

14 June 2011

MONTERAY AGREES TO ACQUIRE PROSPECTIVE GOLD PROJECT IN BURKINA FASO

Highlights

- ***Monteray has signed a binding agreement to acquire 416 km² of prospective gold licenses in Burkina Faso;***
- ***The licenses are located in central western Burkina Faso, an area which hosts several world-class deposits, including the 3.3Moz Mana gold mine;***
- ***Vendors will be paid \$80,000 cash and 2.85m Monteray shares, 2m performance shares and 2m options;***
- ***Monteray considering other potential project acquisitions.***

Monteray Mining Group Ltd (ASX: MRY) (Monteray) is pleased to advise that it has entered into a binding acquisition agreement (Agreement) to acquire a package of three licenses which are subject to the grant of permit applications covering 416 km² of highly prospective ground in central western Burkina Faso, West Africa (Licenses). The Licenses cover the western extremity of the Houndé greenstone belt abutting the Taoudéni Basin (see *Figure 1*).

Monteray has signed the Agreement to acquire Vema Resources Pty Ltd (Vema), which has made an application for the Licenses through a Burkinabe nominee entity. Completion of the deal is subject to due diligence by Monteray, the Licences being granted to Vema and the approval of Monteray's shareholders.

Monteray believes the Licenses offer the Company a significant opportunity to build its gold exploration portfolio given that no systematic exploration has been undertaken on the area covered by Vema's Licenses.

The Company's confidence is partly underpinned by the exploration success already recorded in the region, which includes the Mana Mine operated by Mana Minerals SA, a subsidiary of SEMAFO (TSX: SMF). Mana, which is located approximately 45km south-south-west of the Vema applications, has reported Resources and Reserves of 3.28 million ounces and is currently producing at the rate of 180,000oz a year.

Vema's geologist submitted the Licenses based on the observations that the Houndé greenstone formation, as evidenced by available aeromagnetic data (see *Figure 3*), extends further westwards towards the Taoudéni Basin than is represented by previous geological mapping of the area.

Monteray Director John Hannaford said the Licenses offered the Company substantial upside and leverage. "This is an attractive opportunity for a small tightly held company, to gain exposure to a large area of untested ground in such a high quality exploration location." Mr Hannaford said.

He said Monteray expected the acquisition to be the next stage in establishing a quality portfolio of gold projects in highly prospective areas. The Company and its advisers and consultants are reviewing and evaluating further complementary projects for potential acquisition.

Agreement Terms

The Agreement to acquire Vema provides for:

- a 45-day exclusivity period to conduct due diligence enquiries;
- consideration of
 - \$80,000 cash;
 - 2.85m Monteray shares;
 - 1m Monteray options exercisable at 30 cents within 3 years;
 - 1m Monteray options exercisable at 40 cents within 4 years;
 - 1m performance shares convertible to ordinary shares upon Monteray achieving a JORC indicated resource of >500,000 oz of Au of >1.5g/t Au;
 - 1m performance shares convertible to ordinary shares upon Monteray achieving a JORC indicated resource of >1,000,000 oz of Au of >1.5g/t Au.

