



Mining Projects Group Limited
Quarterly Report For The 3 Months
Ended 31th December 2006

Highlights

- Recently completed drilling results have intersected potentially economic gold grades at the Duesenberg Prospect – Talga Peak Project.
- Recently completed RC drilling returned multiple zones of massive sulphide and semi massive sulphide over widths of up to 48m with anomalous precious metal and base metals at the Cord Prospect – Talga Peak Project. Only approximately 1.8kms of the known 13.5km of mineralised horizon has been drill tested to shallow depths.
- Drilling success at Atlas Iron’s Pardoo Project has led to an increased resource and reserve statement for its flagship Pardoo Iron Ore project. Atlas has also completed its pre-feasibility study at their Pardoo Project.
- Independence Group who is earning an 80% interest in the Lake Lefroy Joint Venture has licensed a proprietary SQUID technology from Anglo American to help identify potential massive nickel sulphide conductors at Lake Lefroy.

Talga Peak Project

(“MPJ” earning 51% with rights to go to 80%)

Current Exploration Programme

During the quarter a shallow reconnaissance aircore / light RC drilling program was completed at both the Duesenberg gold prospect and the Cord polymetallic VMS prospect. The gossans previously reported from the Cord prospect have been interpreted to represent oxidized massive and / or disseminated VMS (“Volcanogenic Massive Sulphide”) style gold, base metal mineralisation.

Summary of shallow drilling statistics:

Prospect	Drilled meters	Holes Drilled	Ave. depth (m)
Cord	5105	128	40
Duesenberg	2672	49	55
Total Drilling	7777	177	44

Following completion of this program, the company took advantage of the availability of a large capacity RC drill rig to test, at a deeper depth, some of the mineralized zones outlined by the shallow aircore drilling. This work was completed just prior to Christmas and consequently most of the assay results are still pending.

+ See chapter 19 for defined terms.

Summary of RC Drilling:

Prospect	Drilled meters	Holes Drilled	Ave. depth (m)
Cord	3379	26	130
Duesenberg	468	3	156
Total Drilling	3847	29	133

Additionally a reconnaissance rock-chip sampling program was also completed along strike of the previously identified Cord mineralized position. Several gossanous zones were identified extending the known strike length of the known anomalous surface VMS style mineralisation from 8km to 13.5km.

DRILLING HIGHLIGHTS

- **Duesenberg**
 - Potentially economic gold grades have been discovered within structurally controlled zones located within and adjacent to a major chert unit. These results include:
 - Hole TPAC079 averaged 16m @ 1.99g/t Au
 - Hole TPAC080 averaged 5m @ 2.22 g/t Au
 - Hole TPAC088 averaged 13m @ 1.78 g/t Au
 - Three RC drill holes have been completed to provide an initial test of these zones at depth however the results are pending.

- **Cord**
 - Recently completed RC drilling returned multiple zones of massive and semi massive sulphides over widths of up to 48m (hole TRC018, 48 – 96m) with anomalous precious metal and base metals. Most assays are still outstanding but some significant assays returned include;
 - Hole TPRC021 averaged 63g/t Ag, 0.55% Cu, 0.98% Pb and 0.22% Zn over 3m from 67m followed by 7m averaging 28g/t Ag, 0.13% Cu, 0.07% Pb and 0.06% Zn from 76m
 - Hole TPRC024 averaged 35g/t Ag, 0.24% Cu, 0.08% Pb and 0.03% Zn over 5m from 157m. This included 2m averaging 64g/t Ag, 0.45% Cu, 0.09% Pb and 0.06% Zn from 158m.
 - Approximately 1.8kms of the known 13.5km of mineralised horizon has currently been drill tested to shallow depths.
 - Reconnaissance prospecting extends known strike of mineralized horizon by 4.5kms to 13.5 kms and locates two new prospects, Packard and Excalibur.
 - At Packard rock chips returned up to 9.31g/t Au together with anomalous Ag, Cu and Sb
 - At Excalibur rock chips returned up to 2.0% Cu and 6.6 g/t Ag together with anomalous Au and Sb.

Cord – VMS prospect

The Cord prospect consists of a series of interpreted “Volcanogenic Massive Sulphide” (VMS) related gossans located towards the top of the Warrawoona Group in the Pilbara. Previous work programs have identified polymetallic gossanous exposures and anomalous soils along a strike length of 8kms extending to the west of Cord. However, recent reconnaissance rockchip sampling

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(see below) has extended the known strike length of the Cord mineralized horizon to at least 13.5kms.

