



Mining Projects Group Limited

Quarterly Report for the 3 Months Ended 31st December 2008

Highlights

- MPJ receives assay results from extensive RC drill programme at Talga Peak targeted at shallow to moderate depth VMS targets
- The Company receives encouraging rock chip sample results from an iron feature located at the Company's Talga Peak Project
- NTA as at 31 December 2008 was approximately \$4.625 million
- West Wits Mining Limited announces its maiden JORC compliant Indicated and Inferred Gold Resource at its near surface Emerald Target
- Mintails signs a binding Heads of Agreement with DRDGold Limited to sell its remaining interest in the Elsburg Gold Mining Joint Venture Project for R177m (A\$26.8m) cash.

Talga Peak Project

("MPJ" owns 80%)

Mining Projects Group Limited (ASX : MPJ) ("MPJ" or "the Company") announced during the quarter it had received all composite assay results from the Reverse Circulation (RC) drilling programme undertaken at the Company's 80% owned Talga Peak Project (Talga Peak), located in the Pilbara, Western Australia.

The RC drilling programme completed 19 holes for 4,018 metres. The programme was designed to investigate Electro-Magnetic (EM) conductors for shallow to moderate depth Volcanogenic Massive Sulphide (VMS) style conductors, located beneath previously drill tested gossanous zones at the Cord prospect. The drill programme also tested further EM targets located along the Cord Valley (a 15km corridor extending west from the Cord prospect), including targets identified at the Viagra, Packard and Excalibur prospects.

The evidence from the drill data and the geochemistry suggested the 2km strike at Cord consisted of multiple layers and lenses of variously polymetallic disseminated and semi massive sulphides over a stratigraphic width of up to 40m. A complete set of the composite assay results can be viewed in the Company's 23rd December 2008 announcement. Significant intercepts from the Cord prospect include:

- 32m @ 11g/t Ag and 0.15% Cu from 148m (TPRC36)
- 4m @ 0.28g/t Au, 32.5g/t Ag, 0.24% Cu and 0.25% Pb from 164m (TPRC36)
- 4m @ 0.12g/t Au, 17.5g/t Ag and 0.47% Cu from 176m (TPRC36)

Further along the Cord Valley, drilling reported narrower intercepts (3-18m) of variably sulphidic horizons beneath geochemically anomalous gossanous chert horizons within comparable stratigraphy to the Cord prospect.

In reviewing the complete set of RC results, the Company has taken a position that the potential for shallow to moderate depth base metal VMS style mineralisation along the Cord Valley appears diminished. Due to this position, and in line with statutory regulations under the Mining

Act, the Company was required to reduce the size of exploration licence E45/2650 by 50% before the end of the 3rd year anniversary. Thus, the Company elected to surrender a portion of the Cord Valley. Whilst the portion surrendered still holds some base metal exploration potential, it is most likely at depth. The Company elected to retain the eastern end of the Cord Valley corridor (Figure 1), which includes 8.5km of untested strike, where initial soil geochemical activities have been completed and final results are pending.

Reconnaissance ground inspections and rockchip sampling were also completed during the quarter on an identified iron feature in the western portion of the project area. The iron feature is associated with the South Muccan Shear Zone, a major regional structure extending east - west through the project area extending to Moly Mines Limited's Spinifex Ridge project. A total of five rock chip samples were collected from a single traverse sampled at 10 metre continuous intervals. The results received from the rock chip traverse were encouraging, and can be viewed below in Table 1. Several samples reported high levels of iron (TFE 003 & TFE005) indicating the potential for Direct Shipment Ore (DSO) to be discovered. All samples collected contained maghemite material and indicate a width of up to 50 metres @ 48.5% Fe of the feature tested. The inspected area is identified in Figure 1 below. Surface enrichment may be a factor with rock chip sampling of this nature and further ground inspections will be required to delineate the extent of iron enrichment of this and other iron features associated with this shear zone in the western portion of the project area prior to drill testing.

