

ASX Release

31 January, 2012

MONTERAY MINING GROUP

Tel: +61 7 5538 2558

Fax: +61 7 5526 8922

info@monteraymining.com.au

www.monteraymining.com.au

Contact:

JOHN HANNAFORD

Director

jhanaford@monteraymining.com

STEVE COLE

Company Secretary

scole@charpac.com.au

Projects:

Western Australia

5 gold tenements located predominantly in the Mt Monger region east of Kalgoorlie covering an area of 2,218 ha

Burkina Faso

Agreement to acquire 3 greenfields gold permits covering 416 km² in western central Burkina Faso.

Directors:

Kevin Dart - Chairman

Sandy Barblett - Director

John Hannaford - Director

Issued Capital:

31.5m Ordinary Shares

16m Unlisted Options

ASX Code:

MRY

Cash (31 Dec 2011) - \$2.0m

QUARTERLY ACTIVITIES REPORT

FOR THREE MONTHS ENDED

31 December 2011

Highlights

- ❖ **Burkina Faso Gold: Delays to completion of acquisition resulting in agreement to extend exclusivity period to 28 February 2012.**
- ❖ **Hickmans/333 project: Continued positive results from nearby Majestic (Integra Mining) and Juglah Dome (Pioneer Resources).**
- ❖ **On-going review and assessment of new resources project opportunities.**

Monteray Mining Group Ltd ("Monteray") is pleased to present its fourth Quarterly Activities Report and Appendix 5B for the quarter ended December 31 2011.

Burkina Faso Gold Projects

On 14 June, 2011 the Company entered into a binding acquisition agreement (Agreement) to acquire Vema Resources Pty Ltd ("Vema") which holds interests in three licenses covering 416 km² of highly prospective ground located in central western Burkina Faso, West Africa (Licenses). The Licenses cover the western extremity of the Houndé greenstone belt abutting the Taoudéni Basin (see Figure 1).

The agreement to acquire 100% of Vema is conditional upon, inter alia, the permits being transferred to a newly established entity Vema Resources Burkina SARL. As at the date of this report, the transfer of the licences is still awaiting approval by the Ministry of Mines and Energy.

The transfer has been delayed as a result of a sizable backlog of applications with the Burkina Faso Ministry of Mines and Energy. This has been an on-going problem throughout the year and has affected other ASX companies with projects in Burkina Faso. Discussions with the principals of Vema Resources and their Burkinabe representatives during the quarter established that the Ministry of Mines and Energy had appointed new personnel which it was hoped would accelerate the approvals process. Recent observations are that other ASX companies awaiting similar approvals had been successful.

Extension of Exclusivity

Subsequent to the end of the quarter Monteray and Vema shareholders agreed to extend the exclusivity period to 28 February 2012.

