



**Quarterly Activities Report for the 3 Months
Ended 31st March 2014**

Review of Operations

Mining Projects Group Limited (ASX: MPJ) (“MPJ” or “the Company”) has taken a significant step forward with the execution of a binding term sheet to complete a major expansion of the Company’s West Australian Nickel assets. As announced on the 26/03/2014 the Company entered into a binding term sheet for the proposed acquisition of 100% of the Balladonia Tenement expanding MPJ’s existing Fraser Range East Project located approximately 70km from the Nova-Bollinger Deposit and the Dingo Range Tenements bordering Rox Resources Limited Mt Fisher Project. Both the Balladonia and Dingo Range tenements are described further below. Furthermore, MPJ will increase the interest in its existing Fraser Range East and West Projects to 100% under the proposed acquisition.

The transaction is conditional upon the successful completion of a capital raising, due diligence and the engagement of Newexco Services Pty Ltd (“Newexco”) to conduct geophysical and geological services in return for MPJ shares. The acquisitions, the issue of shares to Newexco and the capital raising are also subject to shareholder and all required regulatory approvals.

Subsequent to the execution of the transaction MPJ secured the appointment of Mr Neil Hutchison as a Non-Executive director. Furthermore, the Company received firm commitments from sophisticated and institutional investors for a total of \$392,000 to subscribe for 130,666,667 new ordinary shares at \$0.003 per share. Each three new shares comes with two free attaching MPJO options.

The Company is continuing to progress the non-binding Framework Agreement with the International Mining Inner Mongolia Geology & Minerals Group Co. Ltd, a Chinese corporation (“IMMG”) as announced on the 20/12/2013 alongside discussions with other potential Joint Venture partners. Further to the board is pursuing opportunities to realise value from its additional asset base and redirect capital expenditure towards the West Australian operations.

Roe Hills Nickel Project - Western Australia (100%)

Talc Lake

. MPJ has over 40km of ultramafic belt and has, to date, identified 3 komatiitic flows and nickeliferous gossan outcrops. The next phase of exploration may involve, but not limited to, detailed large moving loop electromagnetics (MLEM) over significant areas of the belt to identify further conductors for drilling.

