



Quarterly Activities Report for the 3 Months Ended 31st March 2012

Review of Operations

Mining Projects Group Limited (ASX : MPJ) (“MPJ” or “the Company”) over the quarter entered into two transactions to acquire three lease applications as it begins to develop a prospective Queensland based coal portfolio. The Company is pleased with the opportunities it has been able to identify in a short amount of time and will begin initial exploration programs as soon as these leases become granted and funding has been secured. MPJ will also continue to seek further opportunities to develop its coal portfolio.

➤ **Delcarmen Energy Limited**

On 7 February 2012, MPJ announced it had executed a binding Heads of Agreement (“HoA”) to acquire two prospective Exploration Permits for Coal applications (“EPC”), EPC 2527 & EPC 2528, north and east of Kingaroy, 170kms west of Brisbane (see figure 1) which are prospective for high energy thermal coal and semi-soft coking coal. The Company anticipates EPC 2527 being granted in the coming weeks and EPC 2528 in the coming months.

The transaction entered into by MPJ is to acquire 100% of Delcarmen Energy Limited (“Delcarmen”) for \$1 million with consideration for the acquisition to be completed on a 50:50 equity and cash basis. After signing the HoA and completing successful due diligence, the Company executed a definitive sale of shares agreement with all Delcarmen shareholders on 27 March 2012. In order to complete the acquisition MPJ is holding a general meeting on 18 May 2012 to seek approval from shareholders in regards to a number of resolutions associated with completing this transaction.

Delcarmen will receive 25 million ordinary fully paid shares, the issue of which will be deferred pending the grant of the EPCs (“the Deferred Consideration Shares”). The issue of 12.5 million of the Deferred Consideration Shares will be deferred until the grant of EPC 2527 and the issue of the remaining 12.5 million Deferred Consideration Shares will be deferred until the grant of EPC 2528. A sum of \$200,000 in cash will be payable to the shareholders of Delcarmen on each of EPC 2527 and EPC 2528 becoming granted.

The project area within the tenement boundary covers approximately 1,030 km². An initial geological study provided to the Company assessing the prospectivity of EPC 2527 & EPC 2528

+ See chapter 19 for defined terms.

suggests that the target area demonstrates potential for high energy thermal coal as well as semi-soft coking coal, primarily located within the Triassic-age Esk and Gayndah Formations. MPJ's first steps post acquisition will be to engage an independent consultant to develop a conceptual target and initial drill program for the Company.

➤ **New Coal Energy Pty Ltd**

On 27 February 2012 MPJ executed its second acquisition agreement, agreeing to acquire coal exploration permit EPC 1992, subject to its granting, from New Coal Energy Pty Ltd ("NCE"). This application sits adjacent to Coalbank Limited's Central Project which is targeting Walloon coal measures in the Western Surat Basin.

The Company was attracted to this transaction due to the exploration success of Coalbank Limited (ASX:CBQ), the price of the acquisition, the size of the permit (300 sub-blocks) and the fact this permit has been approved for granting subject to satisfaction of standard conditions imposed by the Department of Employment, Economic Development and Innovation ("DEEDI"). As such the board believes this transaction provides strong leverage between its price and potential exploration upside of the lease.

The consideration for the acquisition will be completed on the following basis;

- \$40,615 payable in rent to the DEEDI;
- \$25,000 payable to NCE on EPC 1992 becoming granted and NCE transferring the lease to MPJ; and
- The issue of 2.5 million MPJ fully paid ordinary shares at 2 cents per share to the introducer of the opportunity.

Post the agreement being signed MPJ commissioned an independent geological report on EPC 1992 from which to develop an exploration target for the project area as well as design its first drilling program.

Corporate

In conjunction with the acquisitions of EPC 1992, 2527 & 2528 MPJ intends to raise, subject to shareholder approval, up to \$800,000 via a private placement of up to 40,000,000 fully paid ordinary shares in MPJ at 2 cents per share (\$0.02) to sophisticated investors to provide further working capital for initial exploration programs at each of the EPC's. The terms of the issue will be the same as the shares offered under the recently completed rights issue. As such a free attaching option will be issued with each share subscribed in the placement, each attaching option having

+ See chapter 19 for defined terms.

an exercise price of 2 cents (\$0.02) and an expiry date of 28 February 2013. Each option, upon exercise, will entitle the holder to one ordinary share in MPJ and one further option exercisable at 3 cents (\$0.03) with an expiry date of 28 February 2014.

A notice of meeting has been sent to shareholders notifying them of the general meeting taking place in Melbourne on 18 May 2012. As mentioned above there will be a number of share and option issues associated with both acquisitions as well as the aforementioned placement for which the Company will be seeking shareholder approval for.

For And On Behalf Of The Board



Richard Revelins
Director

Rule 5.3

Appendix 5B – 3rd 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')

31st March 2012

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year to Date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(55)	(106)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(122)	(357)
	(e) contract services	(195)	(651)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	8
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		(367)	(1,107)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(131)	(145)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	106	427
	(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		(25)	278
1.13	Total Operating and Investing Cash Flows	(392)	(829)

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (9 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(392)	(829)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	32	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)	(75)	(75)
Net Financing Cash Flows		(43)	918
Net Increase / (Decrease) in Cash Held		(435)	89
1.20	Cash at beginning of quarter/year to date	826	317
1.21	Exchange rate adjustments to item 1.20	2	(13)
1.22	Cash at End of Quarter	393	393

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	145
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

-

- 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

-

+ See chapter 19 for defined terms.

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	393	826
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)		393	826

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	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ 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	124,111,470	124,111,470	-	-
7.4	Changes during quarter				
	(a) Increases through issues	20,000	20,000	\$0.02	\$0.02
	(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
		54,616,588	54,616,588	\$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	(20,000)	(20,000)	\$0.02	28/02/2013
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: Monday, 30th April 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.

== == == == ==



The CFO Solution

30.04.2012

+ See chapter 19 for defined terms.