



Quarterly Activities Report for the 3 Months Ended 30th June 2012

Review of Operations

Mining Projects Group Limited (ASX : MPJ) (“MPJ” or “the Company”) over the quarter continued its transition into becoming a coal explorer and a consolidation story which will continue to seek undervalued opportunities to develop a prospective Queensland based coal portfolio.

The Company is pleased with the number of opportunities it has identified in a short amount of time and continues to engage with vendors with the intention of adding further projects to its existing portfolio.

MPJ is pleased with the initial opportunities it has secured which have led to the board undertaking a fully underwritten rights issue to raise approximately \$1.05 million which will allow for initial explorations programs to be undertaken and provide working capital to continue to assess further projects.

➤ Delcarmen Coal Project

On 5 July 2012 MPJ announced the acquisition of 100% of the issued capital of Delcarmen Energy Limited (“Delcarmen”). Delcarmen holds two prospective applications for Exploration Permits for Coal (EPCs) north and east of Kingaroy, Queensland. The applications, EPC 2527 & EPC 2528, are located approximately 170kms west of Brisbane and cover a combined area of 1,030 km².

As previously announced an independent study of the geological prospectiveness of the target area suggests potential for high energy thermal coal as well as semi-soft coking coal, primarily located within the Triassic-age Esk and Gayndah Formations.

Significant coal discoveries, deposits and mines in the Triassic Esk Basin or Esk Trough include:

- Stanwell Corporation’s Kunioon deposit with measured open cut resource of 435 million tonnes of thermal coal which is supplying both Tarong Power Stations
- Rio Tinto's (ASX:RIO) Yarraman deposit just south of Tarong power Station with measured open cut of 54 million tonnes of thermal coal
- Cockatoo Coal's (ASX:COK) Taabinga deposit with measured open cut of 35 million tonnes of thermal coal

+ See chapter 19 for defined terms.

Upon granting of these applications, which the Company anticipates in the coming weeks, MPJ will look to undertake an initial drilling program. MPJ will engage with an independent geologist to develop a conceptual exploration target and design this initial drill program.

This acquisition provides MPJ with a footprint within a coal basin with coal discoveries, deposits and mines with an existing power station and historical rail infrastructure (which may require reconstruction and upgrading) dissecting the target area within 170kms from Brisbane.

➤ **Etona Coal Project**

On 9 May 2012 MPJ announced it has received confirmation that EPC 1992 has been granted, now referred to as the Etona Coal Project (“Etona”).

As an initial step MPJ engaged an independent geologist to complete a geological review assessing the prospectivity of the EPC to establish an exploration target and consequent exploration steps to begin validating that target. This report established an exploration target range of between 50 and 155 million tonnes.

The Etona Coal Project sits adjacent to Coalbank Limited’s Limited (ASX:CBQ) Tambo Coal Project. MPJ was attracted to this exploration permit due to the size of the permit (300 sub-blocks), no impact from strategic cropping or native title, the possibility of shallow coals within the Orallo formation mined at the historical Maranoa Colliery and the exploration success of Coalbank providing the possibility of down-dip extensions within the Etona Project area.

The Etona Coal Project is continuous and covers 300 sub-blocks totalling an area of 947km². The project area is located 78km north-east of Charleville in central-west Queensland. The railway line runs from Charleville approximately 70km south to Roma, and then 550km east to the Barney Point Coal Terminal in Gladstone. Whilst the existing railway line is not coal wagon-rated, the relative proximity to road and rail infrastructure may potentially provide access to Etona, and could ultimately facilitate the delivery of coal to the local port.

The geology of the project area includes sedimentary rocks from the Cretaceous to Jurassic Eromanga Basin, and at much deeper depths, the Mid-Triassic to Late Carboniferous Bowen Basin, which are both known to contain thermal coals suitable for use in domestic or international coal markets.

The report cited inferences from petroleum wells and water bores previously drilled in the area to suggest the potential for large net volumes of thermal coal within the application area as several coal-bearing formations were identified which has led to the definition of an exploration target. The main exploration targets are the Cretaceous Orallo Formation, the Coreena Member of the

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Wallumbilla Formation, the Late Jurassic Westbourne Formation, and the Middle Jurassic Birkhead Formation.

Coal from the Orallo Formation has previously been mined south of Injune at the Maranoa Colliery. Detailed analysis of the water bore data has identified coal seams 0.3 to 3.5m at three depth bands within the tenure (at 25m, 130m and 550m). The thicker coals at 550m are most likely to represent down-dip extensions to shallower target coal seams (Walloon Coal Measure equivalents) in the adjacent Coalbank's Tambo project tenures.

