

## ASX Release

31 January, 2013

**MONTERAY MINING GROUP**  
[info@monteraymining.com.au](mailto:info@monteraymining.com.au)  
[www.monteraymining.com.au](http://www.monteraymining.com.au)

### Contact:

**MIKE EDWARDS**  
CEO  
+61 427 001 819  
[medwards@monteraymining.com.au](mailto:medwards@monteraymining.com.au)

**JOHN HANNAFORD**  
Director  
+61 8 9482 0501  
[jhannaford@monteraymining.com.au](mailto:jhannaford@monteraymining.com.au)

### Projects:

**Burkina Faso**  
8 gold exploration permits covering  
1,178 km<sup>2</sup> 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  
**Andrew Habets** - Director

**Issued Capital:**  
37.9m Ordinary Shares  
19m Unlisted Options

**ASX Code:**  
MRY

Cash (31 Dec) - \$657k

## QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 December 2012

### Highlights

#### *Burkina Faso gold tenements:*

- ❖ *Completion of project acquisitions, resulting in 100% rights to 8 permits covering 1,178km<sup>2</sup> of un-drilled prospective Birimian gold belt.*
- ❖ *Completion of maiden auger drilling program at our Bissa Region Pepin South prospect, being 780 holes for a total of 5,028m.*
- ❖ *Results for Auger drilling at Pepin South received showing cohesive gold anomalism across multiple zones.*
- ❖ *Anomalous zones up to 3km in length and up to 288ppb Au.*

#### *WA gold tenements:*

- ❖ *Drill program completed with 12 holes drilled for 1,228m.*
- ❖ *Drilling intercepted targeted sulphide and quartz veining.*
- ❖ *Best intercept of 8m at 3.72g/t Au, from 52m.*

#### *Appointment of Mike Edwards as CEO:*

- ❖ *Geologist and Economist, with over 20 years experience in senior management in both the private and public sector.*

\*\*\*\*\*  
Monteray Mining Group Ltd ("Monteray" and/or "the Company") is pleased to present its Quarterly Activities Report and Appendix 5B for the quarter ended 31 December 2012.

### Burkina Faso Gold Projects

Monteray previously announced two acquisitions covering a total of 8 gold exploration permits in Burkina Faso.

Following shareholder approval in September 2012, the Company completed both acquisitions during the quarter. Monteray's portfolio of gold permits in Burkina Faso covers 8 permits in 3 regions of prolific gold endowment, covering a total of 1,178km<sup>2</sup> of highly prospective Birimian greenstone belt. The permits are all along known gold-bearing structures, and several have extensive artisanal workings.

