Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MONTERAY MINING GROUP LTD

ABN

15 062 959 540

Quarter ended ("current quarter")

31 MARCH 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A	Year to date (..9.....months) $A
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	-398,415	-666,951
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	19,841	19,845
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	-378,574	-647,106
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	-100,000	-110,000
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-100,000	-110,000
1.13	Total operating and investing cash flows (carried forward)	-478,574	-757,106

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	-478,574	-757,106
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,180,371	3,180,371-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-278,512	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) - Deposits held	-465,000	-
	Net financing cash flows	2,436,859	3,180,371
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	465,007	27
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,432,292	2,423,292

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A
1.23	Aggregate amount of payments to the parties included in item 1.2	88,241
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

23/2/2011 – a) Completed capital raising $3.5m pursuant to a prospectus.
b) Completed acquisition of Aberystwyth and gold tenements.
c) Re-admitted to ASX

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Issued 2,250,000 shares at $0.20 for acquisition of Aberystwyth and tenements
Issued 7,500,000 shares at $0.20 in lieu of repayment of debt $1,500,000
Granted 1,750,000 options exerciseable at $0.25 expiring 31/8/14 for acquisition of Aberystwyth and tenements
Granted 7,500,000 options exerciseable at $0.25 expiring 31/8/14 for conversion of $1,500,000 debt to equity and forgiveness of debt of$942,508

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A	Amount used $A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A
4.1	Exploration and evaluation	61,250
4.2	Development	150,000
4.3	Production	-
4.4	Administration	20,000
	Total	**231,250**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A	Previous quarter $A
5.1	Cash on hand and at bank	423,292	465,007
5.2	Deposits at call	2,000,000	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,423,292	465,007

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	NIL			

6.2	Interests in mining tenements acquired or increased	Gold ridge South P26/3218	80%	NIL	80%
		Gold ridge South P26/3219	80%	NIL	80%
		Hickmans E25/341	80%	NIL	80%
		Hickmans E25/459	80%	NIL	80%
		Hickmans E25/460	80%	NIL	80%
		Triple 3 E25/333	80%	NIL	80%
		Malcolm King P37/7778	80%	NIL	80%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3	**+Ordinary securities**	31,500,618	28,750,618		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	27,750,000	25,000,000		
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	**Options** *(description and conversion factor)*	10,110,000	-	*Exercise price* *810,000 @ $2.00* *50,000 @ $6.00* *9,250,000 @ $0.25*	*Expiry date* *14/7/2011* *14/7/2011* *31/8/2014*
7.8	Issued during quarter	9,250,000	-	$0.25	31/8/2014
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*	-	-		

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7.12	**Unsecured notes** *(totals only)*	-	-

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /~~does not*~~ *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: .28 April 2011
(Company secretary)

Print name: ..Steven Cole

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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