



3 August 2012

Dear Optionholder

Notice to Optionholders of Entitlement Offer

We write to you as the registered holder of Mining Group Limited ("Mining Group") options as at today's date. As announced on 31 July 2012, the directors of Mining Group have resolved to undertake a renounceable rights issue of up to approximately 50,202,344 new shares on the basis of one new share for every one share held by shareholders on the record date at an issue price of \$0.10 per new share to raise up to approximately \$5,020,234 (**Entitlement Offer**).

It is intended that the Entitlement Offer will be conditionally partially underwritten to \$2.5 million by Patersons Securities Limited. In addition, the Prospectus covers the issue of up to 12,500,000 Listed Options for nil consideration (**Listed Options Offer**). The issue of any Listed Options under the Listed Options Offer is subject to the receipt of Shareholder approval in general meeting for issue of the Listed Options.

The Entitlement Offer is available to Mining Group shareholders registered on the record date of 13 August 2012 (**Record Date**) and who reside in Australia or New Zealand.

The Entitlement Offer is being made pursuant to a Prospectus which was lodged with the Australian Securities and Investments Commission on 1 August 2012 (**Prospectus**). The Prospectus is available at the Company's website: www.mininggroup.net.au or on the ASX website (company announcements section, ASX code: MNE) at www.asx.com.au.

Key Dates:

The current proposed timetable for the Entitlement Offer is as follows*:

Event	Date
Announcement of Offer	31 July 2012
Lodgement of Prospectus with the ASIC	1 August 2012
Notice to Shareholders	3 August 2012
Ex-Date	7 August 2012
Rights start trading	7 August 2012
Record Date for determining Shareholder entitlements	13 August 2012
Despatch of Prospectus to Shareholders	16 August 2012
Rights stop trading	23 August 2012
Shares quoted on a deferred settlement basis	24 August 2012
Closing Date of Offer	30 August 2012
Allotment and despatch of holding statements	7 September 2012
Shareholder meeting to approve issue of Listed Options	On or about 10 September 2012
Issue of Listed Options and dispatch of holding statements	On or about 11

** Dates subject to change and indicative only. The Company reserves the right to amend this timetable, including, subject to the Corporations Act 2001 (Cth) and the Listing Rules of ASX, to extend the Closing Date.*

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlement Offer unless you exercise your options, and are entered onto the register as a shareholder on or before the Record Date.

If you wish to participate in the Entitlement Offer, it will be necessary for you to exercise all or part of your options. Accordingly, you should complete a Notice of Exercise of Options (**Notice**) and lodge the Notice with the Company, together with your payment for the number of shares you wish to take up. If payment for the exercise of options is not received **prior to** 13 August 2012 (Record Date), you will not be able to participate in the Entitlement Offer.

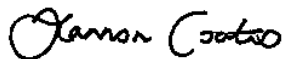
If you do not wish to participate in the Entitlement Offer (in respect of your options), you do not need to take any action.

Before deciding whether to exercise any or all of your options, you should consider the terms of the Entitlement Offer carefully, including the fact that the closing price of the Company's shares immediately prior to the announcement of the Entitlement Offer was less than the exercise price of your options. If in any doubt, consult with your professional adviser.

Each New Share allotted as a result of the exercise of an option will rank pari-passu with all other ordinary shares of the Company on issue.

If you have any queries in relation to the Entitlement Offer, please do not hesitate to contact Shannon Coates, the Company Secretary on (08) 9322 6424.

Yours faithfully



Shannon Coates
Company Secretary