



MONTERAY MINING GROUP LTD (ASX - MRY)

***BURKINA FASO'S NEXT SUCCESS STORY***

**FEBRUARY 2013**



**MONTERAY**  
MINING GROUP LTD

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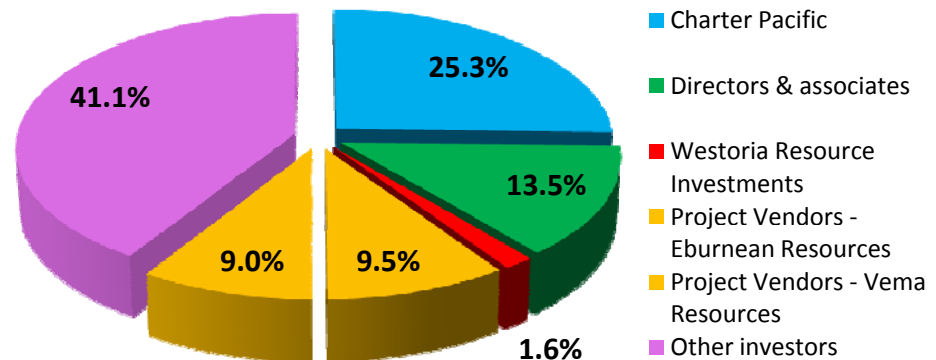


# COMPANY OVERVIEW

Monteray Mining Group Ltd	
ASX Code	MRY
Total Shares	37,900,618
Unlisted Options <sup>1</sup>	19,145,000
Performance shares <sup>2</sup>	2,000,000
Top 20 Shareholders	64%
Current Share Price	\$0.078
Market Cap	\$3.0m
Cash on Hand (31 Dec 2012)	~\$0.65m

- Burkina Faso: Rights to 100% interest in 8 licences in Burkina Faso covering 1,178 km<sup>2</sup> of prospective undrilled permits on major structures
- Along strike from major mines
- Potential for multi-million ounce gold discoveries
- Tight capital structure
- Strong board and management
- Highly leveraged to exploration success

## Shareholder Distribution



Notes:

- Options exercisable at \$0.25, \$0.30 & \$0.40
- Performance shares convertible to ordinary shares if JORC resource > 500,000 oz & 1Moz @ > 1.5g/t Au at Tigan, Kana & Bouna permits.



## COMPANY STRATEGY

***“To become the next major West African success story with outstanding shareholder returns”***

- ***Maiden Auger program identified significant anomalism at Pepin South prospect – multiple zones up to 3km in length and up to 288ppb. Along strike from High River Gold’s 1.8Moz Bissa Mine***
- *Burkina Faso => Premier gold discovery and development destination*
- *Established and experienced in country network*
- *Strategic, highly prospective project portfolio*
- *Multi-million ounce potential in all regions*
- *Lean corporate structure with hands on management*
- *Tight capital structure*
- *Near term revaluation events*



# DIRECTORS & MANAGEMENT

## **Kevin Dart – Non Executive Chairman**

Kevin has over 21 years experience as Managing Director of Charter Pacific Corporation Limited and has been on the board of public companies for over 20 years. He has extensive experience in capital raisings, new listings, mergers and acquisitions, as well as cross border transactions in United States, United Kingdom, Asia, India & Mauritania.

## **John Hannaford - Non Executive Director**

John has extensive financial experience in Australia, Asia and Europe with a resources emphasis. He co-founded advisory firm Ventnor Capital, and has been responsible for new listings and M&A transactions including Bathurst Resources Ltd, Transit Holdings Ltd, Atlantic Limited, ZYL Limited, Azimuth Resources Limited, Strickland Resources Limited & Resource Generation Limited. John is Chairman of Orinoco Gold Limited and a non-executive director of Jaguar Resources Ltd.

## **Andrew Habets – Non Executive Technical Director**

Andrew has over 25 years experience as a geologist in new business development, project generation and field exploration. He has a multi-discipline background that supports an extensive knowledge of the natural resource industry and practical, hands-on approach that supports full spectrum of the supply chain.

Mr Habets has strong entrepreneurial skills and project generation experience in over 40 countries including 20 years experience in Burkina Faso which has lead to the successful growth and expansion of resources for many client companies.

## **Sandy Barblett – Non Executive Director**

Sandy has over 20 years senior management experience working with private and publicly listed companies in the UK, US and Hong Kong. He is a partner of a London based corporate finance company, and is currently a non-executive director of AIM listed Solo Oil plc. Mr Barblett has a bachelor of business from Curtin University of Technology in Perth, a bachelor of laws from the University of Queensland.

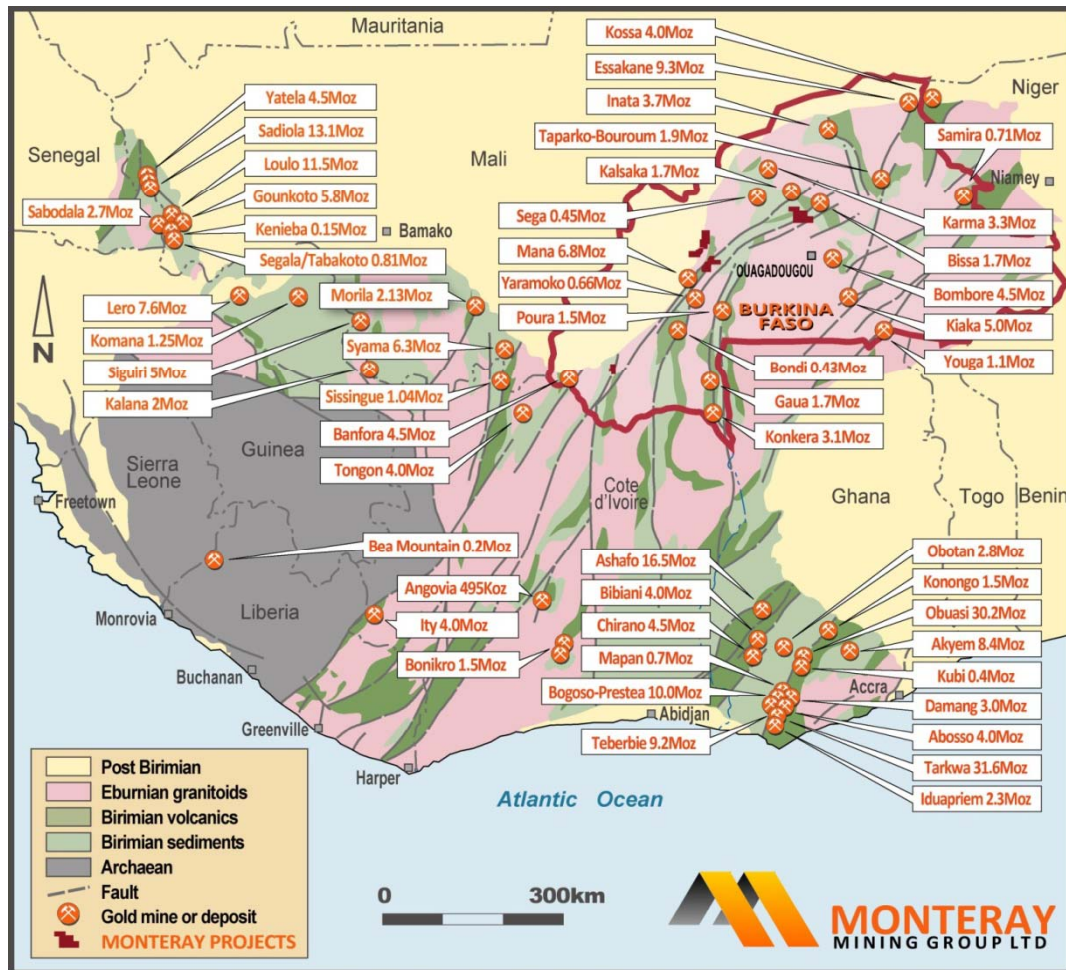
## **Mike Edwards – Chief Executive Officer**