A geochemical stream sediment-sampling program was completed on the South-Eastern portion of the Project along strike from both the Cord and Duesenberg prospects in late December. Results should be available in the first quarter of the 2007.

Shallow Drilling Program

The shallow aircore / light RC program was designed to test the continuity of the gossanous expression. The prospect has been tested by shallow (average 40m hole depth) drill lines that are generally spaced at intervals of from 80m to 160m along strike.

This shallow aircore program returned large widths of gossanous material in numerous drill holes (a selection of these results are shown in the attached table). Widths of gossanous material ranged up to 40m with geochemically significant values (defined as values in excess of 0.5g/t gold equivalence, "0.5g/t Aue") being returned over widths of up to 26m based on the 1m resplit samples. These samples returned values up to 0.88g/t Au (over 5m), 22g/t Ag (over 2m), or 17g/t Ag (over 10m), 2.47%Cu, 0.19% Pb and 0.03%Zn. Additionally these gossanous intervals were significantly anomalous in other metals including Bi, Sn, Sb and As.

Subsequent Deeper Drilling Program

Subsequent to this program a larger capacity RC drill rig became available and a short program was undertaken immediately prior to Christmas to test these gossans at a deeper level. Most results are still outstanding but significant quantities (layers) of massive and semi massive sulphides were intersected over widths of up to 48m. A selection of results received to date are shown below with further details included at the end of this report.

WEIGHTED AVERAGES >10.0g/t Ag based on 1m resplit samples

Hole ID	From	To	Int. (m)	Au (ppb)	Ag g/t	Cu (ppm)	Pb (ppm)	Zn (ppm)
TPRC021	67	70	3	67	63	5480	9800	2165
&	76	83	7	56	28	1310	690	590
TPRC024	157	162	5	51	35	2370	810	300
incls	158	160	2	66	64	4470	870	550
&	163	164	1	80	13	450	250	90
TPRC025	91	92	1	71	27	2840	60	130
&	155	157	2	102	40	1820	2210	220

The massive and semi massive sulphides intersected to date contain significant levels of base metals (Cu, Pb & Zn) together with high silver levels. This, together with the geology indicates a volcanogenic massive sulphide (VMS) style environment capable of hosting good grade base metal deposits that may contain significant precious metal credits.

Given a mineralized strike length of 13.5kms has been identified through a combination of geological mapping, prospecting, rock chip sampling and soil geochemistry. Only 1.8kms has been tested to shallow depth, suggesting this discovery has significant exploration potential.

Rock Chip Sampling Program

A recent prospecting and rock chip sampling program has located and confirmed a 4.5km western extension of the known mineralized horizon at Cord. Two zones of mineralized outcrop and float (named Packard and Excalibur) were identified 1km and 4.5km west of the Viagra prospect. An apparent shallow transported cover obscures the area between these two new prospects.

+ See chapter 19 for defined terms.

Geochemical results ranging up to 9.3g/t Au, 6.6g/t Ag and 2% Cu have been returned from the samples collected and submitted for assay. Some examples are shown in the table below;

	Au ppb	Au g/t	Ag g/t	Cu ppm	Sb ppm	Prospect
TRK341	9310	9.31	1.5	377	1.6	Packard
TRK342	4540	4.54	0.3	821	4.8	“
TRK343	3440	3.44	1.8	1090	1.5	“
TRK345	630	0.63	0.6	320	8.1	“
TRK347	343	0.34	4.6	20100	2.1	Excalibur
TRK348	253	0.25	6.6	824	13.7	“
TRK349	206	0.21	1.5	9800	3.7	“

At Packard the initial interpretation is of a 700m long zone of float and sparse outcrop that hosts two mineralized structures that may correlate stratigraphically with the Northern gossan at the main Cord prospect. The observed structures are up to 8m in width and up to 20m apart. Limited reconnaissance rock chip samples returned up to 9.3g/t Au with anomalous copper.

At Excalibur, located 3kms west of Packard there is a poorly outcropping chert horizon. This chert is gossanous and weakly brecciated with sulphide and malachite being observed in hand specimen. Limited reconnaissance rock chip samples returned up to 2% Cu together with anomalous gold (up to 0.3 g/t) and silver (up to 6 g/t).

