



## Mining Projects Group Limited

### Quarterly Report for the 9 Months Ended 31<sup>st</sup> March 2010

#### **Highlights**

- MPJ successfully renegotiates agreement with Raptor Minerals (Pty) Limited to acquire a number of prospective uranium and gold tenements located within the Republic of South Africa
- West Wits drill program completed 1km south of the Emerald Gold Project confirmed the existence of further high grade near surface mineralisation along strike
- Mintails successfully commissioned the Gold Two Processing Plant
- NTA as at 31 March 2010 was approximately \$6.509 million

#### **Raptor Minerals (Pty) Limited**

In December 2010 Mining Projects Group Limited ("MPJ" or "the Company") entered into a binding heads of agreement to acquire Raptor Minerals (Pty) Ltd ('Raptor'). Raptor has secured a number of granted prospecting rights strategically located in key regions of South Africa which MPJ considers have potential to host significant gold, uranium and molybdenum mineralisation.

On April 28<sup>th</sup> 2010 MPJ announced that it had reached agreement with Raptor to renegotiate the consideration payable to Raptor shareholders. The initial acquisition price for Raptor was \$1.89m comprising of a cash payment of up to \$500,000 and the balance to be issued in shares to the value of \$1.39m (695 million shares at an issue price of 0.2 cents per share). The renegotiated consideration is now \$700,000 in total, comprising of \$250,000 in cash and \$450,000 in shares (225 million shares at an issue price of 0.2 cents per share).

Since the acquisition was announced MPJ has conducted a number of site visits and due diligence investigations in respect to the Raptor tenements. The acquisition is subject to shareholder approval and it is anticipated that documents will be dispatched to shareholders shortly.

Once shareholder approval is obtained it is the Company's intention to instigate immediate exploration programmes on the Raptor tenements.

#### **Further Opportunities**

The Company is continuing to review and assess various new mining opportunities in conjunction with MPJ's other existing activities.

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+ See chapter 19 for defined terms.

**Exterra Resources Pty Ltd**

On 22 October 2009 the Company announced that it had entered into an agreement with Exterra Resources Pty Ltd ("Exterra") in respect to the Egerton Project.

Under the agreement Exterra acquired a 6 month option over MPJ's interest in the Egerton Project by paying MPJ a \$20,000 non-refundable option fee for an exclusive 6 month option period. This exclusive option period has now expired and Exterra at its election has extended this period for a further 6 months by paying MPJ an additional \$20,000 cash and allotting to MPJ 500,000 options in Exterra exercisable at 20 cents each on or before 30 September 2013.

Exterra will undertake to use its best endeavours to achieve listing on the Australian Securities Exchange (ASX) prior to the end of the option period. Within 7 days of listing on ASX Exterra will issue to MPJ 2,500,000 fully paid ordinary shares and 1,250,000 options exercisable at 20 cents each on or before 30 September 2013.

Should Exterra produce gold from the Egerton tenements Exterra will pay MPJ a 2% net smelter royalty on all gold produced to a maximum amount of \$500,000.

**Lake Lefroy**  
**(Independence Group (ASX:IGO) earning up to 100% of Nickel Sulphide Rights)**

The Lake Lefroy JV tenements are located marginal to and within Lake Lefroy which is commonly prone to water inundation making access only possible for limited periods. Interpreted ultramafic stratigraphy in the JV area has been tested in limited areas where access has been possible using Anglo American's proprietary SQUID TEM system. The survey, including any necessary detailed infill readings, will be completed once surface conditions are suitable and the SQUID system becomes available. This is expected to occur in H1 2010.

**Corporate**

As at 31 March 2010 the net tangible asset position of the Company equated to approximately \$6.509m.

MPJ holds no debt or leveraged investment positions.