Mike is a Geologist and Economist with over 20 years experience in Senior Management in both the private and public sector. He has a Bachelor of Business (Economics and Finance) from Curtin University of Technology and a Bachelor of Science (Geology) from The University of Western Australia. He spent three years with Barclays Australia in their Corporate Finance department and then 8 years as a Exploration and Mine Geologist with companies such as Gold Mines of Australia, Eagle Mining and International Mineral Resources. Since 2010 Mike has been consulting to numerous companies conducting project evaluations and deal structuring across a wide range of commodities and countries.





# BURKINA FASO – PREMIER WEST AFRICAN GOLD DESTINATION



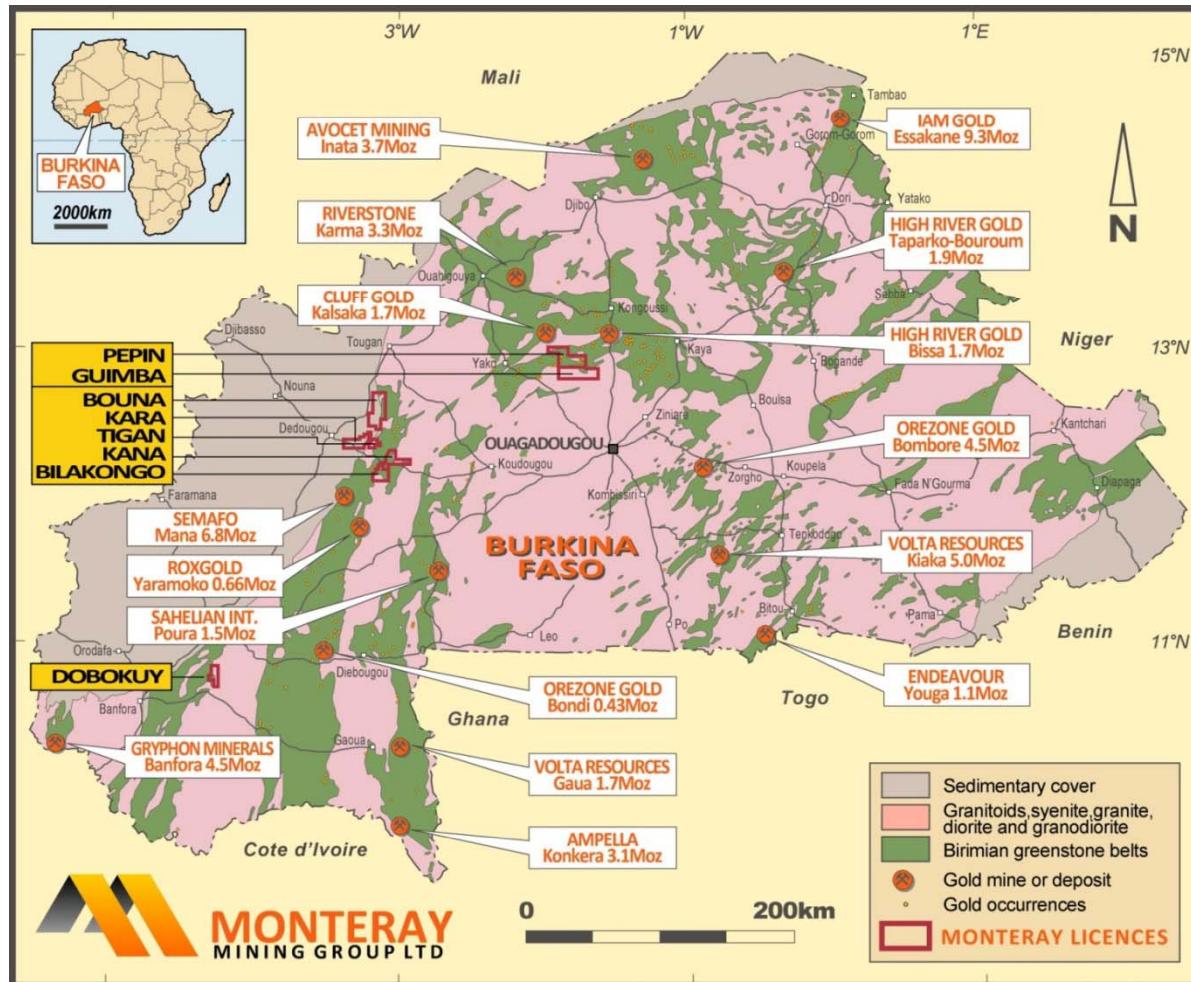
## Rated:

- #2 in Africa potential
- #3 for mining friendly
- #2 in Africa for Tax regime
- #3 in Africa for overall policy & Mineral potential index
- Hosts a large portion of West Africa's Birimian Greenstone Belts which has produced over 180 Moz in a century of production
- Lowest discovery costs in Africa ~US\$16/oz
- 7 gold mines opened since 2007
- Same high prospective geology as Mali, Ghana and Senegal but underexplored in comparison
- Modern & transparent Mining Code
- Democratic government

(Source: Fraser Institute Annual Survey of Mining 2011/2012)