The apparently shallow scree cover that exists between these two geochemically anomalous zones contains a high proportion of ferruginous or possibly gossanous material and will require detailed geochemical sampling (probably soils) prior to drill testing.

Duesenberg – Au prospect

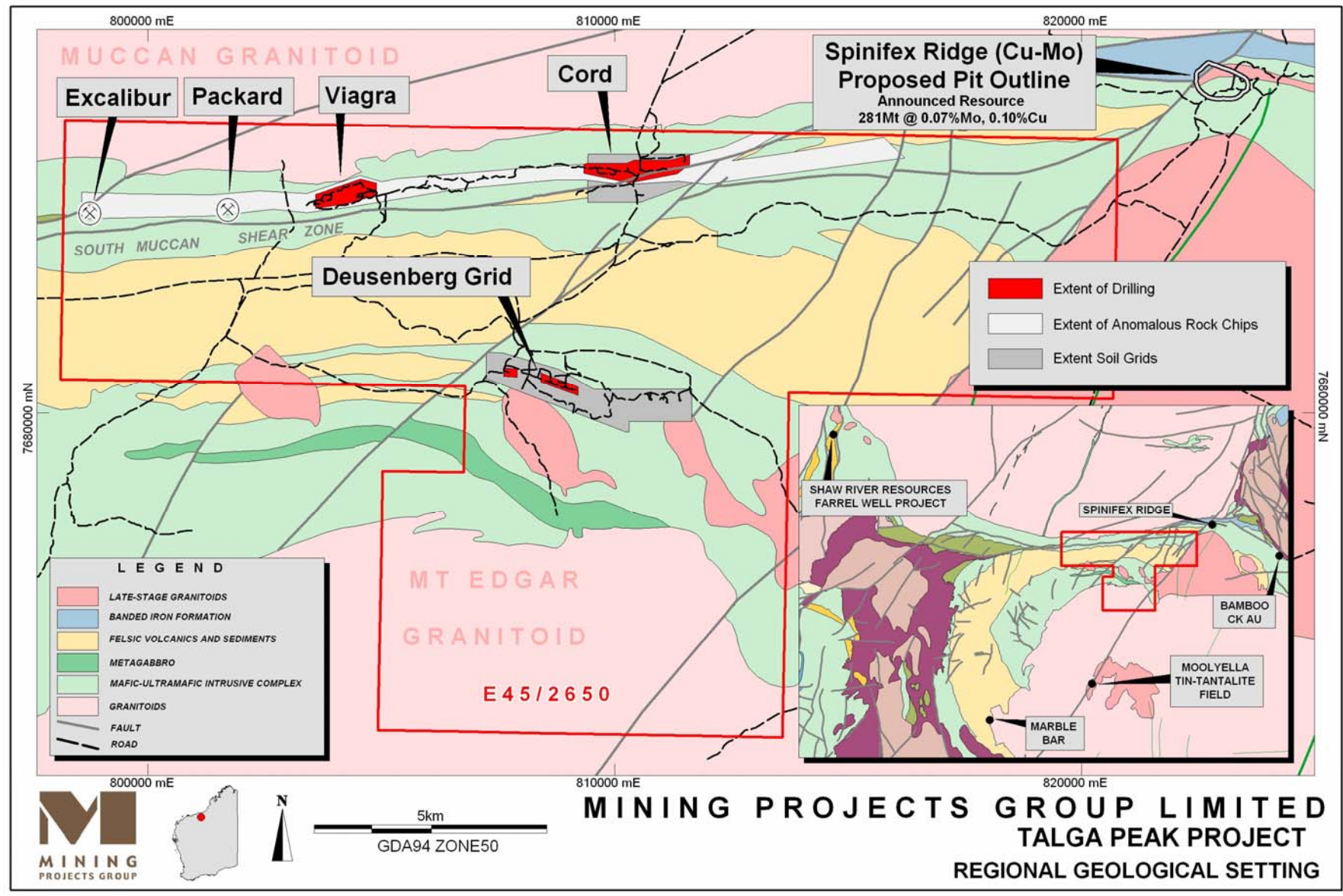
As previously reported by the Company, the Duesenberg prospect, consists of a number (at least 6) of apparently structurally controlled gold in soil anomalies situated either within or adjacent to a major chert unit located within the Warrawoona Group.

