

ASX ANNOUNCEMENT

28 February 2013

Completion of Placement

On 21 February 2013 Monteray Mining Group Ltd (ASX: MRY) announced it was raising \$1.685 million to accelerate exploration activities within its Burkina Faso gold projects.

Monteray is pleased to announce that it has completed the placement with the allotment of 9,475,155 shares at \$0.05 each to raise \$473,758. The placement was issued pursuant to ASX Listing Rules 7.1 (5.685 million shares) and ASX Listing Rule 7.1A (3.790 million shares).

The balance of the capital raising (\$1.2 million) will be completed under a pro rata non-renounceable rights issue on the basis of 1 new share for each 2 existing shares held on the record date (6 March 2013). An offer document will be dispatched to all eligible shareholders on 7 March 2013 and the offer closes on 25 March 2013.

Information required under ASX Listing Rule 3.10.5A

Pursuant to Listing Rule 3.10.5A Monteray Mining Group Ltd (MRY or the Company) advises the following information in respect to the placement of 9,475,155 shares at \$0.05 each raising \$473,758.

- (a) Dilution to existing shareholders who did not participate under Listing Rule 7.1A is 8%, dilution to existing shareholders who did not participate under Listing Rule 7.1 is 15.45% and the total dilution to existing shareholders as a result of the placement is 20%.

Approximate percentage of the issued capital post the ASX Listing Rule 7.1A placement (47.38 million shares) held by pre-placement security holders is as follows;

- i. Pre-placement security holders who did not participate in the placement hold 77.6%
 - ii. Pre-placement security holders who did participate in the placement hold 5.2%
 - iii. Participants in the placement who were not previously security holders hold 17.1%
- (b) The placement was made to introduce new investors to the company's share register. This will be in addition to the subsequent rights issue offered to all existing shareholders.
- (c) The placement was not underwritten.
- (d) The placement was managed by Ventnor Securities Pty Ltd and a fee equal to:
- i. 6% of the value of funds raised in the rights issue from subscribers who have been introduced and are stamped by Ventnor Securities; and
 - ii. 6% of the value of funds raised in the shortfall of the rights issue (should one occur).

Notice under section 708A

Monteray issued 9,475,155 shares on 28 February 2013 to sophisticated investors to raise \$473,758. The securities are part of a class of securities quoted on the Australian Securities Exchange Limited (ASX).

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act. The Shares were issued without disclosure to the various parties under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- a) The provisions of Chapter 2M of the Corporations Act; and
- b) Section 674 of the Corporations Act.

There is no excluded information as at the date of this notice, for the purposes of Section 708A(7) and (8) of the Corporations Act.

Detailed information on all aspects of Monteray Mining Group Ltd projects can be found on the Company's website: www.monteraymining.com.au.

Yours faithfully,



Steven Cole
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Monteray Mining Group Ltd

ACN

062 959 540

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 5,685,093
(b) 3,790,062
(c) - 23,687,886 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>5 cents per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) Placement of 5,685,093 shares under Listing Rule 7.1 (b) Placement of 3,790,062 shares under Listing Rule 7.1A (c) Pro-rata non-renounceable entitlements issue of 23,687,886 New Shares on the basis of one (1) New Share for every two (2) Shares held at the Record Date.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2012</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>9,475,155 – Placement (5,685,093 shares under LR 7.1 and 3,790,062 shares under Listing Rule 7.1A) 23,687,886 – 1 for 2 rights issue</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of securities issued under an exception in rule 7.2	23,687,886 – 1 for 2 rights issue	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes 15 day VWAP: - \$0.065– 75% of 15 day VWAP: - \$0.04875 Source: ETrade Pro	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Nil	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	Placement – 28 February 2013 Rights Issue –28 March 2013	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number 71,063,659	+Class Ordinary shares

+ See chapter 19 for defined terms.

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New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	9,250,000	Options expiring 31/8/2014 escrowed
	895,000	Options expiring 31/8/2014
	2,000,000	Options expiring 30/11/2015
	4,000,000	Options expiring 30/11/2016
	1,000,000	Options expiring 8/10/2015
	1,000,000	Options expiring 8/10/2016
	1,000,000	Class A performance shares expiring 8/10/2017
	1,000,000	Class B performance shares expiring 8/10/2017
	1,000,000	Options expiring 30/11/2016
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	One (1) new share for every two (2) shares held
14 +Class of +securities to which the offer relates	Fully paid ordinary shares
15 +Record date to determine entitlements	6 March 2013

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Rounding up to the nearest 1 share
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Only an Australian and New Zealand offer
19	Closing date for receipt of acceptances or renunciations	25 March 2013
20	Names of any underwriters	Offer is not underwritten. The directors reserve the right, subject to the requirements of the Listing Rules and Corporations Act to place any Shortfall Shares within 3 months after Closing Date. Shortfall Shares will be issued at the same issue price of New Shares under the Offer.
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	Ventnor Securities will manage the Offer
23	Fee or commission payable to the broker to the issue	A fee equal to : (a) 6% of the value of funds raised in the rights issue from subscribers who have been introduced and are stamped by Ventnor Securities; and (b) 6% of the value of funds raised in the shortfall of the rights issue (should one occur).
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Refer to 23 above for commissions payable to Ventnor Securities in relation to the Offer
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A

⁺ See chapter 19 for defined terms.

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New issue announcement

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	7 March 2013
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	21 February 2013
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 +Despatch date 28 March 2013

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

39 Class of +securities for which
 quotation is sought

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: ..28/2/2013
(Company secretary)

Print name: Steven Cole

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	31,500,618
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p style="text-align: center;">Nil</p> <p style="text-align: center;">3,000,000 – 08/10/2012 3,400,000 – 15/10/2012</p> <p style="text-align: center;">Nil</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	37,900,618

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	5,685,093
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	5,685,093
“C”	5,685,093
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	5,685,093
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	5,685,093
Total [“A” x 0.15] – “C”	<p>Nil</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	37,900,618
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	3,790,062
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	3,790,062
“E”	3,790,062

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	3,790,062
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	3,790,062
<p>Total [“A” x 0.10] – “E”</p>	<p>Nil</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.