

19 August 2014

Centralised Company Announcements Platform
Australian Stock Exchange
10th floor, 20 Bond Street
Sydney NSW 2000

Dear Sir,

NOTICE PURSUANT TO PARAGRAPH 708AA(2)(F) OF THE CORPORATIONS ACT

This notice is given by Monteray Mining Group Limited ("Monteray" or the "Company") under Section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**) as notionally modified by Australian Securities and Investment Commission Class Order 08/35 (**CO 08/35**).

The Company intends to raise up to \$654,004 via a pro rata non-renounceable entitlements issue of one (1) new fully paid ordinary share in the Company for every one (1) share held as at 5:00pm (WST) on 26 August 2014 (**Record Date**) to all eligible shareholders (**Entitlements Issue**).

Shares under the Entitlements Issue will be offered at \$0.01 per share.

Based on the current capital structure (and assuming no options to acquire shares are exercised prior to the Record Date), if the Entitlements Issue is fully subscribed, an additional 65,400,355 shares will be issued and approximately \$654,004 will be raised through the Entitlements Issue.

Any shortfall under the Entitlements Issue (**Shortfall**) will be dealt with in accordance with the Offer Document.

The Company hereby confirms that in respect of the Entitlements Issue (as per the requirements of paragraph 708AA(2)(f) of the Corporations Act):

- (a) the Company will offer the shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act as notionally modified by CO 08/35;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Corporations Act as notionally modified by CO 08/35;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as notionally modified by CO 08/35; and

- (e) the issue of the new shares under the Entitlements Issue is not expected to have any material effect or consequence on the control of the Company, but is dependent on a number of factors including investor demand. Given the structure of the Entitlements Issue as a pro rata offer, the potential effect the issue of the new Shares will have on the control of the Company is as follows:
- (i) if all eligible shareholders take up their entitlement for new shares under the Entitlements Issue, the Entitlements Issue will have no effect on the control of the Company;
 - (ii) to the extent that any eligible shareholder fails to take up their entitlement for new shares under the Entitlements Issue, that eligible shareholder's percentage holding in the Company will be diluted by the shares issued under the Entitlements Issue; and
 - (iii) although the issue of new shares which are not taken up by eligible shareholders under the Entitlements Issue may increase the voting power of current shareholders who participate in the Entitlements Issue, the underwriter, sub-underwriters and people who apply for shortfall (if any), it is not expected to have any material effect on the control of the Company.

Yours sincerely,

For and on behalf of Monteray Mining Group Limited



Brett Tucker
Company Secretary