



Appendix 4D

Interim final report

Half year ended 31 December 2010

Revenues from ordinary activities	down	99.9%	to	\$4
Loss from ordinary activities after tax attributable to members	down	N/A	to	\$340,660
Net loss for the period attributable to members	down	N/A	to	\$340,660

No final dividend has been declared for the current period and no dividend was declared or paid for the previous period.

The net tangible assets (NTA) per security as at 31 December 2010 was (\$0.039) (2009: \$(0.0341)).

The accounts have been reviewed by the Auditors.

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(formerly Monteray Group Ltd)
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**DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

The Directors of Monteray Mining Group Ltd (formerly Monteray Group Ltd) present the following report for the half-year ended 31 December 2010:

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
Wayne Herbert Jones Chairman / Non-Executive Director	Director since 2008
Kevin John Dart Non-Executive Director	Director since 2005
Steven Allan Cole Non-Executive Director	Director since 2008
Barry John Driscoll Non-Executive Director	Director since 2009
Alexander Barblett Non-Executive Director	Appointed 21 December 2010
John Hannaford Non-Executive Director	Appointed 21 December 2010

REVIEW OF OPERATIONS AND RESULTS

Net loss after income tax of the Company for the six months ended 31 December 2010 was \$340,660 (2009: Profit \$236,954). This loss was impacted by due diligence costs associated with the purchase of shares in Aberystwyth Pty Ltd and legal costs associated with the Prospectus.

On 20 August 2010 the Company announced it had entered into a heads of agreement with the shareholder of Aberystwyth Pty Ltd to purchase 100% of the issued shares in Aberystwyth Pty Ltd subject to certain conditions precedent including Shareholder approval.

The Company intends to raise between \$2.5 million and \$3.5 million pursuant to a Prospectus dated 25 November 2010.

Following the Extraordinary General Meeting on 17 December 2010 and Shareholder approval of all resolutions the Company changed its name to Monteray Mining Group Ltd and the nature and scale of the Company's activities changed to include investment in activities in the mining and resources sector.

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

The Auditor's Independence Declaration is set out on page 2 and forms part of the Directors' Report for the half year ended 31 December 2010.

Signed in accordance with a resolution of the Directors.



W Jones
Chairman
24 February 2011
Gold Coast



Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the review of the financial report of Monteray Mining Group Ltd for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

J A Mooney
Partner
PKF

24 February 2011
Melbourne

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MONTERAY MINING GROUP LTD**



Chartered Accountants
& Business Advisers

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Monteray Mining Group Ltd, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 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 Ltd, 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*.

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 Monteray Mining Group Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2010 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*.


PKF

24 February 2011
Melbourne


J A Mooney
Partner

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**DIRECTORS' DECLARATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

In the opinion of the Directors of Monteray Mining Group Ltd ("the Company"):

1. the financial statements and notes set out on pages 5 to 12, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the Company as at 31 December 2010 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable for the reasons noted in note 1(c).

Dated at Gold Coast this 24 February 2011

Signed in accordance with a resolution of the Directors:



W Jones
Chairman

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

	Note	31-Dec-10 \$	31-Dec-09 \$
Revenue from continuing activities		4	42,860
Administration expenses		(61,638)	(132,251)
Director benefits		(68,922)	(65,985)
Finance costs		(645)	(303)
Personnel expenses		-	(18,672)
Professional fees		(173,651)	(23,154)
Impairment expenses		(25,000)	-
Other expenses from continuing activities		(10,808)	(76,211)
Loss before income tax from continuing activities		<u>(340,660)</u>	<u>(273,716)</u>
Income tax expense		-	-
Loss from continuing operations		<u>(340,660)</u>	<u>(273,716)</u>
Discontinued operation			
Profit/(loss) from discontinued operation, net of income tax	3	-	510,670
(Loss)/profit for the period		<u>(340,660)</u>	<u>236,954</u>
Other comprehensive income			
Net fair value loss on available-for-sale financial assets		(25,000)	-
Other comprehensive income for the period, net of income tax		(25,000)	-
Total comprehensive (loss)/income for the period		<u>(365,660)</u>	<u>236,954</u>
Earnings per share			
Basic (loss)/earnings per share (cents per share)		(0.45)	0.32
Diluted (loss)/earnings per share (cents per share)		(0.45)	0.32
Continuing operations			
Basic loss per share (cents per share)		(0.45)	(0.36)
Diluted loss per share (cents per share)		(0.45)	(0.36)
Discontinued operation			
Basic earnings per share (cents per share)		-	0.68
Diluted earnings per share (cents per share)		-	0.68

