



Mining Projects Group Limited

Quarterly Report for the 12 Months Ended 30th June 2008

Highlights

- New deep drilling program proposed for the Company's Talga Peak Project
- ASIC withdraws from action against the Company and directors Messer's Bryan Frost and Richard Revelins based on compelling expert evidence presented by the Company
- NTA as at 31 March 2008 was \$15.9 million or 0.87 cents per share
- Company continues to assess new resource projects
- Mintails confirms its ERGO mining operation on the East Rand is on time and budget to begin operations in October 2008
- Atlas Iron Limited announces commencement of iron ore exports from its Pardoo operation delayed until December 2008, due to an appeal being lodged with respect to the conditions recommended by the EPA and completion of a pre-feasibility study at its 100% owned Abydos Direct Shipping Ore (DSO) Project
- West Wits completes sign off of its conceptual target statement with between 3.95-5.20 million ounces of gold and 17-22 million pounds of uranium within the Company's historic Project Areas

Talga Peak Project

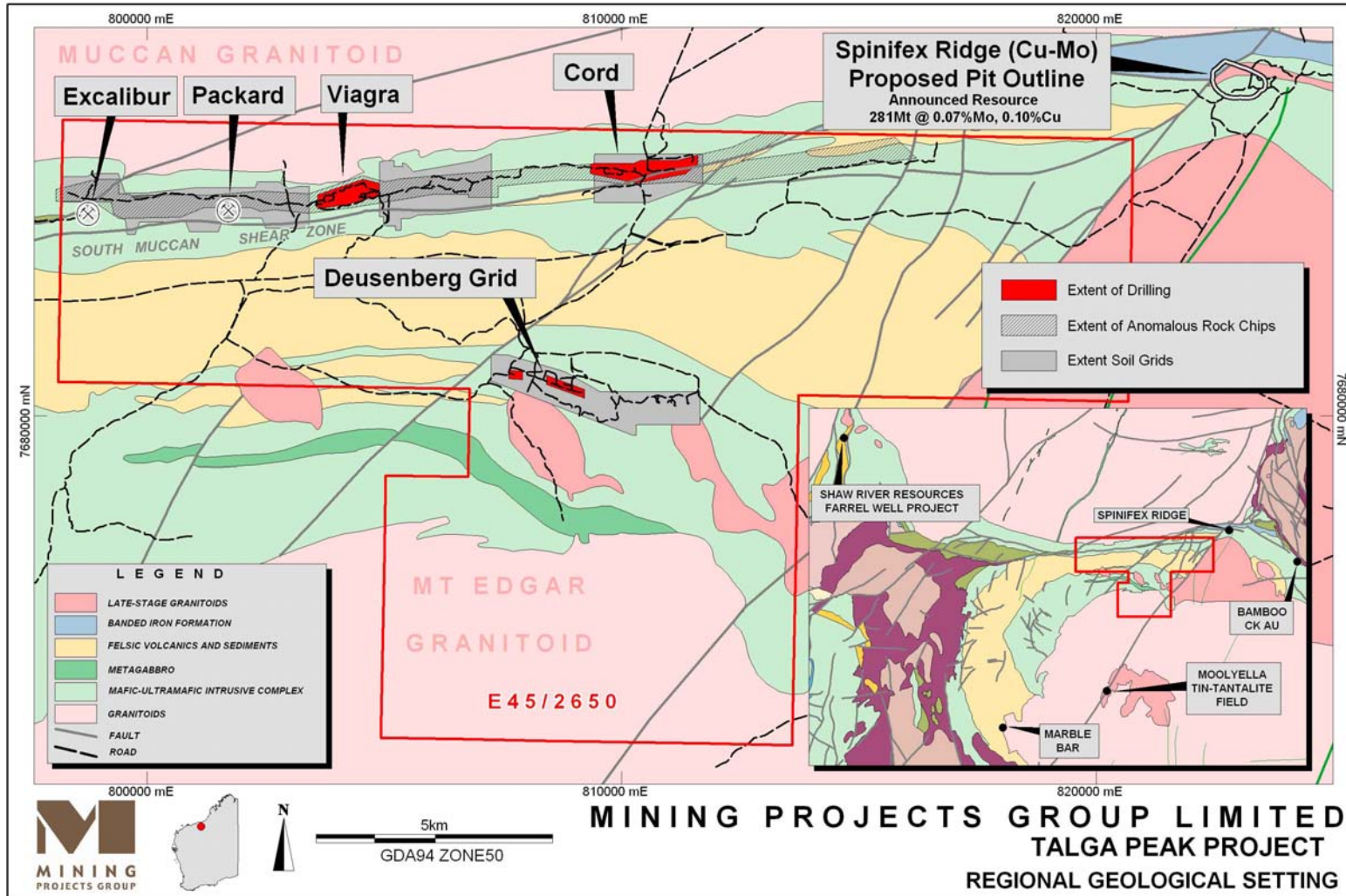
("MPJ" earning 51% with rights to go to 80%)