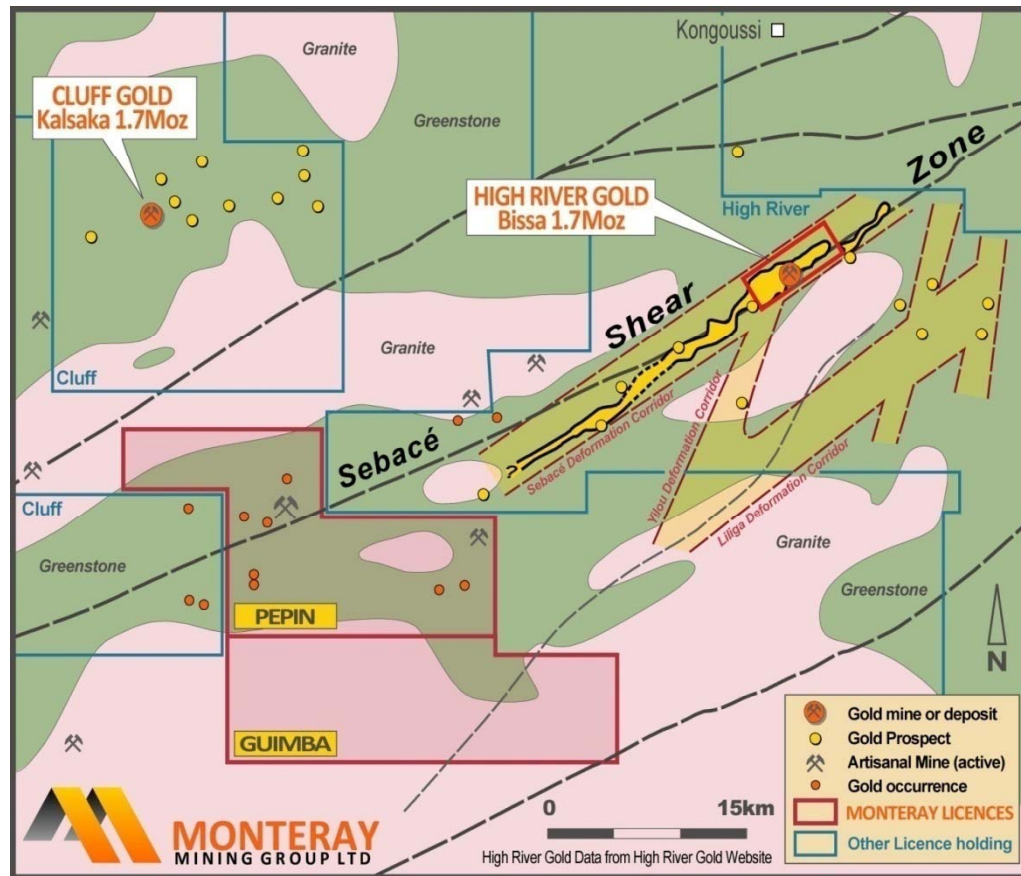
# 3 PROJECT AREAS - 100% INTEREST IN 8 PERMITS COVERING 1,178KM<sup>2</sup>



- Rights to 100% of 8 granted permits in major resource regions in Burkina Faso
- All located on major structures in regions of recent significant gold discovery,
- All previously undrilled, several anomalies defined by soil sampling and artisanal activity
- Multi- million ounce gold potential
- RC drilling planned for March 2013



# 1. BISSA REGION – 2 PERMITS PEPIN & GUIMBA



## HIGH RIVER GOLD'S BISSA PROJECT

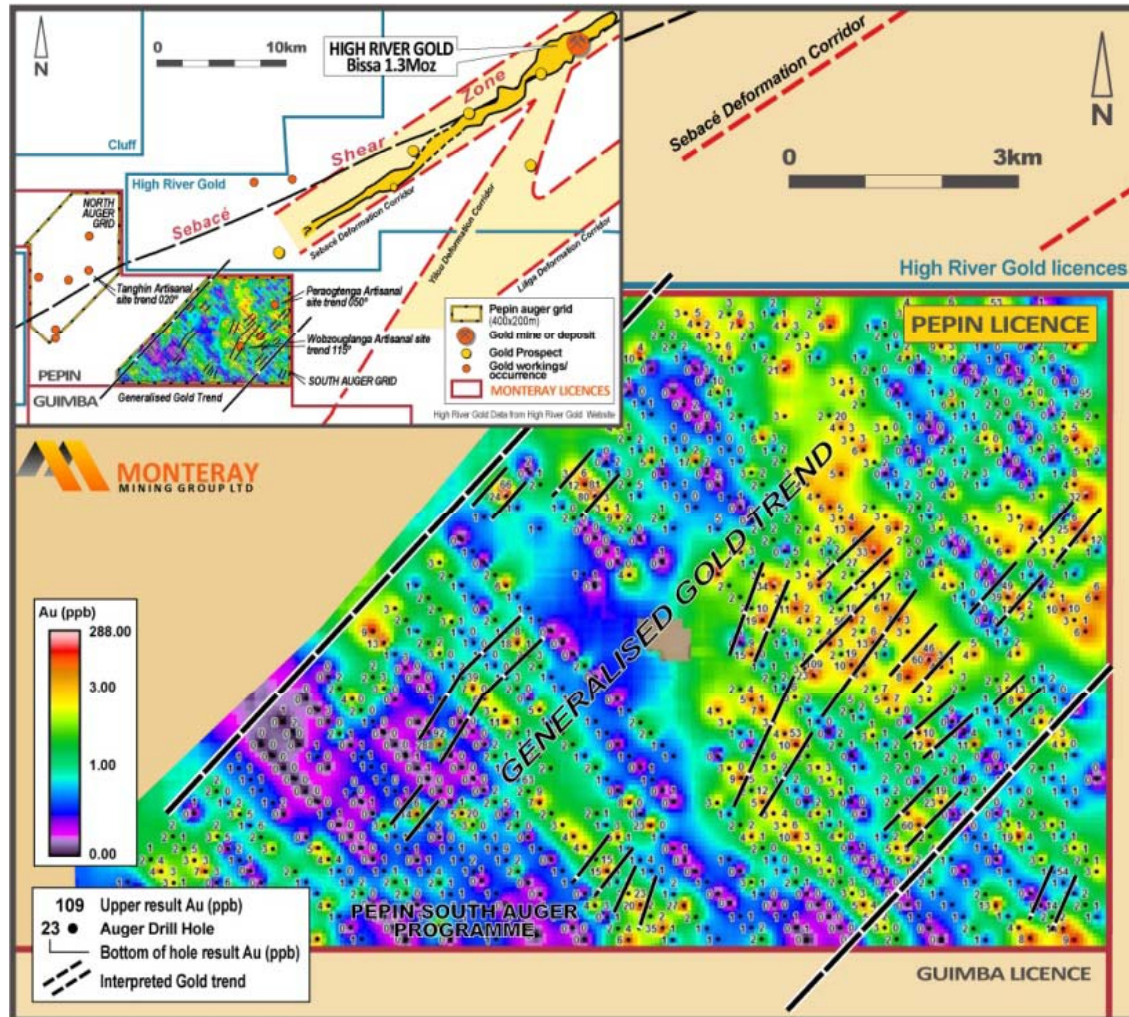
- 150-200Koz pa
- Production costs ~US\$650/oz
- Capex estimated \$187m

- High River Gold's Bissa Project - measured, indicated and inferred resource from 4.92Moz
- Sebace Shear Zone extension through Pepin, correlates with abundant artisanal workings
- Yilou/Liliga corridor extends into Guimba
- Combined area 500Km<sup>2</sup>
- New mines imminent in the immediate region
- Potential for multi-million ounce gold discoveries