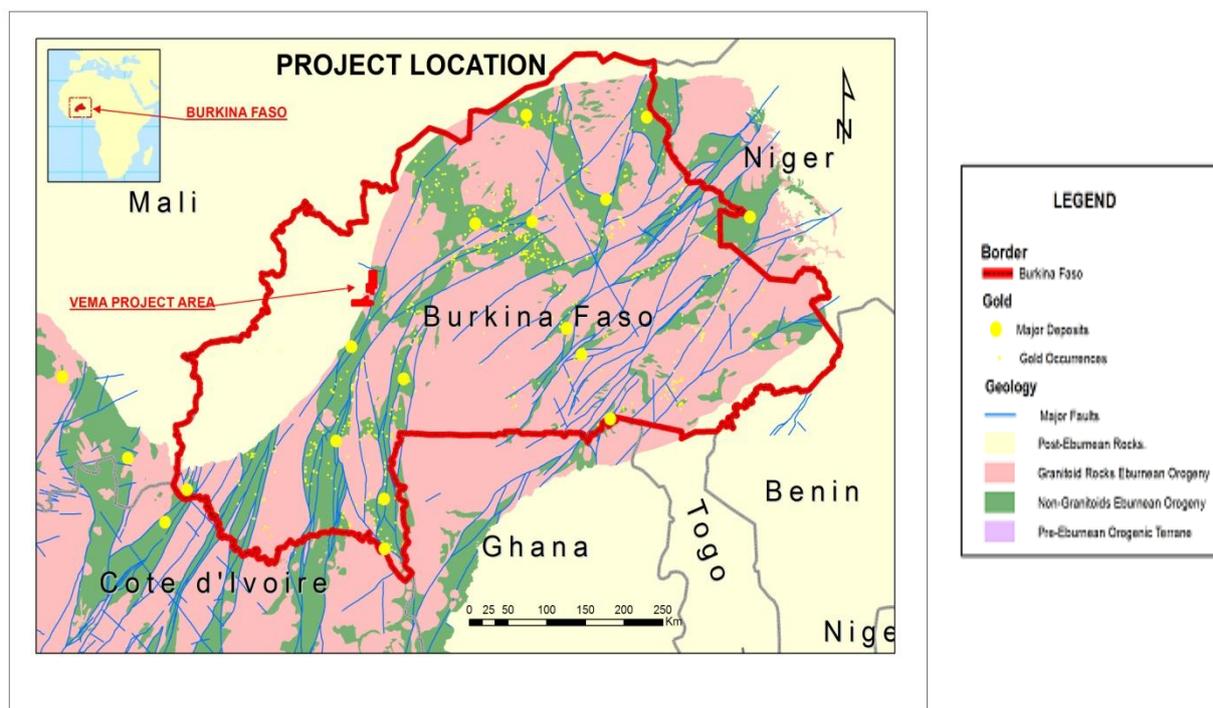


Figure 1: Map showing Vema project location in central western Burkina Faso.

