

22 February 2013

Dear Shareholder,

**PRO-RATA NON-RENOUCEABLE ENTITLEMENTS ISSUE**

On 21 February 2013 **Monteray Mining Group Ltd** ("**Monteray**" or "**the Company**") announced a pro-rata non-renounceable entitlements issue to shareholders on the basis of one (1) new share ("**New Share**") in the Company for every two (2) shares held, at an issue price of \$0.05 per New Share ("**Entitlements Issue**"). New Shares will rank equally in all respects with existing ordinary shares from the date of allotment.

Monteray wishes to advise shareholders of the Entitlements Issue and to invite eligible shareholders ("**Eligible Shareholders**") who are registered at 5.00pm WST on 6 March 2013 ("**Record Date**") to participate in the Entitlements Issue. The Entitlements Issue will result in the issue of up to approximately 23,687,886 New Shares and if fully subscribed will raise up to approximately \$1,184,394 before costs.

The Entitlements Issue forms part of a capital raising of up to \$1.658 million at \$0.05 per share ("**Capital Raising**"), which includes the placement of 9,475,155 shares at \$0.05 per raising \$473,758 ("**Placement**") and the aforementioned Entitlements Issue.

Funds raised under the Capital Raising will be used by the Company to fund:

- Exploration campaign focusing on an RC drilling program at Pepin South and an auger drilling program at Tigan tenements in Burkina Faso;
- Working capital and Corporate Overhead requirements; and
- Paying the costs of the Capital Raising.

An Offer Document relating to the Entitlements Issue ("**Offer Document**") will be lodged with ASX Limited ("**ASX**") shortly, and the Offer Document will be mailed to Eligible Shareholders on or about 7 March 2013. Full details of the Entitlement Issue are contained in the Offer Document, and Eligible Shareholders should carefully consider the Offer Document before deciding whether to acquire New Shares. Applications for New Shares can only be made on the personalised application form that will accompany the Offer Document.

The Offer Document will not constitute an offer in any place in which or to any person to whom it would be unlawful to make such an offer.

## Capital Structure

The capital structure of the Company following completion of the acquisition of Orinoco, Entitlements Issue and Placement is summarized below<sup>1</sup>:

<b>Ordinary Shares</b>	<b>Number</b>
Ordinary shares on issue before the Placement	37,900,618
Ordinary shares issued pursuant to the Placement	9,475,155
Ordinary Shares on issue at the date of the Entitlements Issue	47,375,773
New Shares to be issued under the Entitlements Issue on a 1 for 2 basis	23,687,886
<b>Total Ordinary Shares on issue assuming fully subscribed</b>	<b>71,063,659</b>
<b>Options</b>	<b>Number</b>
Options on issue at the date of the Entitlements Issue	19,145,000
<b>Total Options on issue</b>	<b>19,145,000</b>
<b>Performance Shares</b>	<b>Number</b>
Performance Shares on issue at the date of the Placement	2,000,000
<b>Total Performance Shares on Issue</b>	<b>2,000,000</b>

## Timetable

The Entitlements Issue is proposed to be conducted according to the following timetable:

<b>EVENT</b>	<b>DATE</b>
Announce pro rata issue and apply for quotation (Appendix 3B)	21 February 2013
Send Notice to Shareholders containing information required by Appendix 3B	22 February 2013
Shares commence trading on an Ex Entitlement basis	28 February 2013
Record Date to identify shareholders entitled to participate in the issue	6 March 2013
Despatch Offer Document and Entitlement Form to shareholders	7 March 2013
Entitlements offer opening date	7 March 2013
Entitlements offer closing date	25 March 2013
Notify ASX of under-subscriptions	27 March 2013
Despatch date (advise ASX that despatch has occurred by noon)	28 March 2013

*Note: All of the abovementioned dates are indicative only and may be subject to change. The Company reserves the right to amend this timetable including, subject to the Corporations Act and the ASX Listing Rules, to extend the closing date.*

As soon as practicable following the Record Date, Monteray will dispatch the Offer Document and personalised Entitlement and Acceptance Form to Eligible Shareholders. If you are eligible and wish to participate in the Entitlements Issue, it will be necessary for you to complete the Entitlement and Acceptance Form and return it, with the appropriate application monies to the Company's registered office before 5.00pm WST on the anticipated closing date of 6 March 2013.

In calculating entitlements under the Entitlements Issue, fractions will be rounded up to the nearest whole number.

<sup>1</sup> Assuming no options are exercised prior to the Record Date and full participation in the Entitlements Issue

Shareholders may view the Company's ASX releases and Offer Document on the ASX website [asx.com.au](http://asx.com.au) (ASX code: MRY) and information on the Company and its projects (including ASX releases) at [www.monteraymining.com.au](http://www.monteraymining.com.au).

If you have any questions in relation to the Entitlements Issue, please do not hesitate to contact the Company on **+61 7 5538 2558** or consult with your stockbroker or professional adviser.

Yours Sincerely,



**Steven Cole**  
*Company Secretary*