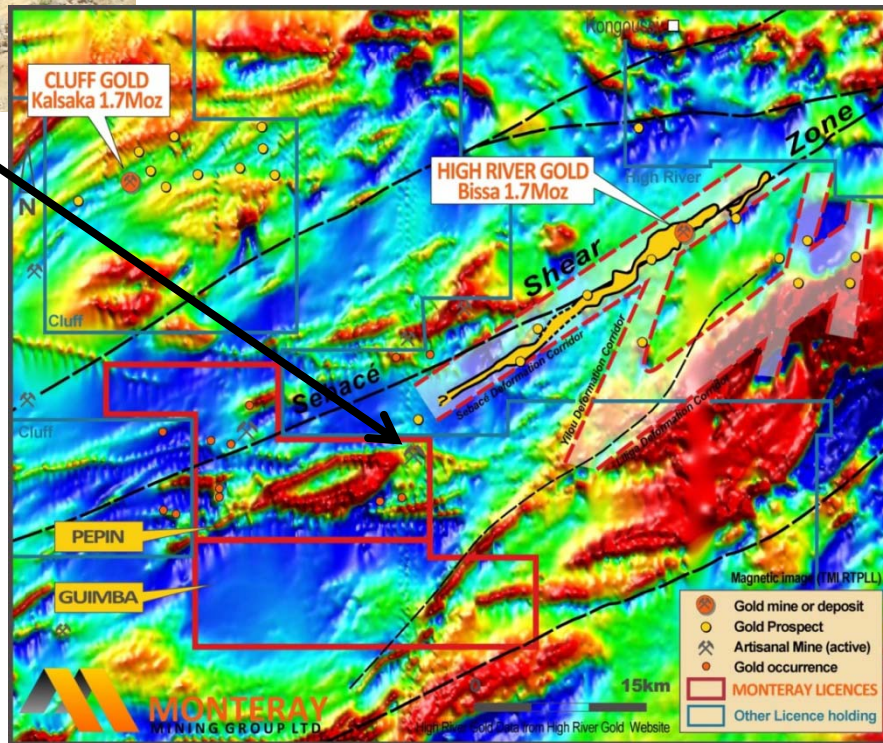
# PEPIN SOUTH – AUGER ANOMALIES



- Results at “Pepin South” showing cohesive gold anomalism across multiple zones
- Anomalous zones up to 3km in length and up to 288ppb Au
- Auger drilling on going at Pepin North
- Geological mapping to refine RC targets, prior to RC drilling in March
- Results similar to the initial anomaly at High Rivers Bissa project and adjacent satellite prospects adjacent to Pepin (1.8M oz)



# PEPIN & GUIMBA – MULTI-MILLION OUNCE POTENTIAL

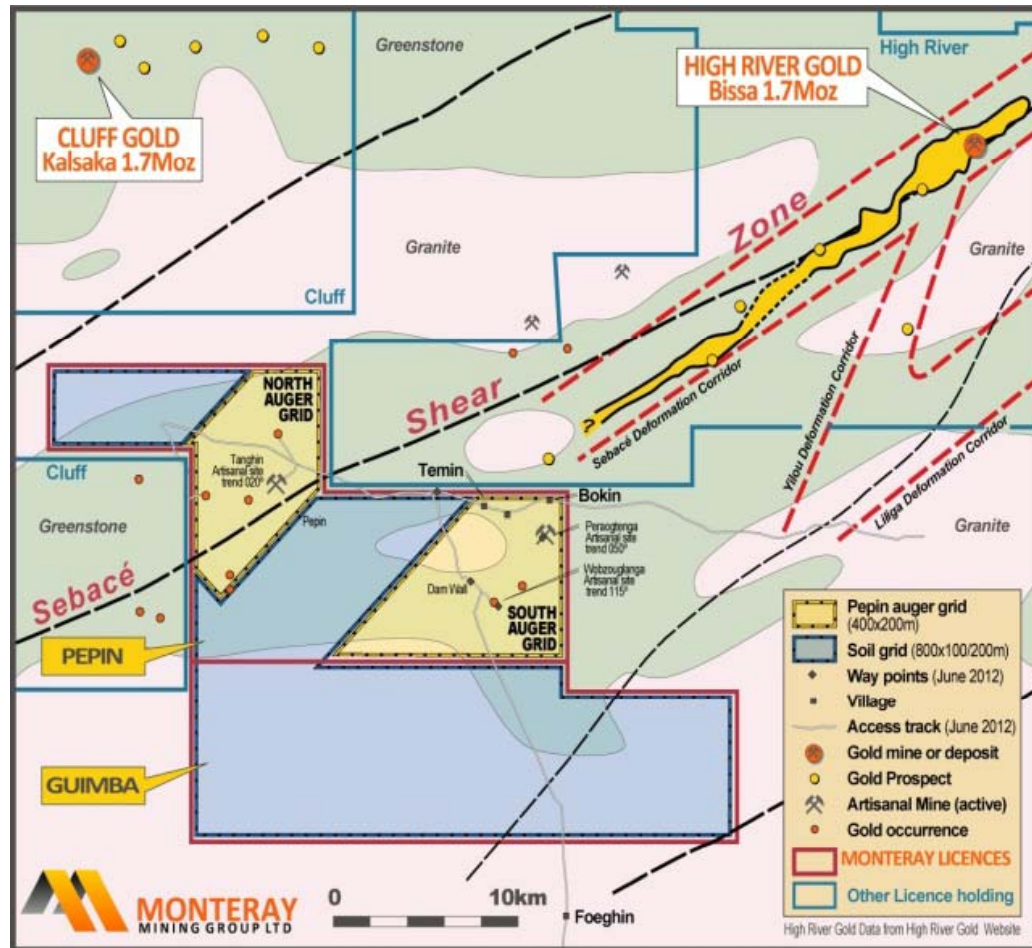


- *Immediately adjacent to permits with ongoing advanced prospect development (High River Gold and Cluff Mining)*
- *Long geological structures, and the contacts between clastic sediments and mafic volcanics, provide excellent opportunities for gold mineralisation*
- *Artisanal workings concentrated along the Sebacé shear zone*





# PEPIN SOUTH – QUARTER 1 OBJECTIVES



1. Detailed Geological mapping and sampling over the Pepin South grid at a 1:5000 scale and over the anomalous areas and artisanal sites at 1:2500 scale.
2. RC drilling and trenching of anomalous areas defined by auger drilling and filed mapping
3. Follow-up mapping and auger drilling of Pepin North prospect