During the quarter Mining Projects Group Limited (ASX : MPJ) announced that it will proceed with a new drilling campaign at the Company's Talga Peak project. During first half of the financial year Mining Projects Group Limited ("MPJ") completed both ground and down-hole EM surveys in consultation with Southern Geoscience Consultants ("SGC"). SGC considered the survey effectively assessed the main gossanous zones for shallow to moderate depth, massive sulphide style conductors. Based on these surveys the Company intends to launch a 3,500 metres of RC drilling program with an average hole depth of 180 – 200 metres (ranging from 100m to 400m) to properly investigate the targets illuminated from the EM survey results.

The program of work has been submitted to the requisite authorities for approval. The Company is still waiting on these approvals, however once these approvals have been obtained a suitable drilling contractor engaged. The market will be advised once drilling has commenced which should occur later in the September quarter.

To date MPJ has invested approximately \$1.9 million in exploration in respect of the Talga Peak project and views this proposed drilling program as highly important in determining the ultimate prospectivity of the project.

The Company is still awaiting geochemical stream sediment survey targeting the southern portion of the project area completed during the last quarter. A total of 357 samples, from 119 sample sites, were collected and submitted for multi-element analysis. In addition, the proposed soil geochemical activities in the eastern portion of the project area targeting several styles of potential gold and base metal mineralisation have now been completed with results pending.



ASIC withdraws from Civil proceedings against Company and its Directors

During the quarter ASIC elected to withdraw from its action when confronted with the expert evidence assembled for the defence. The withdrawal of the case must be seen as a victory. However it unfortunately remains the fact that the initiation and pursuit of the case by ASIC in the first place caused considerable damage to the Company's reputation and business opportunities. It also distracted the board for an extended period and necessitated expenditure of unwanted costs. We always believed the case was misconceived and that ASIC were wrong to pursue the matter. However, in considering where that leaves the Company one must have regard to the fact that ASIC has legislative immunity from liability to damages in relation to proceedings it initiates. Frankly, the only appropriate course is for the Company and its board to put this unfortunate experience behind them and pursue the optimisation of the strong asset base assembled over the last 2 years.

Corporate

The Company sold approximately 400,000 AGO shares over the quarter to take advantage of strong share price appreciation. A proportion of these funds have been redirected to other investments including Mintails, West Wits Mining Limited and Watermark Global PLC which the Company believe represent excellent value at current price levels. As previously stated it is the Company's intention to realise some of its listed positions as share prices reach the Company's target prices and utilise these proceeds to pursue new opportunities and investments.

Unaudited Balance Sheet as at 30th June 2008

<u>Investment</u>	<u>Share Holding</u> <u>(approximate)</u>	<u>Price at 30 June</u> <u>2008</u>	<u>Value at 30 June 2008</u> <u>(approximate)</u>
AGO	1,225,000	3.68	4,508,000
MLI	6,296,000	0.32	2,015,000
WWI	4,613,000	0.18	830,000
EKM	4,650,000	0.105	488,000
WET-AIM (\$A equivalent)	11,962,000	0.104	1,244,000
CLD-TSX (\$A equivalent)	6,957,000	0.116	807,000
Other listed and unlisted investments			4,165,000
Total Investments			14,057,000
Cash as at 31 March 2008			1,278,000
Other Assets			3,132,000
Total Assets			18,467,000
* Current and Non- Current Liabilities			2,566,000
Net Tangible Assets			15,901,000
Shares on Issue			1,833,390,276
NTA per share			\$0.0087 or 0.87 cents per share

* The Current Liabilities include an unrealised profit for a Deferred Tax Liability as stated in the 30 June 2007 accounts.