Until now, this major regional structure which has 12km of strike has received very limited exploration. This shear zone extends from the western boundary of the tenement which is shared with Atlas Iron Limited, through to the eastern boundary shared with the Spinifex Ridge project, owned and operated by Moly Mines Limited.

A thorough review of future exploration activities at Talga Peak will be undertaken once all outstanding soil geochemistry from the eastern portion of the project area has been analysed and reviewed.

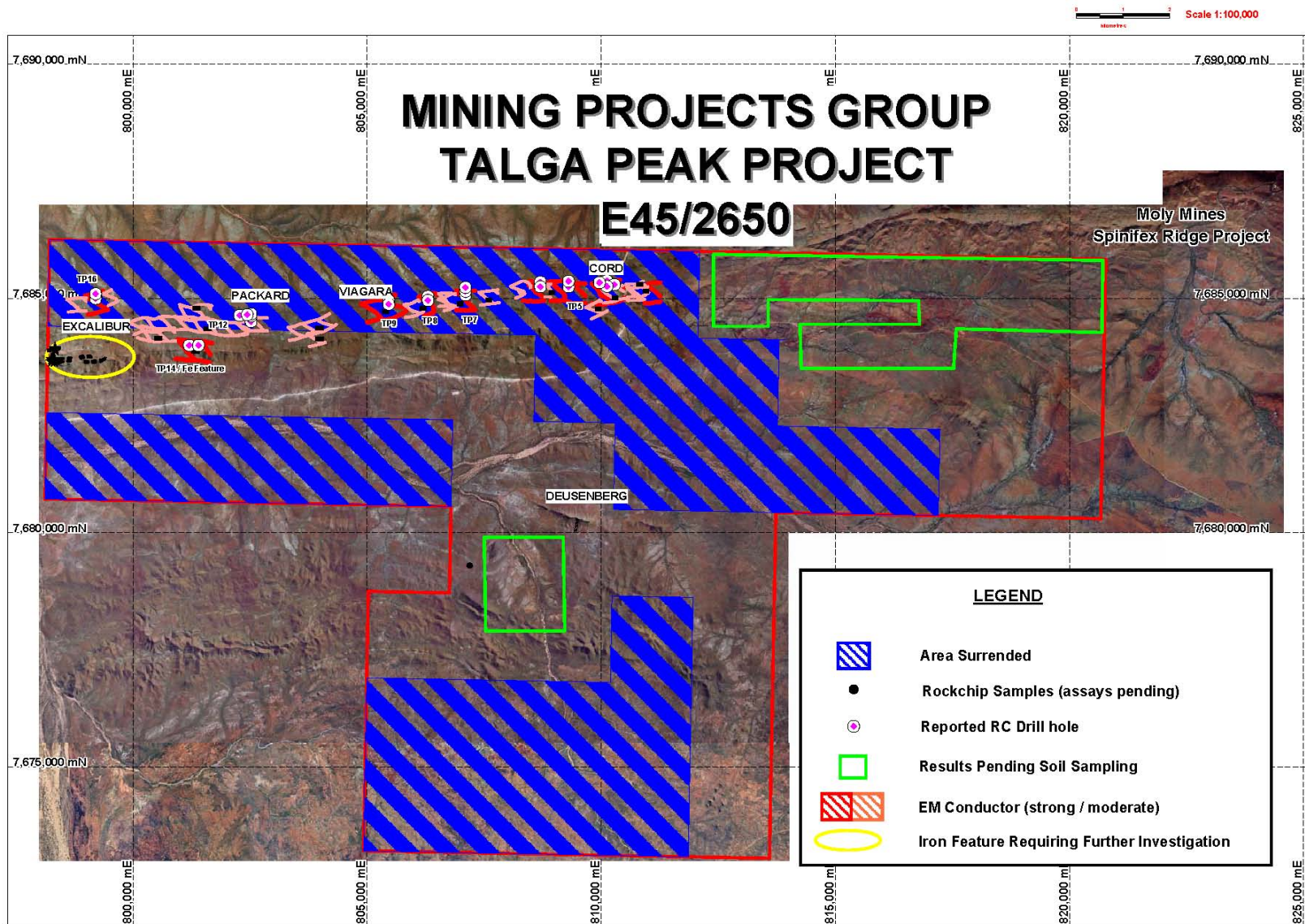
Table 1. Rockchip sampling results from the iron feature in western portion of Talga Peak