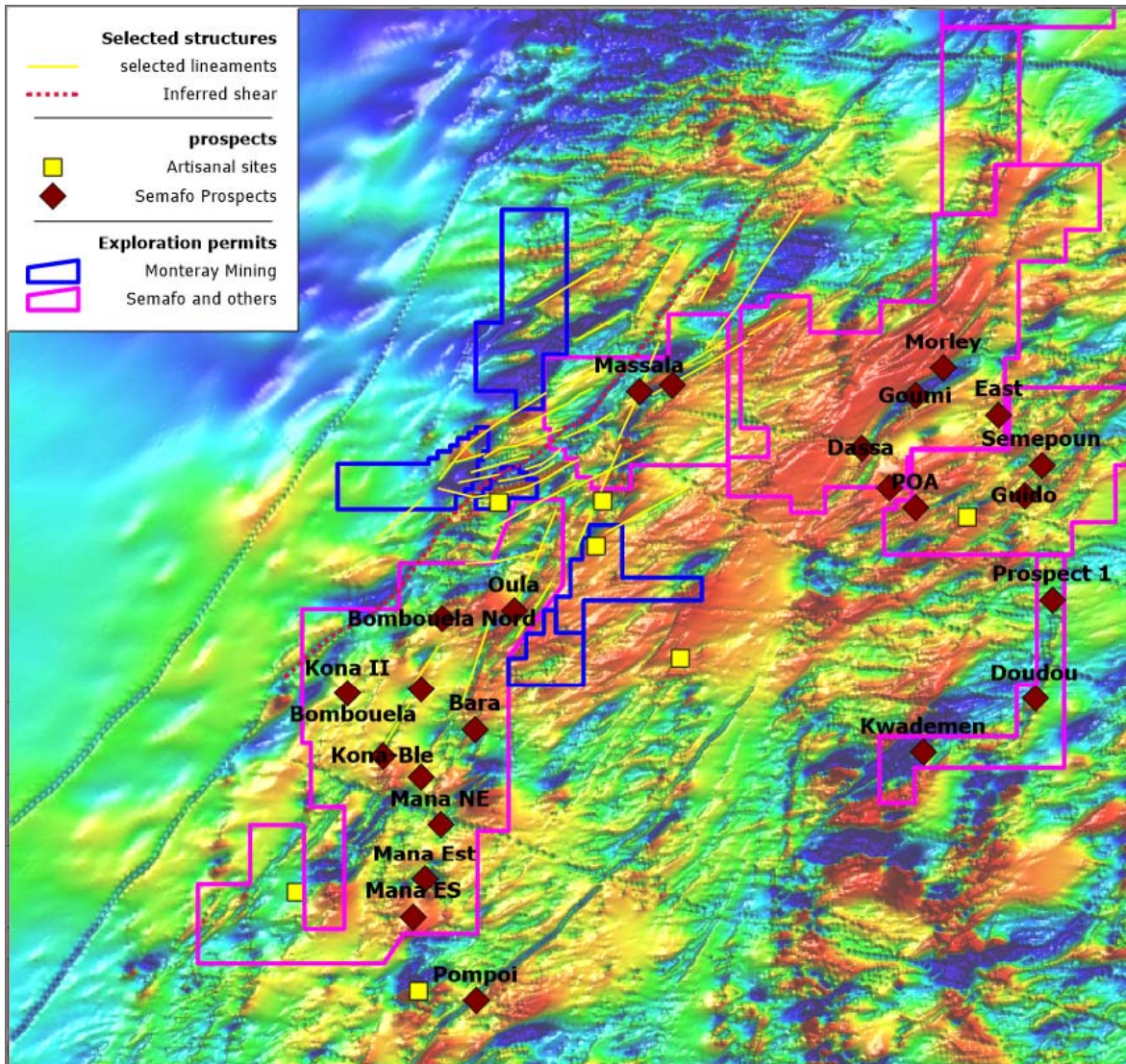


# PEPIN SOUTH – EXTENSIVE GOLD OCCURRENCES





## 2. MANA REGION – 5 PERMITS

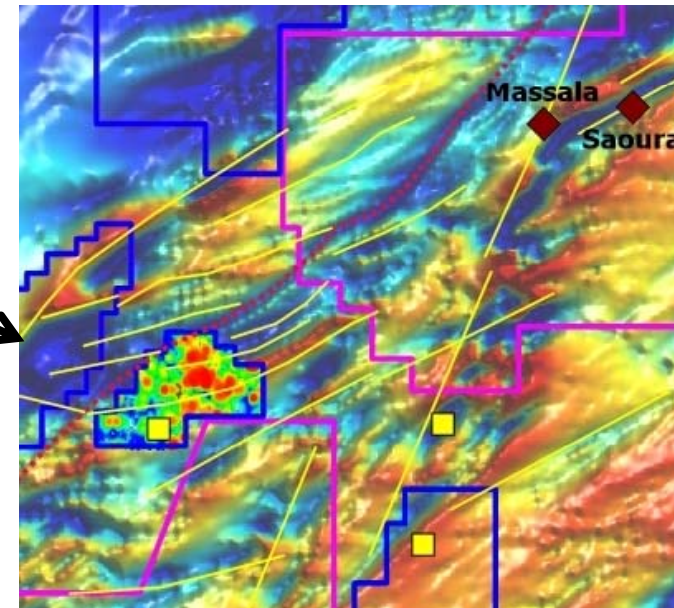
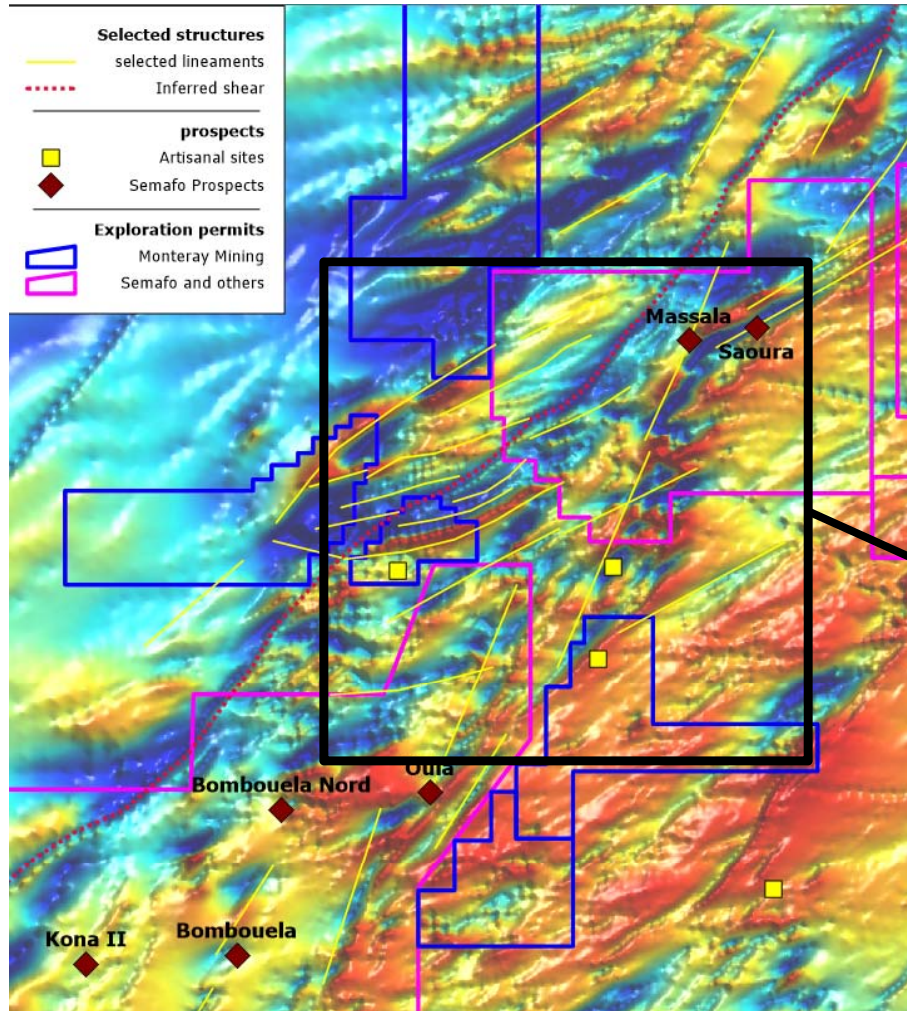


