



NEW COPPER DISCOVERY AT COMVAL

ANNOUNCEMENT

16 MAY 2012

Highlights

- Following a review of historical geological, geochemical and geophysical data, Mining Group's exploration team has identified several new targets confirming the new exploration model
- First hole at the new target, Bayag Bayag, BCPDH00001, intercepts 44.00m at 0.64% Cu from 39.00m, including 28.00m @ 0.88% Cu from 55.00m
- Surface mapping indicates 700m long skarn alteration system including outcropping gossans
- Mineralogy and scale indicates possibility of the existence of a large porphyry system

Overview

Mining Group Limited (ASX: MNE) is pleased to provide a drilling update and initial drilling results from the new Bayag Bayag target site on its Comval copper-gold project in the Philippines.

The first intercept at the Bayag Bayag target, and in particular the extensive and intense skarn alteration that extends for more than 700 metres along strike, provide further indications that the Tagpura/Bayag Bayag prospects have the potential to host a significant copper orebody.

The assay results from the first of eight planned holes into the Bayag Bayag target have provided encouraging results that support an extensive drilling program at the site.

Hole BCPDH00001 intercepted over 100m of variably skarn altered limestone consisting of massive garnet, pyroxene, epidote pyrrhotite and visible copper mineralisation as chalcopyrite. The assays received to date have reported a downhole intercept of 44.00m @ 0.64% Cu from 39.00m, including 28.00m @ 0.88% Cu from 55.00m.

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Figure 1 - BCPDH00001 66.50m garnet - pyrrhotite skarn mineralisation. 66.40 m - 67.40m @ 3.89% Cu



Figure 2 - BCPDH00001 69.30m garnet- pyrrhotite skarn mineralisation. 69.00m-69.70m @ 0.86% Cu

Three holes have been drilled at Bayag Bayag with another three currently being drilled. Drill core is being logged and cut for assay. The Company currently has a total of eight holes planned in the initial drilling program at Bayag Bayag in order to test the overall width and strike extent of this mineralisation. This will be done in conjunction with detailed ground magnetic surveying to further refine the exploration model.

The onsite exploration team has mapped surface mineralisation consisting of skarn alteration and gossans, with this potentially mineralised zone at present being identified over 700m of strike length. The nature and extent of the alteration mineral assemblage at Bayag Bayag indicates that the mineralising system is large and parallels can be drawn with many skarn/copper porphyry systems around the world. Skarn alteration is a common tool for exploration of larger porphyry mineralising systems.

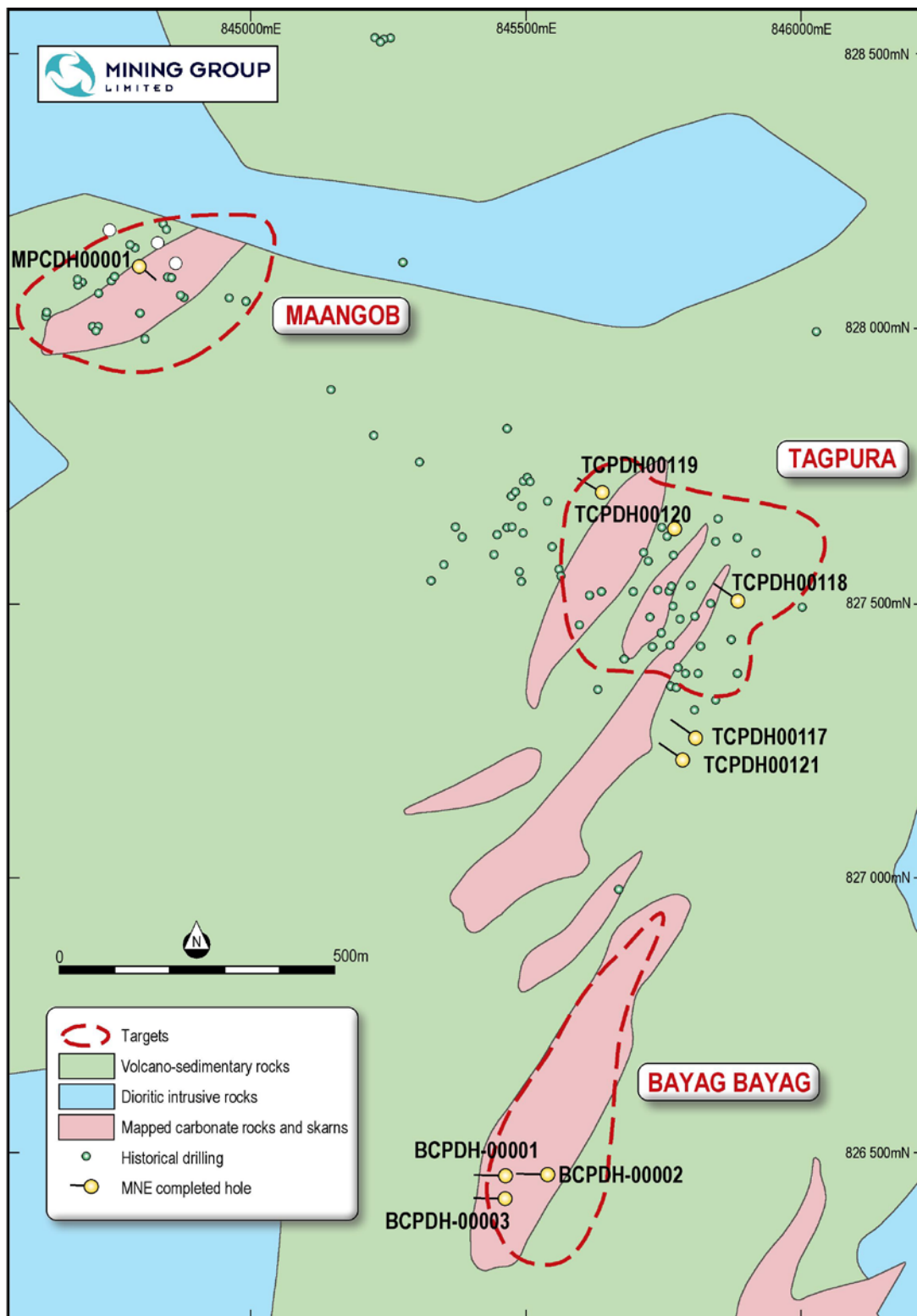


Figure 3 - Target location map and simplified geology at the Comval project.