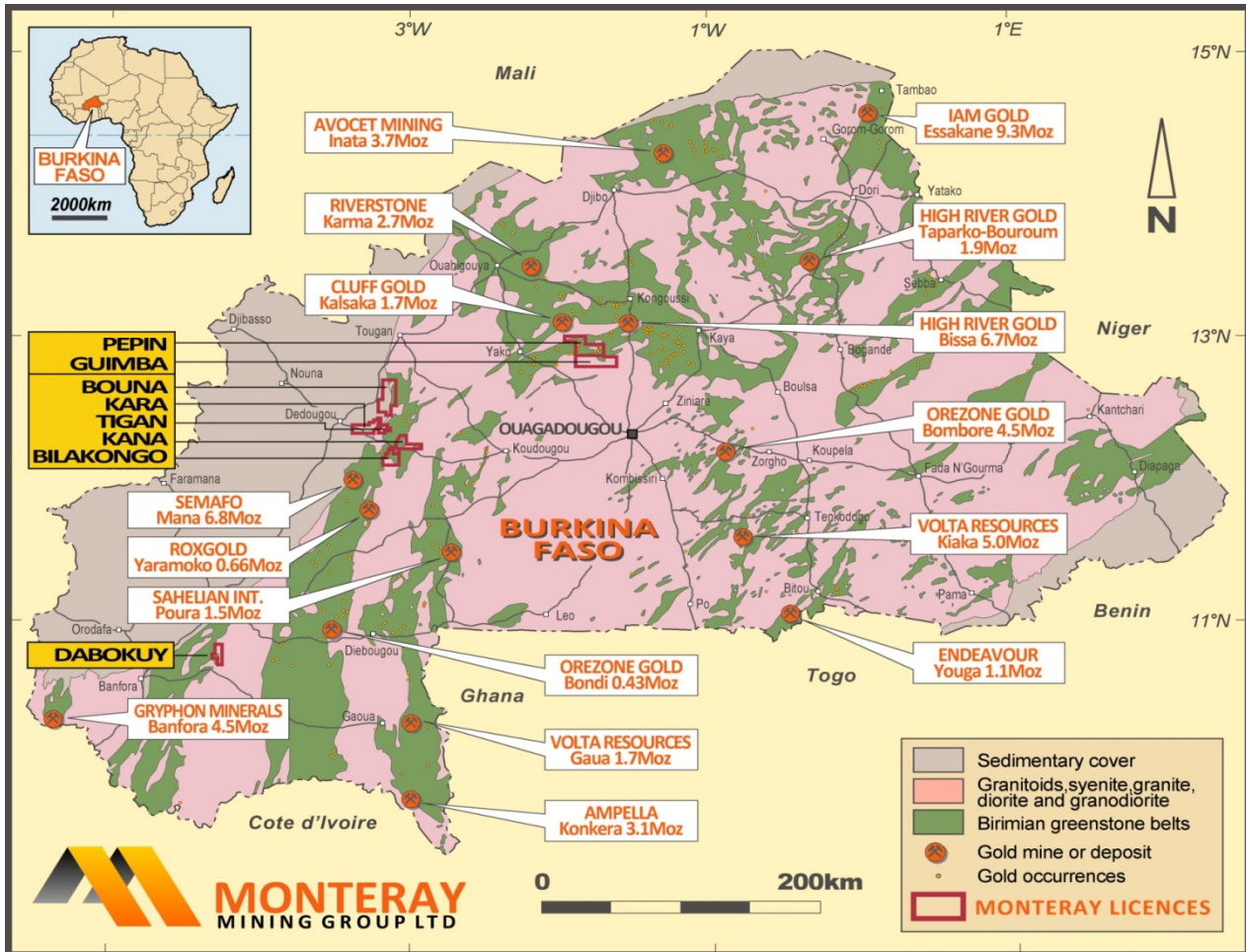


Figure 1: Monteray's Burkina Faso portfolio, in regions of recent significant gold discovery

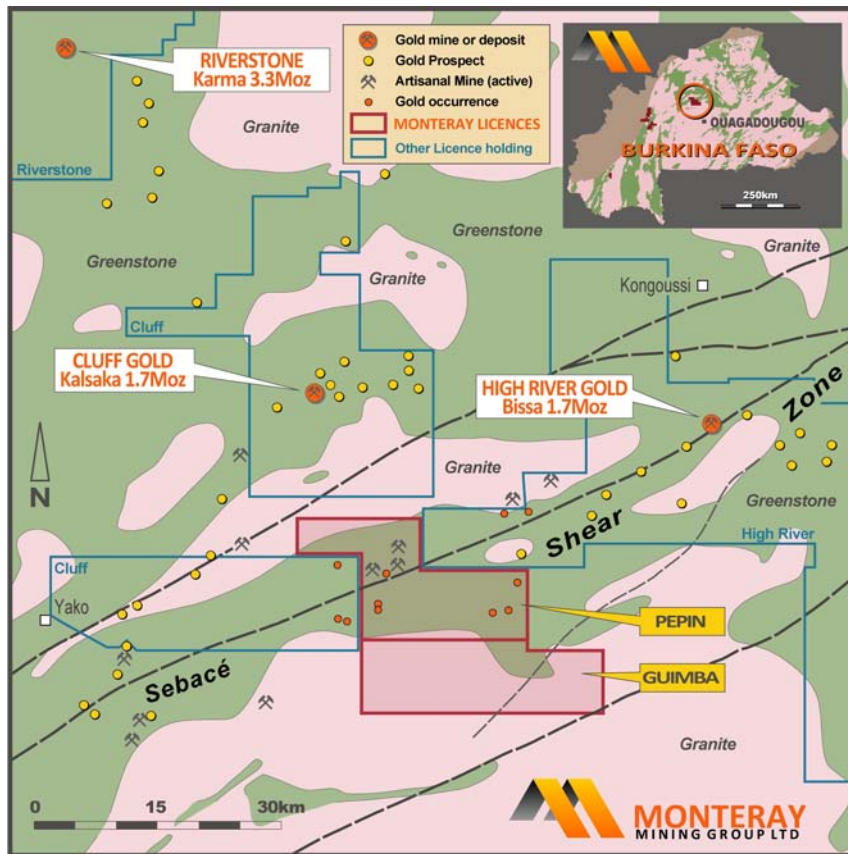
## Pepin & Guimba Permits

### Auger Drilling Results and Analysis

The Pepin & Guimba permits cover a total area of 500km<sup>2</sup> and include the south western extension of the Sebacé Shear Zone, along strike from High River Gold's 1.8Moz Bissa project.

The company completed an auger drilling program on the southern portion of the Pepin permit, ("Pepin South") during the quarter, with results received and analysed.

A total of 780 auger holes were drilled at Pepin South at a spacing of 200m on lines 400m apart covering an area of 74 km<sup>2</sup>. A total of 1,343 samples were submitted to ALS Laboratory in Ouagadougou for analysis for gold by BLEG (Bulk Leach Extractable Gold).



**Figure 2:** *Pepin & Guimba permits located in central Burkina Faso, on the Sebacé Shear Zone, along strike from High River Gold's Bissa gold project.*

Analysis and imaging of the results has found that cohesive gold anomalism has been highlighted with a distinct north-easterly trend that parallels the main structural corridor and Sebacé shear zone that host the Bissa 1.8Moz deposit that is composed of quartz veining in a northeast trending, sulphidic and strongly altered tabular body.

