



MONTERAY MINING GROUP LTD

ABN 15 062 959 540

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT TO SHAREHOLDERS**

FOR AN ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON
THURSDAY 28 NOVEMBER 2013 AT CWA HOUSE,
1176 HAY STREET, WEST PERTH, WESTERN AUSTRALIA AT 09.00AM WST

IMPORTANT DOCUMENT

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9482 0560.

MONTERAY MINING GROUP LIMITED

ABN 15 062 959 540

NOTICE OF MEETING

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is hereby given that an annual general meeting of the Shareholders of Monteray Mining Group Ltd ("**Monteray Mining**" or "**the Company**") will be held on the date and at the location and time specified below:

DATE: Thursday 28 November 2013
LOCATION: CWA House, 1176 Hay Street, West Perth, Western Australia
TIME: 09.00am WST

EXPLANATORY STATEMENT

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 09.00am WST on Tuesday 26 November 2013.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

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Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF MEETING

BUSINESS

The business to be transacted at this Annual General Meeting is the receipt of the financial statements and reports and the proposal of Resolutions 1 to 8 as set out below.

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, and the independent auditor's report.

RESOLUTION 1 ~ ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Director's Report in the Annual Report for the year ended 30 June 2013".

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

RESOLUTION 2 ~ APPROVAL FOR ADDITIONAL 10% CAPACITY

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **special resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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RESOLUTION 3 ~ RATIFICATION OF PRIOR ISSUE – SHARES – ASX LISTING RULE 7.1

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,685,093 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 ~ RATIFICATION OF PRIOR ISSUE – SHARES – ASX LISTING RULE 7.1A

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,790,062 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 ~ RE-ELECTION OF MR ALEXANDER (SANDY) BARBLETT AS A DIRECTOR

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of article 20.2 of the Constitution and for all other purposes, Mr Alexander Barblett, a Director, retires by rotation, and being eligible, is re-elected as a Director."

RESOLUTION 6 ~ RE-ELECTION OF MR ANDREW HABETS AS A DIRECTOR

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of article 19.4 of the Constitution and for all other purposes, Mr Andrew Habets, a Director who was appointed on 24 October 2012, retires, and being eligible, is re-elected as a Director."

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RESOLUTION 7 ~ APPOINTMENT OF AUDITOR

To consider and if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, subject to the Australian Securities and Investments Commission granting its consent to the resignation of the Company's current auditor, BDO East Coast Partnership, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit (WA) Pty Ltd, having been nominated and having consented in writing to act as auditor the Company, be appointed as the Company's auditor in accordance with section 327D of the Corporations Act and the directors be authorised to set its remuneration".

RESOLUTION 8 ~ AMENDMENT OF COMPANY CONSTITUTION

To consider and if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That for the purposes of section 136 of the Corporations Act 2001 and for all other purposes, the constitution of the Company be amended as set out in the Explanatory Notes attached to this notice".

Note: A reference to a director in the voting exclusion statement includes all Company directors, including directors who are standing for re-election or election at the AGM.

BY ORDER OF THE BOARD OF MONTERAY MINING GROUP LIMITED



Brett Tucker
Company Secretary
22 October 2013

MONTERAY MINING GROUP LIMITED

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EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 09.00am WST at CWA House, 1176 Hay Street, West Perth, Western Australia on Thursday 28 November 2013. This Explanatory Statement is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in a reduction in the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.monteraymining.com.au

2. RESOLUTION 1 ~ ADOPTION OF REMUNERATION REPORT

General

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Directors' Remuneration as set out in the Directors' Report of the Annual Report 2013 be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Directors' Remuneration at the Annual General Meeting.

Recent changes to the Corporations Act

Under changes to the Corporations Act, if at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when Directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

At the Company's previous annual general meeting the remuneration report considered at that annual general meeting was adopted by shareholders. Accordingly, the Spill Resolution is not relevant for this annual general meeting.

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The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 2013.

Proxy restrictions

If you elect to appoint the Chair, or another member of Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will **not** be counted in relation to this Resolution 1.

3. RESOLUTION 2 ~ APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (10% Placement Capacity).

If Shareholders approve Resolution 2, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 2 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

(Eligible Entity).

The Company currently has on issue 65,400,355 Shares and the last recorded closing price of the Shares on ASX at the date of this Notice was 2.3 cents. The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$1,504,208.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities.