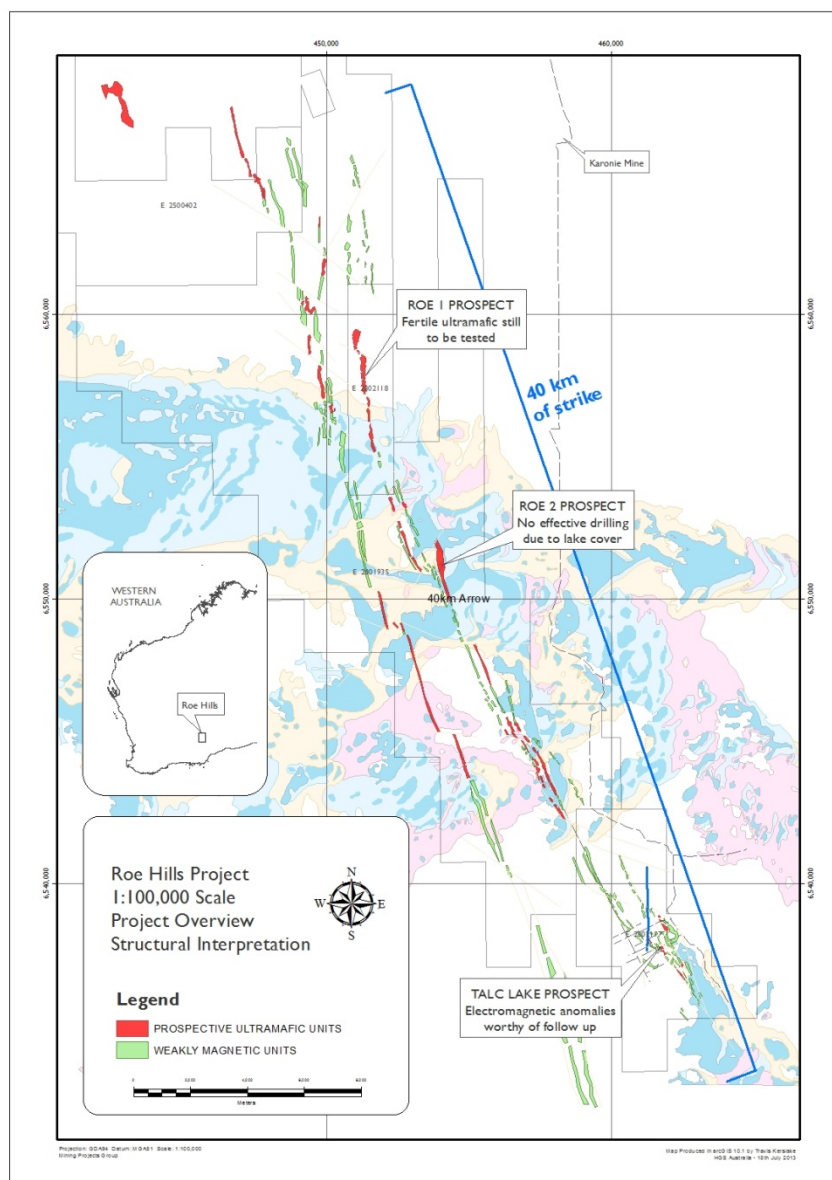
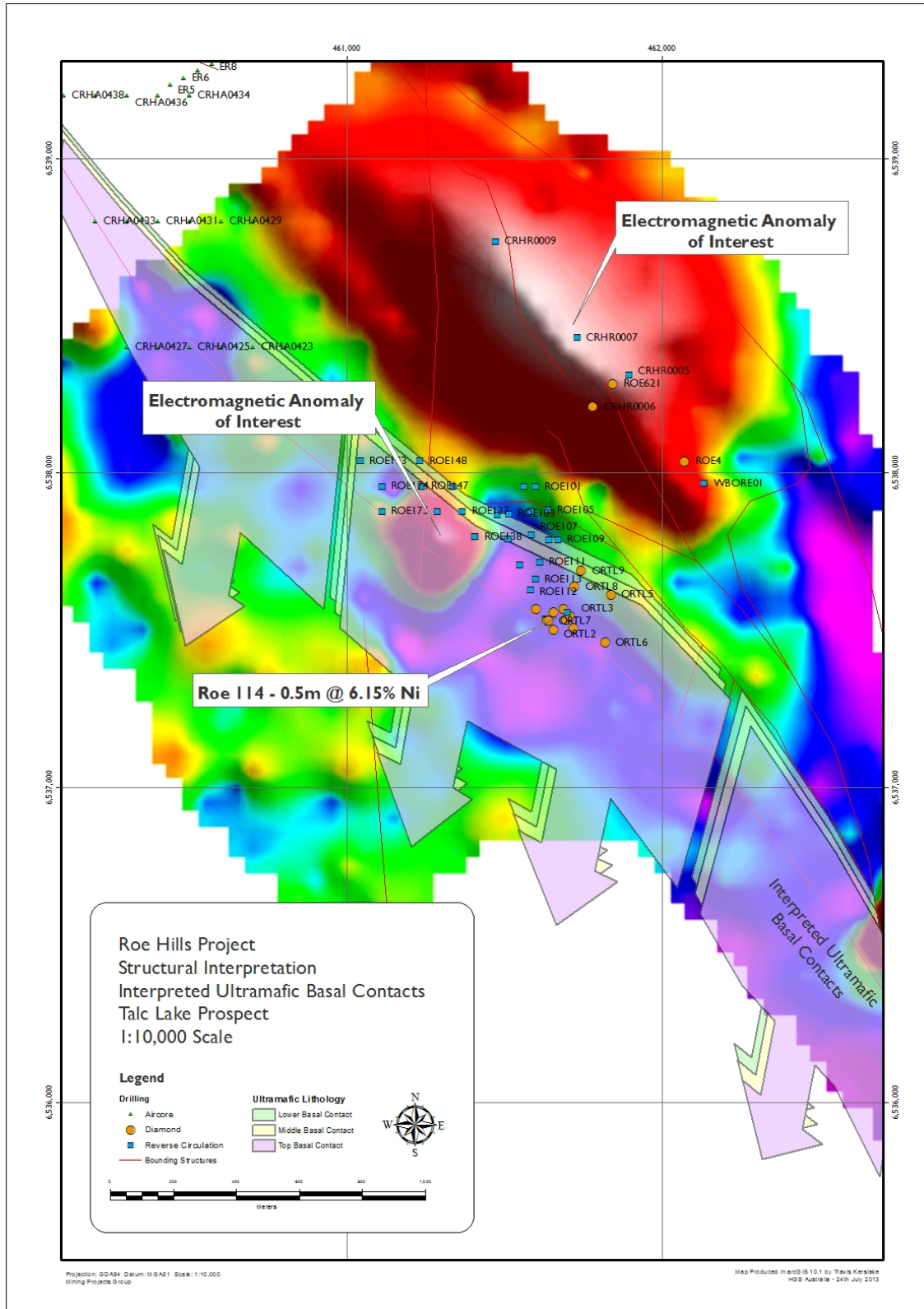