The main anomaly in the centre of the drilled area is in line with artisanal sites, but anomalism has also been picked up in areas with no past workings.

The main anomaly has a strike length of 3km centred on an old artisanal working within strongly silicified basalt as visited by Monteray's geologist in June 2012. Statistical analysis of results has concluded that results above 12ppb Au can be considered above background levels and anomalous. Results of up to 288ppb Au have been received and are plotted on Figure 3.

Auger drilling is on-going on the Pepin North grid with samples being sent for analysis at regular intervals. First results from that work are expected in the next few weeks.

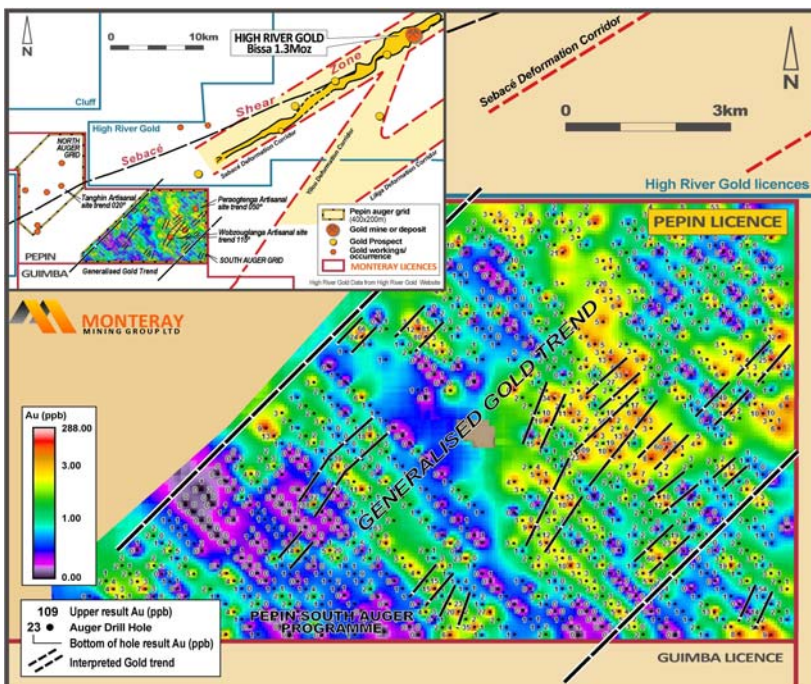
BLEG analysis is commonly used as it allows for the whole sample to be analysed with detection levels for gold down to 0.001ppm (1ppb). Work by other companies in the area has found these low levels of detections are necessary as gold values can be quite low, even over major gold mineralisation. Splits of the samples were also taken and sent to ALS Perth for multi-element analysis, all those results are pending.

In most holes where possible two samples were taken, one from the interface between the laterite and the saprolite and one at the bottom of hole in the saprolite, holes were drilled to bit refusal with an average depth of 7m attained. Holes were logged by a geologist on the rig and

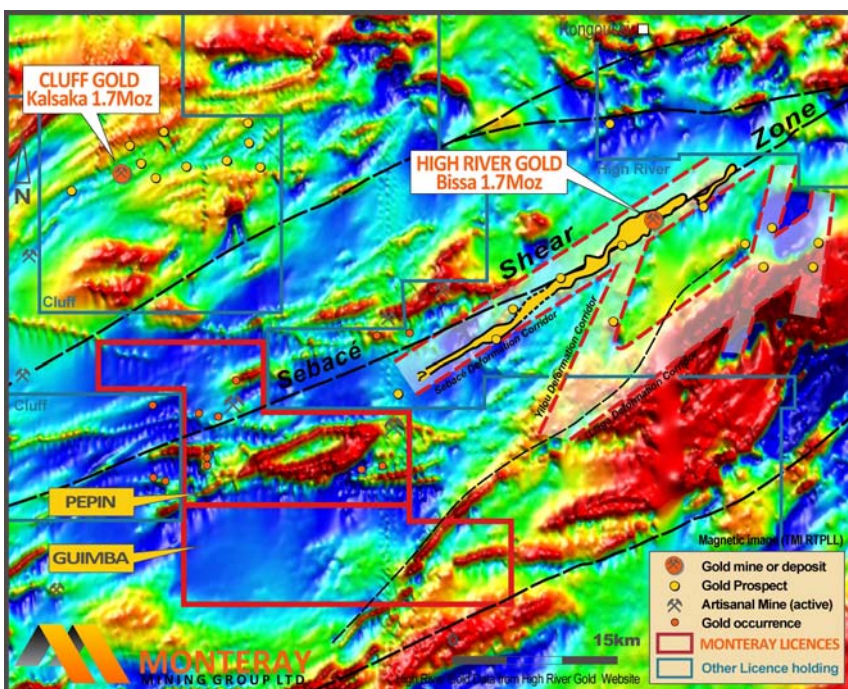
Duplicate samples were collected at rate of 4 per 100 samples for QAQC purposes.

