



Mining Projects Group Limited

Quarterly Report for the 3 Months Ended 30th September 2009

Highlights

- MPJ enters into an agreement with Mineral Resources Limited in respect to the iron ore rights at the Talga Peak Project
- MPJ completes acquisition of Xplor Limited
- MPJ completes option agreement with Exterra Resources Pty Ltd with regard to the Egerton Project
- MPJ completes 1 for 2 non-renounceable rights issue to all shareholders and a private placement of up to 500 million new shares and 1 for 2 attaching options raising \$2.83 million (combined) in new capital for the Company
- West Wits announces maiden 55,000 ounce JORC Probable Ore Reserve at its Emerald Project
- NTA as at 30 Sep 2009 was approximately \$6.911 million

Summary

During the period the Company completed a 1 for 2 non-renounceable rights issue to all shareholders on the basis of 1 new share and 1 free attaching option for every 2 shares held at the record date. The issue was successfully completed on 16 July 2009 raising \$1.83 million before allowing for costs. Also during the quarter shareholders approved a private placement of up to 500 million new shares and 1 for 1 attaching options. This issue was completed on 1 October 2009 (subsequent to the end of the quarter) and raised \$1 million before allowing for costs. The two issues raised a combined total of \$2.83 million which is planned to be applied towards securing and developing new opportunities as well as for working capital purposes. Cash and investments at the end of the quarter stand at approximately \$ 6.91million which places the Company in a strong financial position in terms of having sufficient financial capacity to acquire and add value to potential new opportunities.

The board of Mining Projects Group (“MPJ”) has been evaluating a number of projects with emphasis on uranium, gold, coal and iron ore. It is anticipated that an investment decision will be made prior to the end of the calendar year and shareholders will be informed as soon as an agreement has been executed. This is the Company’s main focus at present.

Subsequent to the end of the quarter the Company announced agreements in relation to the Talga Peak Project iron ore rights and the Egerton Project which are explained below.

+ See chapter 19 for defined terms.

Talga Peak Project

(MPJ 80% Oakover Holdings 20%)

Talga Peak has been explored by MPJ over the past 4 years primarily for gold and base metals mineralisation at the Duesenberg and Cord Prospects. After receiving and analysing the drilling results from Cord last December the Company concluded that the potential for shallow to moderate depth base metal VMS style mineralisation along the Cord Valley had diminished and accordingly re-rated the VMS exploration potential.

At the conclusion of the VMS drilling programme the Company also undertook some preliminary rock chip sampling of an iron ore feature in the western part of the lease where five rock chip samples were collected from a single traverse sampled at 10m continuous intervals. Although these results were very preliminary and no subsurface investigation of the iron feature was undertaken MPJ was successful in attracting interest from Process Minerals International Pty Ltd (“PMI”) a 100% owned subsidiary of Mineral Resources Limited (ASX : MIN).

On 1 October 2009 MPJ announced that it had entered into an exclusive an irrevocable option agreement with PMI whereby PMI will undertake exploration for iron ore on the tenement area and pay MPJ a royalty per dry metric tonne of iron ore removed from the tenements.

MPJ retains the rights to all other minerals other than iron ore.

Xplor Limited

On 12 June 2009 the Company announced its intention to acquire all the shares in Xplor Limited (“Xplor”) subject to the approval of MPJ shareholders and acceptance of offers by Xplor shareholders.

The acquisition was finalised at the end of August 2009. The lease portfolio of Xplor consisted of 3 projects; the Egerton Project, Gascoyne region, WA, the Mount Tarrengower Project at Maldon, Victoria and the Golden Mount Project at Bonnie Doon, Victoria. 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.

Under the agreement Exterra will acquire a 6 month option over all MPJ’s interest in the Egerton Project on the following basis:

- Exterra will pay MPJ a \$20,000 non-refundable option fee for an exclusive 6 month option period. Exterra may at its election extend this period for a further 6 months by paying MPJ an additional \$20,000 cash and allotting to MPJ 500,000 options in Exterra exercisable at 20 cents each on or before 30 September 2013;
- Exterra will undertake to use its best endeavours to achieve listing on the Australian Stock Exchange (ASX) prior to the end of the option period. 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.

+ See chapter 19 for defined terms.

The Egerton tenements have a history of gold production which is estimated to be 8,500 ozs predominantly from high grade, narrow quartz vein mineralisation within sheared and faulted metasediments and metavolcanics.

The Hibernian Prospect (M52 / 343) contains reported JORC measured, indicated and inferred classified resources of 116,400 tonnes at an average grade of 6.4 g/t Au containing an estimated 23,811 ozs of gold.

MPJ is undertaking an evaluation in respect to Mount Tarrengower and Golden Mount and plans to commence new exploration activity for these projects.

Corporate

MPJ finalised the placement approved by shareholders, of up to 500,000,000 new shares in the capital of the Company at an issue price of 0.2 cents per share together with a 1 for 1 free attaching option for every new share subscribed. The attaching options will be exercisable on or before 6 July 2014 at an exercise price of 0.2 cents each.

Funds raised from the issue are to be applied towards working capital, as well as funding for potential new activities. The Company is currently evaluating a number of opportunities primarily in Australia and Africa.

As at 30 September 2009 the net tangible asset position of the Company equated to approximately \$6.911m.

Mining Projects holds no debt or leveraged investment positions.