Figure 1: Roe Hills Project location map



Western Australian Nickel Projects

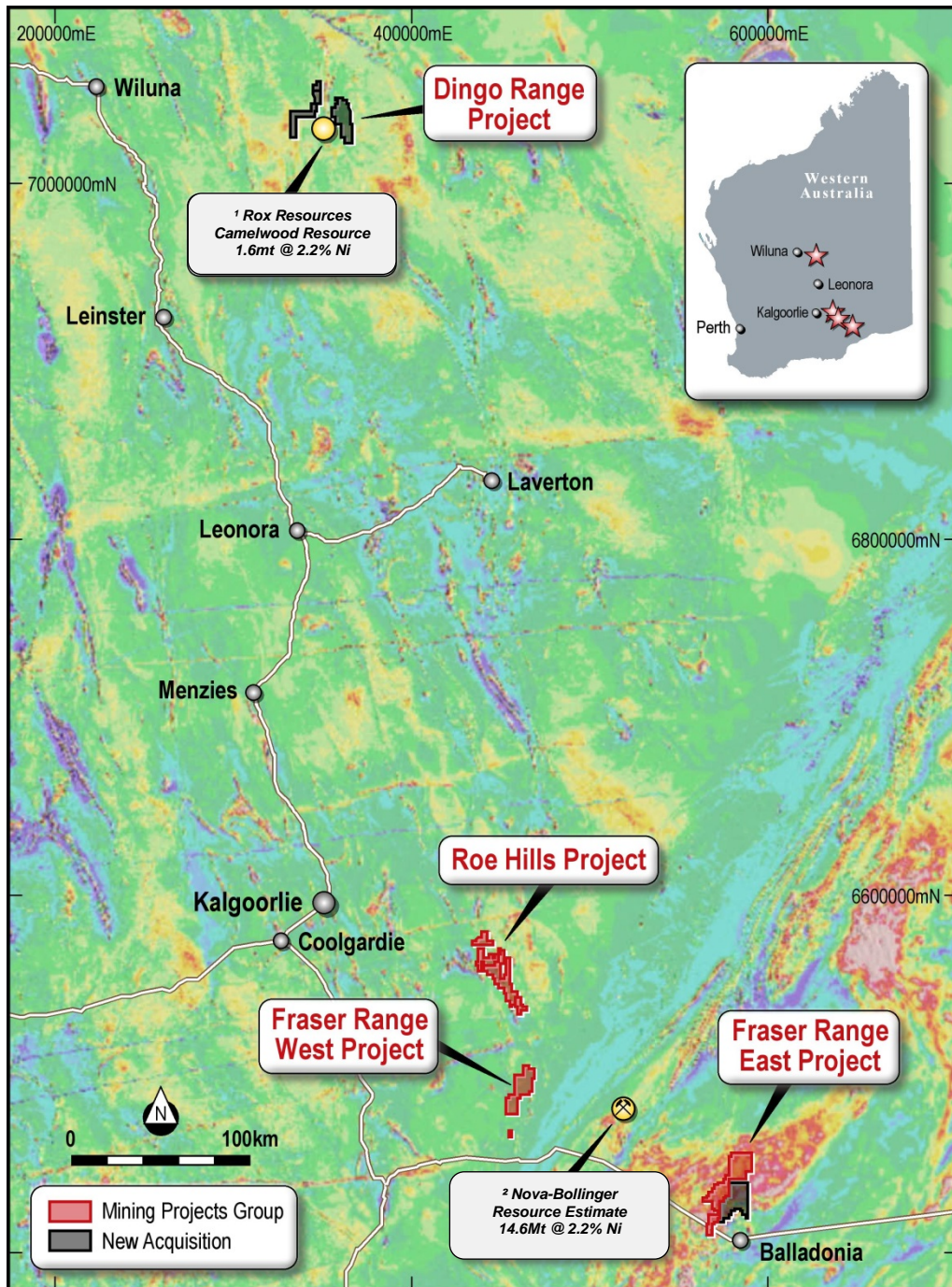


Figure 2. MPJ's W.A. Nickel Projects including proposed acquisition tenements

Fraser Range East Project and Balladonia Tenement

The proposed acquisition of the Balladonia Tenement (defined in section headed “Summary of Proposed Acquisition” below) adjoining