### Further Exploration at Pepin South

- **Detailed Geological mapping** onto aerial photos is scheduled to start at Pepin South in early February 2013. Mapping over the whole Pepin South grid at a 1:5000 scale and over the anomalous areas and artisanal sites at 1:2500 scale will be completed. Rock chip samples will also be taken where appropriate.
- **RC drilling and trenching** of the auger defined anomalous areas is planned to commence in March 2013. The size and continuity of the anomalies has allowed the Company to fast track the exploration program.



**Figure 3:** Pepin South Auger drill gold contour image with upper and bottom of hole Au ppb results plotted next to hole, showing interpreted gold anomaly trends



**Figure 4:** Regional aeromagnetic image covering the Sebacé Shear Zone and the Liliga Deformation Corridor, showing extensions into the Pepin & Guimba permits. The large magnetic feature in the Pepin permit with corresponding extensive artisanal workings represents major regional anomaly that will be the subject of auger & RC drilling.

**Table 1: Pepin South Auger Drilling Anomalous bottom of hole results**

Hole ID	East	North	Au ppb	Depth
PPN0300	635909	1431998	12	7
PPN0439	631540	1435237	12	7
PPN0178	634924	1434678	13	10
PPN0241	635204	1433265	13	5
PPN0368	636751	1430020	13	5
PPN0593	629006	1433265	13	5
PPN0318	637601	1429738	14	10
PPN0669	629423	1431145	14	4
PPN0349	633654	1433124	15	7
PPN0605	631823	1430446	15	10
PPN0258	632951	1435522	17	5
PPN0487	630693	1433264	18	7
PPN0014	636758	1437343	19	5
PPN0292	637041	1430869	19	11
PPN0320	633793	1433549	19	5
PPN0608	632244	1430023	20	6
PPN0133	634080	1436649	21	10
PPN0325	634445	1432872	23	5
PPN0345	636057	1431292	23	13
PPN0536	632382	1431003	23	4
PPN0515	630547	1435099	24	7
PPN0063	637743	1434678	25	7
PPN0575	632799	1430017	27	5
PPN0029	637889	1435096	32	10
PPN0176	635203	1434390	33	12
PPN0312	633938	1433968	34	7
PPN0610	632528	1429741	35	8
PPN0114	636900	1433835	39	4
PPN0230	634924	1433547	56	4
PPN0223	635902	1433063	60	5
PPN0389	635772	1431012	60	7
PPN0438	631678	1435099	80	7
PPN0621	629708	1431997	288	5

*Note\* All Auger holes vertical, Analysis by BLEG Au-AA11c*

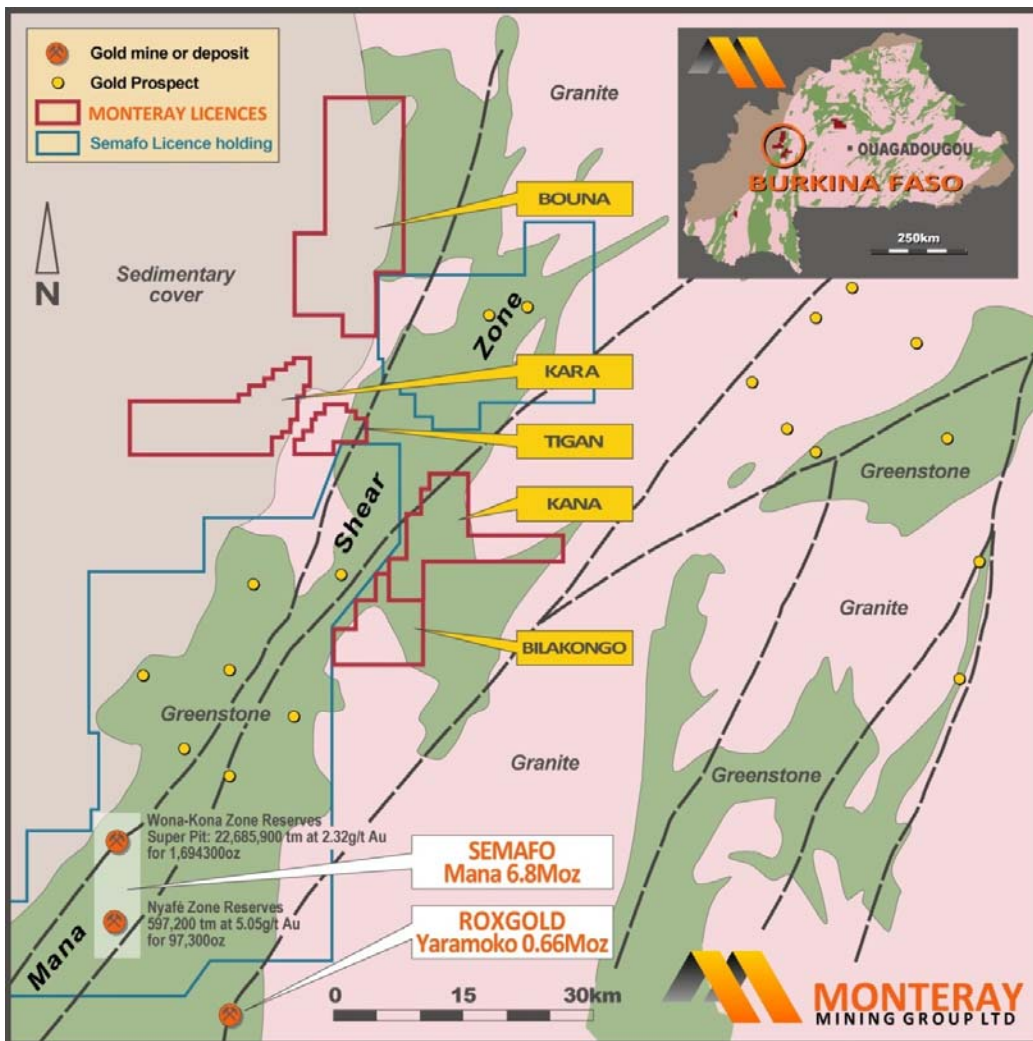
*Datum: UTM WGS 84, Zone 30 Northern Hemisphere*