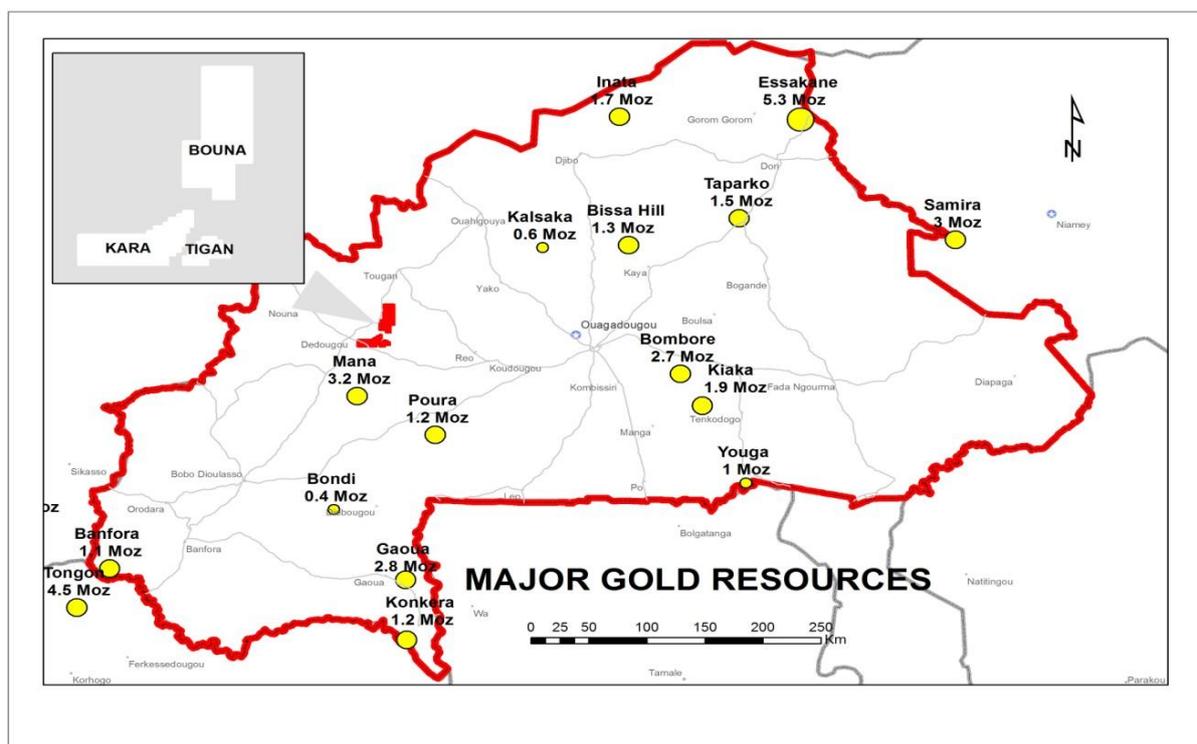


Figure 2: Project location showing proximity of regional gold projects in Burkina Faso

Monteray intends to undertake a site visit as part of the due diligence. This will assist in planning the initial exploration program. The Company's French speaking consulting geologist will initially engage with local consulting firms to carry out sampling and groundwork as the Company puts together an exploration team.

Shareholder meeting

At the completion of the due diligence period, Monteray will convene an Extraordinary General Meeting of Shareholders to approve the acquisition. Should Monteray wish to proceed, then completion is to occur on 31 August 2011 or such other time as agreed by the parties. The Company will issue 150,000 shares to parties who have assisted in facilitating the acquisition.

Western Australian projects

Monteray has commenced a review of all previous available exploration data for its WA gold projects which includes the gold exploration tenement portfolio in and around the Western Australian goldfields. Monteray has engaged an experienced geologist, to assist the development of the WA gold projects whose report will be used as the basis for planning an exploration program.

Monteray recently undertook a site visit with representatives from Murchison Resources Pty Ltd who originated the WA gold projects and currently own a 20% interest.

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About Burkina Faso

Burkina Faso also known by its short-form name Burkina, is a landlocked nation in West Africa. It is surrounded by six countries: Mali to the north, Niger to the east, Benin to the south east, Togo and Ghana to the south, and Côte d'Ivoire to the south west. Formerly called the Republic of Upper Volta, it was renamed on August 4, 1984, by President Thomas Sankara to mean "the land of upright people" in Moré and Dioula, the major native languages of the country.

Burkina Faso's capital is Ouagadougou. After gaining independence from France in 1960, the country underwent many governmental changes until arriving at its current form, a semi-presidential republic. The president is Blaise Compaoré.

After almost two decades of economic reform, trade liberalisation and privatisation, the West African nation of Burkina Faso is on the cusp of a mining boom.

Some of the world's most prolific mines are located in West African greenstone belts. These belts cover approximately 3,000,000 km², making the area's exploration potential enormous. Burkina Faso currently accounts for 21% of West Africa's greenstone belt exposure.

Listed Gold companies active in Burkina Faso include

Company	Code	Market Cap (\$m)
Ampella Mining Limited	ASX:AMX	A\$600.8
Gryphon Minerals Limited	ASX:GRY	A\$578.2
West African Resources	ASX:WAF	A\$60.7
Canyon Resources Ltd	ASX:CAY	A\$12.4
Mt Isa Metals	ASX:MET	A\$84.4
Semafo (TSX)	TSX:SMF	C\$2035
Orezone	TSX:ORE	C\$378.9
Golden Rim Resources Ltd	ASX:GMR	A\$79
Goldrush	TSX.V:GOD	C\$23.6
Boss Energy Limited	ASX:BOE	A\$21.2

Mining investments have real potential to contribute to and enhance sustained economic growth in Burkina Faso, potentially overtaking traditional agricultural exports like cotton in earning foreign exchange.

