

ASX Release

31 July, 2012

MONTERAY MINING GROUP

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Projects:

Burkina Faso

8 gold exploration permits covering 1,178 km² in three prospective areas of Burkina Faso.

Western Australia

5 gold tenements located predominantly in the Mt Monger region east of Kalgoorlie covering an area of 2,610 ha

Directors:

Kevin Dart - Chairman

Sandy Barblett - Director

John Hannaford - Director

Issued Capital:

31.5m Ordinary Shares

16m Unlisted Options

ASX Code:

MRY

Cash (30 June) - \$1.9m

QUARTERLY ACTIVITIES REPORT

FOR THREE MONTHS ENDED

30 June 2012

Highlights

Burkina Faso gold tenements:

- ❖ **Tenement transfers completed, acquisition conditions met;**
- ❖ **MMI soil geochem program completed, assays pending;**

New Burkina Faso Gold Portfolio acquisition (post quarter end)

- ❖ **Agreement to acquire additional Burkina Faso gold portfolio in prospective Birimian terrain**
- ❖ **5 highly focused permits covering 762 km²**
- ❖ **All permits owned 100% or subject to options to acquire 100%**
- ❖ **Advanced targets defined by completed geochemistry; evidence of significant recent artisanal activity**
- ❖ **Appointment of Director with 20+ years of Burkina Faso gold exploration experience**

Monteray Mining Group Ltd ("Monteray") is pleased to present its Quarterly Activities Report and Appendix 5B for the quarter ended June 31 2012.

Burkina Faso Gold Projects

During the quarter the company proceeded with finalising the acquisition of three new exploration permits in the "Mana" region of western Burkina Faso.

Monteray reached agreement with the project vendors such that Monteray assumed control of the exploration program pending completion of the acquisition.

Exploration Program commenced

Monteray commissioned SEMS Exploration to conduct an MMI soil geochem sampling program over the Tigan lease in June. A total of 413 samples were collected after Monteray's Australian geologist had visited the permit and trained the field crew in the collection of the samples. A further 46 samples were collected over current artisanal working on the Pepin permit (to be acquired as part of the Eburnean portfolio) to act as comparison orientation samples.

The samples have been shipped by air to the SGS laboratory in Perth for analysis.

Vema Acquisition Update

Monteray has completed its due diligence on the three permits to be acquired as part of its acquisition of Vema Resources. The company is planning to seek shareholder approval to issue the Vema vendors consideration and move to completion of the acquisition.

Additional Burkina Faso gold portfolio acquisition

Subsequent to the end of the quarter, Monteray announced it had reached agreement to acquire Eburnean Resources SARL, a Burkinabe entity ("Eburnean") which holds rights to acquire 100% interests in 5 exploration permits in Burkina Faso.

The Eburnean Acquisition will complement the Company's existing three permits to be acquired by the Company ("Vema Acquisition") which are, located in the Mana region, and in close proximity to SEMAFO's 6.86 million oz producing Mana gold mine.

The Portfolio includes two permits 100% owned directly by Eburnean and three permits subject to options whereby Eburnean can acquire 100% interest. The permits cover an area of 762km² and are all located in areas of significant recent discoveries and mine development. Artisanal activity is present on all permits.

Upon completion, Mr Andrew Habets, a geologist associated with Eburnean, is to be appointed as a non-executive director of Monteray. Mr Habets has been involved in West Africa and most particularly Burkina Faso gold exploration for the last 20+ years. He has been instrumental in assembling Eburnean's portfolio and has an extensive network in the country.

Eburnean have targeted permits in areas of recent significant gold discoveries. All permits are located on geological structures where major gold discoveries have been made. These areas, all with recent artisanal activities, have been sourced through Eburnean's extensive in-country network. Eburnean geologists have completed soil sampling and other initial exploration work on several of the permits.

The five permits the subject of the Eburnean Acquisition are either already owned by Eburnean or under options, as follows:

Permit	Location	Size km ²	Date Granted	Status	NRI %
Bilakongo	Mana	71	18/01/2011	Eburnean 100%	-
Kana	Mana	116	9/12/2009	Option to purchase 100%	1.50%
Pepin	Bissa	250	13/10/2011	Option to purchase 100%	1.00%
Guimba	Bissa	250	27/05/2011	Option to purchase 100%	1.00%
Dobokuy	Banfora	75	18/01/2011	Eburnean 100%	-
	TOTAL AREA	762			

A permit map showing Eburnean and Vema permits is shown at *Appendix 1*.