### **Ongoing Exploration**

**Pepin North** – Auger drilling on a 200m x 400m grid is continuing at the Pepin North prospect. Approximately 50% (350 holes, 3000m) of the 6000m program has been drilled to date with completion by the middle of February, and all results anticipated by the end of February.

## Mana Region – 5 Permits covering 603 km<sup>2</sup>

The Company has 5 permits covering 603km<sup>2</sup> in the Mana region of western Central Burkina Faso. The region is dominated by SEMAFO Inc's world class Mana project (6.8Moz Au), which is currently mining at a rate of 140,000 oz/per year, with plans to increase to over 300,000 oz per year. The Company's permits are adjacent to SEMAFO's ground holding and target the northern extensions of the Mana Shear Zone.

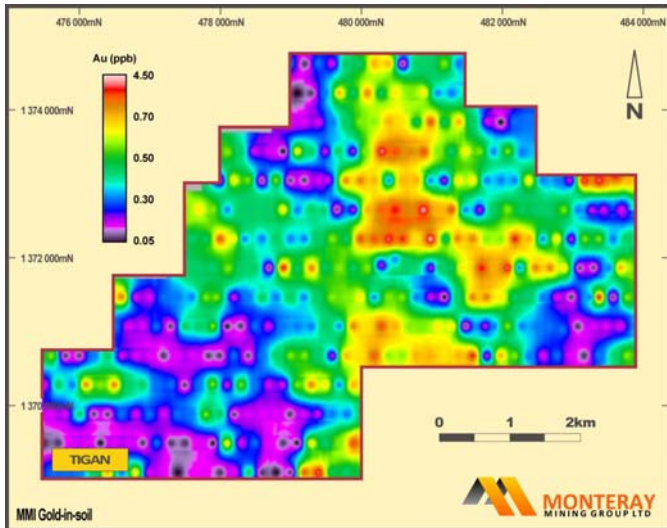


**Figure 5:** Mana region map showing Monteray licences and SEMAFO licences along the NW/SE trending Mana Shear Zone

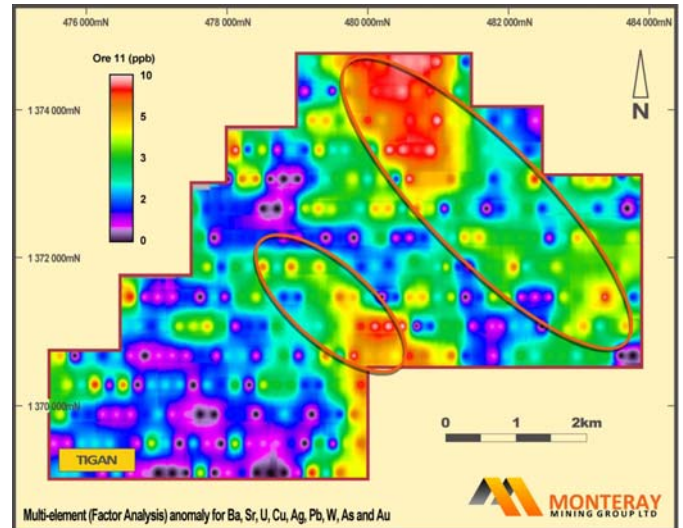
### Exploration Program commenced

During the quarter the Company completed ground recognisance and data review over its Mana region permits. This was to follow up the successful MMI soil sampling program conducted over the Tigan permit during the September quarter which identified significant gold anomalism.

Results show that there is a large (2.8 km x 1.5 km), distinct and cohesive anomaly for gold in the eastern sector of the Tigan lease with a second separate and smaller anomaly below.

