



Mining Projects Group Limited

**Quarterly Report for the 3 Months
Ended 30th June 2011**

Highlights

- Geophysical survey completed over uranium prospects located within the Karoo Basin, South Africa. Geophysical processing and interpretation of its South African uranium prospects has been completed
- MPJ concludes the sale of its Egerton Gold Project to newly listed Exterra Resources Limited
- The Exploration Option agreement between MPJ and Minotaur Exploration Limited has expired with Minotaur electing not to proceed with its option to purchase the share capital of Xplor, a wholly owned subsidiary of MPJ
- NTA as at 30 June 2011 approximately \$3.73 million

Review of Operations

Raptor Minerals Pty Ltd (“Raptor”)

Raptor, a wholly owned subsidiary of MPJ, completed its low level geophysical survey over its uranium prospects in the Karoo Basin, South Africa in May, and this data was then sent for further processing and interpretation to an independent geophysical consultant. The low level airborne radiometric survey only measures the radiation within the first few centimetres of the surface and is used as a tool to indicate uranium values at surface.

The interpretation of the radiometric data showed a generally subdued contrast which reflects the extensive sedimentary cover and limited surface expression of the targeted lithologies, which have historically hosted the uranium mineralisation in this region. However two (2) of the five (5) areas tested showed minor uranium anomalies (greater than >5ppm mean equivalent uranium values (eU)) compared to the background values, whilst the remaining three (3) areas exhibited only subtle anomalism.

These weakly anomalous uranium areas will be reviewed and verified by field inspection, correlation with landform and geology and where appropriate, additional close spaced measurements using a handheld spectrometer to validate and define the anomalous target areas.

Xplor Limited (“Xplor”)

On the 17 September 2010 MPJ entered into an Exploration Option agreement with ASX listed Minotaur Exploration Limited (‘Minotaur’) (ASX:MEP) to explore the Mt Tarrengower Gold Project at Maldon, Victoria and the Golden Mountain Gold Project at Bonnie Doon, Victoria. This agreement expired on the 30th of June 2011 and Minotaur has elected not to take up the option

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to purchase Xplor Pty Ltd ('Xplor'), a wholly owned subsidiary of MPJ and owner exploration licence EL4533 (MtTarrengower) and mining licence MIN4683 (Golden Mountain).

MPJ will now review the results of the exploration completed by Minotaur to make an assessment of how to best add value for MPJ shareholders and evaluate the potential for alternate exploration partners as an option.

Exterra Resources Limited ("Exterra")

MPJ entered into a sale agreement of its Egerton Gold Project to Exterra Resources Limited ('Exterra'). Exterra successfully listed on the ASX on 25th May 2011 allowing transfer of ownership to take place. The basic terms of this sale agreement has resulted in MPJ receiving;

- \$60,000 cash;
- 2.5M fully paid ordinary 20 cents shares;
- 2.1M options exercisable at 20 cents on or before the 30 September 2013; and
- MPJ has a 2% net smelter royalty on all gold produced from the mining leases capped at \$500,000.

The shares and 1.6M options are to be held in escrow for 12 months.

Further Opportunities

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

Corporate

As at 30 June 2011 the net tangible asset position of the Company equated to approximately \$3.73m.

MPJ holds no debt or leveraged investment positions.

Unaudited Balance Sheet as at 30 June 2011

<u>Investment</u>	<u>Share Holding (approximate)</u> <u>(m)</u>	<u>Price at 30 Jun 2011</u> <u>(\$)</u>	<u>Value at 30 Jun 2011</u> <u>(approximate)</u> <u>\$m</u>
WWI.AU	9.01	0.04	0.36
WET.LN (\$A equivalent)	28.12	0.006	0.18
PSR.CN (\$A equivalent)	1.00	.63	0.59
CLD.CN (\$A equivalent)	1.39	.43	0.60
Other listed and unlisted investments			
Total Investments			3.00
Cash and cash equivalents as at 30 June 2010			0.32
Other Assets			0.59
Total Tangible Assets			3.91
* Current and Non- Current Liabilities			0.18
Net Tangible Assets			3.73

+ See chapter 19 for defined terms.

Core Investments

West Wits Mining Limited (ASX : WWI)

West Wits Mining Limited (“West Wits”) during the quarter completed successful due diligence at the Derewo River Gold Project (“Derewo”), located in Papua Province, Indonesia, thus allowing it to proceed to the execution of a definitive agreement.