MPJ’s existing Fraser Range East Project would expand MPJ’s total exploration area to 601.4km². This project borders Fortescue Metals Group and Sirius Resource’s tenements located to the south-east of the Nova-Bollinger Nickel deposit.

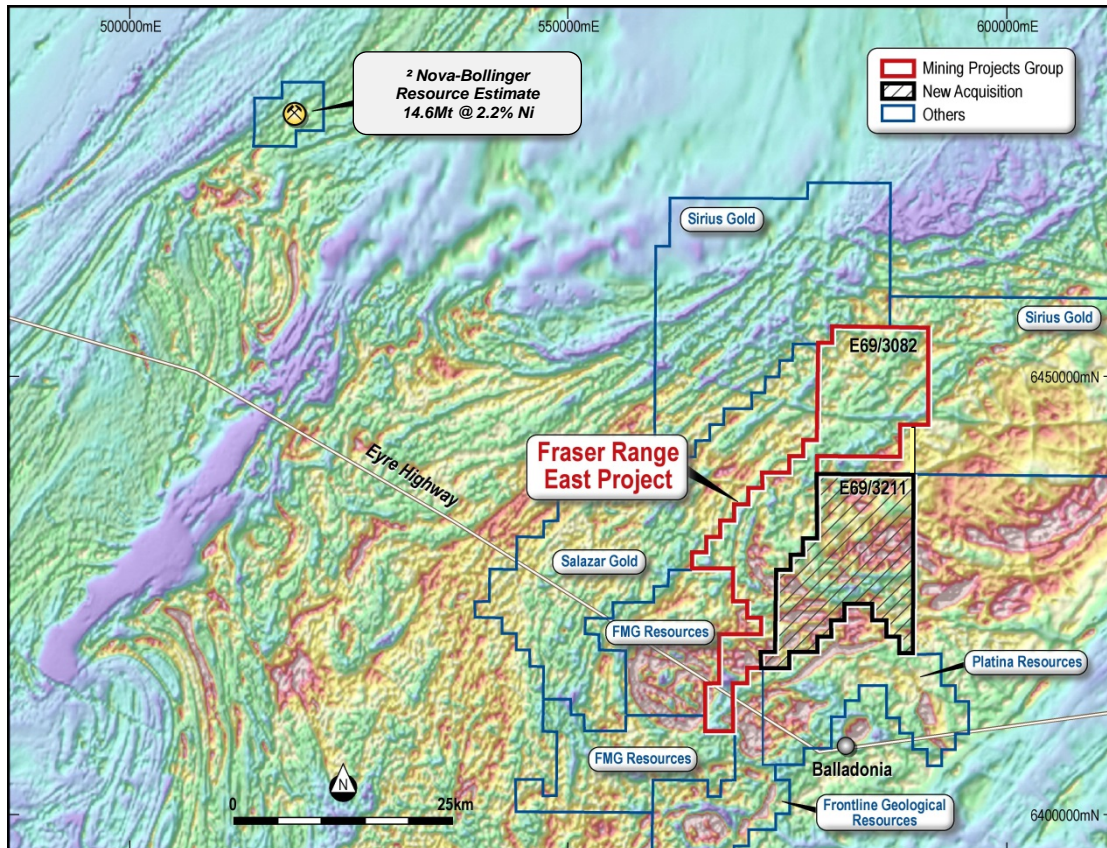


Figure 3. MPJ’s Fraser Range East Project and Balladonia Tenement over airborne magnetics