The above statement of comprehensive income is to be read in conjunction with the attached notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	31-Dec-10	30-Jun-10
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	465,007	27
Trade and other receivables	-	836
Total current assets	<u>465,007</u>	<u>863</u>
NON-CURRENT ASSETS		
Other financial assets	10,000	50,000
Total non-current assets	<u>10,000</u>	<u>50,000</u>
Total assets	<u>475,007</u>	<u>50,863</u>
CURRENT LIABILITIES		
Trade and other payables	679,124	167,832
Other financial liabilities	2,721,020	2,442,508
Total current liabilities	<u>3,400,144</u>	<u>2,610,340</u>
Total liabilities	<u>3,400,144</u>	<u>2,610,340</u>
NET LIABILITIES	<u>(2,925,137)</u>	<u>(2,559,477)</u>
EQUITY		
Contributed equity	4,843,156	4,843,156
Reserves	451,363	476,363
Accumulated losses	(8,219,656)	(7,878,996)
NET EQUITY DEFICIENCY	<u>(2,925,137)</u>	<u>(2,559,477)</u>

The above statement of financial position is to be read in conjunction with the attached notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

	31-Dec-10 \$	31-Dec-09 \$
CONTRIBUTED EQUITY		
75,008,122 (2009: 75,008,122) fully paid ordinary shares		
Opening balance	4,843,156	4,843,156
Issued during the period	-	-
Closing balance	<u>4,843,156</u>	<u>4,843,156</u>
RESERVES		
Share Option Reserves	451,363	451,363
Asset Revaluation Reserve		
Opening balance	25,000	-
Reversal of financial asset gain	(25,000)	-
Closing balance	<u>451,363</u>	<u>451,363</u>
ACCUMULATED LOSSES		
Opening balance	(7,878,996)	(8,122,421)
(Loss)/profit for the period	(340,660)	236,954
Closing balance	<u>(8,219,656)</u>	<u>(7,885,467)</u>
Total Equity	<u>(2,925,137)</u>	<u>(2,590,948)</u>

The above statement of changes in equity is to be read in conjunction with the attached notes.

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

	Note	31-Dec-10 \$	31-Dec-09 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	152,266
Interest received		4	630
Payments to suppliers and employees		(268,536)	(211,667)
Net cash utilised in operating activities		(268,532)	(58,771)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments		(10,000)	(25,000)
Disposal of investments	3	-	474,751
Net cash (utilised in)/provided by investing activities		(10,000)	449,751
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits held from current capital raising		465,000	-
Proceeds/(repayments) of loan funds		278,512	(397,184)
Net cash provided by/(utilised in) financing activities		743,512	(397,184)
Net increase/(decrease) in cash held		464,980	(6,204)
Cash and cash equivalents at beginning of period		27	6,233
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		<u>465,007</u>	<u>29</u>

The above statement of cash flows is to be read in conjunction with the attached notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010****1. SUMMARY OF ACCOUNTING POLICIES****(a) Reporting entity**

Monteray Mining Group Ltd (the "Company") is a Company domiciled in Australia. Following the passing of a resolution at the Extraordinary General Meeting of Shareholders on 17 December 2010, Monteray Group Ltd changed its name to Monteray Mining Group Ltd.

The annual financial report of Monteray Mining Group Ltd as at and for the year ended 30 June 2010 is available upon request from the Company's registered office at Level 18, 50 Cavill Avenue, Surfers Paradise Qld 4217 or at P.O. Box 40, Surfers Paradise Qld 4217 or the website www.monteraymining.com.au.

(b) Basis of preparation

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report, together with any public announcements made by Monteray Mining Group Ltd during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the ASX listing rules.

The accounting policies applied by the Company in this interim financial report are the same as those applied in the financial report as at and for the year ended 30 June 2010.

