

# MINING PROJECTS GROUP LIMITED

(ABN 84 006 189 331)

## PROSPECTUS

A non-renounceable pro-rata rights issue of 2 new shares for every 3 shares held at 2 cents (\$0.02) each, together with 1 free-attaching option for every 1 new share issued to raise up to approximately \$1 million before costs of the issue.

Each option will have an exercise price of 2 cents (\$0.02), expire on 28 February 2013 and will, upon exercise, entitle the holder to one ordinary share and one further option having an exercise price of 3 cents (\$0.03) and expiring on 28 February 2014.

Shareholders eligible to participate in the rights issue may also apply for additional shares and options which are not subscribed (shortfall).

The Rights Issue is fully underwritten by Peregrine Corporate Limited [ABN 40 062 478 997] [AFSL 237858].

### **THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY**

If you do not understand its contents, you should consult your stockbroker, accountant or other professional adviser without delay.

This prospectus ("Prospectus") is dated 4 November 2011. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission ("ASIC") on the same date. Neither ASIC nor ASX Limited ("ASX") nor their respective officers take any responsibility as to the contents of this Prospectus.

**The securities offered under this Prospectus are considered speculative.**

## CORPORATE DIRECTORY

### Directors

Bryan Frost  
James Babbage  
Richard Revelins

### Secretary

Richard Revelins

### Registered Office

Suite 2, 1233 High Street, Armadale, Victoria, 3143  
Telephone: +61 3 9824 8166  
Facsimile: +61 3 9824 8161

### Share Registry

Security Transfer Registrars Pty Ltd

### Postal Address for Return of Acceptances

PO Box 535, Applecross, Western Australia, 6953  
Telephone: 08 9315 2333 (within Australia)  
Telephone: +61 8 9315 2333 (outside Australia)

### ASX Code

MPJ

## PROPOSED TIMETABLE

Lodgement of Prospectus	4 November 2011
Proposed record date to identify Shareholders entitled to participation in the Rights Issue ("the Record Date")	14 November 2011
Despatch of Prospectus	16 November 2011
Closing Date	30 November 2011
New Shares and Options quoted on a Deferred Settlement Basis	1 December 2011
Despatch date of holding statements	8 December 2011

*The above dates should be regarded as **indicative only**. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Company reserves the right to change the above dates, to close the Offer before the date stated above, to extend the Closing Date and subsequent dates, or not to proceed with the Offer described in this Prospectus.*

*No securities will be issued on the basis of this Prospectus after 3 December 2012, being the expiry date of this Prospectus.*

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## **1. The Offer**

### **1.1 Pro Rata Entitlement**

Mining Projects Group Limited ("the Company" or "Mining Projects Group") offers its shareholders, as recorded on the share registry records on the Record Date and who are otherwise eligible to accept the offer made under this Prospectus (each an "Eligible Shareholder"), the right to participate in a non-renounceable rights issue of 2 new fully paid ordinary shares for every 3 ordinary shares held at the Record Date at an issue price of 2 cents (\$0.02) each ("Share"), together with free attaching options issued on the basis of 1 option for every 1 Share issued ("the Rights Issue"). Each free attaching option will have an exercise price of 2 cents (\$0.02) and expire on 28 February 2013 (each an "Option"). Each Option will, upon exercise, entitle the holder to 1 ordinary share and 1 further option ("Piggy-Back Option") exercisable at 3 cents (\$0.03) on or before 28 February 2014.

Fractional entitlements will be rounded up.

### **1.2 Additional Shares and Options**

In addition to being able to apply for Shares and Options in the manner described in this Prospectus, Eligible Shareholders also will have the opportunity to apply for Shares and Options that are not subscribed for under the Rights Issue ("Shortfall Shares").

The Shortfall Shares will be issued at the same price and on the same terms as the Shares and Options. Eligible Shareholders may only make an application for Shortfall Shares if they accepted their maximum entitlement of Shares under the Rights Issue.

