

12 November 2012

Elizabeth Harris
Principal Adviser, Listings
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Elizabeth,

Monteray Mining Group Limited (“the Company”)

I refer to your letter dated 5 November 2012 in respect to the omission of reporting against principle 3 dealing with diversity in the corporate governance section of the Company’s annual report for the year ended 30 June 2012.

I confirm that the Board is committed to having an appropriate blend of diversity on the Board and in the Group’s executive positions. I also confirm that during the 2012 financial year the Company did not have any female employees and had three non executive employees consisting of the directors as set out in the Remuneration Report on pages 5 – 9 of the Company’s 2012 annual report. Due to the size and scope of operations during the year a diversity policy is not yet in place. The Board is in the process of compiling a policy regarding gender, age, ethnic and cultural diversity. When the policy has been finalised, details of the policy will be made available on the Company’s website.

The key elements of the diversity policy will incorporate:

- increased gender diversity on the Board and senior executive positions and throughout the Group; and
- annual assessment of Board gender diversity objectives and performance against objectives by the Board.

Yours sincerely



Steven Cole
Company Secretary



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5 November 2012

Mr Steven Cole
Company Secretary
Monteray Mining Group Limited
Level 18, 50 Cavill Avenue
SURFERS PARADISE QLD 4217

Dear Steven

Monteray Mining Group Limited (the “Company”)

We refer to the corporate governance section of the Company’s annual report for the year ended 30 June 2012 (“Annual Report”) released to the market on 29 October 2012 and in particular to the reporting against principle 3 dealing with diversity.

Listing rule 4.10.3 requires that an entity include in its annual report:

“A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed.”

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

“Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board.”

More specifically the following recommendations set out in greater detail the requirements:-

Recommendation 3.2

“Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.”

Recommendation 3.3

“Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.”



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Recommendation 3.4

“Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.”

Recommendation 3.5

“Companies should provide the information indicated in the Guide to reporting on Principle 3.”

The Listed Entities Updates dated 1 October 2010 and 7 February 2012, reminded listed entities of their obligation to report under the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (ASXL) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXL could not identify a statement in the annual report confirming whether the Company had followed or not followed the diversity recommendations of the Council.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

In light of the Company's non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.

The additional disclosure should be sent to me by e-mail at Elizabeth.Harris@asx.com.au or by facsimile on facsimile number **(08) 9221 2020**. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **6.30am WST on Monday 12 November 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company's securities from quotation until the Company releases to the market a diversity policy that discloses the required information.



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If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

Elizabeth Harris
Principal Adviser, Listings (Perth)