



COMPANY ANNOUNCEMENT

Mining Projects Group Signs Binding Heads of Agreement to Acquire Raptor Minerals' - South African Gold and Uranium Prospects

4th December 2009

Highlights

- MPJ has entered into a binding heads of agreement to purchase 90% of the shares in Raptor Minerals (Pty) Ltd, which has highly prospective gold, uranium and molybdenum tenements in the Free State and Karoo Basin regions of South Africa
- Gold Projects are adjacent to and along strike from producing underground gold operations
- Uranium prospects are strategically located within known mineralised corridors
- Initial exploration activity to commence immediately

Mining Projects Group (ASX:MPJ) ("**the Company**" or "**MPJ**") is pleased to announce that it has entered into a binding heads of agreement to take 90% ownership of Raptor Minerals (Pty) Ltd ("**Raptor**"). Raptor, through its subsidiary companies, has secured a number of granted prospecting rights strategically located in key regions of South Africa which MPJ considers have potential to host significant gold, uranium and molybdenum mineralisation (Figure 1).

Raptor along with its subsidiary companies have a 70-74% interest in 5 prospecting rights, with three prospecting rights to be granted by the Departments of Minerals and Energy South Africa shortly. In total the rights cover approximately 44,209 hectares over gold, pyrite and uranium exploration tenements in the Free State Province and Uranium and Molybdenum tenements in the Western Cape Province of South Africa. The remaining equity is held by Raptor's Black Economic Empowerment (BEE) partners. These prospects include underground mining targets for gold and uranium mineralisation within extensive flat dipping conglomerate reefs associated with the Central Rand Group of sediments and shallow Karoo Basin sandstone hosted uranium targets amenable to open pit extraction. These prospects are:

- BoschKop and Wintershoek prospects: Gold and Uranium targets in the Free State Province adjacent to the mining town of Virginia
- Edenburg: two Uranium targets in the Karoo Basin sediments in the Free State Province, 80km south of Bloemfontein
- Uitkyk and Schietkop prospects: Uranium targets in the Karoo Basin near Beaufort West township in the Western Cape Province
- Laingsburg Project : two uranium prospects (Spitzekop and Farm 45) close to Laingsburg township in the Western Cape

Terms

Under the terms of the heads of agreement MPJ is to pay a consideration of AU\$ 1,890,000 comprising:

- a cash payment of up to AU\$500,000 as reimbursement for verified exploration expenditure and transfer fees incurred in developing and procuring the prospecting rights; and
- the balance of the payments through the issue of fully paid MPJ shares at an issue price of AU\$0.002

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This purchase is subject to the all relevant regulatory and shareholder approvals. As two directors of MPJ hold an indirect interest in the ownership of Raptor an independent experts report will be provided to assist shareholders in determining whether the transaction is fair and reasonable.

Gold and Uranium prospects

The gold and uranium projects include two Prospecting Rights known as Boschkop and Wintershoek which are located close to the mining town of Virginia, within the Free State Province, approximately 300km to the southwest of Johannesburg. The Free State Goldfield is the southernmost, and one of the most productive goldfields along the margin of the Witwatersrand Basin having produced in excess of 311 million ounces of gold at an average grade of 8.4 g/t Au.

Gold and uranium in the Free State Goldfield are hosted by a sequence of quartz pebble conglomerates (locally called Reefs) developed on laterally continuous unconformity or erosional surfaces. The reefs are thought to have formed in a braided alluvial stream environment and then reworked and are part of the significant Central Rand Group which extends laterally for hundreds of kilometres. The mineralised reef sequences are overlain by younger geological units such as the Karoo Sequence of rocks which extends over the entire surface area and varies in thickness from 350m to 960m. It is because of this barren overburden material that the Free State Goldfield was discovered and developed well after the main Witwatersrand mines further north.

Locally the reefs can form as tabular bodies which form extensive continuous sheet-like conglomerate developed over large areas (Beatrix Reef) or as channelised deposits which have more irregular shapes but may be continuous parallel to the axis of the channel (B Reef). Mining occurs on a number of these reef horizons which are generally 1m to 2.5m wide and extend to depths of about 2500m. These depths are considered shallow by South African standards and a number of producing gold operations are located adjacent to the Raptor Prospects including the Joel mine of Harmony, the Beatrix mine of Gold Fields and the area covered by the Bloemhoek Project pre-feasibility study completed by Witwatersrand Consolidated Gold Resources ("Wits Gold").