** These numbers may be subject to change during 31 December 2007 Audit Review.

+ See chapter 19 for defined terms.

New Projects

The Company continues to undertake investigative work and due diligence on a number of potential new resource projects to add to the MPJ portfolio. To date the Company has not reached a decision to proceed with the acquisition of any project it has investigated but the evaluation process is continuing.

Independence Group Limited (ASX : IGO)

(“IGO” earning 80% into the Lake Lefroy Joint Venture)

Independence Group Limited (Independence) who are earning into the Lake LeFroy Joint Venture signed a licence agreement with Anglo American to use its proprietary SQUID Sensor (SQUID) over the Lake Lefroy property. 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.

This program had stalled over the last 12 months, however Independence have confirmed SQUID EM testing of ultramafic units which are obscured by conductive lake sediments are planned for the September quarter. MPJ looks forward to reporting on results Independence receive from their SQUID EM survey.

Atlas Iron Limited (ASX : AGO)

Atlas Iron Limited (“Atlas”) had productive June quarter and was able to announce the completion of a pre-feasibility study at its 100% owned Abydos DSO Project. The project is anticipated to commence production at a rate of 3 mtpa from December 2009.

However, the Company did endure a minor setback in regards to the development of its Pardoo Iron Ore Project. On 16th June 2008, Atlas announced the Environmental Protection Authority recommended approval of the Atlas’ Pardoo Direct Shipping Ore (DSO) Project. However on 22nd July 2008, Atlas was informed an appeal had been lodged against the recommendation and based on Atlas’ interpretation of recent advice the Company received from the state government Appeals Convenor in relation to this appeal it appears likely that it will result in a delay to the target date for first iron ore export from the project from October 2008 to December 2008.

MPJ holds approximately 1.225m shares in Atlas.

Mintails Limited (ASX : MLI)

During the June quarter Mintails Limited (“Mintails”) has taken significant steps forward in all aspects of its operations. The ERGO Mining Joint Venture (“East Rand” or “ERGO”), under the guidance of Lloyd Birrell continued to achieve its ambitious construction and commissioning targets. The refurbishment of Stage 1 of the Brakpan Gold Production facility is nearing completion and management remain confident that commissioning will occur on schedule in October this year. The efficiency of the construction team has not only enabled significant cost savings to be achieved but has also allowed ERGO to affect a number of initiatives that were previously only contemplated for the Stage 2 expansion phase.

As described in the March Quarterly the redeployment of certain assets earmarked for the construction of WERGO to ERGO precipitated a delay in the commissioning of Phase 1 of the WERGO Gold Plant (“West Rand” or “WERGO”). It was indicated that this delay would in all likelihood be to April – May 2009. The West Rand activities including construction of the

+ See chapter 19 for defined terms.

WERGO Plant are now under the direct control of Basie Maree who joined the Mintails Board earlier this year after a long and distinguished career at AngloGold Ashanti.

Commissioning of WERGO has now been brought forward from April – May 2009 to January 2009 due to efforts of Mr Maree and the team at WERGO. In addition, two (2) of the three (3) mills at the Mogale Gold Plant have been refurbished with the 3rd mill expected to complete refurbishment during the September quarter. The original plan was for the Mogale Gold Plant to cease production in April - May 2008 and to then be integrated into the new WERGO Gold Plant. As a consequence of the continuing strength of the price of gold and reassessment of production capacity, the company has decided to embark upon a program of refurbishment to optimise plant fitness of the Mogale Gold Plant which will now continue to run sands and slimes circuits at a capacity of 2,520,000 tonnes per annum with the re-placement of tailings into the West Wits Pit [North Section].

Mintails is also pursuing an ongoing exploration and drilling campaign designed to increase and upgrade its JORC gold and uranium resources on both the East and West Rand. Camden Geoserve has been commissioned to provide an independent competent persons report in respect of the gold and uranium content of the slimes and sands dump comprising the WERGO Project. The report by Camden Geoserve is anticipated to be available during August. Mintails has also appointed Coffey Mining / RSG to independently verify JORC and SAMREC Compliant Resources on a significant portion of the surface tailings on East Rand. This work commenced in February and is expected to be progressively released during August, September and October representing approximately 80% of the total 1.7 billion tonnes of surface tailings materials available to the ERGO Mines Joint Venture.