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The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

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EXPLANATORY MEMORANDUM TO SHAREHOLDERS

or such longer period if allowed by ASX.

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the economic and dilution effect that an issue of the 10% Placement Capacity will have on existing Shareholders, calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2):

- (i) on the basis of the current number of Shares on issue as at the date of this Notice;
- (ii) two examples where the number of Shares on issue has increased by 50% and 100%. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rules 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Number of shares on issue	Dilution			
	Issue Price (per share)	1.2 cents 50% decrease in Issue Price	2.3 cents Issue Price	4.6 cents 100% increase in Issue Price
65,400,355 (current)	Shares issued	6,540,036	6,540,036	6,540,036
	Funds raised	\$78,480	\$150,420	\$300,842
50% increase in current 98,100,533	Shares issued	9,810,053	9,810,053	9,810,053
	Funds raised	\$117,721	\$225,631	\$451,262
100% increase in current 130,800,710	Shares issued	13,080,071	13,080,071	13,080,071
	Funds raised	\$156,961	\$300,842	\$601,683

*The number of Shares on issue could increase if the Directors issue Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 22 October 2013.
2. The issue price set out above is the closing price of the Shares on the ASX on 21 October 2013.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

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5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use any funds raised towards the continued exploration and development of the Company's gold permits in Burkina Faso, West Africa and gold tenements in Western Australia, as well as for the acquisition of new resources assets and investments; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Capacity will be the vendors of the new resources assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

As the Company previously received Shareholder approval for a 10% Placement Facility, being effected at the previous Annual General Meeting of the Company, it is required under Listing Rules 7.3A.6 that the following information be provided:

- (a) During the 12 months preceding the date of this Meeting, being 27 November 2012 to 28 November 2013 (**Preceding 12 Month Period**), the Company has issued in aggregate the following Equity Securities:
 - a. 27,499,737 Shares
- (b) Those Equity Securities issued during the Preceding 12 Month Period represent, on a fully diluted basis, 72% of the total number of Equity Securities that were issued on the first day of the Preceding 12 Month Period; and
- (c) During the Preceding 12 Month Period, the Company effected various issues of Equity Securities, the particulars of which are following on the next page.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

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Date	Class	Allottees	Issue price	Discount to market price	Total cash consideration	Amount of cash consideration spent, what it was spent on and proposed application of balance of funds	Non cash consideration	Number of Equity Securities
27 February 2013	Ordinary Shares	Clients of Ventnor Securities Pty Ltd (placement shares)	5 cents per share	3 cents per share ¹ (37.5% discount based on market price of shares on 26 February 2013 of 8 cents)	\$473,758	All funds have been spent on the Burkina Faso gold exploration program at the Pepin North Project which included auger, AC and RC drilling in April and May 2013, and for the continuation of the Company's search for new exploration projects which included administration costs typical to an ASX listed company.	N/A	9,475,155
					<u>Broken down as:-</u>			
						Ordinary shares issued under ASX Listing Rule 7.1 (15% capacity)		5,685,093
						Ordinary shares issued under ASX Listing Rule 7.1A (10% capacity)		3,790,062
25 March 2013	Ordinary Shares	Existing shareholders (rights issue to shareholders)	5 cents per share	Nil discount ¹ (based on market price of shares on 22 March 2013 of 5 cents)	\$349,873	All funds have been spent on the Burkina Faso gold exploration program at the Pepin North Project which included auger, AC and RC drilling in April and May 2013, and for the continuation of the Company's search for new exploration projects which included administration costs typical to an ASX listed company.	N/A	6,997,464

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17 2013	April	Ordinary Shares	Existing shareholders and clients of Ventnor Securities Pty Ltd (shortfall from rights issue to shareholders)	5 cents per share	Nil discount ¹ (based on market price of shares on 16 April 2013 of 5 cents)	\$551,356	~\$5k of funds have been spent on the Company's search for exploration projects which included administration costs typical to an ASX listed company. Remaining funds will be used for the same purpose ² .	N/A	11,027,118
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Notes

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

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EXPLANATORY MEMORANDUM TO SHAREHOLDERS

4. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE – SHARES – LISTING RULE 7.1

General

The table below outlines dates, number and price of securities issued by the Company under its 15% capacity, in accordance with Listing Rule 7.1.