Mana Region - Consolidates position near existing Permits to be acquired

The addition of the Kana and Bilakongo permits brings the Company's permits in the highly prospective Mana region to five, covering an area of 603km². The Kana and Bilakongo permits are adjacent to SEMAFO's Mana exploration permits, and along the major regional structures that host the 6.8M oz Mana gold mine and advanced prospects. With the Mana plant expansion as well as the Wona-Kona super pit study currently under way, the region is on track to becoming a world class gold producer.

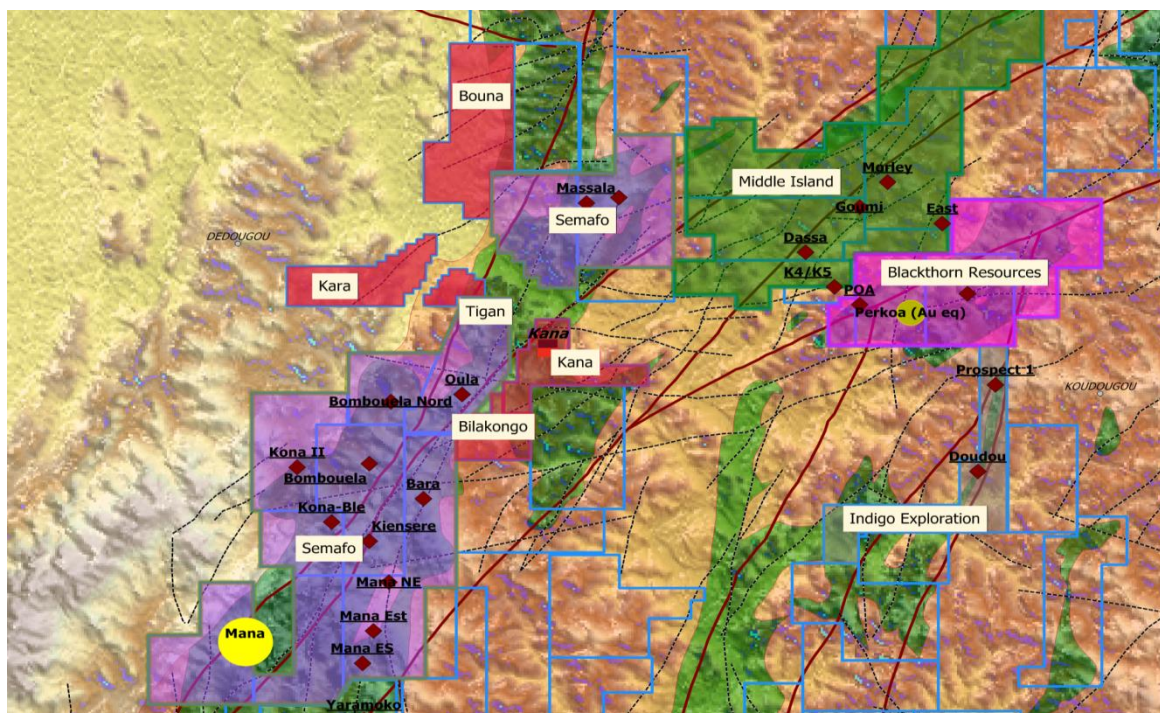


Figure 1: Permit map of the Mana region, showing Eburnean's Kana and Bilakongo permits in red, Monteray's existing projects in orange, SEMAFO's permits in purple including the 6.8M oz Mana Mine. Middle Island (green) and Blackthorn (pink) have permits in close proximity.

The Kana and Bilakongo permits represent an opportunity along dilational jogs and splays off the Mana Shear Zone. Lithostructural and regolith mapping has been completed. An 800 x 100 metre regional soil sampling program has recently been completed by Eburnean geologists. Anomalies coincide with N-S breaks truncated by NE-SW shears and are easy to follow up.

