



Quarterly Report for the 3 Months
Ended 30th September 2011

28 October 2011

Review of Operations

During the quarter Mining Projects Group Limited (ASX : MPJ) (“the Company”) has focussed on the review of a number of coal and gold projects primarily based in Indonesia.

The Company decided to make this strategic change in direction for two primary reasons. Firstly, since the Fukushima disaster there has been downward pressure on the uranium market and therefore enthusiasm for exposure to uranium explorers. As such spending significant exploration dollars (at this stage) on the Company’s uranium exploration leases based in the Karoo, South Africa does not appear to be the best pathway to restoring shareholder value. The board will continue to evaluate the Raptor tenements in the Karoo but in the immediate term this exploration will be on a much reduced basis.

Secondly, the board has invested significant time and effort identifying and researching projects in the Indonesian coal sector as it represents a readily accessible market ideally placed to take advantage of the continuing demand for coal based power generation for rapidly emerging and expanding Asian economies. As part of the strategy to operate in this sector MPJ has completed a ‘project finder’ mandate with a Singaporean based group that has an extensive Indonesian network for identifying prospective coal (and gold) exploration projects. MPJ is negotiating with other groups to expand its local network within Indonesia. MPJ has formed strong legal and technical relationships with local groups in these markets. Over the coming financial year the Board of MPJ is seeking to finalise a number of transactions in the Asian coal space.

Over the quarter the Company reviewed a number of coal and gold projects in Indonesia. The Company intends to proceed to undertake due diligence on a number of these opportunities and evaluate their prospectivity for possible investment. Undertaking these investigations inherently requires expenditure for engagement of qualified experts to verify legal ownership, logistics and geology before committing to any project. This is why the Company recently announced a fundraising program to raise up to approximately \$1 million, ensuring the Company has sufficient working capital for the costs for these investigations.

+ See chapter 19 for defined terms.

The fundraising will be implemented through a non-renounceable rights issue (“the Rights Issue”). The Rights Issue will be a two for three non-renounceable rights issue to shareholders at 2 cents per ordinary share (“Shares”) with an attaching option on a one for one basis exercisable at 2 cents with an expiry date February 2013 (“the Options”). On exercise the Options will entitle the holder to one further ordinary share and attaching option expiring February 2014 and exercisable at 3 cents for one further ordinary share. If fully subscribed, the Rights Issue will raise up to approximately \$1 million before costs of the issue. The maximum number of new Shares offered under the Rights Issue is 49,636,588 together with 49,636,588 free attaching Options each with an entitlement to a further option upon exercise.

As indicated funds raised from the Rights Issue will be used for working capital and in particular to meet the anticipated costs associated with reviewing potential new projects in Indonesia.

Lake Lefroy Project

Subsequent to the end of the quarter Independence Group Limited (ASX: IGO) advised that they had elected to withdraw from the Lake Lefroy Joint Venture. IGO had continually encountered problems with accessibility to the tenements due to their positioning within the salt lake. The area remains prospective for nickel mineralisation and the Company will review the data set returned by IGO.

Corporate

As at 30 Sep 2011 the net tangible asset position of the Company equated to approximately \$1.91m. MPJ holds no debt or leveraged investment positions.

Unaudited Balance Sheet as at 30 Sep 2011

<u>Investment</u>	<u>Share Holding</u> <u>(approximate)</u> <u>(m)</u>	<u>Price at 30 Sep 2011</u> <u>(\$)</u>	<u>Value at 30 Sep 2011</u> <u>(approximate)</u> <u>\$m</u>
WWI.AU	9.01	0.035	0.32
PSR.CN (\$A equivalent)	0.95	.64	0.61
CLD.CN (\$A equivalent)	1.39	.40	0.57
Other listed and unlisted investments			1.14
Total Investments			2.61
Cash and cash equivalents as at 30 Sep 2011			0.04
Other Assets			0.16
Total Tangible Assets			2.81
* Current and Non- Current Liabilities			0.91
Net Tangible Assets			1.91

+ See chapter 19 for defined terms.

Core Investment

West Wits Mining Limited (ASX : WWI)

West Wits Mining Limited (“West Wits”) during the quarter continued to progress its Derewo River Gold Project (“Derewo”) in Papua Province, Indonesia.

West Wits’ first significant step forward in exploring for the source of the high grade alluvial gravels at Derewo was to secure a significant dataset completed over the Derewo exploration permits in the early 1990’s by PT Freeport Indonesia (“Freeport”). The geochemical multi-element database was established from a significant sampling program of 2,486 samples (27,440 assays) across its three exploration permits covering 128,000ha. This data provided three significant exploration targets – Wopogi (Au/Cu), Sena (Au) and Biapigu (Cu).

Significant results within the data include a panned concentrate sample of 6,864 g/t Au and rockchip samples of 125 g/t Au, 19.1 g/t Au and 1.8% Cu.

Analysis of this database indicates three separate anomalous zones including the potential source of the rich alluvial gold within the Derewo River. Each zone shows a separate geochemical signature. The identification of these anomalies fast tracks the exploration program aimed at identifying the source of the Derewo alluvial gold as well as indicating an additional gold and an additional copper target.

Several panned concentrates confirm the main Derewo River is highly anomalous in gold for over 30km with samples along the river ranging up to the 6,864 g/t Au. Significantly, data from the tributaries of the Derewo River which collectively contribute the anomalous gold values in the main river, and contain the potential hardrock source of the gold, show two distinct areas of anomalous gold feeding the Derewo River along the section containing rich alluvial terraces (this data suggests multiple hardrock sources of the alluvial gold in the gravels) and a separate area further upstream which is anomalous in copper.

Good progress has also been made with regard to the establishment of a hydraulic alluvial operation at Derewo. The topographic survey necessary for planning the operation was completed two weeks ahead of schedule. This survey allows for the finalisation of a mine plan providing locations for water storage dams, tailings dams and settling ponds all forming part of the gravity circuit for processing the high grade alluvial gravels. The completion of this work allows West Wits to begin evaluating what tonnages can be processed per month through the circuit.

+ See chapter 19 for defined terms.

Further milestones achieved over the quarter included West Wits receiving a 10 year extension to the granted mining lease which contains the high grade alluvial gravels. This extension provides security over the mining project until 2023 and paves the way for multiple alluvial circuits to be established over the longer term.

West Wits also received the environmental approval required for the alluvial operation. The receipt of this approval leaves only the Forestry Permit to be obtained before mining can commence. West Wits anticipates completing its permitting process by December 2011.

MPJ currently holds 9.013m WWI 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.

Rule 5.3

Appendix 5B – 1st 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 September 2011

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year to Date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(31)	(31)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(112)	(112)
	(e) contract services	(164)	(164)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
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	(306)	(306)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(14)	(14)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	269	269
	(c) other fixed assets	-	-
1.10	Loans to other entities	(2)	(2)
1.11	Loans repaid by other entities	-	-
1.12	Option Fee on Tenements	-	-
	Net Investing Cash Flows	253	253
1.13	Total Operating and Investing Cash Flows	(53)	(53)

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (3 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(53)	(53)
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		(53)	(53)
1.20	Cash at beginning of quarter/year to date	317	317
1.21	Exchange rate adjustments to item 1.20	(9)	(9)
1.22	Cash at End of Quarter	255	255

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	64
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	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	255	317
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)		255	317

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) <small>(see note 3)</small>	Amount Paid Up Per Security (cents) <small>(see note 3)</small>
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:



Executive Director

Date: 28th October 2011

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 October 2011

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