SampleID	Northing	Easting	Fe %	SiO2%	Al2O3%	P %	S %	LOI1000
TFE001	7683905	798342	39.53	40.55	0.23	0.024	0.025	2.25
TFE002	7683915	798342	39.03	40.02	0.09	0.063	0.027	3.51
TFE003	7683925	798342	66.81	4.22	0.23	0.014	0.011	0.22
TFE004	7683935	798343	38.48	41.99	0.28	0.027	0.016	1.49
TFE005	7683945	798341	58.51	13.31	0.35	0.052	0.016	2.41
Average			48.472					

Note:

1. Analysis by X-Ray Fluorescence Spectrometry method with Loss on Ignition (LOI) determined using Thermo-Gravimetric Analysis.
2. All co-ordinates GDA94, Zone 50.
3. Rock chip traverse sampling method involved total collection of a 1-2 kilogram sample comprising of several rockchips collected by hammering surface outcrop at nominal 1 meter spacing along a predetermined traverse generally across strike of mineralisation.
4. Maximum individual sample length 10 meters. Co-ordinates indicate start of individual sample / traverse

Figure 1. Plan view of the Talga Peak Project Area



New Projects

The Company is assessing a number of new opportunities, however given the challenging nature of current financial markets, the Company focussed on preserving cash resources to support existing investments and projects.

Corporate

It has been a difficult quarter for the Company with continued falls in world financial markets, continuing to depress the value of current investments whilst also restricting further investment opportunities. The Company acquired a further 3m shares in Mintails Limited and 0.9m shares in Watermark Global PLC. Each of these investments has been affected by the economic downturn, but the Company continues to believe both are undervalued.

As at 31 December 2008 the net tangible asset position of the Company equated to approximately \$4.625m.

Mining Projects holds no debt or leveraged investment positions.

Unaudited Balance Sheet as at 31st December 2008

<u>Investment</u>	<u>Share Holding</u> <u>(approximate)</u> <u>(m)</u>	<u>Price at 31 Dec</u> <u>2008</u> <u>(\$)</u>	<u>Value at 31 Dec 2008</u> <u>(approximate)</u> <u>\$m</u>
MLI	10.80	0.025	0.27
AGO	0.53	1.005	0.53
WWI	5.31	0.042	0.22
WET-AIM	13.86	0.021	0.29
(\$A equivalent)			
Other listed and unlisted investments			2.75
Total Investments			4.06
Cash and cash equivalents as at 31 December 2008			0.603
Other Assets			0.074
Total Tangible Assets			4.74
* Current and Non- Current Liabilities			0.112
Net Tangible Assets			4.625

+ See chapter 19 for defined terms.

West Wits Mining Limited (ASX : WWI)

Subsequent to the end of the quarter, West Wits Mining Limited (West Wits) announced its maiden JORC compliant Inferred/Indicated Gold Resource at the near surface Emerald Target. West Wits obtained sign-off for a 157,019 ounce JORC compliant Inferred Gold Resource at an average grade of 2.14g/t down to an average depth of 85m across a 2km strike length. West Wits also confirmed 3,779 ounces of gold at 1.64 g/t had been upgraded to an Indicated Resource. The proximity to potential treatment facilities and shallow depth of this resource indicates reasonable prospects for eventual economic extraction. This initial Emerald Resource has significantly out-performed the Conceptual Target model, which provided for a joint Emerald and Princess Target resource of 33,000-38,000 ounces of gold.