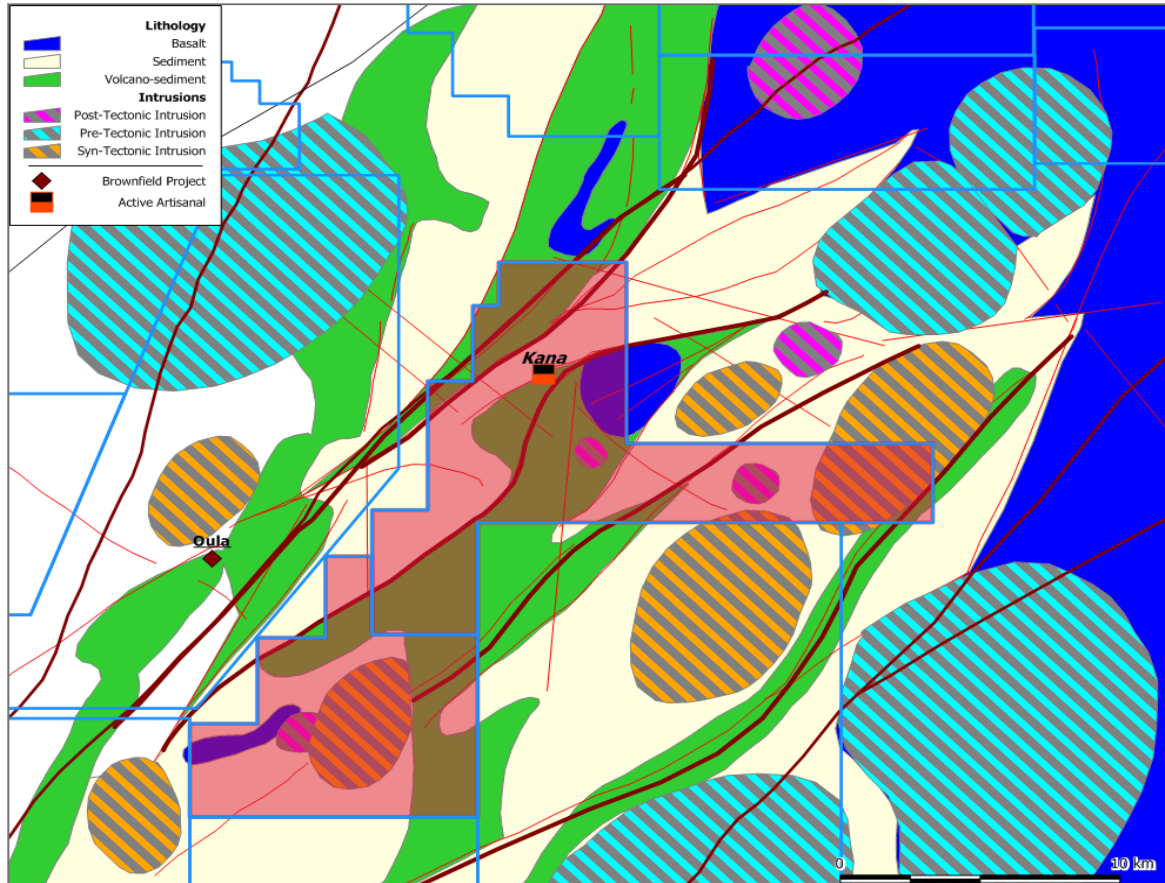


Figure 2: Lithology map of the Kana & Bilakongo Permits

Pepin & Guimba Permits

The Pepin and Guimba Permits lie adjacent to permits of intense exploration and resource development (High River Gold and Cluff Mining). Development of three further deposits in the immediate region is imminent (Sega, Bissa and Karma). Long geological structures, and the contacts between clastic sediments and mafic volcanics, provide excellent opportunities for further gold discoveries. Abundant artisanal workings on the permits are concentrated along the Sabcé shear zone which hosts the High River Bissa deposit (2.87M oz). No previous exploration has been carried out on these permits.