Unaudited Balance Sheet as at 30th September 2009

<u>Investment</u>	<u>Share Holding (approximate)</u>	<u>Price at 30 September 2009</u>	<u>Value at 30 September 2009 (approximate)</u>
	<u>(m)</u>	<u>(\$)</u>	<u>\$m</u>
MLI	10.60	0.04	0.43
AGO	0.23	1.62	0.38
WWI	8.01	0.13	1.04
WET-AIM (\$A equivalent)	17.86	0.022	0.39
Other listed and unlisted investments			2.972
Total Investments			5.212
Cash and cash equivalents as at 30 June 2008			1.790
Other Assets			0.006
Total Tangible Assets			7.009
* Current and Non- Current Liabilities			0.098
Net Tangible Assets			6.911

+ See chapter 19 for defined terms.

West Wits Mining Limited (ASX : WWI)

West Wits Mining Limited (“West Wits”) continued over the quarter to focus on the development of its Emerald Project. West Wits announced an independent competent person signed off on its maiden JORC Probable Ore Reserve for the Emerald Project. This Reserve confirmed the economic viability of the Emerald Project and the Company’s exploration strategy that economic near surface mineralisation exists on these historic leases

The initial Probable Ore Reserve at the Emerald Project is 55,000 ounces of gold at 1.71g/t of gold down to 45m which is the maximum planned depth of the pits. The reserve contemplates two pits being developed. The company is planning to begin operations at the western pit where it expects a higher average grade within the pit of 2.1g/t of gold.

West Wits confirmed that it received one detailed toll treating proposal, but is yet to finalise any agreement as it is currently in discussions with two other local mining companies as well. Each of these alternatives is markedly different, ranging from conventional toll treatment opportunities requiring very limited capex, through to establishing side circuits dedicated to West Wits at existing plants. The evaluation process has taken longer than expected, but West Wits is pleased with the gamut of options available and believes the right agreement for West Wits will be reached.

The development of the Emerald Reserve, provides a significant advancement in terms of its strategy to fund exploration of further near surface targets such as the Emerald Reserve strike extensions and is keen to test extensions to the south, where there is a further 1km of strike to be tested. Within this target section of reef a historical open pit currently exists which has visible conglomerate reef sitting within the base of the pit. The exploration team believes there is potential for further economic mineralisation which is ready to be extracted should a completed sampling program provide prospective grades in line with those grades returned 1km to the north within the current Emerald Reserve. This area could provide initial feedstock for production whilst initial pit development is taking place.

MPJ currently holds 8m WWI shares.

Mintails Limited (ASX : MLI)

MPJ has persevered with its strategic investment in Mintails which has continued to underperform despite the intrinsic value of its underlying assets. During the quarter Mintails raised additional funding at 4.5 cents per share predominantly from UK based funds to satisfy its ongoing capital expenditure requirements. The company also rejected an Offer proposed by DRD Gold at an estimated equivalent value of 5.9 to 6.0 cents per share.

No recent production data has been released by Mintails since its last quarterly report and accordingly it is unknown at this stage how the company has performed with its costs and gold production during the September quarter.

Given the significant rise in the price of gold and positive signs in the direction and demand for Uranium Mintails should benefit as the company owns abundant quantities of both commodities.

MPJ currently holds 10.6 million shares in MLI.

+ See chapter 19 for defined terms.

Watermark Global PLC (AIM : WET)

Watermark Global Plc (“Watermark”) continued over the quarter to progress its Definitive Feasibility Study (“DFS”). Watermark now expects to have its DFS completed by November 2009.

With the anticipated completion of the DFS it is expected that Watermark will attract increased sharemarket interest. The topic of environmental rehabilitation and consequences for ecological damage from acid mine drainage are matters that are being strongly debated in South Africa. With the likely imposition of strong government sanctions on South African Mining companies implicated in contributing to this problem this places Watermark in an ideal situation to provide a solution to a major environmental problem that has existed and continues to grow within the country.

Having successfully completed a number of trials and pilot plant constructions the imminent completion of the DFS will provide Watermark with the technical support to demonstrate that it can deliver an economic, cost efficient solution to a major environmental problem within the South African and world mining environments.

MPJ holds 17.86 million WET 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 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

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

ABN:

84 006 189 331

Quarter Ended ('Current Quarter')

30th September 2009

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (3 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	(19)	(19)
(b) development	-	-
(c) production	-	-
(d) administration	(265)	(265)
(e) contract services	(80)	(80)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Legal Fees)	-	-
Net Operating Cash Flows	(357)	(357)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(1,914)	(1,914)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	1,153	1,153
(c) other fixed assets	-	-
1.10 Loans to other entities	(50)	(50)
1.11 Loans repaid by other entities	100	100
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(711)	(711)
1.13 Total Operating and Investing Cash Flows	(1,068)	(1,068)

+ 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)	(1,068)	(1,068)
Cash Flows Related to Financing Activities		
1.14 Proceeds from issues of shares, options, etc.	2,924	2,924
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	(203)	(203)
Net Financing Cash Flows	2,721	2,721
Net Increase / (Decrease) in Cash Held	1,653	1,653
1.20 Cash at beginning of quarter/year to date	185	185
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at End of Quarter	1,838	1,838

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	73
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	-
Total:	200

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	1,838	185
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	1,838	185

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	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	1,664,029,836	1,664,029,836		
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>	2,065,030,602	2,065,030,602	<i>Exercise Price</i> \$0.002	<i>Expiry Date</i> 06/07/2014
7.8	Issued during quarter	2,065,080,602	2,065,080,602	\$0.002	06/07/2014
7.9	Exercised during quarter	531,125	531,125	\$0.009	31/07/2009
	Exercised during quarter	50,000	50,000	\$0.002	06/07/2014
7.10	Expired during quarter	1,022,517,788	1,022,517,788	\$0.009	31/07/2009
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 October 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.

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The CFO Solution
30/10/09

+ See chapter 19 for defined terms.