West Wits was encouraged by the size, grade and shallow depth of the resource. The establishment of this resource (even as gold in the ground) is considered significant, particularly in relation to the current market capitalisation of the Company.

Since listing on the ASX in December 2007, West Wits has focused on delineating identified near surface targets conducive to open cut mining operations, which may generate early cashflow. As part of the West Wits' exploration strategy it believes that economic mineralisation still existed above the old workings up to surface, as well as in the parallel mineralised reefs, and this resource announcement was an important step towards validating this part of the exploration model.

West Wits also anticipates further initial resource calculations being released for the Radiant and Princess Targets during the March quarter 2009.

The Emerald Target will progress to a pre-feasibility scoping study upon completion of some further minor geological work with an anticipated completion in the June Quarter 2009. In conjunction with the scoping study, which will include pit optimisation assessments, metallurgical studies will also be undertaken to further understand the grade characteristics of the target reef tests, as well as environmental studies assessing the impact of any operation undertaken. The Company is aiming for each of these studies to be completed by the middle of 2009, subject to which the Company anticipates being able to apply to the Department of Minerals and Energy for an approval to mine over the targeted area. If all these milestones are successfully achieved in a timely manner, West Wits' is confident that the Emerald Resource would be in production by the end of the year.

MPJ currently holds 6.31 million shares as at 30th January 2009 in West Wits, representing approximately 5.18% of the company's issued capital

Mintails Limited (ASX : MLI)

During the quarter Mintails Limited (Mintails) announced it had signed a binding Heads of Agreement with DRDGold Limited ("DRDGold") to sell the remaining interest in the Elsburg Gold Mining Joint Venture Project ("Elsburg"). Mintails agreed to sell to DRDGold its 35% interest in Elsburg for R177m (\$A26.8m) in cash.

This transaction will provide significant cash resources from the sale, but will also allow Mintails to retain its 50% share of the larger ERGO Mines Joint Venture, which owns all the plant infrastructure and mining approvals and possesses in excess of 1.5 billion tonnes of tailings materials containing gold, uranium and sulphur.

The transaction is subject to the fulfillment of certain conditions precedent, including; regulatory approvals in RSA, and no adverse material changes in the Rand gold price or DRDGold share

+ See chapter 19 for defined terms.

price. Mintails will utilise part of the proceeds from this sale to satisfy all outstanding creditors, with the balance of proceeds leaving Mintails in a strong cash position. Other non-core and surplus assets have also been identified for disposal and may provide additional funds which, helping to further strengthen the financial base of the Company.

The sale of Mintails' residual Elsburg interest, apart from providing significant funding in a difficult capital markets environment, enables Mintails to maintain its 50% ERGO Mines Joint Venture interest, and all its existing assets and resources on the West Rand. Mintails is now concentrating on securing regulatory approval for the Witfontein Deposition site. This is seen as the catalyst for consolidation and commercially successful tailings treatment on the West Rand.

MPJ currently owns approximately 10.80m shares in Mintails.

Atlas Iron Limited (ASX : AGO)

Atlas Iron Limited (Atlas) had another productive quarter with a number of further key announcements despite further share price softness. Atlas announced in December 2008, a 30% take-off agreement to a mid-sized Chinese steel mill helping to secure the viability of the Pardoo DSO Iron Ore project. Further complimenting this announcement, Atlas also released to the market further high grade intersects at the Pardoo Iron Ore deposit, which the Company is hopeful will add to new resources and reserves to be released in January 2009.

The latest discovery at Pardoo continued the outstanding run of exploration success over the quarter, with four new DSO discoveries at the Abydos Project, 120km south east of Port Hedland, and a significant new DSO discovery at the Wodgina Project, 100km south of Port Hedland.

MPJ currently holds 0.64m shares in AGO as at 30th January 2009.