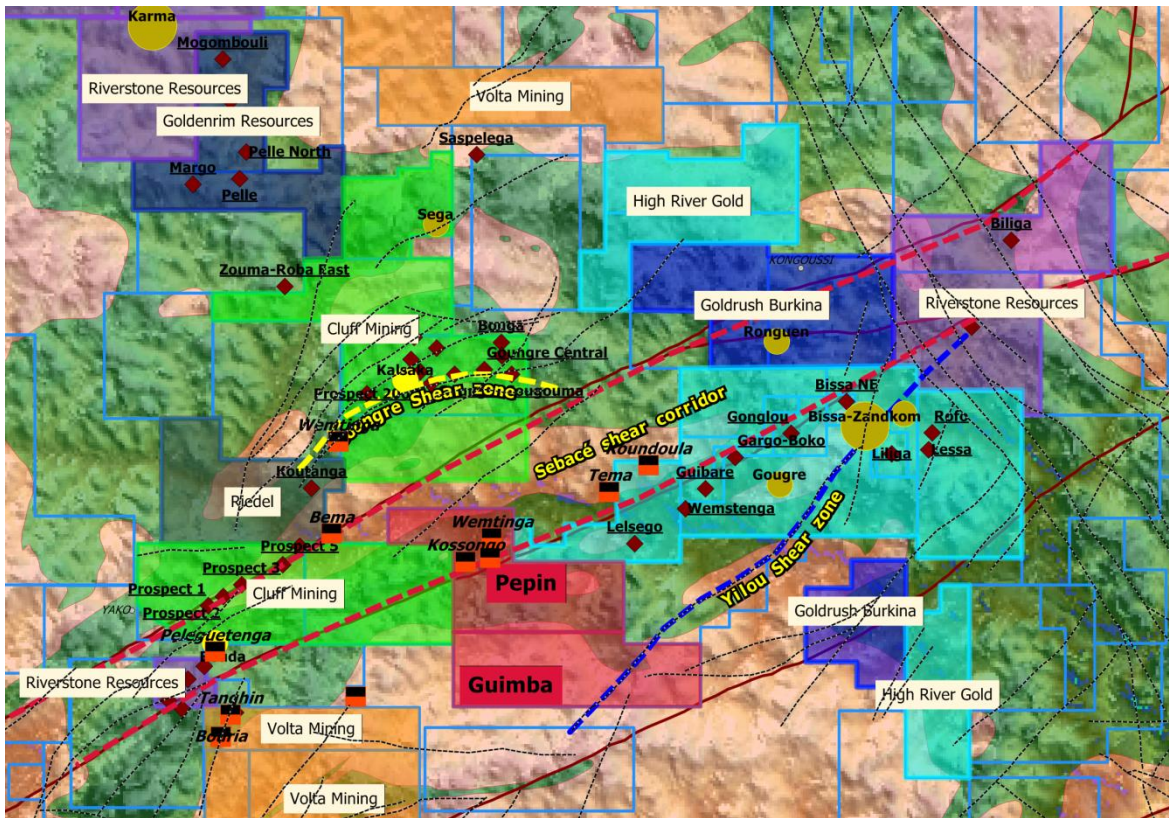


Figure 3: *Pepin & Guimba permits located between Cluff Mining and High River Gold in a region of intense exploration and resource development, with development of three further deposits imminent.*



Recent photos of extensive artisanal workings on the Pepin permit

Dobokuy Permit - Banfora region

The Dobokuy Permit is set within a highly active major shear corridor of a Birimian greenstone belt, currently hosting over 25 advanced assets of various companies. No previous exploration has been carried out on this permit. Completed regional soil geochemistry by Eburnean geologists has outlined broad anomalies up to 3km in length, coinciding with structural traps and contacts between basalts and andesitic units. The region represents a significant opportunity for gold and VMS style discoveries.