Shortfall Shares will only be issued if the Rights Issue is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. If the Company receives applications for Shortfall Shares that would result in the Rights Issue being oversubscribed, the Company will not accept any oversubscriptions and will scale back all applications received for Shortfall Shares at the Directors' discretion. In the event of a scale back, all application monies received but not applied towards subscriptions will be refunded as soon as practicable. No Shortfall Shares will be issued to an applicant if to do so would result in a breach of the restrictions on obtaining or increasing relevant interests of greater than 20% of the Company's issued voting shares under Chapter 6 of the Corporations Act. No interest will be paid on application monies held and returned.

The Rights Issue and the Shortfall Shares are collectively referred to as "the Offer".

The Company may also, subject to the Corporations Act 2001 (Cth) ("the Corporations Act") and the ASX Listing Rules, accept applications for Shortfall Shares from third-party investors who are not currently shareholders of the Company.

The Company will, within seven days of the date of this Prospectus, apply to ASX Limited ("ASX") for admission of the Shares and Options to official quotation. Official quotation of Options will be conditional upon there being a sufficient number of holders of the Options to satisfy the requirements of ASX for the creation of a new class of listed security. No application monies will be repaid if the Options offered under this Prospectus are not admitted to official quotation.

### **1.3 Underwriting of Rights Issue**

Peregrine Corporate Limited [ABN 40 062 478 997] [AFSL 237858] ("the Underwriter") has agreed to fully underwrite any shortfall in subscriptions under the Offer.

As consideration for underwriting the Offer, the Underwriter will receive fees or commissions totalling \$59,500, being 6% of the total amount underwritten.

The Underwriter has entered into sub-underwriting agreements with sub-underwriters for the full underwritten amount of \$992,730. As the Offer is fully sub-underwritten, the Underwriter will not acquire voting power in the Company as a result of its agreement to underwrite the Offer.

As announced to the ASX on 25 October 2011, Bryan Frost and Richard Revelins, Directors of the Company and Directors of the Underwriter, have agreed to sub-underwrite shortfall of \$300,000 and \$100,000 of the

Offer respectively. In the event that there is a shortfall in subscriptions, and each sub-underwriter is required to subscribe for the full amount of its sub-underwriting commitment, the aggregate percentage interest held by Mr Frost (and entities associated with Mr Frost) in the voting shares of the Company would increase to a maximum of 27.09% (from 15.00% currently). The aggregate percentage interest in the voting shares of the Company held by Mr Revelins (and entities associated with Mr Revelins) would not exceed 20%.

## 2. Purpose of the Offer

Funds raised by the Offer will be used as working capital to fund the Company's ongoing investigations and discussions in respect of potential future opportunities for strategic development and expansion. These activities and investigations inherently require expenditure such as engagement of qualified experts to verify legal ownership, logistics and potential value before committing to any one project. The Offer will provide working capital for the costs of such investigations.

As announced to the ASX on 25 October 2011, recently the Company has been approached regarding various coal and gold projects in Indonesia and is reviewing these projects. If appropriate the Company intends to proceed to undertake due diligence to identify a suitable well researched possible investment.

## 3. Effect of the Offer on Mining Projects Group

The effect of the Offer on Mining Projects Group will be to:

- provide the funds to undertake the activities described in section 2; and
- alter the capital structure of Mining Projects Group as described in section 4.

## 4. Effect on the Capital Structure of Mining Projects Group

### 4.1 Shares and Options

The tables below set out the existing capital structure of the Company and the effect on the Company's capital structure of issuing the securities offered under this Prospectus (assuming that none of the holders of the Company's existing options exercise their options prior to the Record Date and assuming also that full acceptances are received for all Shares and Options offered under this Prospectus).

#### SHARES

Existing issued ordinary shares	74,454,882
Shares offered under this Prospectus (maximum)	49,636,588
<b>TOTAL</b>	<b>124,091,470</b>

#### OPTIONS

Existing options (summarised below)	42,699,175
Options offered under this Prospectus (maximum)	49,636,588 *
<b>TOTAL</b>	<b>92,335,763</b>

*\*Does not include Piggy-Back Options to be issued upon, and subject to, exercise of the Options (see sections 1.1 and 9)*

**SUMMARY OF OPTIONS**

<i>Description</i>	<i>Expiry date</i>	<i>Number of shares into which options convert</i>	<i>Exercise price (\$)</i>
Listed Options (MPJOA)	6 July 2014	41,299,175	\$0.10 (10 cents)
Unlisted Options	5 October 2015	400,000	\$0.10 (10 cents)
Unlisted Options	5 October 2015	500,000	\$0.25 (25 cents)
Unlisted Options	5 October 2015	500,000	\$0.50 (50 cents)
<b>TOTAL:</b>		<b>42,699,175</b>	

The percentage shareholding in the Company of Shareholders who do not take up all of their rights pursuant to the Rights Issue will be diluted.

