



## **Quarterly Activities Report for the 3 Months Ended 30<sup>th</sup> September 2012**

### **Review of Operations**

Mining Projects Group Limited (ASX : MPJ) (“MPJ” or “the Company”) over the quarter continued to work with the Department of Employment, Economic Development and Innovation (“DEDDI”) to expedite the granting of Exploration Permit Coal (EPC) 2527 and EPC 2528 which form the Delcarmen Coal Project (“Delcarmen”). The Company has received indicative feedback these applications will be granted shortly. The applications, EPC 2527 & EPC 2528, north and east of Kingaroy, are located approximately 170kms west of Brisbane and cover a combined area of 1,030 km<sup>2</sup>.

On granting of the EPC the Company will focus its attention on investigating the existing semi-soft coking coal targets. Whilst the granting process continues the Company has undertaken to complete a desktop study which will provide a conceptual target for both the semi-soft coking and the high energy thermal targets which sit within the Delcarmen as well as follow up drill programs.

In addition to attempting to expedite getting on the ground at Delcarmen, the Company has continued to evaluate further projects within the Queensland coal space to add the existing asset mix. Concurrently MPJ has spent significant time evaluating projects prospective for other commodities including nickel and gold.

The Company is pleased with the number of opportunities identified and looks forward to updating the market on the successful conclusion of negotiations.

### **Raptor**

A site visit was undertaken to South Africa in order to assess the next steps for the Company’s uranium assets located in the Karoo Basin, South Africa. The board will now decide how to take the leases forward, be it through further follow up exploration programs, or other commercialisation options such as a JV, or even withdrawing.

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+ See chapter 19 for defined terms.

Exploration thus far has consisted of an airborne geophysical survey to identify any near surface uranium anomalies. The data showed a generally subdued contrast which suggests sedimentary cover and limited surface expression of the targeted lithologies which historically hosted the uranium mineralisation in this region. However two areas tested did show above average uranium values suggesting some anomalism.

**Corporate**

In conjunction with reviewing further opportunities, MPJ completed an underwritten non-renounceable rights issue to shareholders which closed on 27 July 2012. The Rights Issue raised approximately \$1.05 million (before costs).

During the next quarter the Company will seek to bring further projects into the portfolio as well as get on the ground at Delcarmen.

For And On Behalf Of The Board



Bryan J. Frost  
Executive Director

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+ See chapter 19 for defined terms.

Rule 5.3

# Appendix 5B – 1<sup>st</sup> Quarter

## Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

**Name of Entity:**

Mining Projects Group Limited (ASX:MPJ)

**ABN:**

84 006 189 331

**Quarter Ended ('Current Quarter')**

30<sup>th</sup> September 2012

### Consolidated Statement of Cash Flows

| Cash Flows Related to Operating Activities |                                                       | Current Quarter<br>\$A'000 | Year-to-Date<br>(3 months)<br>\$A'000 |
|--------------------------------------------|-------------------------------------------------------|----------------------------|---------------------------------------|
| 1.1                                        | Receipts from product sales and related debtors       | -                          | -                                     |
| 1.2                                        | Payments for:                                         |                            |                                       |
|                                            | (a) exploration and evaluation                        | (12)                       | (12)                                  |
|                                            | (b) development                                       | -                          | -                                     |
|                                            | (c) production                                        | -                          | -                                     |
|                                            | (d) administration                                    | (67)                       | (67)                                  |
|                                            | (e) contract services                                 | (324)                      | (324)                                 |
| 1.3                                        | Dividends received                                    | -                          | -                                     |
| 1.4                                        | Interest and other items of a similar nature received | 3                          | 3                                     |
| 1.5                                        | Interest and other costs of finance paid              | -                          | -                                     |
| 1.6                                        | Income taxes paid                                     | -                          | -                                     |
| 1.7                                        | Other (provide details if material)                   | -                          | -                                     |
| <b>Net Operating Cash Flows</b>            |                                                       | <b>(400)</b>               | <b>(400)</b>                          |
| Cash Flows Related to Investing Activities |                                                       |                            |                                       |
| 1.8                                        | Payment for purchases of:                             |                            |                                       |
|                                            | (a) prospects                                         | (24)                       | (24)                                  |
|                                            | (b) equity investments                                | -                          | -                                     |
|                                            | (c) other fixed assets                                | -                          | -                                     |
| 1.9                                        | Proceeds from sale of:                                |                            |                                       |
|                                            | (a) prospects                                         | -                          | -                                     |
|                                            | (b) equity investments                                | (95)                       | (95)                                  |
|                                            | (c) other fixed assets                                | -                          | -                                     |
| 1.10                                       | Loans to other entities                               | (4)                        | (4)                                   |
| 1.11                                       | Loans repaid by other entities                        | -                          | -                                     |
| 1.12                                       | Option Fee on Tenements                               | -                          | -                                     |
| <b>Net Investing Cash Flows</b>            |                                                       | <b>(123)</b>               | <b>(123)</b>                          |
| <b>1.13</b>                                | <b>Total Operating and Investing Cash Flows</b>       | <b>(523)</b>               | <b>(523)</b>                          |