The Joel operations of Harmony Gold Mining Company Limited ("Harmony") is focussed on mining the Beatrix Reef and has measured, indicated and inferred gold resources of 129.2 million tonnes @ 6.76 g/t Au. In addition to these resources it has proven (0.9Mt @ 5.74g/t Au) and probable reserves (2.2 Mt @ 5.52 g/t Au) for a total of 3.1Mt @ 5.58 g/t Au for 565,000 ounces of gold (Harmony Annual Report 2009, Reserve and Resource Statement, as per South African mineral reporting code, SAMREC).

Similarly, recent pre-feasibility studies completed by Wits Gold on its Bloemhoek Project, which is contiguous to the Raptor gold and uranium prospects, reported a Joint Ore Reserves Committee (JORC) equivalent and compliant, total indicated mineral resource on all reefs of 47.8 million tonnes ("Mt") at 6.9 g/t Au for 10.6 M ounces of gold. This was converted into a probable Reserve of 31.6Mt at 5.33 g/t Au containing 5.4M ounces of gold ranging in depth from 1300m to 2500m, which in Witwatersrand terms is relatively shallow and amenable to established underground mining techniques. The uranium estimate includes 92Mt @ 0.15kg/t U_3O_8 for 13,774t of U_3O_8 . (Wits Gold Technical Report on the prefeasibility Study for Bloemhoek Project in compliance of the Canadian National Instrument 43-101, Oct. 2009)

All the Reefs in the Free State Goldfield may contain uranium bearing minerals, and in the past these have been treated as a bi-product of gold mining however the economic importance is dependant on the grade and prevailing price of uranium.

The Company strongly believes that the stratigraphy and structure of the nearby mining operations of Harmony and the recent pre-feasibility studies completed by Wits Gold is a strong indication that similar geology, reef structures and potential mineralisation could be present in the Raptor prospects.

Uranium Prospects

South Africa has historically produced up to 8% of the world's uranium as a bi-product of gold mining from the gold and uranium bearing conglomerate reefs of the Witwatersrand Basin. Within the Permian-Triassic Karoo Basin of southern Africa, uranium mineralisation is widespread and MPJ believes that the uranium prospecting rights are strategically located within the main mineralised corridor as defined by previous explorers.

The Karoo Basin uranium mineralisation is generally contained within fine grained sandstone units deposited within meandering river channels and floodplains at continental margins. The fluvial sandstones can form discrete bodies up to 16km long, 3km wide and 60m thick and their morphology is either ribbonous or tabular. Anomalous uranium values are widespread within the tabular sandstone units but the thicker, narrower and more continuous mineralisation is often associated with ribbon type sandstones which have formed in the ancient river channels.

The uranium occurrences within the channel sandstones form discrete pods and lenses, within and across bedding and the best mineralisation is generally associated with organic rich material. The pods and lenses can be isolated or stacked, and range in size from less than one cubic metre to several hundred metres long, twenty metres wide and seven metres thick. They are usually restricted to the basal portion of the sandstone which was deposited under more reducing conditions.

The Raptor uranium prospects have been strategically selected based on the potential indicated by exploration completed on the adjacent properties to host significant uranium mineralisation. Several significant uranium exploration and development operations are being established in the Karoo Basin and MPJ believes its Raptor prospects could be located within the next uranium hotspot.

Raptor's Beaufort West properties in the Western Cape are contiguous with AREVA Resources South Africa (AREVA), Rietkuil and Rystkuil uranium projects. 'A Lukisa', a subsidiary of AREVA is completing a feasibility study to verify the historical data and determine the viability of the Rystkuil deposit.

Other recent exploration activity in the region include airborne radiometric surveys by Peninsula Minerals Ltd which has defined a number of anomalies on its Site 29 target which have been ground proven with maximum grades of 2.1% U₃O₈ and 2430 ppm Mo. These radiometric anomalies have indicated several areas with potential to host uranium mineralisation adjacent to Raptors' Schietkop uranium prospect.

Western Uranium, a subsidiary of Brinkley Mining, has the Waterval prospect on the western border with Northern Cape Province and in 2008 has completed drilling and resource estimates over a shallow sandstone hosted uranium mineralised zone. SRK completed the resource estimate and reported an indicated and inferred resource of 933,800 tonnes @ 0.35 kg / t U₃O₈ equivalent to 721,000 pounds of U₃O₈ (as per South African mineral reporting code, SAMREC, Brinkley Mining Annual Report,2007)

Initial exploration is scheduled to commence prior to the end of the calendar year with the MPJ exploration team conducting on-site reconnaissance and preliminary geological assessment of the prospecting rights.

MPJ believes that it has positioned itself in a highly prospective uranium corridor associated with the sediments of the Karoo Basin and that recent exploration and development activity adjacent to the Raptor prospect bodes well for exploration success.

And On Behalf Of The Board

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Figure 1.