**4.2 Pro Forma Balance Sheet**

**Historical and Pro-Forma Balance Sheets of Mining Projects Group**

Set out below is the pro-forma Balance Sheet of Mining Projects Group Limited as at 30 June 2011.

The financial information has been extracted from the audited accounts of the Company to 30 June 2011. The Pro Forma Balance Sheet assumes the Offer is fully subscribed (refer further below for Pro Forma adjustments) and raises \$992,732 less the estimated costs of the Offer.

	<b>30 June 2011 (Audited) \$</b>	<b>Rights Issue Adjustment \$</b>	<b>30 June 2011 (Unaudited) \$</b>
<b><u>Assets</u></b>			
<i>Current Assets</i>			
Cash and cash equivalents	317,609	898,232	1,215,841
Trade and other receivables	230,713	-	230,713
Other financial assets	2,183,039	-	2,183,039
Current tax assets	947	-	947
Other	-	-	-
<b>Total Current Assets</b>	<b>2,732,308</b>	<b>898,232</b>	<b>3,630,540</b>
<i>Non-Current Assets</i>			
Trade and other receivables	66,582	-	66,582
Other financial assets	620,869	-	620,869
Property, plant and equipment	56,222	-	56,222
Exploration and evaluation costs	1,008,143	-	1,008,143
<b>Total Non-Current Assets</b>	<b>1,751,816</b>	<b>-</b>	<b>1,751,816</b>
<b>Total Assets</b>	<b>4,484,124</b>	<b>898,232</b>	<b>5,382,356</b>
<b><u>Liabilities</u></b>			
<i>Current Liabilities</i>			
Trade and other payables	224,333	-	224,333

Provisions	13,931	-	13,931
<b>Total Current Liabilities</b>	<b>238,264</b>	<b>-</b>	<b>238,264</b>
<b>Total Liabilities</b>	<b>238,264</b>	<b>-</b>	<b>238,264</b>
<b>Net Assets</b>	<b>4,245,860</b>	<b>898,232</b>	<b>5,144,092</b>
<b>Equity</b>			
Issued capital	31,219,145	898,232	32,117,377
Foreign Currency transaction	14,402	-	14,402
Accumulated losses	(26,980,614)	-	(26,980,614)
Parent Interests	4,252,933	898,232	5,151,165
Non-controlling interests	(7,073)	-	(7,073)
<b>Total Equity</b>	<b>4,245,860</b>	<b>898,232</b>	<b>5,144,092</b>

### Pro-Forma Adjustments

- The above assumes receipts of \$992,732 comprising gross proceeds, assuming the Offer is fully subscribed, from the issue of Shares and Options under the Offer less estimated costs associated with the Offer of \$94,500.
- The Company's total issued ordinary shares, assuming the Offer is fully subscribed, would be 124,091,470.

The anticipated costs of the Offer are as follows:

Particulars	Amount (\$)
Legal, administrative and regulatory	\$25,000
Printing, postage and despatch	\$10,000
Underwriting Fee	\$59,500
<b>TOTAL</b>	<b>\$94,500</b>

## 5. Acceptance Instructions

Eligible Shareholders may:

- exercise their rights to participate in the Rights Issue in full; or
- exercise their rights to participate in the Rights Issue in part; or
- exercise their rights to participate in the Rights Issue in full and apply for Shortfall Shares as described in section 1; or
- take no action under this Offer, thereby allowing their rights to lapse (as the offer is non-renounceable there is no trading of rights allowed).