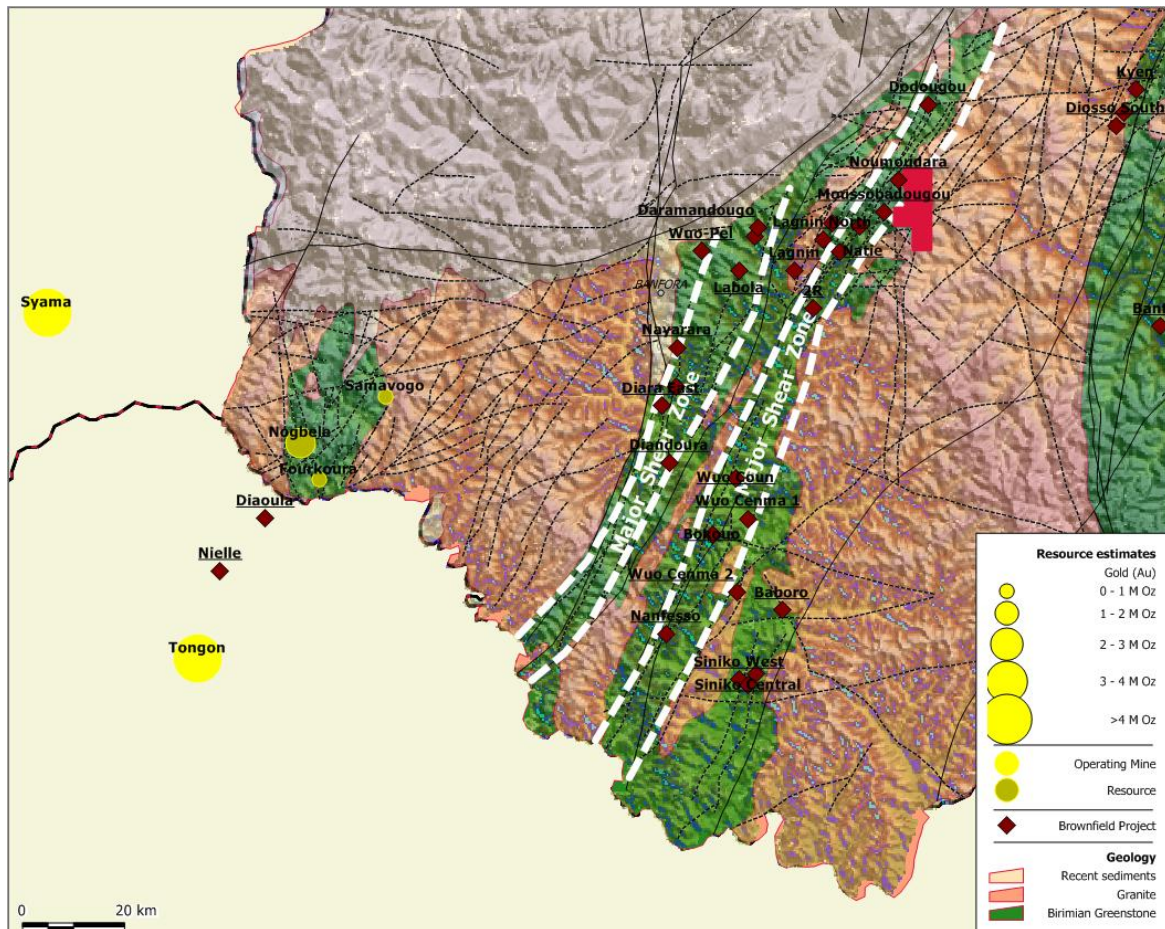


Figure 4: Dobokuy permit location. The permit is located within the major shear corridor of a highly active greenstone belt, currently hosting over 25 advanced assets. No previous exploration has been undertaken. An influx of artisanal mining has been observed since December 2011.

Site Visit to Eburnean Licences

In June Monteray's geologist conducted a site visit to the Eburnean permits as part of a due diligence review before acquisition by Monteray. A total of 4 out of 5 permits were visited, with the fifth permit not able to be accessed due to heavy rains in the area. On-going Artisanal activity was reported on the Pepin and Kana permits and favourable greenstone lithology's present on all permits visited. Favourable infrastructure was also reported in country by way of good roads and mobile phone reception as well as a positive, helpful and transparent regulatory system.

Eburnean Acquisition Terms

Monteray executed an agreement with Eburnean Resources Limited, a British Virgin Islands company ("Eburnean BVI"), that owns 100% of the issued share capital of Eburnean. Monteray has agreed to acquire all of the shares in Eburnean ("Eburnean Acquisition Agreement").

Pursuant to the Eburnean Acquisition Agreement:

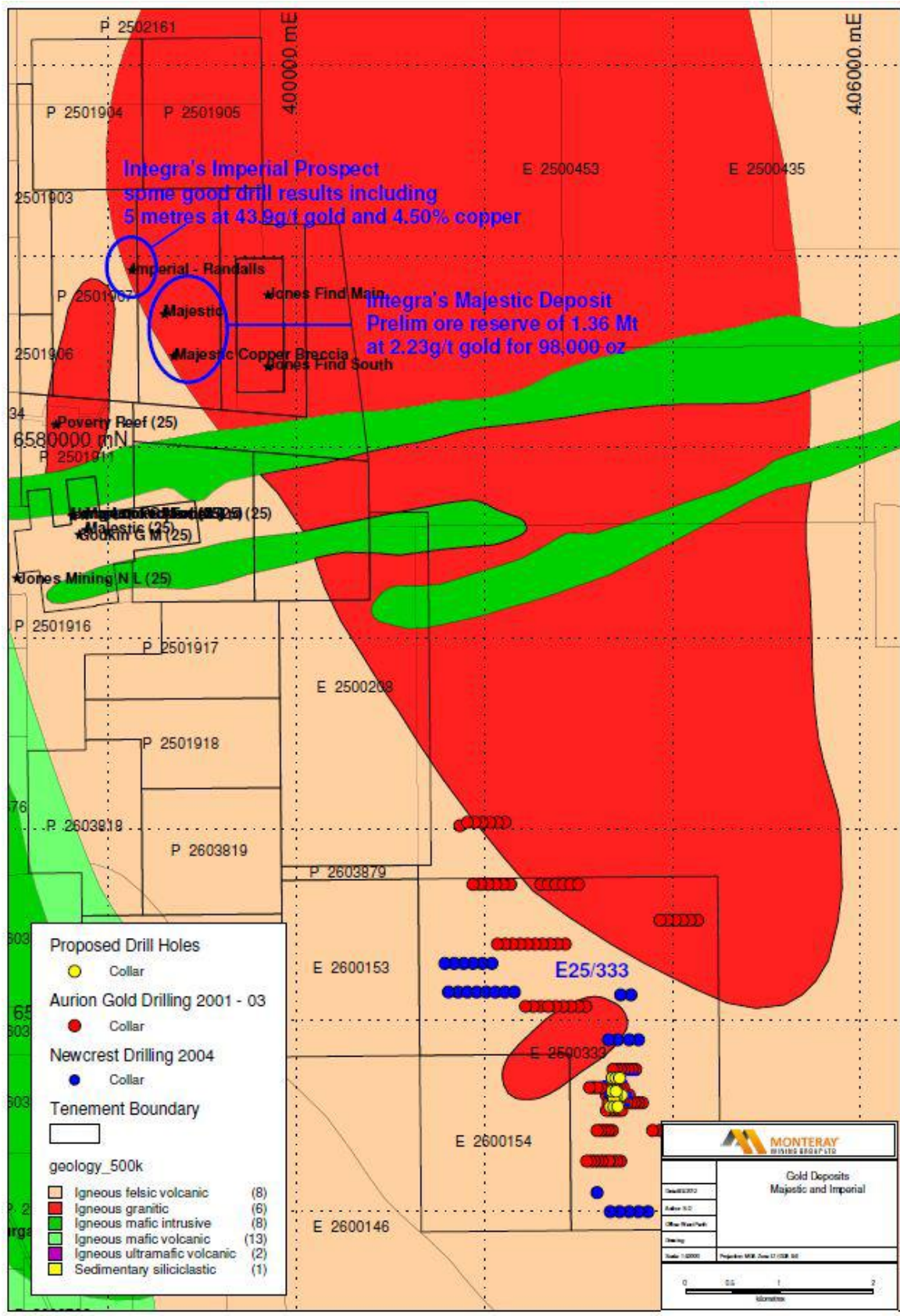
1. Monteray has been granted a 45 day exclusivity period to conduct legal and technical due diligence in consideration for a payment of \$20,000;
2. The consideration payable to Eburnean BVI for the Eburnean Acquisition is:
 - a. the issue of 3.4 million shares in Monteray;
 - b. the payment of \$600,000 in cash; and
 - c. At completion of the Eburnean Acquisition Mr Andrew Habets will be appointed as a non-executive director. Mr Habets will be issued 1 million unlisted options in Monteray, subject to shareholder approval.

Completion of the Eburnean Acquisition is subject to shareholders approving the issue of the securities in Monetary detailed above and Monteray being satisfied with the outcome of its legal and technical due diligence investigations.

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 quarter the company submitted an application for an extension of the E25/333 tenement, with a proposal for an RC drilling program to test the previous discovery hole of 5m @8.22 g/tAu.



Proposed work for the next two years if extension is granted comprises of consultation with a Geophysical contractor and design of a Sub-Audio Magnetic (SAM) Geophysical survey to provide drill targets. A drill program of 13 RC holes for 1,150m is proposed to be drilled on the E25/333 tenement in order to test SAM highlighted anomalies as well as test previous anomalous drilling in the same geological setting as Integra Mining's Majestic deposit to the north.

See map at *Appendix 2* showing location of Monteray's tenements in the context of regional ground holdings of both Integra Mining and Pioneer Resources.

Corporate

The Company has total cash reserves at 30 June, 2012 of \$1.9 million.

Shareholders Meeting

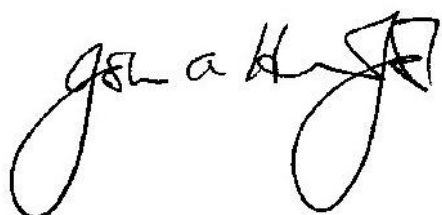
The Company plans to hold a shareholders' meeting to approve the Vema and Eburnean Acquisitions, and anticipates sending out a notice of meeting and associated materials within the next two weeks, for a meeting to be held around early September.

