



COMPANY ANNOUNCEMENT

Mining Projects executes an option to acquire prospective Fraser Range tenements

- **MPJ has executed a binding Terms Sheet for an option to acquire the rights to a 70% interest in three exploration lease applications located within the Albany-Fraser Orogenic Zone which is prospective for nickel-copper and gold mineralisation**
- **Tenement package covers 566km² within this emerging mineral province**
- **EL28/2271 & EL63/1594 sit are 60 kilometres SE of Kambalda**
- **EL69/3082 sits within the heart of the Fraser Range Orogen**

5 November 2012

Mining Projects Group Limited (ASX:MPJ) (“the Company”) announces it has executed a Terms Sheet with Epi Energy Pty Ltd (“Epi”) to obtain an option acquire a 70% interest in three exploration lease applications located in the Fraser Range, Western Australia (see figure 1). MPJ may exercise the option to acquire a 70% interest in the project at its discretion and will do so having regard to results from its due diligence investigations including preliminary exploration activities. The exploration lease applications, identified by application numbers EL28/2271, EL69/1594 and EL69/3082, cover approximately 566km² in this prospective nickel-copper and gold province in south-east Western Australia.

Terms Of the Option

- An upfront payment to Epi (or its nominee/s) through the immediate issue of 15,000,000 ordinary fully paid MPJ shares which are being issued at 1 cent each pursuant to the Company’s 15% allowance under Listing Rule 7.1.
- Option allows MPJ to complete due diligence, including exploration works, for a period of not less than 6 months to determine prospectivity of the exploration leases.
- Exploration work is planned to include an aeromagnetic survey as well as mapping and soil sampling programs.

Although these leases are currently under application, initial limited exploration programs are able to be undertaken prior to their grant. Upon execution of the formal agreements, the Company intends to immediately undertake a field inspection to assess and map rock outcrops and review the potential for auger sampling, as well as complete airborne geophysics as a tool to delineate prospective areas.

Terms of Acquisition upon Exercise of Option

MPJ may exercise the option to acquire a 70% interest in any or all of the leases at any time prior to the later of the expiration of the due diligence period or the date which is 14 days after the grant of the last of the exploration licence applications. Upon exercise of the option MPJ shall:

- Make a cash payment of \$250,000 to Epi (or its nominee/s).
- Issue of 17,500,000 fully paid ordinary MPJ shares at a deemed issue price of 2 cents per share to Epi (or its nominee/s), subject to shareholder approval if required.
- Issue of 8,750,000 options to acquire ordinary MPJ shares exercisable at 3 cents with an expiry date of 30 July 2017, subject to shareholder approval if required.

Under the terms of the option, prior to selling all or any part of its remaining 30% interest in the exploration licences to a third-party, Epi must first offer that interest for sale to MPJ on terms which are no less favourable to MPJ than those contained in any third-party offer made or received by Epi.

Milestone Payment

A further milestone payment of \$2 million is payable in cash, shares or a combination of cash and shares if the option is exercised and a JORC Resource of 30,000t Ni or a JORC Resource of 250,000ozs Au is achieved within the exploration licences and a decision to mine is made.

Background

The areas of interest occur along the south-east margin of the Archean Yilgarn Craton within the Albany-Fraser Province.

Locally, the nickel copper sulphides are represented by pyrrhotite, pentlandite and chalcopyrite which are hosted in strongly metamorphosed rocks called granulites and are interpreted to be the end product of altered and metamorphosed precursor mafic-ultramafics rocks. The ultramafic lithologies are contained in a sequence of ultramafic to felsic volcanics and sediments. The Fraser Range zone has a north-east southwest trend.

Recent nickel discoveries have been made in the Fraser Range through drilling programs following up on prospective targets identified from extensive geo-physics and soil geochemistry. This will be the process used for identifying prospective drilling targets within the Epi exploration lease applications.

E28/2271 and E63/1594 are located 60 kilometres SE of Kambalda.

E69/3082 60 is located in the heart of the Fraser Range Orogeny and will be assessed also for nickel, copper and gold mineralisation potentially under sedimentary cover.

MPJ looks forward to advising shareholders when programs have begun within these newly optioned tenements located within the Fraser Range.

For And On Behalf Of The Board



Bryan Frost
Chairman
Mining Projects Group Limited

For further Information visit: www.miningprojectsgroup.com.au

FIGURE 1