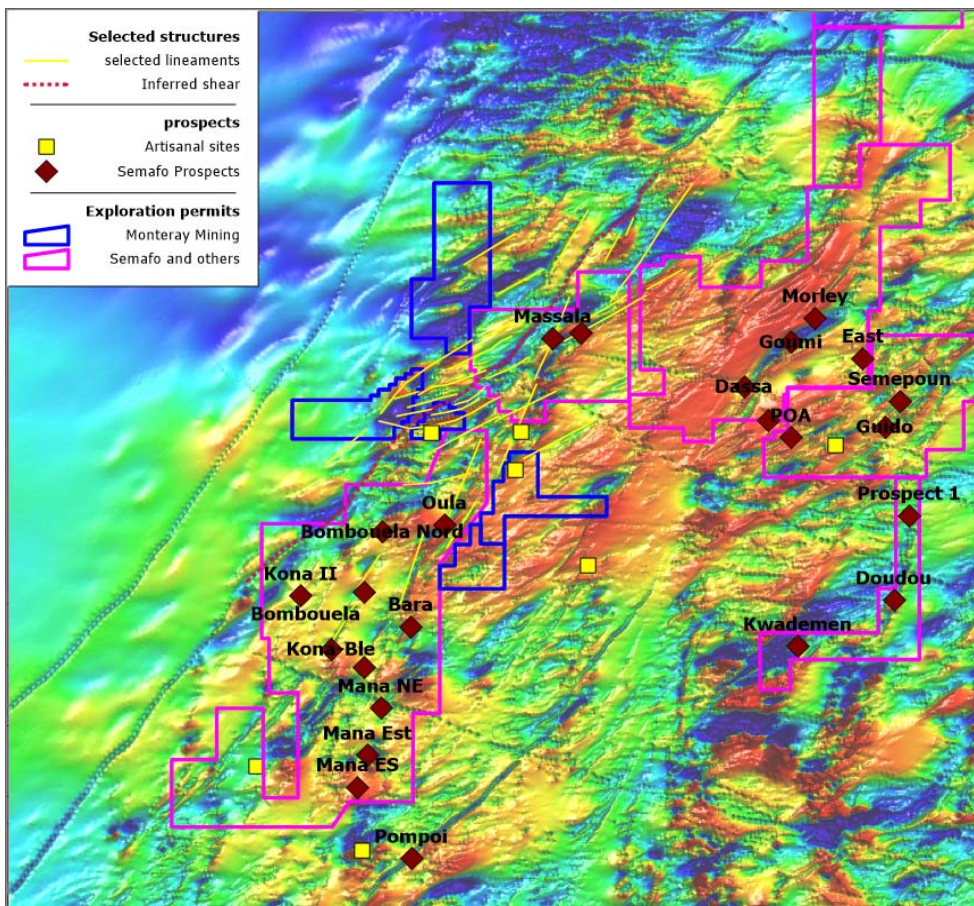


**Figure 6:** The Tigan permit with MMI gold in soil results plotted showing two distinct anomalies highlighted in the hotter red and yellow colours showing a NW trend / orientation



**Figure 7:** MMI multi-element results on the Tigan project

This MMI gold in soil anomalism is orientated in a north-westerly direction and likely related to tensional linkage structures formed between magnetic lineaments marking major structures that consistently trend to the north-east in the region. These postulated linkages can be zones of dilation that can result in deposition of mineralising fluids. The 6.8Moz SEMAFO Mana gold mine, located 60km to the south, as well as the adjacent *Oula* permit also being drilled by SEMAFO, is related to one of these strong north-east trending structures.



**Figure 8:** Regional TMI image showing structures associated with Mana Shear Zone mineralisation

The MMI multi-element results confirm strong anomalism in the north and central part of the lease (see Figure 7). This is a significant model for gold mineralisation related to deep seated structures, because elements tend to occur together in the earth's crust when a geological event has occurred, whereby concentrating elements that are not normally so closely associated. Deep seated ultramafic associations are a significant model in most recent discoveries in Burkina Faso.

There also appears to be a subtle zonation developed with a central gold core and multi-element anomalism developed on the fringes, especially in the north of the lease area. The anomalism displayed by the MMI soil survey has been successful in delineating robust targets for further follow up by auger drilling.

Duplicate samples were collected every 20th sample and this QAQC data was reviewed with no significant issues raised.

Auger drilling on the Tigan permit, which is along strike and on the same Mana Shear Zone structure as SEMAFO'S 6M oz Au Mana mine, is planned for early March 2013. The planned 3,500m program is to further delineate the soil anomalies. Results from this 350 hole 200m x 200m grid program are expected to be received early April, following which the company will plan further exploration including RC drilling in the second quarter.

## West Australian Projects

The Western Australian gold project portfolio comprises five exploration tenements covering 2,218 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 (see Figure 8).

### E25/333 – 'Triple 3' Prospect

During the quarter, Monteray Mining Group Ltd completed its maiden RC drilling program at the Triple 3 Project in the Eastern Goldfields of Western Australia. A total of 12 holes were drilled for 1,228 metres. The drilling followed up on historic high grade intercepts in RAB drilling as well as testing the prospective granite contact zone and shear related quartz veining within the granite, intercepted in a historic diamond core hole.