¹ Sourced from Rox Resources ASX announcement on 6th March 2014 “High Grade Massive Sulphide Intersections”.

² Sourced from Sirius Resources ASX announcement on 14th February 2014 “Sirius to Acquire Creasy’s 30% of Nova-Bollinger Project to Take Ownership to 100%”

Dingo Range Tenements

The Dingo Range Tenements include four mineral tenures (defined in section headed “Summary of Proposed Acquisition” below) comprising a total area of 326.8km². The tenements border the Rox Resource’s Mt Fisher Project and Cullen Resource’s Mt Eureka Project on both the east and West sides.

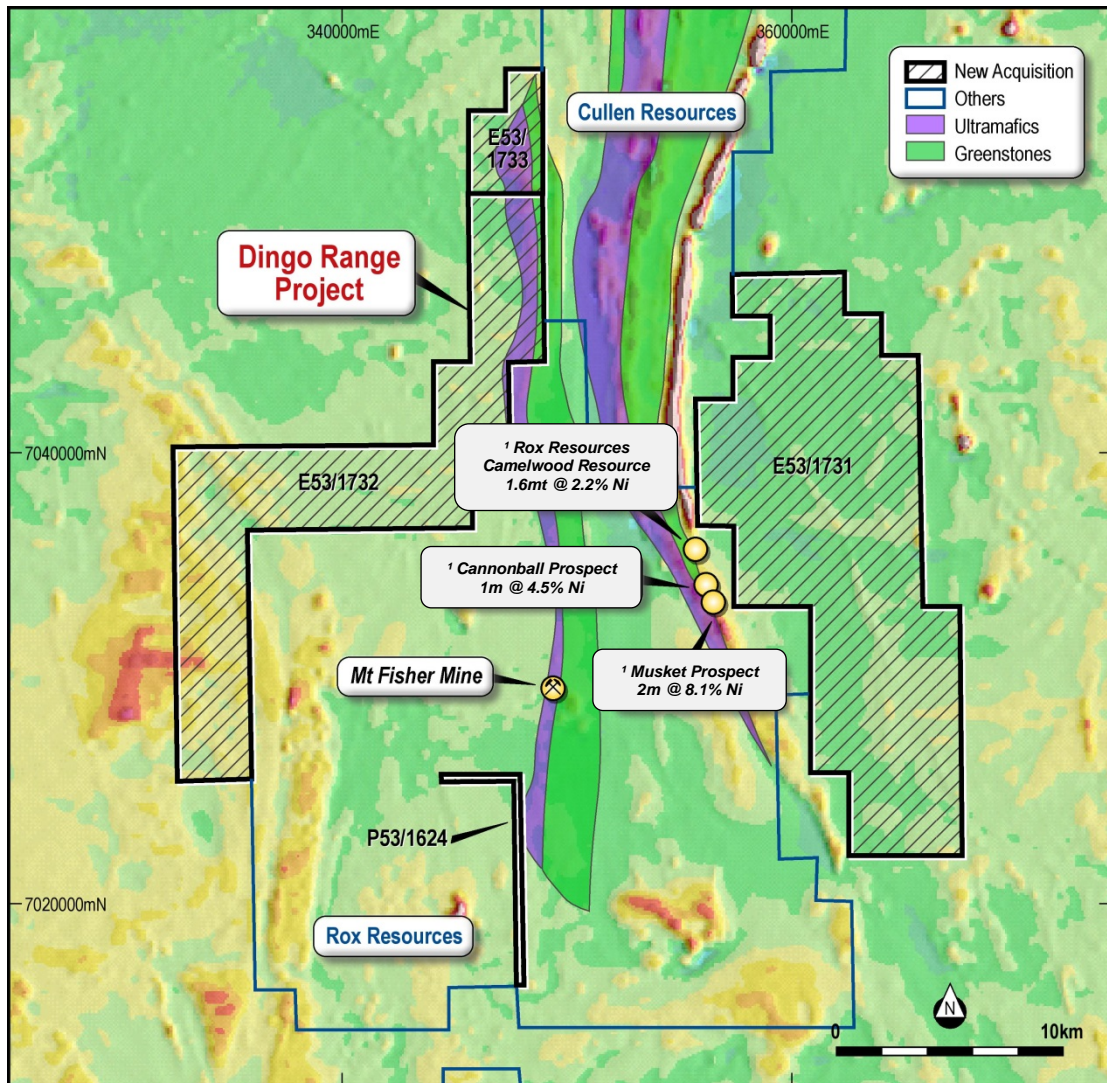


Figure 4. Dingo Range tenements showing geological trends

Other Tenements

The Company has conducted no further exploration work on its residual assets and continues to pursue opportunities to realise value from these assets to focus resources on the Western Australian assets.

Corporate

Proposed Acquisition of WA Nickel assets

On 26 March 2014, the Company announced that it had entered into a binding Terms Sheet for the proposed acquisition of 100% of the Balladonia Tenement expanding MPJ's existing Fraser Range East Project located approximately 70km from the Nova-Bollinger Deposit and the Dingo Range Tenements bordering Rox Resources Limited Mt Fisher Project. Both the Balladonia and Dingo Range tenements are described further below. Furthermore, MPJ will increase the interest in its existing Fraser Range East and West Projects to 100% under the proposed acquisition.

The transaction is conditional upon the successful completion of a capital raising of no less than \$390,000 (see below), due diligence and the engagement of Newexco Services Pty Ltd ("**Newexco**") to conduct geophysical and geological services in return for MPJ shares. The acquisitions, the issue of shares to Newexco and the capital raising are also subject to shareholder approval to be sought on 16 May 2014.

Under the Terms Sheet, subject to the satisfaction of the conditions set out below, it is proposed that MPJ will acquire:

- all of the issued share capital of Next Commodities Pty Ltd [ACN 165 265 976] ("**Next Commodities**") which holds the exploration licence application identified as E69/3211 ("**Balladonia Tenement**");
- all of the issued share capital of Coal First Pty Ltd [ACN 149 227 154] ("**Coal First**") which holds the exploration licence application identified as E53/1731, the granted exploration licences identified as E53/1732 and E53/1733 and the granted prospecting licence identified as P53/1624 ("**Dingo Range Tenements**"); and
- the remaining 30% interest in the following Western Australian exploration licences E69/3082, E28/2271 and E63/1594 ("**Fraser Range Tenements**") held by EpiEnergy Pty Ltd

[ACN 155 586 842] (“**EpiEnergy**”), being the tenements the subject of the existing Joint Venture Agreement with EpiEnergy (refer to the Company’s prior ASX announcement on 10 September 2013).

Key Terms of Proposed Acquisitions

The Terms Sheet provides for:

- The acquisition of Next Commodities for consideration satisfied through the issue of an aggregate of 100 million ordinary MPJ shares and 25 million MPJO options to the Next Commodities vendors (being the shareholders of Next Commodities). In addition, MPJ will grant the Next Commodities vendors a right to an aggregate 1.5% net smelter royalty in respect of any production achieved from the Balladonia Tenement.
- The acquisition of Coal First for consideration satisfied through the issue of an aggregate of 100 million ordinary MPJ shares and 25 million MPJO options to the Coal First vendors (being the shareholders of Coal First). In addition, MPJ will grant the Coal First vendors a right to an aggregate 1.5% net smelter royalty in respect of any production achieved from the Dingo Range Tenements.
- The acquisition of EpiEnergy’s remaining 30% interest in the Fraser Range Tenements in consideration of the grant of a 1.5% net smelter royalty in respect of production received from the Fraser Range Tenements. In addition MPJ’s obligation to pay \$200,000, being the deferred consideration due under the existing EpiEnergy Joint Venture Agreement, will be deferred until 15 July 2015.