### ***If paying by cheque or money order:***

To apply and pay by cheque or money order, you should:

- read this Prospectus and the attached Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and

- complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus (instructions for completing and returning the Entitlement and Acceptance Form are set out on the form); and
- return the completed Entitlement and Acceptance Form together with a cheque or money order for the applicable amount (being the offer price of 2 cents (\$0.02) per Share multiplied by the number of Shares you are applying for) to:

#### **IN AUSTRALIA**

Mining Projects Group Limited  
c/- Security Transfer Registrars Pty Ltd  
PO Box 535, Applecross, Western Australia, 6953  
Australia

#### **IN NEW ZEALAND**

Mining Projects Group Limited  
c/- Goodman Tavendale Reid  
PO Box 442  
Christchurch 8140  
New Zealand

so that it is received by no later than 5:00pm (Perth, Western Australia time (“WST”)) on the Closing Date, or such later date as the Company may specify. The Company, Security Transfer Registrars Pty Ltd (“the Share Registrar”) and Goodman Tavendale Reid accept no responsibility for delayed or misdelivered Entitlement and Acceptance Forms or payments.

#### **If you choose to pay by cheque or money order you must submit the completed Entitlement and Acceptance Form.**

Cheques should be made payable to “Mining Projects Group Limited Share Application A/C” and crossed “Not Negotiable”. Cheques must be payable in Australian dollars, drawn on an Australian branch of an Australian bank.

#### ***If paying by BPAY<sup>\*</sup>:***

To apply and pay via BPAY, you should:

- read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- make your payment via BPAY for the number of Shares you wish to subscribe for (being the offer price of 2 cents (\$0.02) per Share multiplied by the number of Shares you are applying for) so that it is received no later than 5:00pm (WST) on the Closing Date, or such later date as the Company may specify. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution.

#### **If you choose to pay via BPAY you are not required to submit the Entitlement and Acceptance Form.**

If your BPAY payment is received by 5:00pm (WST) on the Closing Date or such later date as the Company may specify, Shares (offered on a 2 for 3 basis) up to the payment amount received and attaching Options (issued on a 1 for 1 basis) are anticipated to be allotted to you on the Despatch Date (which date may change without notice). The issue of any Shortfall Shares and attaching Options for which payment is received is dependent upon sufficient Shortfall Shares being available. Any payment made by BPAY for an amount greater than the amount of an applicant’s entitlement under the Rights Issue, will be taken to amount to an application for Shortfall Shares for the total of that additional amount.

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\* ® Registered to Bpay Pty Ltd ABN 69 079 137 518



Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

If you have multiple holdings you will have multiple BPAY reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any Shares that you wish to apply for in respect of that holding.

***For payments by cheque, money order or BPAY:***

Your application or payment may not be accepted if received after 5:00pm (WST) on the Closing Date or such later date as the Company may specify, in which case no Shares or Options would be issued to you in respect of that application or payment, and any payment received will be refunded to you after the allotment date in accordance with the Corporations Act, without interest.

The amount payable on application will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment is insufficient to pay in full for the number of Shares you applied for, or is more than the number of Shares you applied for, you will be taken to have applied for such whole number of Shares (together with free attaching Options) which you are entitled to and which is covered in full by your payment. Alternatively, the Company may in its discretion reject your application, in which case any payment will be refunded to you after the allotment date in accordance with the Corporations Act, without interest.

If you apply for Shortfall Shares in excess of your entitlement and you are not allocated all or some of the Shortfall Shares (together with free attaching Options) applied for, the relevant payment will be refunded to you after the allotment date in accordance with the Corporations Act, without interest.

**If you have any questions about your entitlement, please contact the Company's Share Registry on 08 9315 2333 (within Australia) or +61 8 9315 2333 (outside Australia). Alternatively, contact your stockbroker or other professional adviser.**

The issue of Shares and Options will occur as soon as practicable after the Offer has closed. Thereafter, statements of Share and Option holdings will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in Shares or Options. Recipients trading Shares or Options before they receive their statements will do so at their own risk. The Company may reject an acceptance where payment of the application monies is not received or a cheque is not honoured, or without prejudice to its rights, issue Shares and Options in response to the acceptance and recover outstanding application monies from the recipient.