ASX Announcements

The company made the following announcements to ASX during the quarter up to the date of this report.

24/07/2012	Additional Burkina Faso Gold Portfolio Acquisition
16/05/2012	Change of Director's Interest Notice
30/04/2012	Quarterly Cash flow Report
30/04/2012	Quarterly Activities Report
26/04/2012	Burkina Faso Update

For and on behalf of Monteray Mining Group Ltd

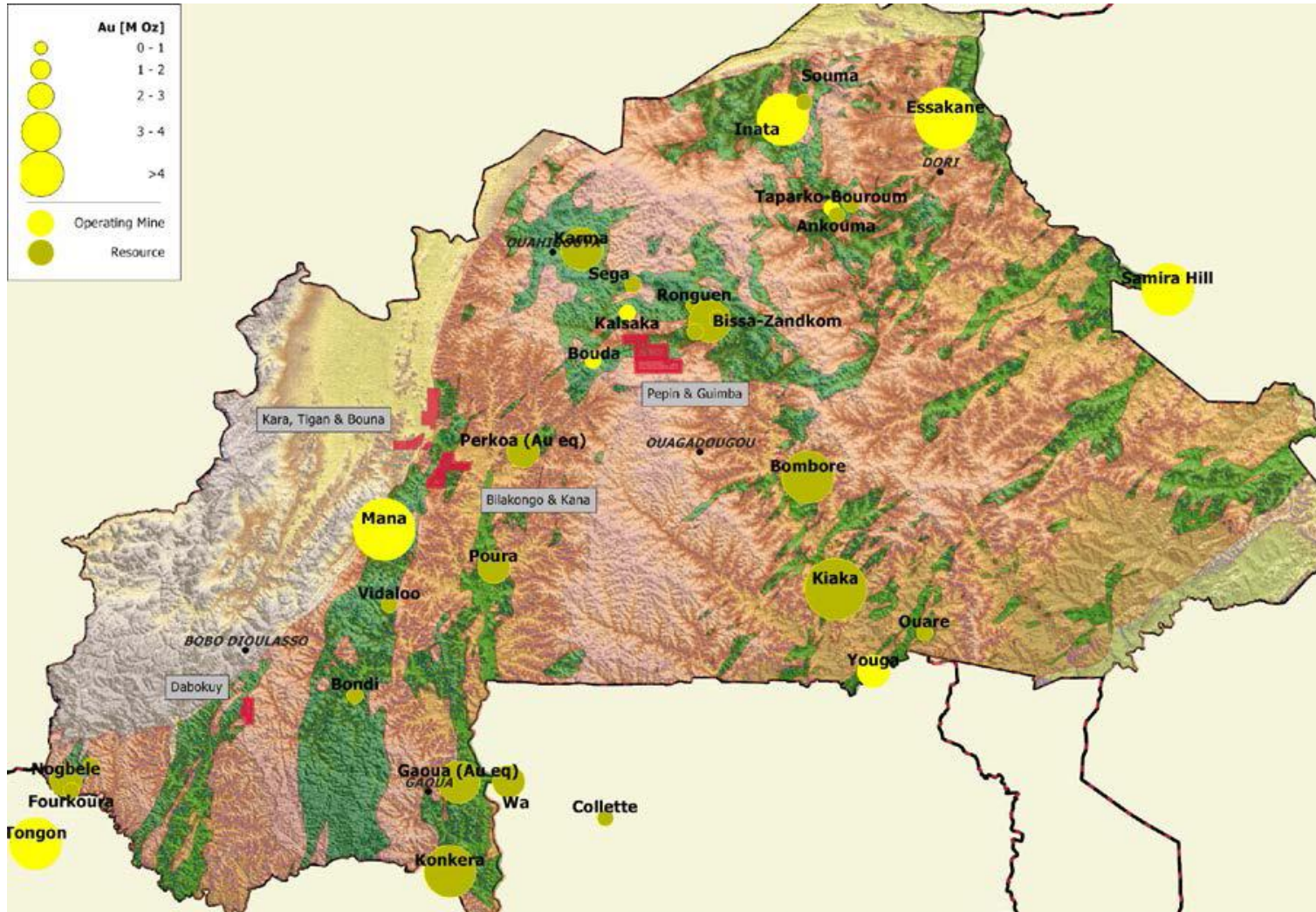


John Hannaford
Director

About Monteray Mining Group Ltd

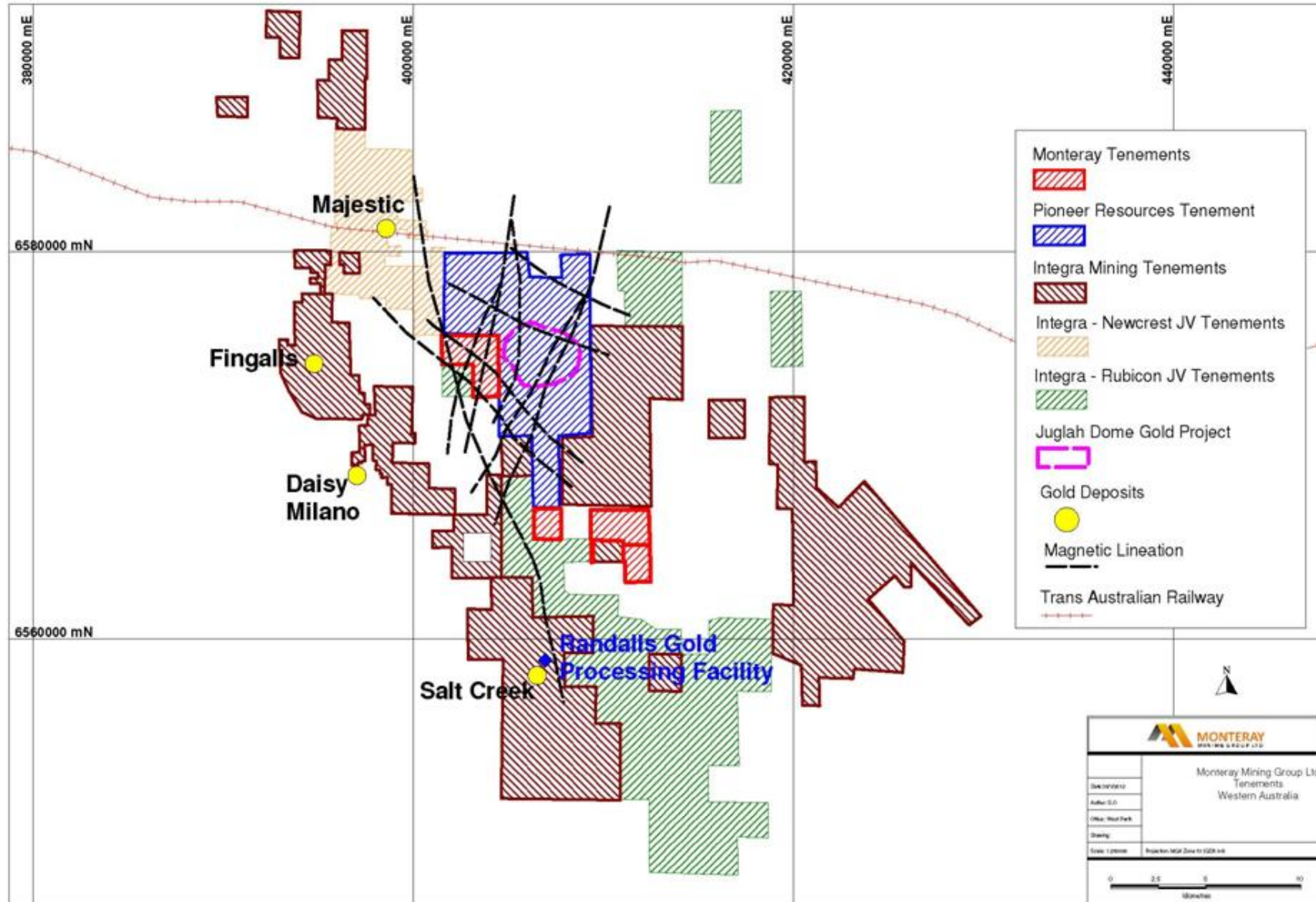
Monteray Mining Group Ltd was relisted on ASX in February 2011 following the acquisition of a portfolio of gold licences located in the goldfields region of Western Australia, and the raising of \$3.5 million. In June 2011 the Company entered into an agreement to acquire Vema Resources Pty Ltd, which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

Appendix 1 - Burkina Faso Permit Map



Monteray Permits in red showing Vema permits – Kara, Tigan & Bouna; and Eburnean permits Dobokuy, Kana, Bilakongo, Pepin & Guimba

Appendix 2 – WA tenements, location map



Monteray's tenement package shown in proximity to Pioneer & Integra positions just south of the Trans Australian Railway line, east of Kalgoorlie, Western Australia