The acquisitions referred to above are subject to, and conditional upon, each of the following:

- MPJ conducting and completing (to its satisfaction) a due diligence investigation into Next Commodities, the Balladonia Tenement, Coal First and the Dingo Range Tenements within 30 days of the execution of the Terms Sheet.
- MPJ (and, where required, each other party to the Terms Sheet) obtaining all necessary regulatory, shareholder and other third-party or governmental approvals and consents required for the implementation of the proposed acquisitions.
- MPJ completing a capital raising of not less than \$390,000 (before costs). The capital raising is proposed at an issue price of \$0.003 per ordinary MPJ share and be conducted on the basis that accepting investors will receive 2 free attaching MPJO options for every 3 ordinary shares subscribed.

- MPJ entering into an arrangement (on terms acceptable to MPJ) with Newexco (or another similar geological consultant) for the provision of geophysical and geological consulting services in respect of the Balladonia Tenement, Dingo Range Tenements and Fraser Range Tenements which provides for payment, either wholly or in part, through the issue of equity in MPJ.

With the exception of due diligence (which is to be completed by 16 May 2014) each of the above conditions is to be satisfied within 60 days of the execution of the Terms Sheet (unless extended by agreement) failing which any party may terminate the Terms Sheet. Subject to the satisfaction of the conditions, MPJ may (at its discretion) complete any of the acquisitions independently otherwise the acquisitions are to complete simultaneously with each other.

Newexco

Newexco is an independent specialist geophysical and geological consulting firm based in Perth. The Company is headed up by Bill Amann and Adrian Black who have had extensive involvement with several significant West Australian nickel discoveries highlighted in recent years below:

- Nova – Nickel Sulphide Deposit (2012)
- Spotted Quoll – Nickel Deposit (2007)
- Flying Fox – Nickel Deposit (2003)

Newexco have agreed to take an equity position in MPJ by providing geophysical and geological services in return for MPJ shares. A maximum of 29,166,667 MPJ shares will be issued at the same issue price as the proposed capital raising for the services.

Capital Raising Secured

In April, the Company received firm commitments from sophisticated and institutional investors for a total of \$392,000 to subscribe for 130,666,667 new ordinary shares at \$0.003 per share. Each three new shares come with two free attaching MPJO options. The securities pursuant to the placement will be issued subsequent to holding the shareholders meeting on 16 May 2014. The capital raising is a pre-condition to satisfying the proposed Next Commodities, Coal First and EpiEnergy acquisitions.

Appointment of Mr Neil Hutchison – Non Executive Director

In April, the Company appointed Mr Neil Hutchison as a Non-Executive Director. Mr Hutchison joined Poseidon Nickel in 2007 as the General Manager of Geology, and has delineated 80,000 tonnes of remnant nickel at the historic Mt Windarra and South Windarra Mines. During his

tenure he made a significant green-fields nickel discovery only 12 months after joining Poseidon. The Cerberus Deposit was the first discovery within the Windarra Belt since 1971 and currently contains 68,000 tonnes of nickel and is growing.

As Non-Executive Director (Dec 2012-Feb 2014) of Pilbara Commodities he was instrumental in successfully building a portfolio of quality iron ore tenements in the Pilbara region of WA which is surrounded by major iron ore players.

Furthermore, Mr Hutchison has a proven track record as playing a key role in the discovery and delineation of ore deposits, as well as successfully bringing them through to mining as demonstrated through his involvement with the following projects:

- **Windarra Nickel Project & Cerberus Nickel Deposit, Laverton WA**
- **Cosmos Nickel Project: Prospero, Tapinos, AM1-AM5 & Anomaly 1, Leinster WA**
- **Bulchina Gold Mine, Sandstone WA**
- **Hawkeye-Trapper Gold Deposits, Marymia Dome WA**
- **Minotaur Gold Mine, Tanami NT**

Prior to his appointment at Poseidon Mr Hutchison was the Jubilee Mines geologist conducting regional exploration, target generation, resource drill out, project reviews and evaluations, as well as managing the nickel exploration group at the highly successful Cosmos Nickel Project.