A shallow drilling program was designed to test the sub-surface extensions of some of the more obvious gold in soil anomalies (investigating their potential grades and widths) with a view of more extensive exploration later. This program was successful in identifying some potential economic gold grades within structurally controlled zones within and adjacent to a major chert unit. These results included:

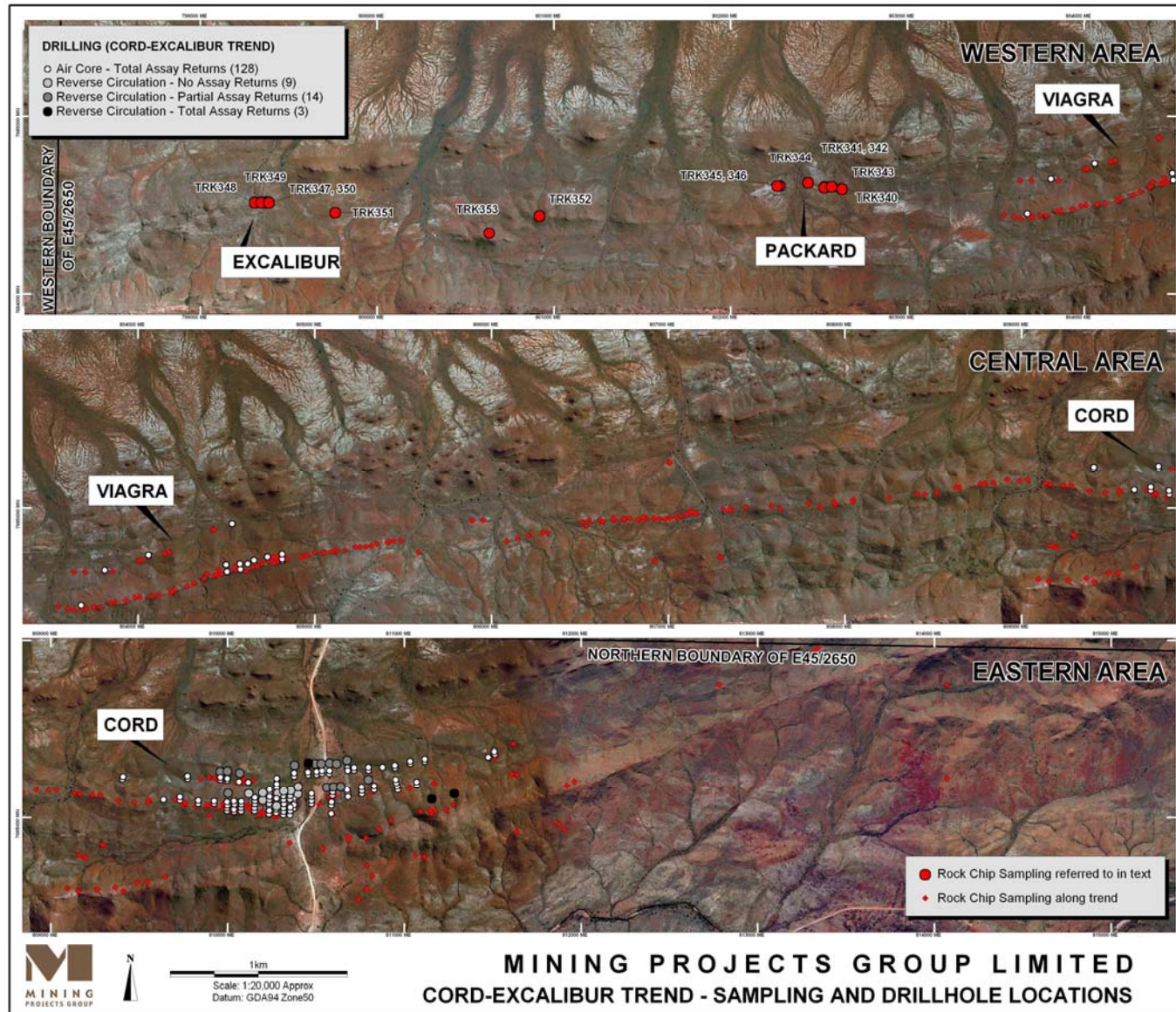
- 16m @ 1.99g/t Au from surface in hole TPAC079
- 5m @ 2.23g/t Au from 24m followed by 8m @ 1.57g/t Au from 50 in hole TPAC 080 with the hole finishing in mineralisation
- 13m @ 1.79g/t Au from 42m in hole TPAC088
- 4m @ 4.69g/t Au from 4m in hole TPAC 097
- 2m @ 6.23g/t Au from 28m in hole TPAC101
- 5m @ 1.63g/t Au from 2m in hole TPAC102

Three RC holes were completed for a total of 468m to test the down dip potential of this wide gold bearing material, beneath the capacity of the smaller drill rig, on a 80m line spacing. The program was successful in identifying several structurally controlled zones of alteration being variably brecciated cherts, siliceous / or sulphidic zones. All assay information for the Duesenberg Prospect RC program is still pending.