+ See chapter 19 for defined terms.

|                                                   |                                                                       | <b>Current Quarter<br/>\$A'000</b> | <b>Year-to-Date<br/>(3 months)<br/>\$A'000</b> |
|---------------------------------------------------|-----------------------------------------------------------------------|------------------------------------|------------------------------------------------|
| <b>1.13</b>                                       | <b>Total Operating and Investing Cash Flows<br/>(Carried Forward)</b> | <b>(523)</b>                       | <b>(523)</b>                                   |
| <b>Cash Flows Related to Financing Activities</b> |                                                                       |                                    |                                                |
| 1.14                                              | Proceeds from issues of shares, options, etc.                         | 1,053                              | 1,053                                          |
| 1.15                                              | Proceeds from sale of forfeited shares                                | -                                  | -                                              |
| 1.16                                              | Proceeds from borrowings                                              | -                                  | -                                              |
| 1.17                                              | Repayment of borrowings                                               | -                                  | -                                              |
| 1.18                                              | Dividends paid                                                        | -                                  | -                                              |
| 1.19                                              | Other – Capital Raising Costs                                         | (100)                              | (100)                                          |
| <b>Net Financing Cash Flows</b>                   |                                                                       | <b>953</b>                         | <b>953</b>                                     |
| <b>Net Increase / (Decrease) in Cash Held</b>     |                                                                       | <b>430</b>                         | <b>430</b>                                     |
| 1.20                                              | Cash at beginning of quarter/year to date                             | 204                                | 204                                            |
| 1.21                                              | Exchange rate adjustments to item 1.20                                | (3)                                | (3)                                            |
| <b>1.22</b>                                       | <b>Cash at End of Quarter</b>                                         | <b>631</b>                         | <b>631</b>                                     |

**Payments to Directors of the Entity and Associates of the Directors**  
**Payments to Related Entities of the Entity and Associates of the Related Entities**

|      |                                                                                            | <b>Current Quarter<br/>\$A'000</b> |
|------|--------------------------------------------------------------------------------------------|------------------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2                           | 276                                |
| 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                                                                                                                                                                                                                                                          |
|     | <ul style="list-style-type: none"> <li>- 2,716,200 Ordinary Paid Shares issued in lieu of cash payment for capital raising services rendered in relation to the rights issue. Deemed value of the services = \$27,162</li> <li>- 3,000,000 Ordinary Paid Shares issued to consultant issued in lieu of cash payment for professional services rendered. Deemed value of services rendered = \$30,000</li> </ul> |
| 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<br>\$A'000 | Amount Used<br>\$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities             | -                           | -                      |
| 3.2 | Credit standby arrangements | -                           | -                      |

### Estimated Cash Outflows for Next Quarter

|               |                            | \$A'000    |
|---------------|----------------------------|------------|
| 4.1           | Exploration and evaluation | 25         |
| 4.2           | Development                | -          |
| 4.3           | Production                 | -          |
| 4.4           | Administration             | 120        |
| 4.5           | Contract Services          | 200        |
| <b>Total:</b> |                            | <b>345</b> |

