



## Mining Projects Group Limited

### Quarterly Report for the 12 Months Ended 30<sup>th</sup> June 2010

#### **Highlights**

- The proposed Notice of Meeting for the acquisition of Raptor Minerals (Pty) Ltd has been finalised including a detailed experts report. The Company has been awaiting formal approval from ASIC to despatch the notice to shareholders for approval of the transaction
- West Wits announces 73,800 ounce gold resource at its Monarch Pit prospect which adds to the already established resource inventory. This additional resource is located 1km south along strike from Emerald Gold Project
- Watermark intensifies its discussions and negotiations with the South African government over its proposed solution to address and potentially solve the significant problem of Acid Mine Drainage under the city of Johannesburg
- NTA as at 30 June 2010 was approximately \$4.704 million

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

On April 28<sup>th</sup> 2010 Mining Projects Group Limited (“MPJ” or “the Company”) announced that it had reached agreement with Raptor Minerals (Pty) Ltd (‘Raptor’) to renegotiate the consideration payable to Raptor shareholders. 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) which is substantially less than the original consideration announced which was \$1.89 million. The renegotiated consideration represents a saving to MPJ shareholders of approximately \$1.2 million.

The acquisition is subject to shareholder approval and the relevant documents have been prepared to allow shareholders to make a fully informed decision with regard to the acquisition. The Company has been disappointed by the considerable time it has taken to finalise these documents which incorporate an independent expert reports. These documents have now been finalised and inserted into the Notice of Meeting and were lodged with ASIC some time ago and are awaiting approval. Once approval has been received by the Company the notice will be dispatched to shareholders.

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

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.

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+ See chapter 19 for defined terms.

### **Further Opportunities**

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

### **Non-Core Assets**

The Company has received approaches in relation to some of its non-core exploration assets. If these discussions and negotiations convert into an enforceable agreement the Company will advise of this outcome.

### **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.

Exterra is currently finalising its prospectus before undertaking its capital raising and listing on the Australian Securities Exchange (ASX). 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.

### **Corporate**

As at 30 June 2010 the net tangible asset position of the Company equated to approximately \$4.704m.

Over the quarter the Company began to significantly reduce its position in Mintails Limited due to it no longer representing a core strategic investment of the Company. Part of these funds was used to participate in a placement completed by Watermark Global Plc.

MPJ holds no debt or leveraged investment positions.

### **Unaudited Balance Sheet as at 30 June 2010**

<b><u>Investment</u></b>	<b><u>Share Holding (approximate)</u></b>	<b><u>Price at 30 June 2010</u></b>	<b><u>Value at 30 June 2010 (approximate)</u></b>
	<b><u>(m)</u></b>	<b><u>(\$)</u></b>	<b><u>\$m</u></b>
WWI	9.01	0.052	0.47
WET-AIM (\$A equivalent)	45.12	0.005	0.24
Other listed and unlisted investments			3.361
<b>Total Investments</b>			<b>4.071</b>
Cash and cash equivalents as at 30 June 2010			0.571
Other Assets			0.215
<b>Total Tangible Assets</b>			<b>4.857</b>
* Current and Non- Current Liabilities			0.153
<b>Net Tangible Assets</b>			<b>4.704</b>

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## **Core Investments**

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

During the quarter West Wits Mining Limited (“**West Wits**”) announced the initial Monarch Mineral Resource (“Monarch”) and also continued with due diligence and negotiation of the processing joint venture (JV) with Mintails Limited (Mintails).

The Monarch resource, located in and around the historical Monarch Pit area, announced on the 26<sup>th</sup> of May 2010, was an indicated and inferred resource comprising 792,000 tonnes @ 2.9g/t for 73,800oz Au down to 80m vertical depth. The presence of high grade mineralisation near surface has the potential to increase the current estimated 3 year life of mine for the Emerald Gold Project (“EGP”).

This resource was achieved at a discovery cost of \$3.50 per ounce. This result confirms the potential for additional significant near surface gold resources along strike from the EGP and highlights the near surface opportunities that still remain within West Wits’ leases. It is considered likely that additional drilling will upgrade the resource category of the Monarch resource and may potentially supplement the current proposed production life of the EGP.

It is expected that mineralisation continues along strike through the current 1 km ‘gap’ between the Monarch Pit area and links up with the EGP. Further drilling and evaluation of the Monarch Mineral Resource has the potential to define economic mineral resources which as well as supplementing the EGP, may in fact provide an ideal location to undertake the initial EGP mining operation, as the overburden has already been removed.

On March 26<sup>th</sup> 2010, West Wits announced it had entered into a Heads of Agreement (“HOA”) with Mintails to process ore from the Emerald Gold Project. On 13<sup>th</sup> July 2010, West Wits received advice from Mintails, after an extension of the due diligence period, that it had completed its due diligence and considers the Emerald Gold Project as viable.

Subsequently, Mintails identified a number of changes that may further optimise the project. The proposals presented contemplate a fundamental change to what was provided for under the original Heads of Agreement (“HOA”) and accordingly, the HOA was terminated with the expectation it will be superseded with a new processing deal. West Wits is now awaiting delivery of a formal new proposal from Mintails incorporating the proposed modifications.

MPJ currently holds 8.5m WWI shares.

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

Watermark Global Plc (Watermark), and its wholly owned subsidiary, Western Utilities Corporation Pty Ltd. (WUC) are continuing to work with both government and non-government organisations through the process of finalising the governments preferred short, medium and long term strategies for the treatment of Acid Mine Drainage (AMD). 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.

MPJ holds 45.12 million WET shares.

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+ See chapter 19 for defined terms.

For And On Behalf Of The Board



Richard Revelins  
Director

*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

# Appendix 5B – 4<sup>th</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')

30<sup>th</sup> June 2010

### Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(97)	(321)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(185)	(1,024)
	(e) contract services	(136)	(500)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	32
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>(414)</b>	<b>(1,813)</b>
<b>Cash Flows Related to Investing Activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(458)	(6,469)
	(c) other fixed assets	-	(45)
1.9	Proceeds from sale of:		
	(a) businesses	-	-
	(b) equity investments	733	6,155
	(c) intellectual property	-	-
1.10	Loans to other entities	(100)	(220)
1.11	Loans repaid by other entities	-	100
1.12	Option Fee on Tenements	22	42
<b>Net Investing Cash Flows</b>		<b>197</b>	<b>(437)</b>
<b>1.13</b>	<b>Total Operating and Investing Cash Flows</b>	<b>(217)</b>	<b>(2,250)</b>

+ See chapter 19 for defined terms.

	Current Quarter \$A'000	Year to Date (12 months) \$A'000
<b>1.13 Total Operating and Investing Cash Flows (Carried Forward)</b>	(217)	(2,250)
<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>(217)</b>	<b>386</b>
1.20 Cash at beginning of quarter/year to date	788	185
1.21 Exchange rate adjustments to item 1.20	-	-
<b>1.22 Cash at End of Quarter</b>	<b>571</b>	<b>571</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	122
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	571	788
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>571</b>	<b>788</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> July 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> July 2010

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