Issue	Date	Security	Price	Number	Reason for Issue
#1	28 February 2013	Ordinary Shares	\$0.05 per share	5,685,093	Issue of shares to fund an exploration campaign focusing on an RC and auger drilling program on tenements in Burkina Faso.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these Ordinary Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. The Company confirms that it is in compliance with ASX Listing Rule 7.1

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical Information Required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share issue:

- (a) 5,685,093 ordinary shares were allotted;
- (b) the issue price of each issue is displayed in the table above;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the securities were issued and allotted to sophisticated and professional investors; and
- (e) the reasons for the security issues are given above.

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EXPLANATORY MEMORANDUM TO SHAREHOLDERS

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE – SHARES – LISTING RULE 7.1A

General

The table below outlines dates, number and price of securities issued by the Company under its 10% capacity, in accordance with Listing Rule 7.1A.

Issue	Date	Security	Price	Number	Reason for Issue
#1	28 February 2013	Ordinary Shares	\$0.05 per share	3,790,062	Issue of shares to fund an exploration campaign focusing on an RC and auger drilling program on tenements in Burkina Faso.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these Ordinary Shares under ASX Listing Rule 7.1A.

A summary of ASX Listing Rule 7.1A is set out in section 3 above.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A those securities will from that date be included in variable "A" in the formula in ASX Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both ASX Listing Rules 7.1 and 7.1A.

By ratifying the issue subject to Resolution 4, the Company will retain the flexibility to issue equity securities in the future up to the 10% Placement Capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

Technical Information Required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share issue:

- (a) 3,790,062 ordinary shares were allotted;
- (b) the issue price of each issue is displayed in the table above;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the securities were issued and allotted to sophisticated and professional investors; and
- (e) the reasons for the security issues are given above.

5. RESOLUTION 5 ~ RE-ELECTION OF DIRECTOR – MR ALEXANDER (SANDY) BARBLETT

Pursuant to article 20.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has three Directors and accordingly at least one must retire. A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

MONTERAY MINING GROUP LIMITED

ABN 15 062 959 540

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

In accordance with the Constitution, Mr Alexander Barblett, the Director longest in office since his last election retires by rotation and, being eligible, seeks re-election.

Details regarding Mr Barblett are set out in the 2013 Annual Report to Shareholders.

7. RESOLUTION 6 ~ RE-ELECTION OF DIRECTOR – MR ANDREW HABETS

Clause 19.4 of the Company's Constitution states that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next general meeting of shareholders and is then eligible for re-election.

Mr Andrew Habets was appointed to the board on 24 October 2012 and in accordance with Clause 19.4 of the Constitution seeks re-election as a Director.

Details regarding Mr Habets are set out in the 2013 Annual Report to shareholders.

8. RESOLUTION 7 ~ APPOINTMENT OF AUDITOR

BDO East Coast Partnership have been engaged as the Company's auditor since 2011. The Company has recently relocated its head office from Queensland to Perth. Therefore a change to a Perth based auditor is considered appropriate. With this in mind the Company conducted a tender process to select the auditor and following this the board have recommended that BDO Audit (WA) Pty Ltd be appointed as auditor.

As required by section 328B(3) of the Corporation Act, a copy of the form for the nomination of BDO Audit (WA) Pty Ltd as the Company's auditor is attached.

9. RESOLUTION 8 ~ AMENDMENT OF COMPANY CONSTITUTION

Shareholder approval is sought for the amendment of the Constitution of the Company. If the special resolution seeking this approval is passed, the amendments will be effective immediately following the Annual General Meeting.

The Board is seeking amendment of the Constitution of the Company to enable it to undertake a sale of unmarketable share parcels to a third party in order to consolidate the share register and reduce the administrative costs of having a large number of shareholders.

Currently the Constitution of the Company permits a sale of unmarketable securities at the 'Authorised Price' as defined in clause 14.1 of the Constitution, defined as: *"the price per Share equal to the average of the last sale price of the Shares of the Company quoted on the ASX for each of the 10 trading days immediately preceding the date of any offer to purchase Unmarketable Parcels accepted by the Company pursuant to the clause."*

The Board believes that the current Authorised Price is too high to permit a third party to undertake to purchase unmarketable share parcels and accordingly, approval is sought to amend the Constitution via special resolution as follows:

Replacing the definition in clause 14.1 of 'Authorised Price' with the following definition: *"the price per Share not less than 80% of the average of the last sale price of the Shares of the Company quoted on the ASX for each of the 10 trading days immediately preceding the date of any offer to purchase Unmarketable Parcels accepted by the Company pursuant to this clause."*

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EXPLANATORY MEMORANDUM TO SHAREHOLDERS

10. GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **AGM** means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company or **Monteray Mining Group** means Monteray Mining Group Limited (ABN 15 062 959 540).