On completion of the fundraising MPJ will look to take steps in the exploration process including a further desktop study, interpretation of aerial and sensing images as well as a 2D seismic survey to further understand the prospectivity of this lease and finalise the initial drill program.

Corporate

In conjunction with the acquisitions of EPCs 1992, 2527 & 2528, MPJ announced on 21 June 2012 a capital raising by way of an underwritten non-renounceable rights issue to shareholders ("Rights Issue"). The Rights Issue offered 4 new ordinary shares, at an issue price of 1 cent (\$0.01) per share, for every 5 shares held at the record date. Each new share issued under the Rights Issue also held a free attaching option exercisable at 1.5 cents (\$0.015) on, or before, 30 Nov 2014. The Rights Issue will raise up to \$1.05 million (before costs).

Funds raised through the Rights Issue will be used to fund payments due to the vendor's of Delcarmen Energy Limited on the grant of the Exploration Permit for Coal ("EPC") 2527 and EPC 2528 and to fund on-going expenditure requirements in respect of EPC 2527, EPC 2528 and EPC 1992, including engaging independent consultants to identify conceptual targets and develop initial drilling programs, and otherwise as working capital.

On receipt of these funds MPJ will look to begin initial work at Etona and as well as undertake a geological review for the Delcarmen leases which will generate an exploration target as well as ensuing exploration programs whilst it continues to wait the applications to be approved. In addition the Company is continuing to engage and review with vendors as it continues to develop this prospective portfolio of coal assets.

For And On Behalf Of The Board



Richard Revelins
Director

+ See chapter 19 for defined terms.

Rule 5.3

Appendix 5B – 4th Quarter

Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of Entity:

Mining Projects Group Limited (ASX:MPJ)

ABN:

84 006 189 331

Quarter Ended ('Current Quarter')

30th June 2012

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(27)	(133)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(37)	(394)
	(e) contract services	(96)	(747)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	9
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(159)	(1,266)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(80)	(225)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	57	484
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(8)
1.11	Loans repaid by other entities	-	4
1.12	Option Fee on Tenements	-	-
	Net Investing Cash Flows	(23)	255
1.13	Total Operating and Investing Cash Flows	(182)	(1,011)

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(182)	(1,011)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	-	893
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	100
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(2)	(77)
Net Financing Cash Flows		(2)	916
Net Increase / (Decrease) in Cash Held		(184)	(95)
1.20	Cash at beginning of quarter/year to date	393	317
1.21	Exchange rate adjustments to item 1.20	(5)	(18)
1.22	Cash at End of Quarter	** 204	** 204

** On 3rd July 2012 the Company announced that it is undertaking a 4:5 Non-Renounceable Rights Issue to raise approximately \$1.05 million before costs. The Rights Issue is underwritten.

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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	75
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Salaries, Directors' fees, corporate advisory & consulting fees at normal commercial rates	

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
	- 7,500,000 Ordinary Paid Shares issued to Consultants in lieu of cash payment for services rendered. Deemed value of the services = \$120,000.00
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
	-

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Financing Facilities Available

Add notes as necessary for an understanding of the position.

		Amount Available \$A'000	Amount Used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

		\$A'000
4.1	Exploration and evaluation	25
4.2	Development	-
4.3	Production	-
4.4	Administration	120
4.5	Contract Services	200
Total:		345

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'000	Previous Quarter \$A'000
5.1	Cash on hand and at bank	204	393
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)		** 204	393

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	-	-	-	-
6.2	EPC 1992	Purchased Tenements from New Coal Energy	0%	100%

+ 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 (cents) (see note 3)	Amount Paid Up Per Security (cents) (see note 3)
7.1	Preference +Securities <i>(Description)</i>	-	-	-	-
7.2	Changes During Quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary Securities	131,611,470	131,611,470	-	-
7.4	Changes during quarter				
	(a) Increases through issues	7,500,000	7,500,000	\$NIL	\$NIL
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities <i>(Description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(Description and Conversion Factor)</i>	41,299,175	41,299,175	\$0.10	6/07/2014
		59,616,588	59,616,588	\$0.02	28/02/2013
7.8	Issued during quarter	5,000,000	5,000,000	\$0.02	28/02/2013
7.9	Consolidation during quarter	-	-	-	-
	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-	-	-
7.12	Unsecured notes (totals only)	-	-	-	-

+ See chapter 19 for defined terms.

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign Here:

Executive Director

Date: Tuesday, 31st July 2012

Print Name:

Richard Revelins

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards**
ASX will accept, for example, the use of International Accounting 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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The CFO Solution

31.07.2012

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29/01/10

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