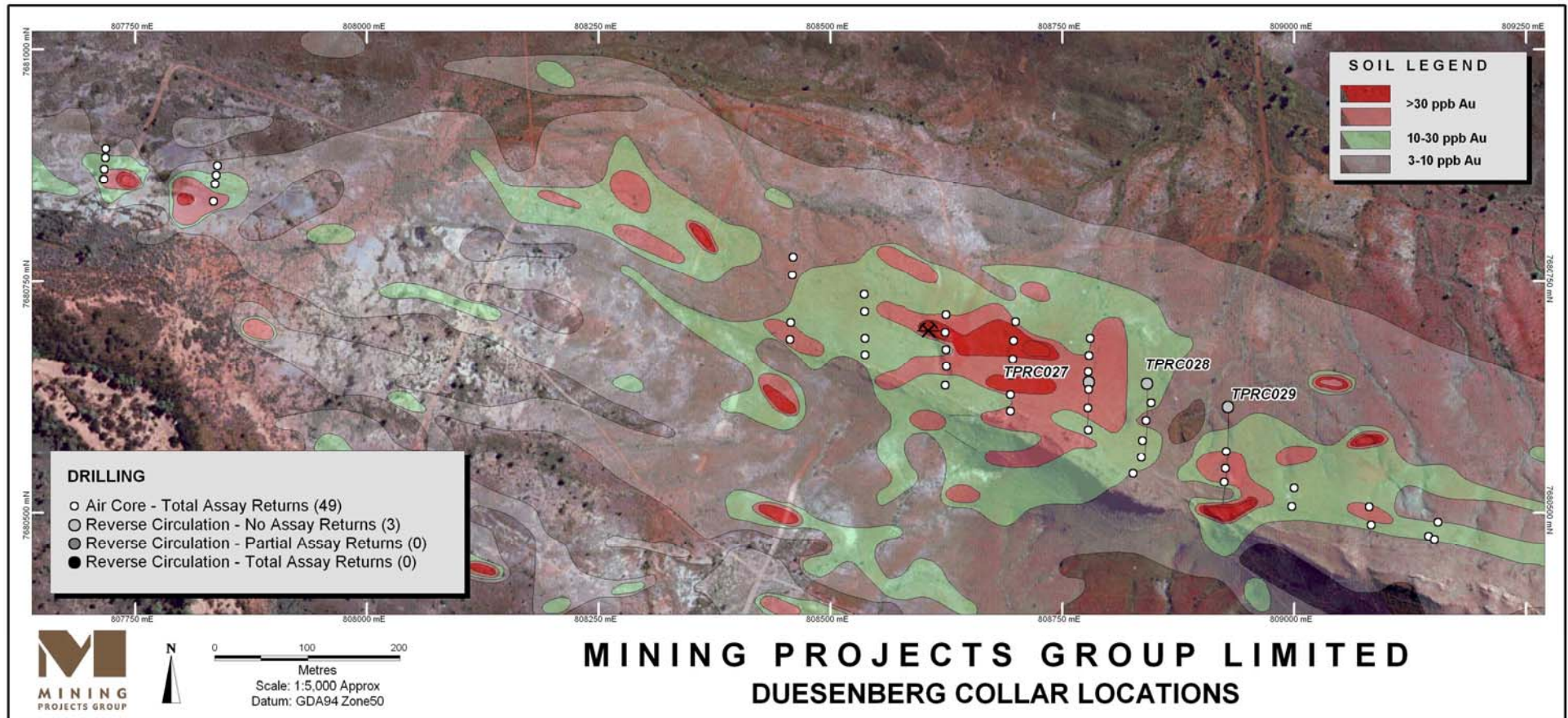
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Atlas Iron Limited (ASX : AGO)

On 25th January Atlas Iron Limited (Atlas) reported two significant achievements. Firstly Atlas announced a resource and reserve statement increasing the current resource by 3.3 million tonnes. The Company's resource now stands at 10.5Mt at 57.1%Fe of Direct Shipping Ore (DSO). Within that resource statement Atlas has now estimated its first reserves of 4.4Mt for the Pardoo Project. The reserves estimated are based on the indicated resources and as such the reserves are of the Probable Reserve category.