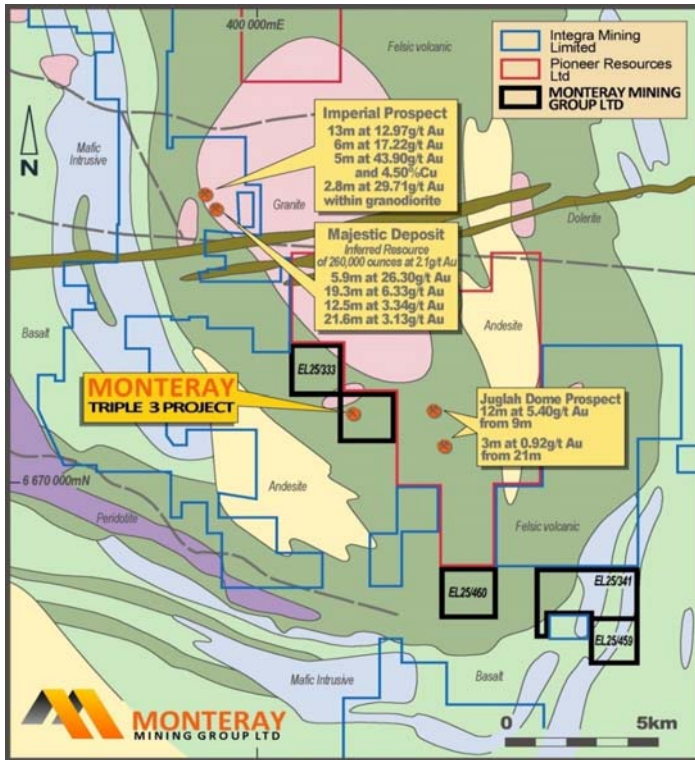
The drill program was designed to test for gold at greater depths and extent in the granite and granite contact, a target similar to the Majestic Deposit located 8km to the north. Follow up twinning of previous high grade RAB (HRRB008) intercepts by MTRC001 failed to replicate the results although similar lithologies and sulphides were intercepted, with the best results being 16m at 0.39g/t Au from 44m.

At the granite greenstone contact abundant pyrite was intersected along with quartz over a 20m width in MTRC002 but was only weakly anomalous for gold. An historical quartz vein intercept (HRDD002) was intersected up-dip and returned the best result of **8m at 3.72g/t Au** in MTRC008.

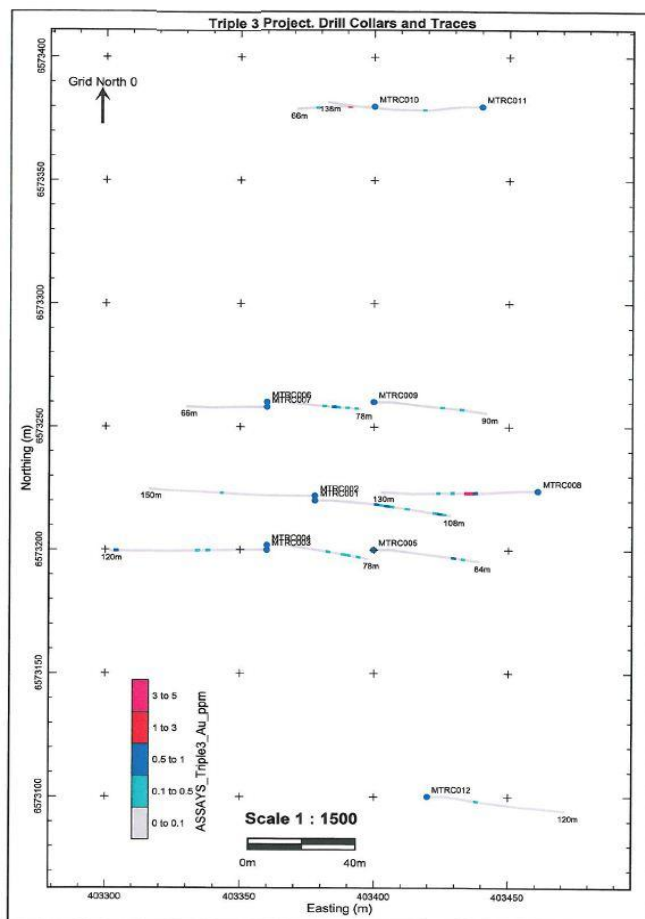
Other anomalism was associated with felsic dykes, quartz stringers and sulphides. The program



tested the targets of interest and provided a useful platform for further work. A map of drill hole locations is presented as Figure 10 and a table of anomalous results is presented as Table 2.