MPJ currently owns approximately 6.296m shares in Mintails.

West Wits Mining Limited (ASX : WWI)

West Wits Mining Limited (“West Wits” or “the Company”) enjoyed a successful June quarter operationally, as it continued to progress its current exploration program. West Wits is currently focusing on three particular targets, a section of the uranium and gold bearing Bird Reef within the DRD Lease, a shallow surface target area of the gold bearing Kimberley Reef within DRD Lease and a section of Kimberley Reef within Rand Leases. The Company has recently also begun work on a fourth target, a section of Kimberley Reef within the West Rand Consolidated Lease (“West Rand Cons”), an initial shallow RC campaign testing the potential for an open cut opportunity.

The exploration team has completed data acquisition, compilation, review, evaluation and generation of 14 targets prioritised in terms of prospectivity. Targets generated arose from reviewing THE immense amount of historical information which exists concerning each of the leases in the Company’s current lease portfolio. Since exploration began on these leases in January 2008, over 7,000 historical maps and mining plans have been reviewed and scanned. This review has enabled the Company to identify 14 new exploration targets, initiate the generation of a 3D model of historical mines which exist within the leases and develop the exploration program to incorporate conceptual target sizes and types.

The conceptual target statement completed for the Company’s lease portfolio was reviewed by the Company’s independent geological consultants, MSA Geoservices (Pty) Ltd (MSA). The potential quantities and grades of the target statement have been developed through analysis of historical mining survey maps, mine forecast plans, surface reef outcrop, surface-underground infrastructure maps as well as historical production records. However, there has been insufficient exploration by the Company at this point to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

+ See chapter 19 for defined terms.

The completed conceptual target statement developed by the Company's geological team and verified by MSA has produced a conceptual exploration target of:

- 3.95 - 5.2 million ounces of gold; and
- 17 - 22 million pounds of uranium mineralisation.

These targets are comprised of areas prospective for near surface mineralisation, areas identified with unexploited underground mineralisation and underground areas within historical infrastructure where no remnant pillar recovery has taken place. The targets focus on near surface mineralisation and move to deeper areas with a maximum vertical depth of 500m.

MPJ currently holds approximately 4.613 million shares in West Wits.

Watermark Global PLC (AIM:WET)

During the quarter the Company took the opportunity to increase its shareholding in Watermark Global PLC ("Watermark"), a company listed on the AIM market in London. Watermark has its operations based in South Africa and is completing the testing of two pilot plants which are processing underground acid mine drainage water (AMD), converting this water into industrial quality water and extracting chemicals as a valuable by-product for use within the process and/or for sale to third parties.

Watermark holds valuable management rights in respect to certain underground AMD water resources and also manages the water obligations of a number of existing South African mines. The board of MPJ view Watermark as an undervalued opportunity in a high growth sector that has the potential to deliver exceptional returns over the near future.

MPJ holds approximately 11.962m shares in Watermark.

For And On Behalf Of The Board



Richard Revelins
Director

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 West Wits Mining Limited was extracted from previous ASX announcements released by West Wits Mining Limited.

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 Independence Group NL was extracted from previous IGO announcements released by Independence Group NL.

Rule 5.3

Appendix 5B – 4th Quarter

+ See chapter 19 for defined terms.

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 June 2008

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (12 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	(46)	(333)
(b) development	-	-
(c) production	-	-
(d) administration	(787)	(1,571)
(e) contract services	(139)	(416)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	38	199
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	(934)	(2,121)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(3,458)	(11,294)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	2,434	12,401
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	121
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(1,024)	1,228
1.13 Total Operating and Investing Cash Flows	(1,958)	(893)

+ 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)	(1,958)	(893)
Cash Flows Related to Financing Activities		
1.14 Proceeds from issues of shares, options, etc.	-	2,142
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	-	2,142
Net Increase / (Decrease) in Cash Held	(1,959)	1,249
1.20 Cash at beginning of quarter/year to date	3,945	738
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at End of Quarter	1,987	1,987

**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	132
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	150
4.2 Development	-
Total:	150

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	1,987	3,945
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	1,987	3,945

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	10,060	10,060	N/A	N/A
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	10,060	10,060	\$0.009	31/07/2009
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: 31st July 2008

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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