### Reconciliation of Cash

| Reconciliation of cash at the end of the quarter<br>(as shown in the consolidated statement of cash flows)<br>to the related items in the accounts is as follows. |                          | Current Quarter<br>\$A'000 | Previous Quarter<br>\$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|-----------------------------|
| 5.1                                                                                                                                                               | Cash on hand and at bank | 631                        | 204                         |
| 5.2                                                                                                                                                               | Deposits at call         | -                          | -                           |
| 5.3                                                                                                                                                               | Bank overdraft           | -                          | -                           |
| 5.4                                                                                                                                                               | Other (provide details)  | -                          | -                           |
| <b>Total: Cash at End of Quarter (item 1.22)</b>                                                                                                                  |                          | <b>631</b>                 | <b>204</b>                  |

### Changes in Interests in Mining Tenements

|     |                                                                     | Tenement<br>Reference  | Nature of Interest<br>(note (2))              | Interest at<br>Beginning<br>of Quarter | Interest at<br>End of<br>Quarter |
|-----|---------------------------------------------------------------------|------------------------|-----------------------------------------------|----------------------------------------|----------------------------------|
| 6.1 | Interests in mining<br>tenements relinquished,<br>reduced or lapsed | -                      | -                                             | -                                      | -                                |
| 6.2 | Interests in mining<br>tenements acquired or<br>increased           | EPC 2527 &<br>EPC 2528 | Acquisition of<br>Delcarmen<br>Energy Limited | 0%                                     | 100%                             |

+ See chapter 19 for defined terms.

### 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.*

|      |                                                                  | <b>Total Number</b>            | <b>Number Quoted</b>           | <b>Issue Price Per Security (cents)</b><br>(see note 3) | <b>Amount Paid Up Per Security (cents)</b><br>(see note 3) |
|------|------------------------------------------------------------------|--------------------------------|--------------------------------|---------------------------------------------------------|------------------------------------------------------------|
| 7.1  | <b>Preference + Securities</b><br><i>(Description)</i>           | -                              | -                              | -                                                       | -                                                          |
| 7.2  | Changes During Quarter                                           |                                |                                |                                                         |                                                            |
|      | (a) Increases through issues                                     | -                              | -                              | -                                                       | -                                                          |
|      | (b) Decreases through returns of capital, buy-backs, redemptions | -                              | -                              | -                                                       | -                                                          |
| 7.3  | <b>*Ordinary Securities</b>                                      | 242,616,846                    | 242,616,846                    | -                                                       | -                                                          |
| 7.4  | Changes during quarter                                           |                                |                                |                                                         |                                                            |
|      | (a) Increases through issues                                     | a) 105,289,176<br>b) 5,716,200 | a) 105,289,176<br>b) 5,716,200 | a) \$0.01<br>b) \$0.01                                  | a) \$0.01<br>b) \$0.01                                     |
|      | (b) Decreases through returns of capital, buy-backs              | -                              | -                              | -                                                       | -                                                          |
| 7.5  | <b>*Convertible debt securities</b> <i>(Description)</i>         | -                              | -                              | -                                                       | -                                                          |
| 7.6  | Changes during quarter                                           |                                |                                |                                                         |                                                            |
|      | (a) Increases through issues                                     | -                              | -                              | -                                                       | -                                                          |
|      | (b) Decreases through securities matured, converted              | -                              | -                              | -                                                       | -                                                          |
| 7.7  | <b>Options</b><br><i>(Description and Conversion Factor)</i>     | 59,616,588                     | 59,616,588                     | \$0.02                                                  | 28/02/2013                                                 |
|      |                                                                  | 41,299,175                     | 41,299,175                     | \$0.10                                                  | 6/07/2014                                                  |
|      |                                                                  | 105,289,176                    | 105,289,176                    | \$0.015                                                 | 30/11/2014                                                 |
| 7.8  | Issued during quarter                                            | 105,289,176                    | 105,289,176                    | \$0.015                                                 | 30/11/2014                                                 |
| 7.9  | Consolidation during quarter                                     | -                              | -                              | -                                                       | -                                                          |
|      | Exercised during quarter                                         | -                              | -                              | -                                                       | -                                                          |
| 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:

Executive Director

Date: Wednesday, 31<sup>st</sup> October 2012

Print Name:

**Bryan J. Frost**

## 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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The CFO Solution

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31.10.2012

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+ See chapter 19 for defined terms.