**Figure 9:** 'Triple 3' Prospect location in relation to Integra's Majestic deposit and Pioneer Resources tenements in the east goldfields region



**Figure 10:** Triple 3 Drilling Map

**Table 2: Anomalous Drill Results**

Hole ID	East	North	Dip	Azimuth	From	To	Interval	Au (g/t)	Hole Depth
MTRC001	403378	6573220	-60	90	44	60	16m	0.39	108m
MTRC001	403378	6573220	-60	90	68	72	4m	0.22	
MTRC001	403378	6573220	-60	90	96	104	8m	0.44	
MTRC002	403378	6573222	-60	270	no results 0.2g/t Au or greater returned				150m
MTRC003	403360	6573200	-60	270	48	52	4m	0.21	120m
MTRC003	403360	6573200	-60	270	112	116	4m	0.54	
MTRC004	403360	6573202	-60	90	44	48	4m	0.26	78m
MTRC004	403360	6573202	-60	90	60	64	4m	0.32	
MTRC005	403400	6573200	-60	90	60	64	4m	0.63	84m
MTRC005	403400	6573200	-60	90	68	72	4m	0.21	
MTRC006	403360	6573260	-60	90	52	60	8m	0.44	78m
MTRC006	403360	6573260	-60	90	72	76	4m	0.44	
MTRC007	403360	6573258	-60	270	no results 0.2g/t Au or greater returned				66m
MTRC008	403461	6573224	-60	270	48	52	4m	0.82	130m
MTRC008	403461	6573224	-60	270	52	60	8m	3.72	
MTRC008	403461	6573224	-60	270	68	72	4m	0.26	
MTRC008	403461	6573224	-60	270	80	84	4m	0.23	
MTRC009	403400	6573260	-60	90	52	56	4m	0.29	90m
MTRC010	403400	6573380	-60	270	16	20	4m	1.95	66m
MTRC010	403400	6573380	-60	270	44	48	4m	0.22	
MTRC011	403440	6573380	-60	270	no results 0.2g/t Au or greater returned				138m
MTRC012	403420	6573100	-60	90	no results 0.2g/t Au or greater returned				120m

- Note:*
- 4m composite samples collected as drilled
  - Gold assayed by Fire Assay (FA40AAS) and Copper by ICPMS
  - Copper maximum result 137ppm
  - Only results greater than or equal to 0.2g/t Au presented
  - All sample analysed by Kalassay, Kalgoorlie, WA

## Location and Geology

The Triple 3 prospect is located approximately 70 km ESE of Kalgoorlie. The tenement lies within the Archaean Norseman – Wiluna Greenstone belt, which is highly mineralised and includes the Kalgoorlie and Kambalda deposits.

Nearby operating mines include the Mount Monger project area 8km to the SW that includes the Daisy Milano mine operated by Silver Lake Resources that has a total JORC resource inventory of 1.7Moz of gold. Also the Randalls Project located 22km to the SE that has a JORC total resource of 30Mt at 2.6g/t for 2.5Moz of gold operated by Integra Mining.

## Corporate

The Company has total cash reserves at 31 December, 2012 of \$0.657 million.

### Board and Management Appointments

During the December quarter, the Company appointed Mr Andrew Habets as Non Executive Director. Mr Habets joined the board upon completion of the acquisition of Eburnean Resources SARL.

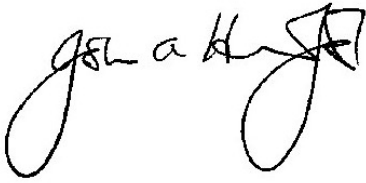
The Company also appointed Mr Mike Edwards to the position of Chief Executive Officer. Mr Edwards is a geologist and economist who brings a broad range of experience to the position.

## ASX Announcements

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

14/12/2012	Triple 3 Project Drill results
06/12/2012	Exploration Update
30/11/2012	Results of Meeting
30/11/2012	AGM Presentation
30/11/2012	Chairman's Address to Shareholders
30/11/2012	Appointment of Chief Executive Officer
14/11/2012	Amended: Triple 3 Drilling Commences
14/11/2012	Triple 3 Drilling Commences
12/11/2012	Response to ASX Diversity Query
5/11/2012	Company Presentation
31/10/2012	Quarterly cashflow Report
31/10/2012	Quarterly Activities Report
30/10/2012	Notice of Annual General Meeting and Proxy Form
30/10/2012	Monteray Annual Report 2012
29/10/2012	Monteray Company Presentation October 2012
29/10/2012	WA Drilling Program to Commence
25/10/2012	Initial Director's Interest Notice
24/10/2012	Director Appointment/Resignation
19/10/2012	Change in substantial holding
18/10/2012	Change in substantial holding
18/10/2012	Change of Director's Interest Notice
15/10/2012	Amended Appendix 3B
15/10/2012	Monteray Completes Eburnean Gold Exploration Acquisition
15/10/2012	Appendix 3B
10/10/2012	Appendix 3B
09/10/2012	Amended Appendix 3B
09/10/2012	Appendix 3B
09/10/2012	Acquisition of Vema Resources Completed
04/10/2012	Change of Director's Interest Notice

For and on behalf of Monteray Mining Group Ltd



**John Hannaford**

Director

***Competent Person's 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.*

***About Monteray Mining Group Ltd***

*Monteray Mining Group Ltd has a portfolio of five gold exploration licences located in the Eastern goldfields region of Western Australia and eight gold exploration permits located in western & central Burkina Faso, West Africa covering 1,178km<sup>2</sup> of unexplored Birimian greenstone belt.*