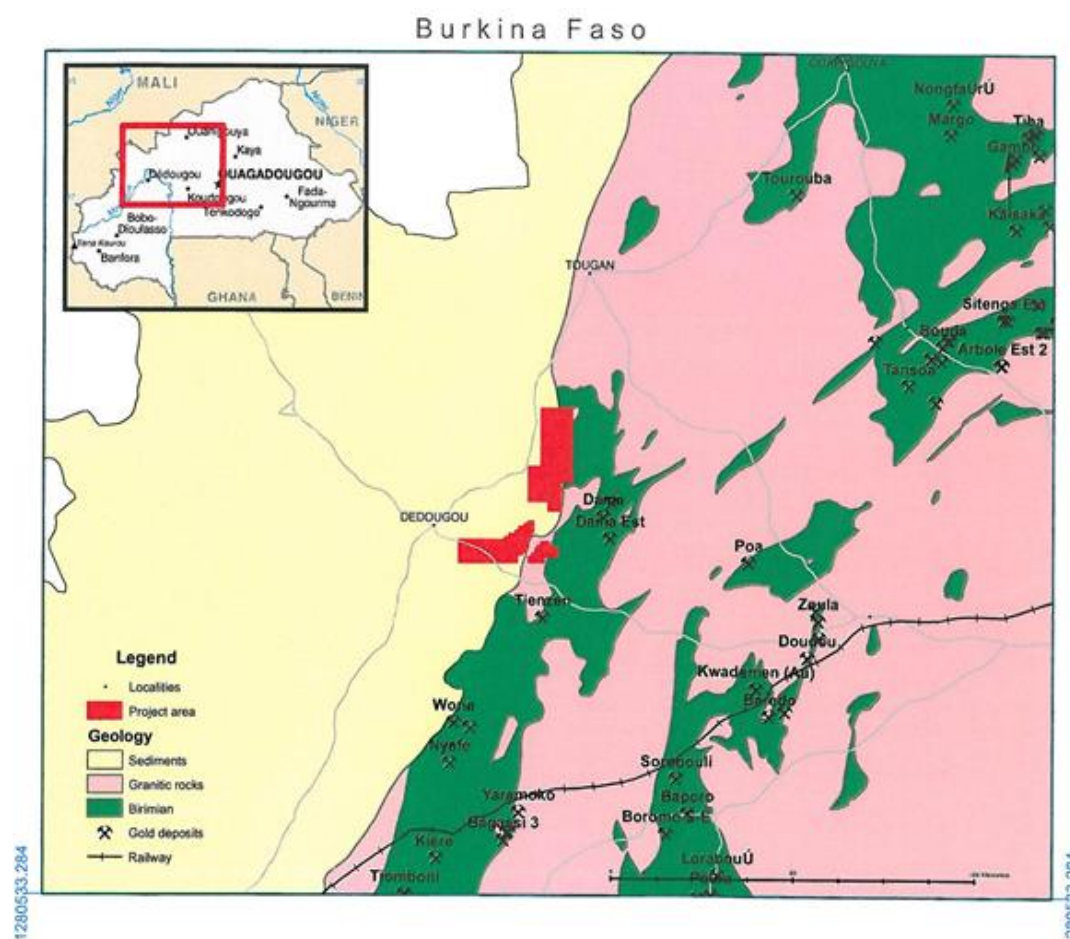


Figure 1: Vema Gold project locations in western Burkina Faso.

The Company is also reviewing several other gold exploration projects for acquisition in Burkina Faso and neighbouring countries.

West Australian Projects

The Western Australian gold project portfolio comprises five exploration tenements covering 2218 hectares. With the exception of the Malcolm King tenement, all tenements are located east of Mt Monger in an area proximal to Integra's Majestic gold project.

During the previous quarter the Company's consulting geologist reviewed all available previous exploration data for each tenement. A comprehensive report was compiled from previous data during the current quarter and presented to the board in the current quarter with detailed recommendations for future work programs.

No on-ground exploration activity was undertaken during the quarter. Monteray's board have been reviewing potential future exploration activity in the context of recent impressive results from Integra Mining (Majestic) and Pioneer Resources (Juglah Dome) nearby projects.

See map at *Appendix 1* showing location of Monteray's tenements in the context of regional ground holdings of both Integra Mining and Pioneer Resources.

New Projects

Monteray is actively reviewing and assessing new resources project opportunities to augment its portfolio on an on-going basis.

Corporate

The Company has total cash reserves at 31 December, 2011 of \$2.0 million.

ASX Announcements

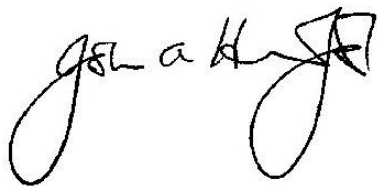
The company made the following announcements to ASX during the quarter.

17/10/2011	Appendix 3Y
24/10/2011	Appendix 3Y
25/10/2011	Response to ASX query
26/10/2011	Appendix 3Y
28/10/2011	Notice of AGM/Proxy Form
28/10/2011	Annual Report to shareholders

31/10/2011	Appendix 5B and Quarterly Activities Report
29/11/2011	Chairman's address to shareholders
29/11/2011	Results of meeting
5/12/2011	Appendix 3B
5/12/2011	Appendix 3Ys x 3

Yours sincerely

For and on behalf of Monteray Mining Group Ltd



John Hannaford

Director

About Monteray Mining Group Ltd

Monteray Mining Group Ltd was relisted on ASX in February 2011 following the acquisition of a portfolio of gold licences located in the goldfields region of Western Australia, and the raising of \$3.5 million. In June 2011 the Company entered into an agreement to acquire Vema Resources Pty Ltd, which holds the rights to three newly granted gold exploration permits located in western Burkina Faso.

Appendix 1 – WA tenements, location map