This acquisition provides entry into a promising high grade placer gold project based on evidence from existing artisanal operations, but the real opportunity and focus of this project is in the exploration upside of uncovering the source of this placer setting. The Derewo River Gold project is located approximately 110km north west of Freeport’s Grasberg complex in the central highlands of New Guinea, Indonesia.

West Wits raised \$3.5m through a placement and SPP with institutional and high net worth clients of BGF Equities. The majority of funds raised (circa \$2m) are to be applied to the Derewo River Gold Project with a further \$1.2m to be applied in further drilling of the Emerald project in South Africa.

West Wits will develop a hydraulic gold mining project at Derewo by introducing modern mechanised production methods. These activities are expected to enhance knowledge of the regional geology and assist with targeting the primary hard rock source of the gold nuggets. CSA Global Pty Ltd who independently reviewed Derewo reported; “based on the high gold grades and the mineralization observed at Area 81, this is a truly outstanding exploration prospect. Gold occurrences like this are extremely rare and this area deserves to be thoroughly explored for a hardrock gold deposit as a source for the alluvials.”..... “the coarse nature of the gold and the mineralization in the clasts suggests that the source is fairly local.”

This project area exhibits favourable geology with significant gold deposits nearby, including Wabu and Grasberg. The exploration target is a Porgera Zone 7 and Wafi/Gobu type deposit. West Wits believes that Derewo River exhibits many similarities consistent with the early stages of several large gold projects on the PNG side of New Guinea. Whilst many well known discoveries have been made on the PNG side of the border relatively few have been made on the Indonesian side until recently for a variety of historical reasons; including political environment and physical isolation. Derewo River provides a promising setting for the pursuit of a well known pattern for development of placer style deposits established over several decades in PNG but not yet undertaken on the Indonesian side.

With an already strong and developing resource base in South Africa and a promising new exploration project in Papua, West Wits is poised to provide its shareholders with a stable value proposition coupled with the potential upside of an exciting Papua exploration story.

MPJ currently holds 9.013m WWI shares.

Watermark Global PLC (AIM : WET)

Watermark Global Plc (“Watermark”) through its wholly-owned subsidiary, Western Utilities Corporation (Pty) Ltd (“WUC”) made some progress on its Acid Mine Drainage project in Johannesburg, South Africa.

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In February 2011, the Department of Water Affairs, through an Inter-Ministerial Committee, appointed the Trans-Caledon Tunnel Association (TCTA), a quasi state organization to implement critical infrastructure with specific reference to bulk water supply, as its implementation agent.

TCTA's role is to implement a short term solution to prevent AMD from causing further damage to the environment. WUC has signed an agreement with the Trans-Caledon Tunnel Association ("TCTA") whereby TCTA will purchase selective information in stages, from WUC's Definitive Feasibility Study ("DFS"). The information purchased in the first stage will assist TCTA's due diligence review on possible technical solutions to clean up AMD for which WUC will be paid an amount of approximately £120,000. Additional fees will be charged in future for the provision of further aspects of the DFS.

Importantly, TCTA's acquisition of this information does not prevent WUC from participating in the operation and maintenance of the short, medium and long term AMD clean-up projects. WUC is positioned favourably with regard to future contract awards and WUC intends to participate in any formal tender process. All the information that was developed within the DFS relating to the long-term solution will remain the property of WUC which it believes will be used in the context of the longer-term solutions.

MPJ holds 28.12 million WET shares.

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 – 4th 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')

30th June 2011

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	(78)	(500)
	(b) development	-	(33)
	(c) production	-	-
	(d) administration	(60)	(467)
	(e) contract services	(200)	(1,037)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(337)	(2,029)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(49)	(993)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	219	2,783
	(c) other fixed assets	-	-
1.10	Loans to other entities	(4)	(96)
1.11	Loans repaid by other entities	-	26
1.12	Option Fee on Tenements	-	61
Net Investing Cash Flows		166	1,781
1.13	Total Operating and Investing Cash Flows	(171)	(248)

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(171)	(248)
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	2	2
1.19	Other (provide details if material)	-	-
Net Financing Cash Flows		2	2
Net Increase / (Decrease) in Cash Held		(169)	(246)
1.20	Cash at beginning of quarter/year to date	494	571
1.21	Exchange rate adjustments to item 1.20	(8)	(8)
1.22	Cash at End of Quarter	317	317

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	95
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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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	-
4.3	Production	-
4.4	Administration	185
Total:		385

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	317	494
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)		317	494

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	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	74,454,882	74,454,882	-	-
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>	41,299,175	41,299,175	\$0.10	6/07/2014
7.8	Issued during quarter	-	-	-	-
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:

Date: 29th July 2011

Executive Director

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

28 July 2011

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