**Unaudited Balance Sheet as at 31<sup>st</sup> March 2010**

<b><u>Investment</u></b>	<b><u>Share Holding</u></b> <b><u>(approximate)</u></b>	<b><u>Price at 31</u></b> <b><u>March 2010</u></b>	<b><u>Value at 31 March</u></b> <b><u>2010 (approximate)</u></b>
	<b><u>(m)</u></b>	<b><u>(\$)</u></b>	<b><u>\$m</u></b>
MLI	8.66	0.033	0.29
WWI	8.51	0.083	0.71
WET-AIM (\$A equivalent)	17.86	0.013	0.24
Other listed and unlisted investments			4.482
<b>Total Investments</b>			<b>5.722</b>
Cash and cash equivalents as at 31 March 2010			0.788
Other Assets			0.107
<b>Total Tangible Assets</b>			<b>6.617</b>
* Current and Non- Current Liabilities			0.108
<b>Net Tangible Assets</b>			<b>6.509</b>

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## **Core Investments**

### **West Wits Mining Limited (ASX : WWI)**

West Wits Mining Limited (“**West Wits**”) over the period continued with the development of its Emerald Gold Project (“EGP”), as well as assessing additional near surface targets which have the potential to provide further economic mineralisation to supplement the current 3 year production profile of the EGP.

The EGP currently incorporates planned production of 59,000 ounces of gold over three years. The recently completed exploration programs along strike from the EGP and at the Elder Target have been undertaken with a view to expanding this initial planned output. Production costs for the project are expected to be in the range of US\$650 to US\$700 per ounce.

A drill program completed 1km south of the EGP in and around the historic Monarch Pit, with results released to the ASX on 21<sup>st</sup> April 2010, confirmed the existence of further high grade near surface mineralisation along strike from the EGP. The grades and widths from the program not only suggested the potential for further mineralised material to add to the current three year production life at the EGP but continued to demonstrate the opportunities that still exist for near surface economic mineralisation within the West Rand Goldfield. The continuity of these reefs, supported by current and historical data, provides confidence for ongoing exploration of the 1km section of reef which lies between the Monarch Pit and the EGP.

West Wits is confident that the results from this program are a strong indication of the potential of this area to host economic mineralisation and plans to complete a mineral resource estimation as soon as the final results and the accompanying drilling report has been completed. West Wits is planning to progress this southern extension towards a mineral resource estimate and potentially increase the current production life of the EGP.

West Wits also executed a new processing agreement with Mintails Limited (“Mintails”) whereby ore from the EGP will be processed at Mintails’ nearby Mogale Gold Plant. By using the existing operating Mogale Gold Plant West Wits will now avoid higher costs and permitting delays which would have been incurred in proceeding with construction of its own plant as was previously planned. Under the venture net proceeds from the project will be shared equally between West Wits and Mintails.

MPJ currently holds 8.5m WWI shares.

### **Mintails Limited (ASX : MLI)**

During the period the successful commissioning of the Gold Two Processing Plant was achieved. The first gold bullion from the expanded circuit was produced on 5 February 2010. Management is of the view Gold Two will become a strong cash contributor to the bottom line.

The existing Gold One plant is producing gold predominantly from milling sand and processing slime. This plant has continued to see steady improvement over the quarter and produced its best recovery efficiency on record. Production from Gold One for the quarter was 3,911 ounces.

Mintails entered into a Binding Heads of Agreement with West Wits to process ore from West Wits’ EGP.

The coming quarter for MLI is viewed as important for MLI as Gold 2 begins to ramp up, further increases in recoveries at Gold 1 are achieved and definitive documents to process West Wits ore are executed.

MPJ currently holds 10.6 million shares in MLI.

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+ See chapter 19 for defined terms.

**Watermark Global PLC (AIM : WET)**

Watermark Global Plc (Watermark), previously announced in December 2009 that its wholly owned subsidiary, Western Utilities Corporation Pty Ltd. (WUC) had received approval for its Final Scoping Report and Plan of Study for an Environmental Impact Assessment (EIA) from the Gauteng Department of Agriculture and Rural Development (GDARD).