Subject to the requirements of the Corporations Act and the ASX Listing Rules, the Directors may (at their discretion) issue Shares and Options for which acceptances or payments have not been received by the Closing Date, up to the maximum number referred to in this Prospectus to third-party investors who may or may not be existing shareholders of the Company.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire Shares and Options. Return of a duly completed Entitlement and Acceptance Form or payment will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire Shares and Options or other securities of the Company.

## 6. Underwriting Arrangements

Pursuant to an agreement between Peregrine Corporate Limited, as Underwriter, and the Company (“the Underwriting Agreement”), the Underwriter has agreed to fully underwrite the shortfall in subscriptions for Shares and Options under the Offer (being a maximum underwriting of approximately \$992,730). The number of shares underwritten by the Underwriter will not be effected by the issue of any new shares by the Company prior to the Record Date as a result of the exercise by shareholders of existing options (if any).

The Company has agreed to pay the Underwriter an underwriting fee of \$59,500 being 6% of the underwritten amount. The Underwriter shall also be entitled to reimbursement of all direct costs and reasonable expenses associated with the underwriting.

The Underwriting Agreement is conditional upon the following events having occurred prior to the date of lodgement of this Prospectus:

- the Underwriter entering into sub-underwriting agreements or arrangements with sub-underwriters acceptable to it on terms and conditions satisfactory to the Underwriter (in its sole and absolute discretion);
- the Underwriter notifying the Company that it is satisfied with due diligence investigations and the due diligence results;
- a legal sign-off letter prepared by the Company’s solicitors being provided to the Underwriter and the Company; and
- the Underwriter being satisfied with the form of this Prospectus and giving its consent to being named in this Prospectus.

As noted in section 1.3, the Underwriter has entered into sub-underwriting arrangements for the underwritten amount of \$992,730.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of any of the following specified events where, in the opinion of the Underwriter reached in good faith and acting reasonably, the event has or could have a material adverse effect on the Rights Issue:

- **(Material Event)** Except in the case of a restructure to achieve objectives agreed with the Underwriter as necessary to facilitate the Rights Issue, there is a material adverse change in the condition, management or financial position, business, operations or prospects of the Company or a subsidiary.
- **(Breach of Law)** There is a contravention of any provision of the Company’s Constitution or any other legislation of the Commonwealth of Australia or any State or Territory relating to the securities industry or taxation or a breach of the ASX Listing Rules.
- **(Outbreak of Hostilities)** There is an outbreak of hostilities or new act of terrorism after the date of the Underwriting Agreement involving any of Australia, Japan, the United Kingdom, the United States of America, any member of the European Union, Afghanistan, Iraq, Iran, North Korea, Canada, Indonesia, any member of the Organisation of Petroleum Exporting Countries or any other country of the Middle East, People’s Republic of China, Russia or other countries of the Commonwealth of Independent States which, in the reasonable opinion of the Underwriter, would have a material adverse effect on the Offer.
- **(Indices Fall)** Any of: (i) the Australian All Ordinaries Index; (ii) the S & P ASX 200; (iii) the Dow Jones Industrial Average; or (iv) the Nikkei Dow; close at values which are 5% of more below their closing values as at the date of the Underwriting Agreement on any two or more days (consecutive or non-consecutive) on which the relevant exchange or exchanges is or are open after the date of the Underwriting Agreement.
- **(Share Price)** The share price of the Company as listed on ASX Limited falls below \$0.02 on any two or more days (consecutive or non-consecutive).