About Monteray Mining Group Limited

Monteray Mining Group Limited was relisted on ASX in February 2011 following the acquisition of a portfolio of gold licences located in the goldfields region of Western Australia, a change in direction to become a resources company, a corporate reconstruction and the raising of \$3.5 million. The Company currently has 31.5m shares on issue, approx \$2.4m in cash and no debt. (See Location map of WA gold licences at Fig 4).

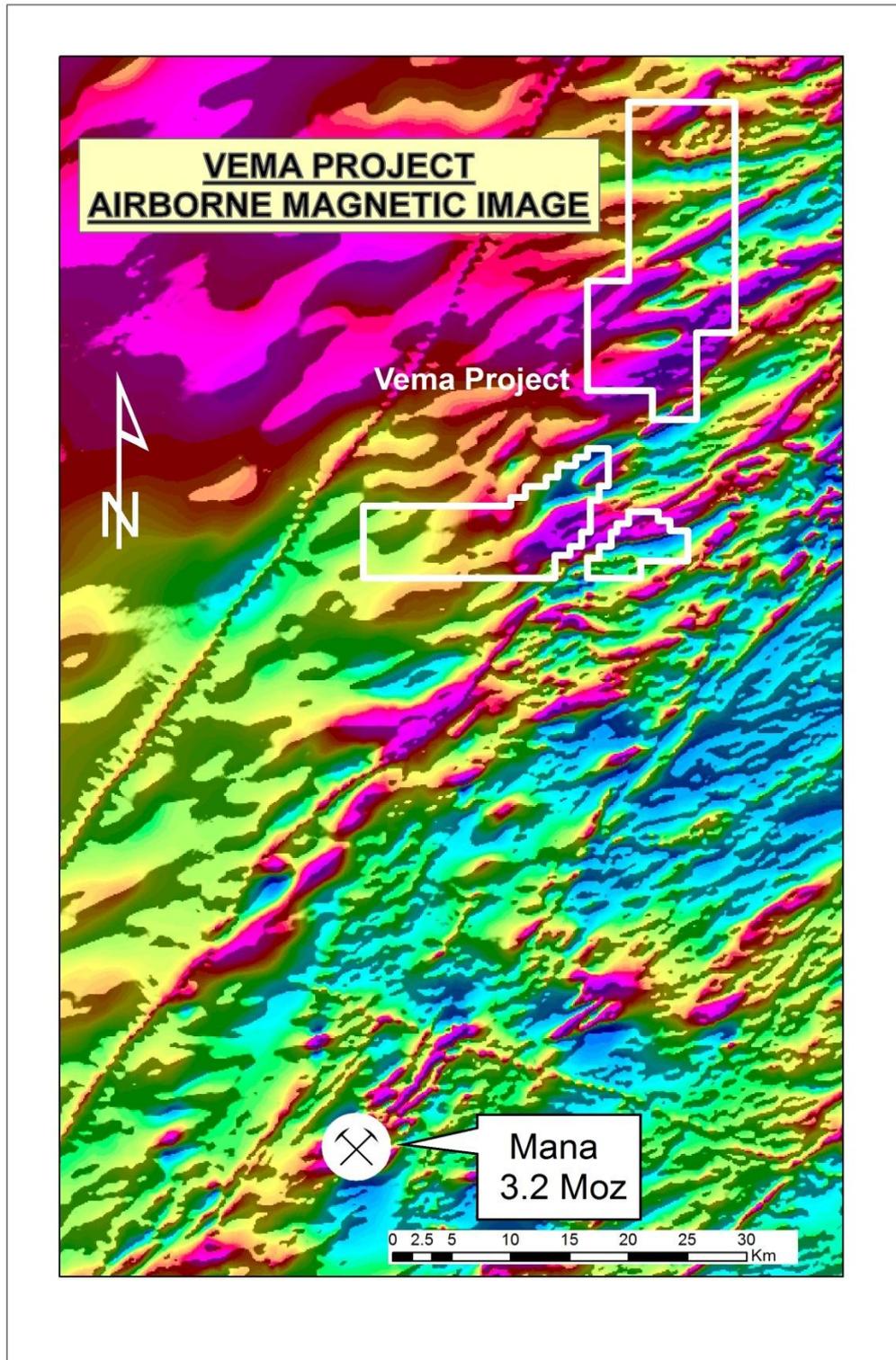


Figure 3: Aeromagnetic image over lay showing anomalism covering Vema project areas.