WUC has since completed fourteen specialist studies as part of the EIA process which will form the basis of the Environmental Impact Report (EIR). Submission of the document remains pending, awaiting confirmation from the South African Government on its preferred Public Private Partnership (PPP) arrangements with the mining companies involved. The Company is unsure as to when this confirmation may be received.

Commenting on the delays, Watermark CEO, Mr Jaco Schoeman said, "whilst the delays currently being experienced are very frustrating for all parties in the end the Company has to await the Government's final decision."

Given that WUC has also completed a Definitive Feasibility Study (DFS) which has been signed off by Golder & Associates and is now ready to commence with the construction of the required infrastructure, WUC believes that it is several years ahead of the competition in terms of the work completed already and now awaits the Government's decision.

Its clear from recent speeches and debates in the South African Parliament that the Department of Water Affairs and Environment and the government recognise and accept the gravity of the situation and accordingly need to act urgently on this matter.

MPJ holds 17.86 million WET shares.

For And On Behalf Of The Board



Richard Revelins  
Director

*The information in this report in relation to Mintails Limited was extracted from previous ASX announcements released by Mintails Limited.*

*The information in this report in relation to West Wits Mining Limited was extracted from previous ASX announcements released by West Wits Mining Limited.*

*The information in this report in relation to Watermark Global Plc was extracted from previous AIM announcements released by Watermark Global Plc.*

Rule 5.3

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# Appendix 5B – 3<sup>rd</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

ABN:

84 006 189 331

Quarter Ended ('Current Quarter')

31<sup>st</sup> March 2010

### Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year to Date (9months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(166)	(224)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(211)	(839)
	(e) contract services	(110)	(364)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (Legal Fees)	-	-
<b>Net Operating Cash Flows</b>		<b>(478)</b>	<b>(1,399)</b>
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(896)	(6,011)
	(c) other fixed assets	(25)	(45)
1.9	Proceeds from sale of:		
	(a) businesses	-	-
	(b) equity investments	702	5,422
	(c) intellectual property	-	-
1.10	Loans to other entities	(70)	(120)
1.11	Loans repaid by other entities	-	100
1.12	Option Fee on Tenements	-	20
<b>Net Investing Cash Flows</b>		<b>(289)</b>	<b>(634)</b>
<b>1.13</b>	<b>Total Operating and Investing Cash Flows</b>	<b>(767)</b>	<b>(2,033)</b>

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (9 months) \$A'000
<b>1.13</b>	<b>Total Operating and Investing Cash Flows (Carried Forward)</b>	(767)	(2,033)
<b>Cash Flows Related to Financing Activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	2,904
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	-	(268)
<b>Net Financing Cash Flows</b>		-	<b>2,636</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>(767)</b>	<b>603</b>
1.20	Cash at beginning of quarter/year to date	1,555	185
1.21	Exchange rate adjustments to item 1.20	-	-
<b>1.22</b>	<b>Cash at End of Quarter</b>	<b>788</b>	<b>788</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**

		Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	104
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

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- 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

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+ 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	200
4.2	Development	-
<b>Total:</b>		<b>200</b>

### 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	788	1,555
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: Cash at End of Quarter</b> (item 1.22)		<b>788</b>	<b>1,555</b>

### 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				

+ 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.*

		Total Number	Number Quoted	Issue Price Per Security (cents) (see note 3)	Amount Paid Up Per Security (cents) (see note 3)
7.1	<b>Preference +Securities</b> <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>	3,497,671,398	3,497,671,398		
7.4	Changes during quarter (a) Increases through issues (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> <i>(Description and Conversion Factor)</i>	2,065,030,602	2,065,030,602	\$0.002	6/07/2014
7.8	Issued during quarter				
7.9	Exercised 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:



Director

Date: Friday 30<sup>th</sup> April 2010

Print Name:

**Richard Revelins**

## 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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30<sup>th</sup> April 2010