- **(Change in Act or Policy)** Any law being introduced into the Parliament of the Commonwealth of Australia or any of the legislatures of the States or Territories or any prospective law or other measure being passed or becoming effective, having the effect of restricting capital issue or company profits or imposing any excess profits tax or any other measure which, in the reasonable opinion of the Underwriter, is likely to have adverse effect on the success of the Rights Issue, the underwriting of the Rights Issue of the financial position or prospects of the Company.
- **(Change in Fiscal Policy)** Any law or budget being introduced into the Parliament of the Commonwealth of Australia or any of the legislatures of the States or Territories or any prospective law or other measure being passed or becoming effective, or there being adopted by any government authority a major change in fiscal or monetary policy which, in the reasonable opinion of the Underwriter, is likely to have an adverse effect on the success of the Rights Issue, the underwriting of the Rights Issue of the financial position or prospects of the Company.
- **(Insolvency Events)** Except in the case of a restructure to achieve objectives agreed with the Underwriter as necessary to facilitate the Rights Issue, the Company or any subsidiary: (i) are wound up, or suffer an act whereby any of them may be wound up; (ii) have proceedings brought against them which would materially impact upon or inhibit the relevant company carrying on its business; (iii) becomes externally administered (within the meaning of the Corporations Act 2001).
- **(Failure to Comply with Statutory Demand)** The Company or a subsidiary fails to comply with a statutory demand in accordance with the Corporations Act 2001.
- **(Interest Rate Increase)** An increase in the interest rate for the issue of Australian Government or semi-Government securities by more than one and a half per cent above that prevailing in the date of signing of this Agreement.
- **(Breach of Warranty)** There is any material breach of warranty given by the Company to the Underwriter.
- **(Stop Order or Non-Compliance)** ASIC makes any stop order or give notice of an intention to hold a hearing in relation to the Rights Issue prospectus, or concludes that the Rights Issue prospectus does not comply with the Corporations Act 2001 or any other applicable law.
- **(Quotation of Securities)** Unconditional approval or conditional approval (provided such conditions would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Issue or the underwriting of the Rights Issue) by the ASX for quotation of the shares issued under the Rights Issue is refused, or is not granted prior to 5pm on a date which is within 7 days after the Closing Date or such approval is granted but then withdrawn.
- **(Due Diligence)** In the opinion of the Underwriter, the Company has not (i) taken all necessary steps to satisfactorily complete its due diligence program and a review of any associated documentation; or (ii) taken all necessary steps to satisfactorily complete ongoing due diligence during the period of the Rights Issue.
- **(Breach of Law)** In the sole opinion of the Underwriter, there has been any breach of the law which may effect the Company's share price, which includes but is not limited to market misconduct and/or other prohibited conduct as described in Chapter 7 of the Corporations Act.

The Underwriting Agreement also contains a number of indemnities and representations and warranties from the Company to the Underwriter and other provisions of the kind commonly included in an agreement of this nature.

## 7. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities or options offered to acquire securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities

that were quoted enhanced disclosure securities at all times during the 12 months before the date of the prospectus.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
  - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
  - the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the Prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company seeks and engages in discussions on an ongoing basis in respect of potential opportunities for the establishment of new and the expansion of existing activities and joint ventures, these include the opportunities of the nature described in section 2 of this Prospectus. While the Company continues to seek and negotiate potential commercial opportunities in this respect, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur.

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (a) the financial statements of the Company for the financial year ended 30 June 2011 (lodged with ASIC on 30 September 2011), being the most recent annual financial report of the Company lodged with ASIC before the lodgement of this Prospectus with ASIC;
- (b) any continuous disclosure notices given by the Company since the lodgement of the annual financial report referred to in (a) above and before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the annual financial report to the date of this Prospectus are listed in section 8 of this Prospectus.

## 8. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its Annual Report for the year ended 30 June 2011:

Date	Headline
28/10/2011	Quarterly Activities and Cashflow Report
25/10/2011	Capital Raising
21/10/2011	Final Director's Interest Notice - CT
21/10/2011	Resignation of Director

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website, [www.asx.com.au](http://www.asx.com.au), and will also be made available on the Company's web site, [www.miningprojectsgroup.com.au](http://www.miningprojectsgroup.com.au). Copies of announcements can also be obtained from the Company upon request. Prospective investors are advised to refer to ASX's website or the Company's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

## 9. Terms of Securities Offered

### Shares

The Shares including the Shortfall Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as the existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's Constitution, the Listing Rules of ASX and the Corporations Act. The Company's Constitution has been lodged with ASIC. The Constitution contains provisions of the kind common for public companies in Australia and is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Constitution during the application period of the Prospectus, which the Company will provide free of charge.