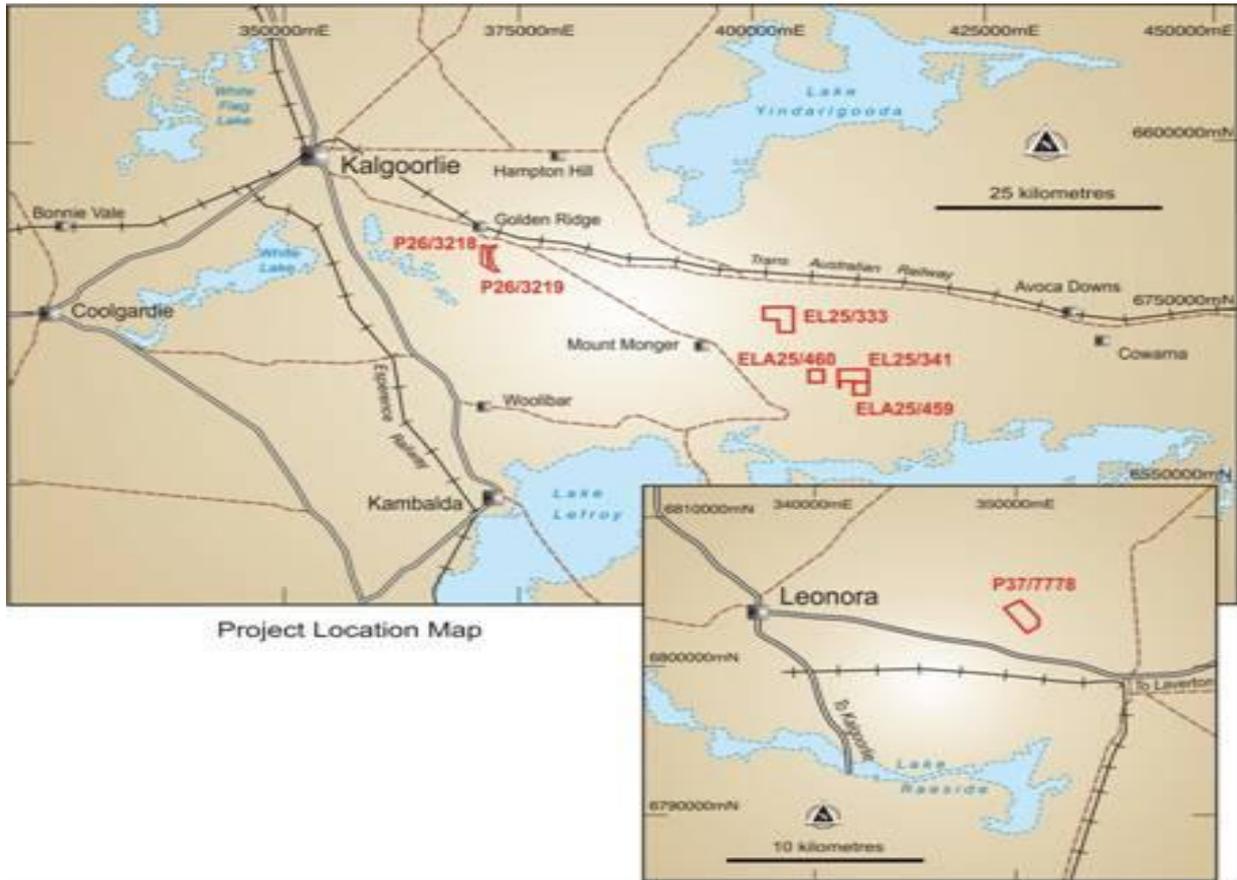


Figure 4: Monteray's WA gold projects, location map