The half year financial report was approved by the Board of Directors on 24 February 2011.

(c) Going concern

At 31 December 2010, the Company had net cash outflows from operating activities amounting to \$268,532 and an excess of current liabilities over current assets of \$2,935,137 which includes a loan payable to Charter Pacific Corporation Limited of \$2,721,020.

These conditions give rise to a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. However the capital raising finalised on 17 February 2011 raised \$3.5 million which provides sufficient funds for the Company to undertake its stated objectives for the next two years from the date of this financial report.

A condition precedent of the Aberystwyth Pty Ltd acquisition was the conversion of \$1,500,000 of the Charter Pacific Corporation Limited loan to 7,500,000 ordinary shares and 7,500,000 options exercisable at \$0.25 expiring on 31 August 2014, and the balance of the loan of \$942,508 as at 30 June 2010 being forgiven by Charter Pacific Corporation Limited.

Therefore the financial statements have been prepared on a going concern basis as the Directors expect the Company to be in a position to meet its cash requirements for a minimum period of twelve months from the date of signature of this report to the date of signature of the financial report for the next half year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**
2. SEGMENT INFORMATION

	Software Development & Commercialisation (discontinued operation)		Investment		Total	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
Revenue						
Sales to external customers	-	104,058	-	36,010	-	140,068
Other revenue	-	-	4	630	4	630
Total segment revenue per statement of comprehensive income	-	104,058	4	36,640	4	140,698
Result						
Segment result	-	510,670	(365,660)	(273,716)	(365,660)	236,954
Segment assets						
Segment operating assets	-	-	475,007	48,920	475,007	48,920
Total assets per statement of financial position					475,007	48,920

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

3. DISCONTINUED OPERATION

There were no discontinued operations during the six months ended 31 December 2010. However the Company sold 100% of the issued shares in GPen Pty Ltd to Corporate Solutions Pty Ltd on 14 September 2009 for \$500,000 cash plus settlement adjustments of \$14,819.

The operations of GPen Pty Ltd have been accounted for up to the date of disposal, 14 September 2009 and are shown below:

	31-Dec-10	31-Dec-09
	\$	\$
Revenue	-	104,058
Expenses	-	(101,750)
Results from operating activities	-	2,308
Gain on sale of discontinued operation	-	508,362
Income tax	-	-
Profit for the period	-	510,670
Effect of disposal on the financial position of the Group		
Property plant & Equipment	-	5,447
Prepayments	-	6,583
Trade and other receivables	-	5,134
Cash and cash equivalents	-	40,068
Employee benefits	-	(22,129)
Trade and other payables	-	(28,646)
Net assets attributable to discontinued operation	-	6,457
Gain on sale of discontinued operation:		
Consideration received, satisfied in cash	-	514,819
Less net assets disposed of	-	(6,457)
	-	508,362
Net cash inflow on disposal:		
Consideration received, satisfied in cash	-	514,819
Cash disposed of	-	(40,068)
Net cash inflow	-	474,751
Net cash flows of GPen Pty Ltd are as follows:		
Operating activities	-	21,610
Net cash inflow	-	21,610

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

4. SIGNIFICANT AFTER BALANCE DATE EVENTS

Following Shareholder approval of all resolutions at the Extraordinary General Meeting of 17 December 2010 the Company has completed the transaction to acquire all of the issued capital in Aberystwyth Pty Ltd as disclosed in the 30 June 2010 financial report. The Company has raised \$3.5 million pursuant to the Prospectus dated 25 November 2010. The Company has issued 27,750,000 ordinary shares at \$0.20 per share made up as follows -

	Shares issued	Funds received
Shares issued under pursuant Prospectus dated 25 November 2010	17,500,000	\$ 3,500,000
Shares issued to Charter Pacific Corporation Limited	7,500,000	\$ -
Shares issued to Jaek Holdings Pty Ltd	2,000,000	\$ -
Shares issued to Murchison Resources Pty Ltd	750,000	\$ -
	27,750,000	\$ 3,500,000

Other than as disclosed above, no matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial periods other than those mentioned in the interim financial report.

5. CONTINGENT LIABILITIES AND ASSETS

There has been no change in contingent assets or contingent liabilities since the last annual report date.