



COMPANY ANNOUNCEMENT

Capital Raising Update

21 June 2012

Mining Projects Group Limited (ASX: MPJ) ("the Company") advises that it intends to implement a capital raising by way of an underwritten non-renounceable rights issue to shareholders ("Rights Issue"). The Rights Issue will be an offer to eligible shareholders of 4 new ordinary shares, at an issue price of 1 cent (\$0.01) per share, for every 5 shares held at the record date. Each new share issued under the Rights Issue will be issued with a free attaching option exercisable at 1.5 cents (\$0.015) on, or before, 30 Nov 2014. The Rights Issue will raise up to \$1.05 million (before costs).

The Rights Issue will be conducted in lieu of the share (and option) placement proposed to be made by the Company to professional and sophisticated investors (being the placement approved by shareholders at the Company's General Meeting on 18 May 2012). This placement, proposed at an issue price of 2 cents (\$0.02) per share will not proceed.

The maximum number of new shares issued under the Rights Issue will be 105,289,176 together with 105,289,176 free attaching options. In addition to their own entitlements, shareholders who have taken up their full entitlement will also have the opportunity, and are invited, to apply for additional shares and options that are not subscribed for under the Rights Issue ("Shortfall"). The Company may also accept applications for Shortfall from investors who are not currently shareholders subject to compliance with the Corporations Act 2001 (Cth).

Peregrine Corporate Limited ("Peregrine") has agreed to underwrite the Rights Issue to \$1.05 million for a fee of 6% of the value of the total shares underwritten. Two of the Company's Directors (Bryan Frost and Richard Revelins) are also directors and shareholders of Peregrine. Mr Frost and Mr Revelins have agreed to sub-underwrite the Shortfall up to \$200,000 and \$100,000 respectively.

Shareholder approval is not required for the Rights Issue or the offer of the Shortfall.

Funds raised through the Rights Issue will be used to fund payments due to the vendor's of Delcarmen Energy Limited on the grant of the Exploration Permit for Coal ("EPC") 2527 and EPC 2528 and to fund on-going expenditure requirements in respect of EPC 2527, EPC 2528 and EPC 1992, including engaging independent consultants to identify conceptual targets and develop initial drilling programs, and otherwise as working capital.

The Rights Issue offer will be made in a Prospectus which is expected to be lodged with the Australian Securities and Investment Commission and ASX Limited shortly. Once lodged, a copy of the Prospectus will be available to be viewed on the website of ASX Limited (www.asx.com.au) or the Company's website (www.miningprojectsgroup.com.au) or can be requested from the Company. The Prospectus will also be sent to shareholders in accordance with a timetable which will be separately announced (which will include details of the record date). Shareholders should consider the Prospectus in deciding whether to accept the Rights Issue offer. Anyone who is eligible to participate in the Rights Issue will need to complete an Entitlement and Acceptance Form that will accompany the Prospectus.

For And On Behalf Of The Board

A handwritten signature in blue ink, appearing to be 'Bryan Frost', with a stylized, cursive script.

Bryan Frost
Chairman
Mining Projects Group Limited