- Total permit area 603km<sup>2</sup>.
- Located adjacent to the SEMAFO's Exploration projects and Mana mine
- Major regional structures including those that host the Mana deposit and prospects
- No previous exploration drilling
- Completed regional geochemistry has defined targets coincident with mapped structures





# MANA PERMITS – ON MAJOR REGIONAL STRUCTURES



TM images showing regional structures coinciding with Tigan auger anomaly.



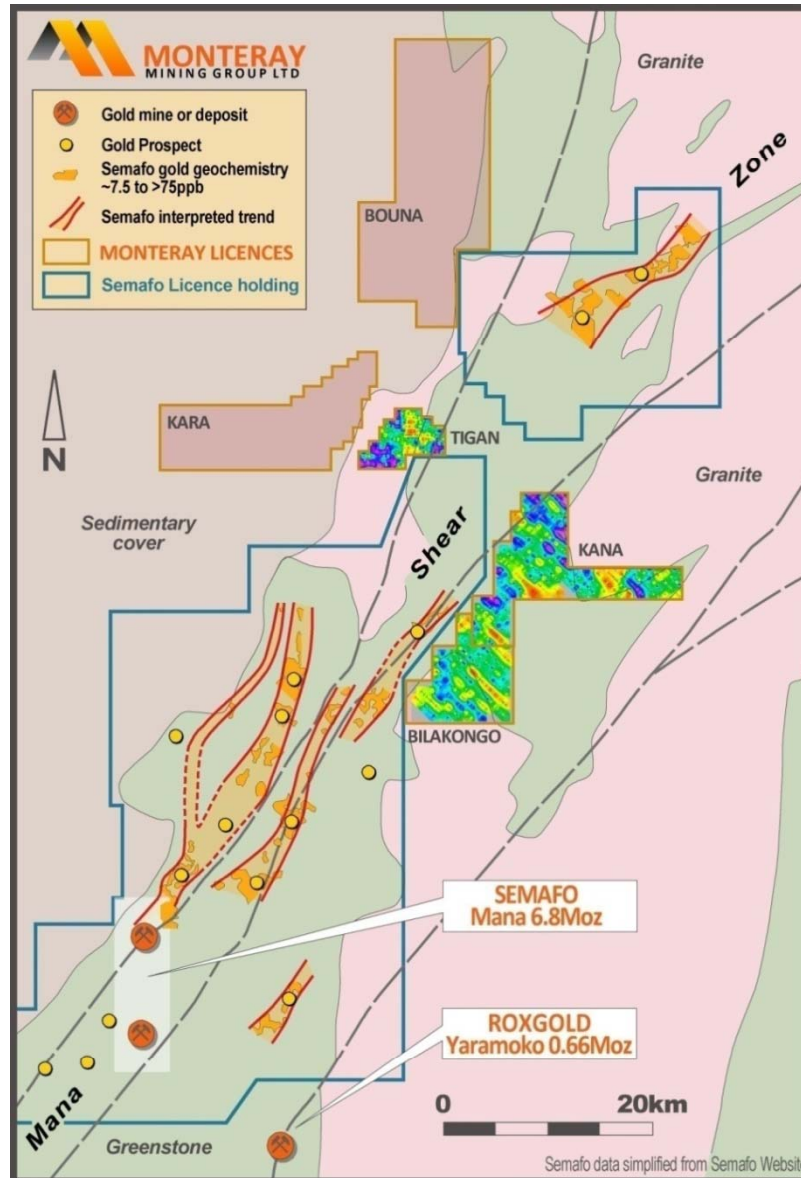
# MANA PERMITS – SOIL ANOMALIES DETECTED

## SEMAFO'S MANA MINE:

- 175,000 oz pa
- Cash costs ~US\$620/oz
- Increasing to 300,000 oz pa on 'super pit' expansion