Mining Group Managing Director, Mr Andrew Maurice, said that the Bayag Bayag target's initial assay results and evidence of a widespread alteration system continued the positive momentum from the Company's work programme.

"The initial assay results from Bayag Bayag are encouraging, especially when combined with the assay results we previously announced from the Tagpura and Maangob targets. All of our targets are in relatively close proximity, with Bayag Bayag only 700 metres south of Tagpura, further supporting the potential economic viability of the Comval copper/gold project.

"Perhaps the most significant feature of what we are seeing at Bayag Bayag is evidence of a widespread and intensive zoned alteration system commonly associated with large copper/gold porphyry systems. Our exploration team is working hard to understand the zonation and vector in toward higher grade material and possibly a large porphyry target," added Mr Maurice.

Drilling progress at Bayag Bayag

Mining Group commenced drilling at the new Bayag Bayag target on BCPDH-00001 on 4 April 2012. The initial drilling results are summarised below, with drilling complete on the first three holes, and a further three holes currently underway. Results have so far been received only for one hole.

Tagpura skarn and Maangob progress

Mining Group is also continuing drilling at the Tagpura and Maangob skarn targets over the coming months. To date a total of six holes have been completed at Tagpura for 1,700.8m and one hole at Maangob for 295.5m.

Results have been received for TCPDH00117 and TCPDH00018. Both holes intersected mineralisation, confirming the extension of the mineralised halo surrounding the skarn systems. A list of recent significant intercepts is given in Table 2. For a full list of historic significant intercepts refer to previous announcement released on 2 February 2012.

All drill holes have been drilled with HQ size core, geologically logged and half core samples were sent to Macphar Laboratories, Manila for analysis. Au was assayed using fire assay and an atomic absorption finish and Cu, Ag and Mo were assayed using a 4 acid digest and an ICPOES finish. Standard reference material check samples were submitted every 20 samples and a blank check submitted every 50 samples for QA/QC purposes.

Hole ID	TARGET	m East	m North	m RL	Azimuth	Dip	EOH Depth
TCPDH 00117	TAGPURA	845810.00	827255.00	430.50	310	-70	200.00
TCPDH 00118	TAGPURA	845887.00	827505.00	535.00	310	-60	333.50
TCPDH 00119	TAGPURA	845640.00	827701.00	460.00	310	-60	279.60

TCPDH 00120	TAGPURA	845771.50	827635.00	534.00	310	-60	288.20
TCPDH 00121	TAGPURA	845787.00	827215.00	458.00	310	-80	349.50
TCPDH 00122	TAGPURA	845640.00	827701.00	460.00	130	-60	250.00
MCPDH-00001	MAANGOB	844800.00	828113.00	342.00	130	-60	295.50
BCPDH-00001	BAYAG BAYAG	845466.00	826457.00	468.00	270	-60	140.50
BCPDH-00002	BAYAG BAYAG	845542.25	826459.24	475.00	270	-60	237.50
BCPDH-00003	BAYAG BAYAG	845464.86	826414.58	490.00	270	-60	217.20

Table 1 - Drilling Summary for Comval Project, holes completed to date

HOLEID	PROSPECT	LOCATION			DEPTH (m)	ORIENTATION		Down hole Intersection (m)						COMMENT
		EAST	NORTH	RL		AZIMUTH	DIP	From	To	Interval	Cu%	Au g/t	Ag g/t	
TCPDH000117	TAGPURA	845810.00	827255.00	430.50	200.00	310	-70	110.00	134.00	24.00	0.41%	-	-	NSI for Au or Ag
TCPDH000118	TAGPURA	845787.00	827215.00	458.00	333.50	310	-80	164.00	180.00	16.00	0.50%	-	-	NSI for Au or Ag
BCPDH00001	BAYAG BAYAG	845466.00	826457.00	468.00	270.00	-60	141	39.00	83.00	44.00	0.64%	-	-	NSI for Au or Ag
BCPDH00001	BAYAG BAYAG	845466.00	826457.00	468.00	270.00	-60	141	44.00	72.00	28.00	0.88%	-	-	NSI for Au or Ag

Table 2 - Significant intercept table for drilling by Mining Group, results received to date. Significant intercepts calculated on a length weighted average using a 0.25% Cu cut off and 4m internal dilution.

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About Mining Group Limited

Mining Group Limited (ASX: MNE) is an ASX listed, Australian based exploration company established to explore, evaluate and acquire commercially significant resource projects in Australia and overseas.

Mining Group seeks to develop the Comval Copper Gold Project in the Philippines along with exploring the prospective Western Australian based Boorara, Teutonic and Lake Christopher Projects.

Mining Group has a strong Board and management team with considerable technical, commercial and corporate experience in the resources sector.

For more information visit the Mining Group website at www.mininggroup.net.au

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Zeffron Reeves (B App Sc (Hons) (Applied Geology) MBA, MAIG), a consultant to the Company. Mr Reeves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reeves consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.