Secondly Atlas announced on the 25th January it has completed its Pre-Feasibility study on the Pardoo Iron Ore Project. The key outcomes from the study relate to the upgrade in resources, the initial reserve estimate, the project using entirely contracted mining, crushing, screening and haulage operations, a start-up capacity of 1Mt pa in March 2008, mine infrastructure and project costs of \$8.3 million, a strip ratio of 1.8:1, operating margins of between \$10 and \$18 per tonne and strong potential for additional resources and reserves.

Managing Director David Flanagan was quoted as saying, "To make the initial discoveries, define resources, estimate reserves, commence the approval process and progress detailed engineering studies within 18 months is a terrific achievement. We now look forward to making more discoveries and putting ore on ships by March 2008".

Atlas also announced on the 10th January the Company had completed ground truthing field work at the 100% owned Abydos Project. Atlas geologists have identified cumulative strike length of 8kms of geology considered to have a conceptual exploration target in the order of 15 to 20Mt of mineralisation grading 58% to 61%Fe.

MPJ holds approximately 3.2m shares and 2.0m options in Atlas.

Independence Group Limited (ASX : IGO)

("IGO" earning 80%)

Independence Group Limited (Independence) who are earning into the Lake LeFroy Joint Venture have a signed a licence agreement with Anglo American to use its proprietary Low Temperature SQUID Sensor (SQUID) in parts of the Yilgarn Block. The SQUID sensor is able to detect conductors, possibly representing massive nickel sulphide mineralisation, beneath areas of conductive overburden far more effectively than competing systems.

The Joint Venture covers magnetic stratigraphy in two areas north and south of an interpreted dome located beneath the salt lake of Lake LeFroy 10km east of Kambalda. A SQUID TEM survey commenced on both areas during the quarter and at quarter's end the program was approximately 33% complete. A number of possible bedrock conductors have been identified. A detailed appraisal of the results will be undertaken once the survey is complete.

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Civil Proceedings

Subsequent to the end of the quarter the company received notice of civil proceedings in relation to certain announcements made in August 2005 concerning the Nuie Island Project. The company and the directors concerned deny the allegations and intend to defend this matter vigorously. The matter is the subject of civil proceedings and no orders or pecuniary damages are sought against the company.

The directors maintain that they acted appropriately with respect to the drafting and release of all information concerning the Nuie Island Project. Accordingly it is expected that the proceedings will be successfully defended.

For And On Behalf Of The Board



Richard Revelins
Director

The information in this report in relation to the Talga Peak Project was been compiled by Geoff Blackburn. Geoff Blackburn has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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. In respect of the results reported there has been insufficient work to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. Geoff Blackburn consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

The information in this report in relation to the Lake Lefroy Project was provided by Independence Group Limited.

+ 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 2006

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	36	67
1.2 Payments for: (a) exploration and evaluation	(420)	(874)
(b) development	-	-
(c) production	-	-
(d) administration	(93)	(349)
(e) contract services	(92)	(191)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	41
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	(547)	(1,306)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	(200)	(300)
(b) equity investments	(1,432)	(3,271)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	1,487	1,683
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	34	34
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(111)	(1,854)
1.13 Total Operating and Investing Cash Flows	(658)	(3,160)

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		Current Quarter \$A'000	Year to Date (6 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(658)	(3,160)
<u>Cash Flows Related to Financing Activities</u>			
1.14	Proceeds from issues of shares, options, etc.	-	4,444
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		-	4,444
Net Increase / (Decrease) in Cash Held		(658)	1,284
1.20	Cash at beginning of quarter/year to date	2,282	340
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at End of Quarter	1,624	1,624

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	86
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

-

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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	540
4.2 Development	-
Total:	540

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	1,624	2,282
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	1,624	2,282

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	Nil	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Nil	Interests in mining tenements acquired or increased		

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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	1,503,211,054	1,503,211,054		
7.4	Changes during quarter (a) Increases through issues	8,750	8,750	\$0.009	Fully Paid
	(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>	693,372,421	693,372,421	<i>Exercise Price</i>	<i>Expiry Date</i>
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	(8,750)	(8,750)	\$0.009	
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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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: 31 January 2007

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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