Shareholders meeting

The Company will be holding a general meeting of shareholders on 16 May 2014 at 11.00am at level 14, 31 Queen Street, Melbourne, VIC, 3000. The meeting will consider the matters set out pursuant to the acquisition of the WA Nickel assets, the proposed capital raising and other material matters.

Mining Exploration Entity Quarterly Report

Interests in Mining Tenements

Project/Tenements	Location	Held at the end of quarter	Acquired during the quarter	Disposed during the quarter
Roe Hills Project E25/402 E28/1933 E28/1935 E28/2117 E28/2118	W.A., Australia	100%		
Mt Barrett Project E38/2053	W.A., Australia	100%		
Delcarmen Project EPC2527 EPC2528	QLD, Australia	100%		
Golden Mountain Project MIN4683	Vic, Australia	100%		

Farm-in agreements/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Fraser Range Project E28/2271 E63/1594 E69/3082	W.A., Australia	70%		

For And On Behalf Of The Board



Joshua Wellisch
Managing Director

COMPETENT PERSON STATEMENT:

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Andrew Hawker of Hawker Geological Services Pty Ltd. Mr Hawker is a member of the Australasian Institute of Mining and Metallurgy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking. This qualifies Mr Hawker as a "Competent Person" as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hawker consents to the inclusion of information in this announcement in the form and context in which it appears.

Appendix 5B – 3rd Quarter

Mining Exploration Entity and Oil and Gas Exploration Entity Quarterly Report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of Entity:

Mining Projects Group Limited (ASX:MPJ)

ABN:

84 006 189 331

Quarter Ended ('Current Quarter')

31st March 2014

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	(71)	(513)
	(b) development	-	-
	(c) production	-	-
	(d) administration	5	(136)
	(e) contract services	(142)	(484)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(207)	(1,127)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.9	Proceeds from sale of:		
	(a) business	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net Investing Cash Flows		-	-

+ See chapter 19 for defined terms.

1.13	Total Operating and Investing Cash Flows	(207)	(1,127)
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		Current Quarter \$A'000	Year-to-Date (9 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(207)	(1,127)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	400	404
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19a	Other – Capital Raising Costs	(18)	(35)
1.19b	Other – Share Buy-back	-	-
Net Financing Cash Flows		382	369
Net Increase / (Decrease) in Cash Held		175	(758)
1.20	Cash at beginning of quarter/year to date	50	983
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at End of Quarter	225	225

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	90
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	100
4.2	Development	-
4.3	Production	-
4.4	Administration	100
4.5	Contract Services	120
Total:		320

The Company will rely on its existing cash resources and future capital raising, including the proposed capital raising of \$392,000 being the subject of shareholder approval on 16 May 2014, to fund its current activities.

The Company will consider raising further funds from the placement of equity securities, including the utilisation of the equity available under Chapter 7 of ASX Listing Rules. The Company will also consider other fund raising alternatives such as debt instruments, if so required.

In light of the above factors, the Company believes that it will have sufficient cash to fund its activities. The Company expects to have negative cashflows from operations of approximately \$220,000 for the forthcoming quarter. The Company's Board and Management is focused on meeting its current objectives and confirm that it is in compliance with ASX Listing Rules, in particular, Listing Rule 3.1;

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	225	50
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)		225	50

+ See chapter 19 for defined terms.

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	-	-	-	-

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	650,166,840	650,166,840	-	-
7.4	Changes during quarter				
	(a) Increases through issues	80,000,000	80,000,000	\$0.003	\$0.003
	(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	Exercisable @ \$0.10	-
		105,282,868	105,282,868	Exercisable @ \$0.015	-
		204,300,000	204,300,000	Exercisable @ \$0.010	-
		76,463,686	-	Exercisable at \$0.01 to \$0.50	-
7.8	Issued during quarter	-	-	-	-
7.9	Consolidation during quarter	-	-	-	-
	Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining Exploration Entity Quarterly Report

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: 

Date: 30 April 2014

Managing Director

Print Name: **Joshua Wellisch**

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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+ See chapter 19 for defined terms.