## ROXGOLD'S YARAMOKO PROJECT

- High Grade gold
- 354,000 oz @ 17.8g/t
- 306,000oz @ 7.7g/t

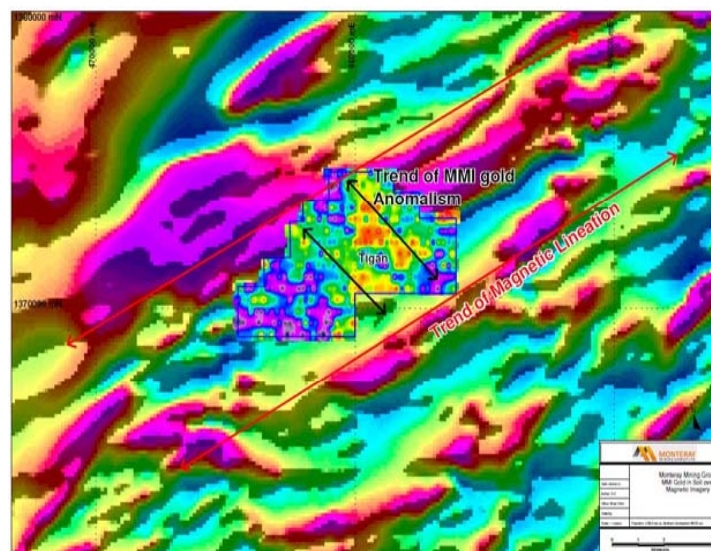
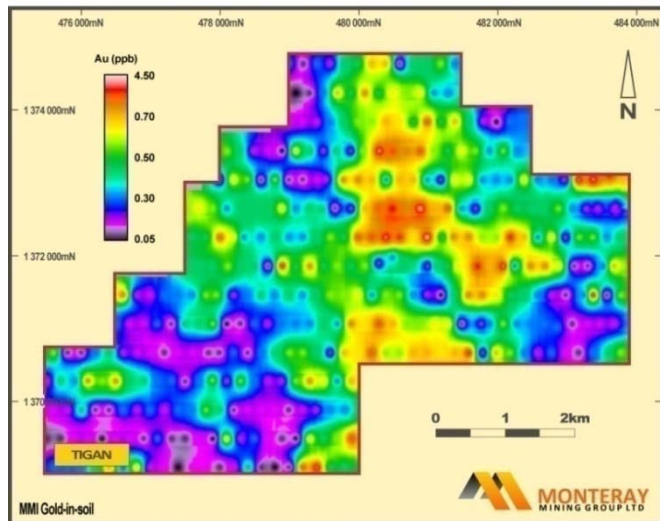
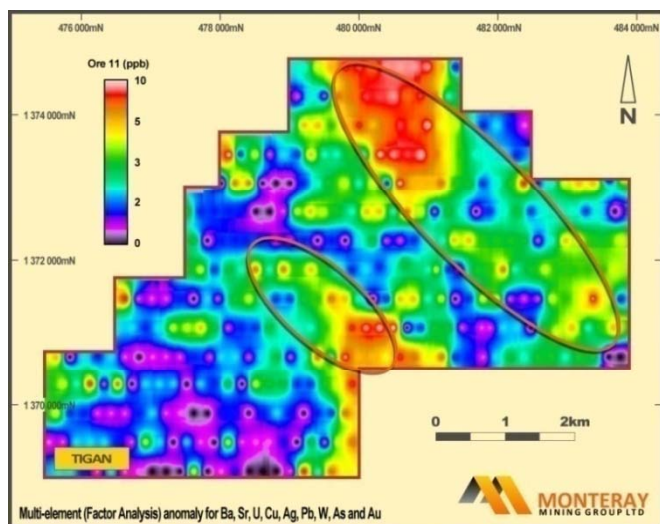


- Permits provide an ideal model for mineralisation similar to Mana mine as well as the Oula advanced prospect
- Completed regional geochemistry has defined targets coincident with mapped structures
- Gold and multi-element anomalies detected from blind MMI sampling, consistent with regional structures
- Auger drilling followed by RC drilling planned at Tigan for current exploration season;
- Soil sampling and auger drilling planned for Kana/Bilakongo & Bouna





# MANA REGION - TIGAN PERMIT



- *MMI gold in soil results plotted showing two distinct anomalies highlighted in the hotter red and yellow colours showing a NW trend/orientation*
- *Tigan lease MMI gold in soil over regional aeromagnetic image showing the NE trend of magnetic lineation and NW trend of gold in soil anomalism*
- *Strong gold anomaly consistent with structures hosting nearby Mana mine (4.77Moz measured and inferred plus 2Moz inferred)*

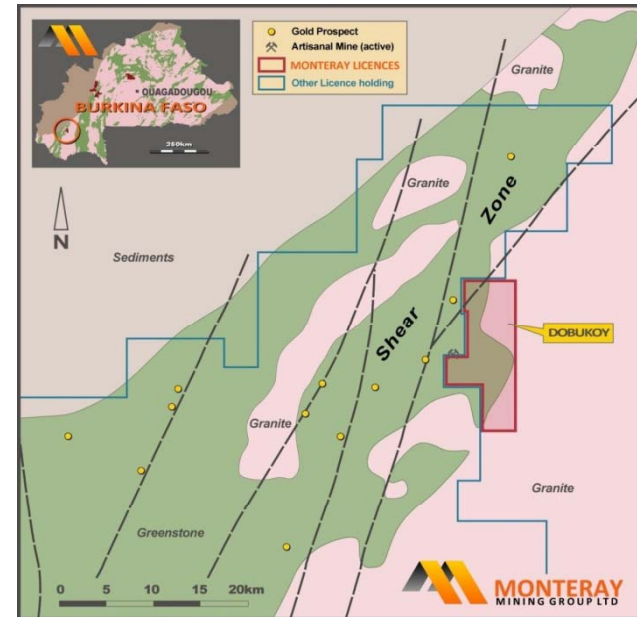
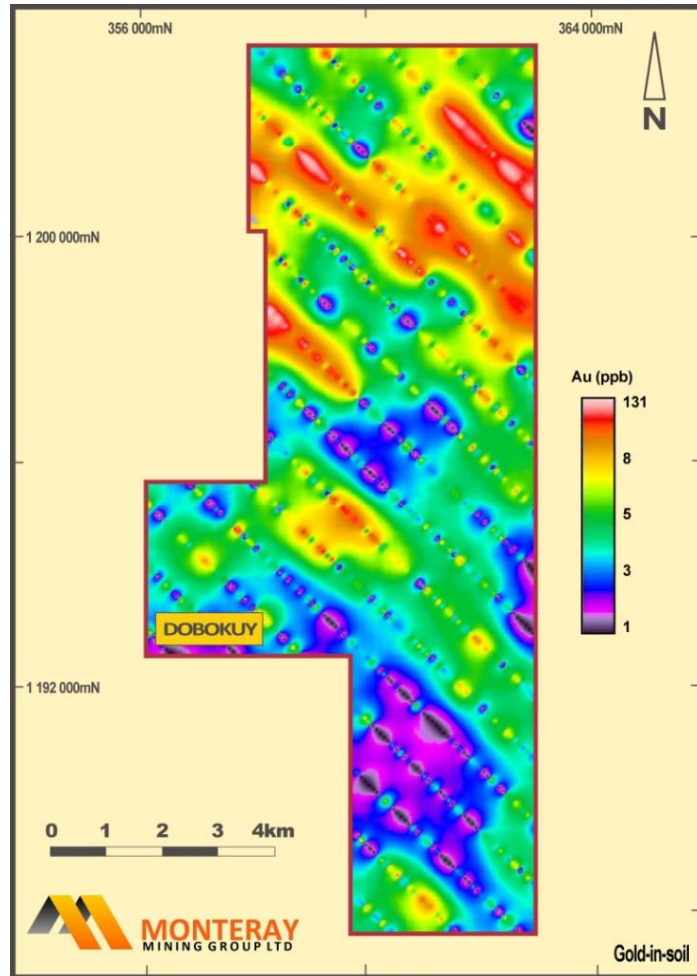




