina Faso, West Africa.

	Australia	West Africa	Total
	\$	\$	\$
31 December 2014			
Other revenue	3,344	-	3,344
Non-current assets	75,000	-	75,000
31 December 2013			
Other revenue	6,698	-	6,698
Non-current assets	-	2,398,184	2,398,184

NOTE 3: SHARE CAPITAL

31 December 2014	No.	\$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	130,800,710	12,508,851
(b) Movements in fully paid shares on issue		
Balance as at 1 July 2014	65,400,355	11,909,484
Issue of non-renounceable rights issue shares	65,400,355	654,004
Capital raising costs	-	(54,637)
Balance as at 31 December 2014	130,800,710	12,508,851
31 December 2013	No.	\$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	65,400,355	11,909,484
(b) Movements in fully paid shares on issue		
Balance as at 1 July 2013	65,400,355	11,909,484
Balance as at 31 December 2013	65,400,355	11,909,484

NOTE 4: COMMITMENTS & CONTINGENCIES

A total final option payment of USD\$170,000 being USD\$85,000 each to the permit holders of the Pepin and Guimba permits is due by 28th February 2015 to complete the acquisition of each permit.

Other than disclosed above, the Directors are not aware of any other contingent liabilities that may arise from the Group's operations as at 31 December 2014.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 31 December 2014

NOTE 5: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 9 December 2014 Monteray announced that it had executed a binding termsheet with the major shareholder and board of Norwood Systems Pty Ltd to acquire the entire issued capital of Norwood.

The termsheet is subject to the satisfaction of a number of conditions precedent outlined below.

Under the terms of the Agreement, Monteray will acquire 100% of Norwood for the following consideration:

- non-refundable deposit of \$25,000 payable on the date of announcement of the Transaction, which has subsequently been paid;
- an additional \$50,000 non-refundable deposit payable at the completion of the mutual due diligence period (subsequently paid);
- 350.0 million ordinary fully paid shares in Monteray;
- up to 43.6 million share options in Monteray exercisable at the capital raising issue price within 3 years of the date of issue; and
- 150.0 million Performance Shares which will convert to fully paid ordinary shares upon the achievement of the various milestones.

The Transaction is subject to a number of conditions being satisfied, including:

- i) Mutual due diligence;
- ii) All outstanding Norwood convertible notes being either converted into ordinary shares or cancelled;
- iii) 100% acceptance of the offers made by Monteray to Norwood shareholders and convertible noteholders;
- iv) Execution of a formal share sale and purchase agreement;
- v) Norwood creditors at the completion of the Transaction not exceeding \$280,000;
- vi) Monteray raising a minimum of \$3.75 million in conjunction with re-complying with Chapters 1 & 2 of the ASX Listing Rules; and
- vii) Monteray shareholder approval.

The acquisition of Norwood will result in a change in the Company's nature and scale of activities, and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will despatch a notice of meeting to shareholders seeking the relevant approvals to undertake this process, with such notice to contain detailed information relating to the acquisition of Norwood.

As part of the transaction, the Company will seek the approval of shareholders to change its name to Norwood Systems Limited.

In January 2015, the Company completed its legal, technical and commercial due diligence on Norwood.

Mr Michael Edwards was appointed as a Non-Executive Director of the Company in conjunction with his Chief Executive Officer role on 20 January 2015 in accordance with agreements in relation to the acquisition of Norwood. Mr Edwards will continue in the Chief Executive Officer role until completion of the acquisition of Norwood. Mr John Hannaford resigned as a Non-Executive Director and Chairman of the Company on 20 January 2015.

MONTERAY MINING GROUP LIMITED
ACN: 062 959 540

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

For the six months ended 31 December 2014

NOTE 5: EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

Norwood will be entitled to nominate three persons to the Board of Directors on completion of the Transaction whilst one Monteray nominee will remain.

Apart from the event discussed above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Monteray Mining Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Monteray Mining Group Limited, which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Monteray Mining Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 Monteray Mining Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Monterey Mining Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Dean Just', written over a faint, larger 'BDO' watermark.

Dean Just

Director

Perth, 18 February 2015