### Options and Piggy-Back Options

Rights attaching to the Options offered under this Prospectus, and the Piggy-Back Options to be issued on exercise of each Option, are set out below.

#### *(a) Specific terms for Options*

- Each option, upon exercise, entitles the holder to acquire one ordinary fully paid share in the capital of the Company together with one further option, which further option will have an exercise price of 3 cents (\$0.03) and an expiry date of 28 February 2014.
- Each option is exercisable at any time on or before 5:00 pm Melbourne time on 28 February 2013 ("the Exercise Period") by completing the option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company. Any option that is not exercised during the Exercise Period automatically lapses.
- The exercise price of the options is 2 cents (\$0.02) per option payable in full on exercise.

#### *(b) Specific terms for Piggy-Back Options*

- Each option, upon exercise, entitles the holder to acquire one ordinary fully paid share in the capital of the Company.

- The exercise price of the options is 3 cents (\$0.03) per option payable in full on exercise.
- Each option is exercisable at any time on or before 5:00 pm Melbourne time on 28 February 2014 ("the Exercise Period") by completing the option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company. Any option that is not exercised during the Exercise Period automatically lapses.

*(c) Terms common to both Options and Piggy-Back Options*

- Subject to the Corporations Act, the ASX Listing Rules, and the Constitution of the Company, options are freely transferable. All shares issued upon exercise of options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. The Company will apply for official quotation by ASX of all shares issued upon exercise of options.
- The options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant options.
- There are no participation rights or entitlements inherent in the options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the options. Subject to any waiver granted by ASX, the Company will send notices to option holders at least five business days prior to the record date applying to offers of securities made to shareholders during the currency of the options.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of the Exercise Period, the number of options or the exercise price of the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction

Shares issued upon the exercise of Options and Piggy-Back Options will be fully paid ordinary shares and will have the same voting and other rights as the existing shares of the Company.

## **10. Directors' Interests**

### **10.1 Securities**

#### Existing Interests

As at the date of this Prospectus, the Directors' direct and indirect interests in shares and options of Mining Projects Group Limited are as follows:

<i>Director</i>	<i>Shares</i>	<i>Options</i>
Bryan Frost	11,170,085	7,623,930
James Babbage	150,000	125,000
Richard Revelins	4,947,847	2,302,991

#### Participation by Directors in the Rights Issue

The Directors are entitled, but not obliged, to participate in the Rights Issue without the need for shareholder approval. Shareholder approval would however be required for the Directors to apply for any Shortfall Shares. If the Directors each participate to the maximum extent permissible then their respective direct and indirect interests will increase and upon issue of the Shares and Options they will have the following direct or indirect interests:

Director	Entitlement under the Rights Issue (shares)	Entitlement under the Rights Issue (options)	Total interest if full entitlement taken up (shares)	Total interest if full entitlement taken up (options)
Bryan Frost	7,446,724	7,446,724	18,616,809	15,070,654
James Babbage	100,000	100,000	250,000	225,000
Richard Revelins	3,298,565	3,298,565	8,246,412	5,601,556

Note: As noted in section 1.3 of this Prospectus, Bryan Frost and Richard Revelins have each agreed to sub-underwrite the Offer up to the sum of \$300,000 and \$100,000 respectively. Shares and Options which may be issued as a result of that sub-underwriting commitment are not included in the table above.

Except as disclosed in the Prospectus, no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

## 10.2 Remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company. Details of the remuneration paid to Directors to 30 June 2011 are set out in the financial statements of the Company for the financial year ended 30 June 2011.

The total amounts payable (exclusive of GST) to current Directors as fees and executive service remuneration in the 2 year period prior to lodgement of this Prospectus are:

Director	September 2009 – June 2010	July 2010- June 2011	July 2011- October 2011
Bryan Frost	\$ 208,330	\$249,996	\$83,332
James Babbage	\$ 33,333	\$46,500*	\$13,333
Richard Revelins	\$ 150,000	\$180,000	\$60,000

\* Includes \$6,500 paid to Babbage & Co Pty Ltd, an entity controlled by James Babbage, in connection with advisory services provided to the Company.

Except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.