# REGIONAL ARTISANAL ACTIVITY



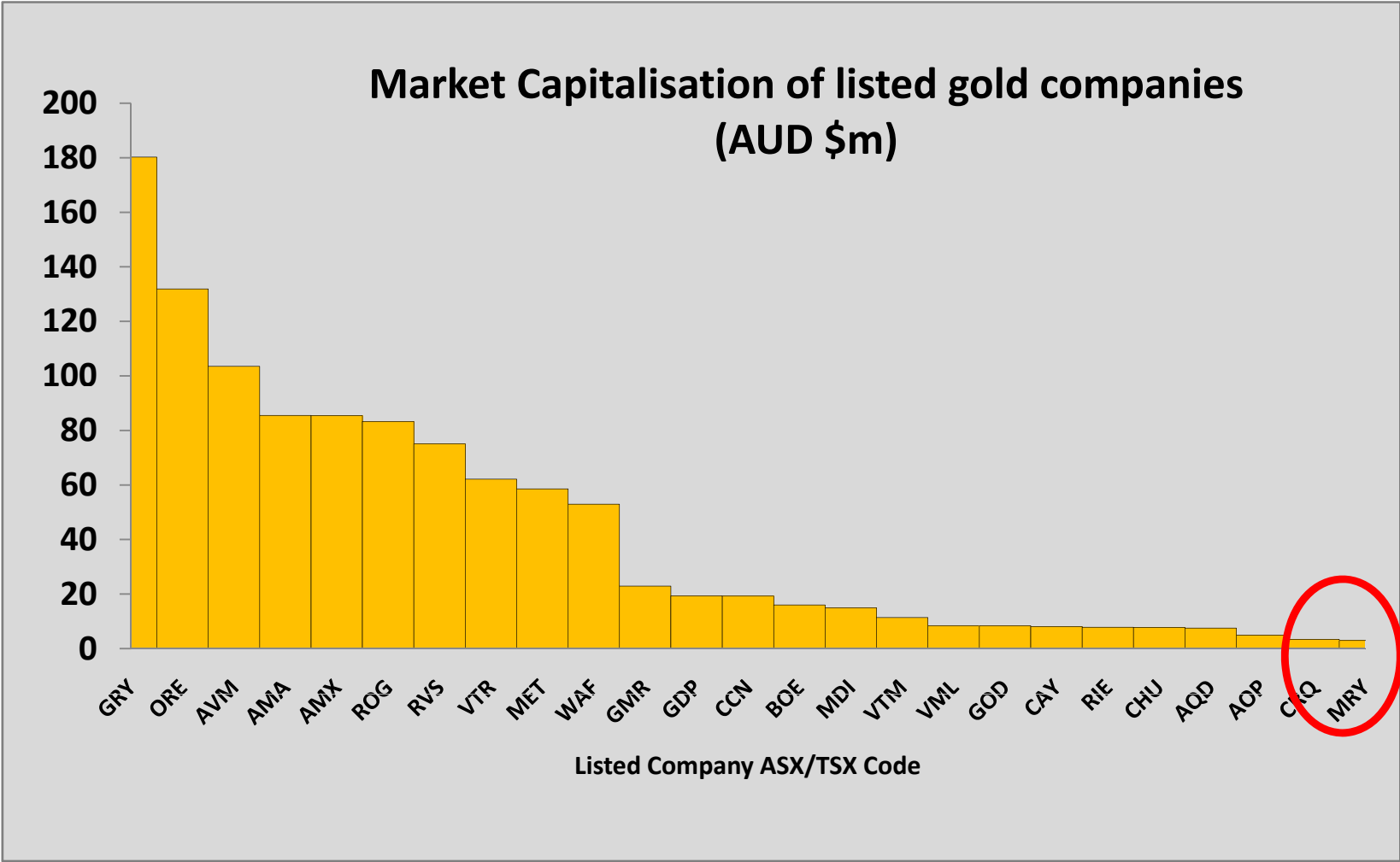
### 3. BANFORA REGION – DOBOKUY PERMIT



- *Set within the major shear corridor of a highly active greenstone belt, currently hosting over 25 various company advanced assets*
- *Soil anomaly & extensive current artisanal workings indicate high-grade potential*



# LISTED GOLD COMPANIES OPERATING IN BURKINA FASO



*\*Excludes developers, large cap companies lamgold, Semafo, High River, Endeavour and Avocet, Cluff Mining*



# EXPLORATION PROGRAM – BURKINA FASO

Targeted exploration program has commenced utilising Monteray's in-country network

## Q 1 2013

- *Auger drilling Pepin North & Tigan*
- *Detailed mapping of Pepin permit*
- *Infill RC drilling of Pepin South anomalies (approx. 3000m planned)*

## Q 2 2013

- *Release of first pass of Pepin South infill RC drill results*
- *Second phase drilling, soils and auger*





# CONCLUSIONS

## Tight Company Structure

- ✓ Tightly held corporate vehicle
- ✓ Directors and management with substantial shareholdings
- ✓ EV (undiluted, 7.8c) \$3.0m
- ✓ \$0.65m cash (31 Dec 2012)
- ✓ Highly leveraged to exploration success
- ✓ Reviewing additional acquisitions & new project opportunities

## Excellent Projects

- ✓ Target zones defined using regional geochemistry
- ✓ Anomalies consistent with robust geological models
- ✓ Adjacent to existing deposits and advanced projects
- ✓ All Birimian greenstone terrain
- ✓ Tapping into existing infrastructures and extensive network
- ✓ Focussed geological models with manageable exploration costs
- ✓ Burkina Faso: High success rates & low discovery costs



# CONTACTS

**Monteray Mining Group Ltd**

[www.monteraymining.com.au](http://www.monteraymining.com.au)

[info@monteraymining.com.au](mailto:info@monteraymining.com.au)

**Mike Edwards**

CEO

Mob: +61 427 001 819

[medwards@monteraymining.com.au](mailto:medwards@monteraymining.com.au)

**John Hannaford**

Director

Ph: +61 (0)8 9482 0501

Mob: +61 (0) 419 042 769

[jhannaford@monteraymining.com.au](mailto:jhannaford@monteraymining.com.au)



# COMPETENT PERSON STATEMENT

*The information in this report accurately reflects information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves). It is compiled by Mr Simon Omotosho, a consultant to the Company who is a Member of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. Mr Omotosho has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Omotosho consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*





## APPENDIX - BURKINA FASO PORTFOLIO

- Rights to 100% of **8 granted permits** in **three major resource regions** in Burkina Faso covering 1,178 km<sup>2</sup>, through two acquisitions completed in 2012
- All located in regions of **recent significant gold** discovery,
- All previously undrilled, **several anomalies defined by soil sampling** and artisanal activity

Region	Permit	Size km <sup>2</sup>	Date Granted	Ownership	Deal Terms
<b>1. Bissa</b>	Pepin	250	13/10/2011	Right to earn 100% through staged payments	Future Payments totalling \$205,000 over 36 months, 1.0% NSR
	Guimba	250	27/05/2011	Right to earn 100% through staged payments	Future Payments totalling \$205,000 over 36 months, 1.0% NSR
<b>2. Mana</b>	Tigan	31	28/07/2011	100%	
	Kara	135	28/07/2011	100%	
	Bouna	250	28/07/2011	100%	
	Bilakongo	71	18/01/2011	100%	
	Kana	116	9/12/2009	Right to earn 100% through staged payments	Future Payments totalling \$220,000 over 36 months, 1.5% NSR
<b>3. Banfora</b>	Dobokuy	75	18/01/2011	100%	
<b>Total Area</b>		<b>1,178</b>			