Constitution means the Company's constitution.

Consulting Option means an Option granted pursuant to a consultant in consideration for services performed.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means the meaning given to it within Section 3.2 of the Explanatory Statement.

Exercise Price means the price payable when the Optionholder exercises the Options

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Issue Date means the date on which the securities are issued by the Board.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 2013.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

MONTERAY MINING GROUP LIMITED
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EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ATTACHMENT 1

14 October 2013

The Board of Directors
Monteray Mining Group Ltd
Suite 2, 12 Parliament Place
West Perth WA 6872

Board of Directors,

Nomination of Auditor

I am a shareholder of Monteray Mining Group Limited.

For the purpose of section 328B(1) of the Corporations Act 2001, I nominate BDO Audit (WA) Pty Ltd to be appointed as auditor of Monteray Mining Group Limited at the Annual General Meeting to be held on Thursday, 28 November 2013.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Morgan Barron', followed by a long horizontal flourish.

Mr Morgan Barron
Director
Celery Pty Ltd

PROXY FORM

MONTERAY MINING GROUP LIMITED

ABN 15 062 959 540

All correspondence to:

Monteray Mining Group Limited

PO Box 902

West Perth WA 6872

Phone: 08 9482 0560

Facsimile: 08 9482 0505

I/We

_____ (insert name of holder – please print)

Of

_____ (insert address of holder – please print)

Appointment of Proxy

I/We being member/s of Monteray Mining Group Limited and entitled to attend and vote hereby appoint

The Chairman
of the Meeting
(mark with an
'X')

OR

Write here the name of the person you
are appointing if this person **is
someone other than** the Chairman of
the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting or a nominee of the Chairman, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Monteray Mining Group Limited to be held at CWA House, 1176 Hay Street, West Perth, Western Australia on Thursday, 28 November 2013 at 09.00AM (WST) and at any adjournment of that meeting.

Voting directions to your proxy - please mark

Ordinary business

- Resolution 1** **ADOPTION OF REMUNERATION REPORT**
- Resolution 2** **APPROVAL OF 10% PLACEMENT
CAPACITY – SHARES**
- Resolution 3** **RATIFICATION OF PRIOR ISSUE –
ASX LISTING RULE 7.1**
- Resolution 4** **RATIFICATION OF PRIOR ISSUE –
ASX LISTING RULE 7.1A**
- Resolution 5** **RE-ELECTION OF DIRECTOR –
MR ALEXANDER (SANDY) BARBLETT**
- Resolution 6** **RE-ELECTION OF DIRECTOR –
MR ANDREW HABETS**
- Resolution 7** **APPOINTMENT OF AUDITOR**
- Resolution 8** **AMEND COMPANY CONSTITUTION**

X to indicate your directions

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

MONTERAY MINING GROUP LIMITED
ABN 15 062 959 540

Instructions for Completing 'Appointment of Proxy' Form

1. Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please Contact the Share register on **1300 554 474 (toll free)**. Security holders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the Company.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may, subject to the comments below, vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast **all** directed proxies as directed; and
- (b) any directed proxies which are **not** voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

6. Attending the Meeting

Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, the proxy's authority to speak and vote for the member is suspended while the member is present at the Annual General Meeting.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the Meeting scheduled for 09.00am (WST) on Thursday, 28 November 2013. Any Proxy Form received after that time (5.00pm (WST) Tuesday, 26 November 2013 will not be valid for the scheduled Meeting.

Documents may be lodged:

<p>By email info@monteraymining.com.au</p> <p>By mail - Monteray Mining Group Limited PO Box 902 West Perth WA 6872</p> <p>or in person - Suite 2, 12 Parliament Place West Perth WA 6005</p>	OR	<p>By facsimile -</p> <table><tr><td>Within Australia</td><td>(08) 9482 0560</td></tr><tr><td>Outside Australia</td><td>+618 9482 0560</td></tr></table>	Within Australia	(08) 9482 0560	Outside Australia	+618 9482 0560
Within Australia	(08) 9482 0560					
Outside Australia	+618 9482 0560					