## 10.3 Payments to Entities Associated with Directors

As noted in section 1.3 of this Prospectus Bryan Frost and Richard Revelins, Directors of the Company, are also Directors of the Underwriter, Peregrine Corporate Limited. Peregrine Corporate Limited will receive a fee of \$59,500 in connection with its agreement to underwrite the Offer. In the past two years, the Company has also paid Peregrine Corporate Limited a fee of \$50,000 (plus GST) in connection with capital raising advice and management services (paid in October 2009).

## 11. Taxation

Recipients of the Offer should seek and obtain their own taxation advice before applying for Shares and Options so that they may first satisfy themselves of any taxation implications associated with acquiring Shares and Options.

## **12. Overseas Shareholders**

### **12.1 New Zealand Regulatory Requirements**

As at the date of this Prospectus the Company has no shareholders registered at an address in New Zealand. Nevertheless the information below and instructions for acceptance of the Offer within New Zealand in section 5 have been included in the event that a New Zealand investor becomes a shareholder of the Company prior to the Record Date.

This Rights Issue to New Zealand investors is a regulated Rights Issue made under Australian and New Zealand Law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008. This Rights Issue and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Rights Issue must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Rights Issue. If you receive this Offer in New Zealand and need to make a complaint about this Rights Issue, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain as to whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The Rights Issue may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a financial market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from markets that operate in New Zealand.

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law, and persons outside Australia and New Zealand who come into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares and Options or the Rights Issue or otherwise to permit a public offering of the securities in any jurisdiction outside Australia and New Zealand. The Shares and Options have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA. Any person accessing the electronic version of this Prospectus for the purpose of investing in the Company must only access it from within Australia or New Zealand.

## **13. Privacy**

Personal information is collected on the Entitlement and Acceptance Forms by the Company and its Share Registrar for maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like



details of their personal information held by the Company or its Share Registrar, or who would like to correct information that is incorrect or out of date, should contact the Share Registrar by telephone on 08 9315 2333 (within Australia) or +61 8 9315 2333 (outside Australia) or the address shown in the Corporate Directory on page 1 of this Prospectus. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registrar. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

#### **14. Electronic Prospectus**

This Prospectus is available in electronic format at [www.miningprojectsgroup.com.au](http://www.miningprojectsgroup.com.au). Offers constituted by this Prospectus in electronic form (if any) are only available to Eligible Shareholders receiving this Prospectus in electronic form within Australia. Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by telephoning 08 9315 2333 (within Australia) or +61 8 9315 2333 (outside Australia), or alternatively the Company on +61 3 9671 4888. Acceptances for Shares and Options may only be made on the Entitlement and Acceptance Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a print out of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

#### **15. Consents**

Peregrine Corporate Limited has given and, as at the date hereof, not withdrawn, its written consent to being named as underwriter to the Offer in the form and context in which it is named. Peregrine Corporate Limited has had no involvement in the preparation of any part of the Prospectus other than being named the underwriter of the Offer. Peregrine Corporate Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Security Transfer Registrars Pty Ltd has given and, as at the date hereof, not withdrawn, its written consent to be named as share registry in the form and context in which it is named. Security Transfer Registrars Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as share registry to the Company. Security Transfer Registrars Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Goodman Tavendale Reid Limited has given, and, as at the date hereof, not withdrawn, its written consent to be named as New Zealand agent to the Rights Issue in the form and context in which it is named. Goodman Tavendale Reid Limited has had no involvement in the preparation of any part of the Prospectus other than being named as New Zealand agent to the Rights Issue. Goodman Tavendale Reid Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

#### **16. Enquiries**

If you have any questions regarding the content of this Prospectus or how to complete the Entitlement and Acceptance Form, please contact the Company's Share Registry on 08 9315 2333 (within Australia) or +61 8 9315 2333 (outside Australia). Alternatively, you should contact your stockbroker, accountant or independent professional financial adviser prior to accepting the Offer.

Any questions concerning the Offer should be directed to Mining Projects Group Limited on +61 3 9824 8166.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by Mining Projects Group Limited in connection with this Prospectus.

#### **Directors' Responsibility Statement**

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



**Bryan Frost**  
Director – Chairman