Watermark Global PLC (AIM : WET)

Watermark Global Plc (WET) announced during the quarter that their technology selection process for the treatment of Acid Mine Drainage (AMD) in the Western Basin by Western Utilities Corporation (WUC), a wholly owned subsidiary of Watermark Global plc, has been completed. After extensive analysis, the Alkaline Barium and Calcium process (ABC) from the Council for Scientific & Industrial Research (CSIR) has proven to be the best technical and commercial solution.

Two pilot plants were designed, constructed and operated from earlier this year for a period of five months in order to prove the Company's concept and verify mass balances, including by-products generated by the process that could form part of the commercialisation phase. The CSIR technology has met the South African National Accreditation System ("SANAS") standards for industrial quality (SANAS class two) as well as potable drinking water (SANAS class one). This is a significant step in the development of the Company, demonstrating the process can be commercial.

During the same period WUC engaged Golder and Associates (a leading Engineering Consulting Group) to start with the preparation of the Environmental Impact Assessment (EIA) study. Part of the EIA process is to identify possible sites for the construction of a commercial size plant to treat 75 mega litres of AMD per day, as Phase One of the project. The study will also assess possible routes into the heart of the platinum producing area of the North West Province and as a second option into the main Rand Water potable drinking system in the Gauteng Province.

+ See chapter 19 for defined terms.

A Pre-Feasibility Study (PFS) was also completed based on the ABC process and the parameters as defined by the pilot plant study. The PFS included engineering, primary legislation, capital and operating costs, market evaluation and sensitivity analysis. The project has now moved on to the Definitive Feasibility Study ("DFS"), which will include:

- Public participation
- Conducting the required Environmental Impact Assessments
- Finalisation of water license application process
- Compilation of an Environmental Management plan
- Price determination and finalisation of initial off-take agreements;
- Detailed engineering design with a deviation of 10% on capital and operating cost estimates for a full scale commercial plant;
- Projected financing model and options

During the quarter MPJ increased its holding in WET by 0.9m shares to 13.86 million 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 Atlas Iron Limited was extracted from previous AGO announcements released by Atlas Iron 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.

The information in this report that relates to the Talga Peak Project Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Alastair Barker, who is a member or fellow of Australasian Institute of Mining and Metallurgy.

Alastair Barker is employed by Mining Projects Group Ltd

Alastair Barker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for reporting of Exploration Results. Alastair Barker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

+ See chapter 19 for defined terms.

Rule 5.3

Appendix 5B – 2nd 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')

31st December 2008

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (6 months) \$A'000
<u>Cash Flows Related to Operating Activities</u>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(612)	(860)
(b) development	-	-
(c) production	-	-
(d) administration	(118)	(307)
(e) contract services	(102)	(195)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Legal Fees)	-	(460)
Net Operating Cash Flows	(823)	(1,791)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(580)	(1,361)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	83	1,780
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(25)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(497)	394
1.13 Total Operating and Investing Cash Flows	(1,320)	(1,397)

+ See chapter 19 for defined terms.

	Current Quarter \$A'000	Year to Date (6 months) \$A'000
1.13 Total Operating and Investing Cash Flows (Carried Forward)	(1,320)	(1,397)
Cash Flows Related to Financing Activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
Net Financing Cash Flows	-	-
Net Increase / (Decrease) in Cash Held	(1,320)	(1,397)
1.20 Cash at beginning of quarter/year to date	1,910	1,987
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at End of Quarter	590	590

**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	94
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
- | |
|---|
| - |
|---|
- 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 \$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	250
4.2 Development	-
Total:	250

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	590	1,910
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	590	1,910

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	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ 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	Preference +Securities <i>(Description)</i>	-	-		
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3	+Ordinary Securities	1,833,554,002	1,833,554,002		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs				
7.5	+Convertible debt securities <i>(Description)</i>	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(Description and Conversion Factor)</i>	1,023,136,473	1,023,136,473	<i>Exercise Price</i> \$0.009	<i>Expiry Date</i> 31/07/2009
7.8	Issued during quarter				
7.9	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: 30th January 2009

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.

== == == == ==

The CFO Solution

+ See chapter 19 for defined terms.