



Mining Projects Group Limited

Quarterly Report for the 3 Months Ended 31st December 2007

Highlights

- Downhole EM results completed at the Talga Peak Project, Pilbara, Western Australia.
- NTA as at 31 December 2007 was \$21.23 million or 1.16 cents per share
- Atlas Iron Limited announces a 36% increase in its iron ore resource at its flagship Pardoo DSO Project
- Mintails announces the significant expansion of their East Rand Joint Venture with DRDGOLD increasing the amount of tailings materials under the JV by 9 times to 1.7 billion tonnes. Initial resource from the first 170 million tonnes tested under the JV has provided under the JORC Measured category 1.6 million oz's of gold
- Eleckra announces initial results for its aircore drilling program at Thatchers Soak Uranium Project
- Company continues to assess new resource projects

Talga Peak Project

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

During the December quarter exploratory work at the Talga Peak VMS base metal project has focussed on completing a downhole electromagnetic (EM) geophysical survey, geological mapping and rockchip and soil sampling along the Cord Valley, situated in the northern portion of the Project area. Results from the recently completed down hole EM survey conducted at the Cord prospect designed to locate bedrock conductors associated with volcanogenic massive sulphide (VMS) style precious metal rich, base metal mineralisation indicates that the best mineralisation at Cord has not been intersected. EM surveys have now tested the 15km strike length of mineralised horizon extending west from the Cord prospect along the Cord Valley to the western tenement boundary and all EM targets have been ground inspected with the completion of mapping, rock chip and selective first pass soil sampling activities.

Sixteen EM anomalies (TP1-16) have been identified by Southern Geoscience Consultants (SGC) who have interpreted the data and consider at least 5 of these "bedrock responses (are) of the type expected for conductive VMS deposits (and)... warrant drill testing". Field inspections indicate most of these potential bedrock conductors recommended for drill testing appear to be broadly coincident with geochemical anomalous gossanous chert horizons extending west from the Cord prospect.

The downhole EM survey at the Cord prospect indicates that there is a conductive source (probably equivalent to surface conductors TP4 and TP5) located below limits of the current RC drilling. The

+ See chapter 19 for defined terms.

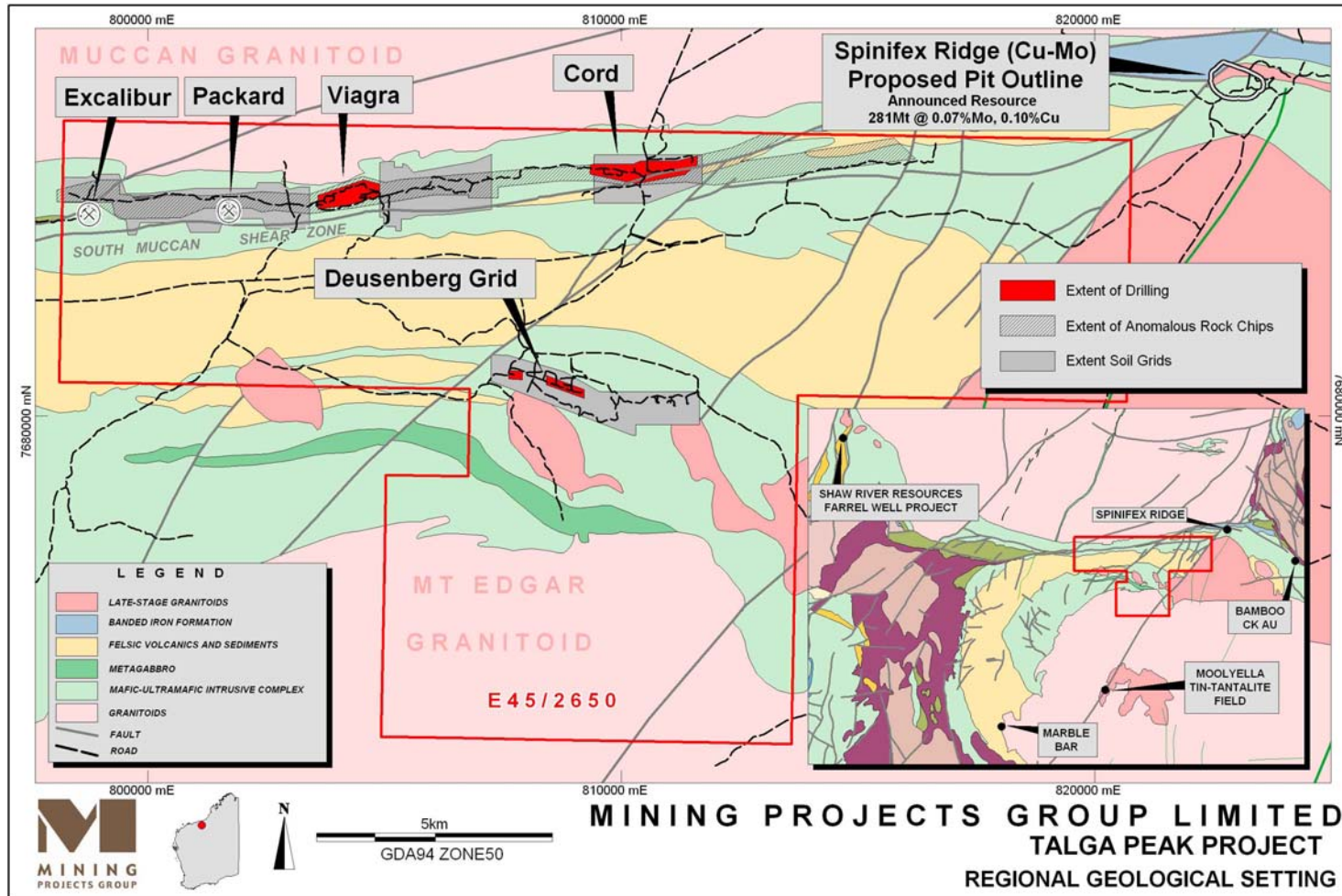
identification of downhole EM conductor(s) beneath current drilling and the lack of EM conductor(s) identified with mineralisation intersected to date, indicate that the best mineralisation at Cord has not been intersected as the sulphide content clearly increases with depth. RC drilling at Cord has previously reported highly anomalous results from multiple stacked sulphide lenses which include 5m @ 1.1% Cu and 20g/t Ag from TPRC005 and 4m @ 0.42% Cu, 0.81% Pb, 0.17% Zn and 49.5g/t Ag followed by 7m @ 0.13% Cu and 28.1g/t Ag from TPRC021.

Ground inspections and geochemistry at Cord suggest that TP5 extends a further 2km west from the outcropping Cord gossan and that this strike extension should also be drill tested. Further west along the Cord Valley a number of EM conductors were detected and many of these are located in close proximity to the mapped geochemical anomalous gossanous chert horizons. This includes conductors TP6-8, TP9 (Viagra prospect), TP12 (Packard prospect), TP14 (strong conductor to south of survey area) and TP16 (Excalibur prospect) with the geological mapping and sampling confirm the view that all these conductors warrant drill testing.

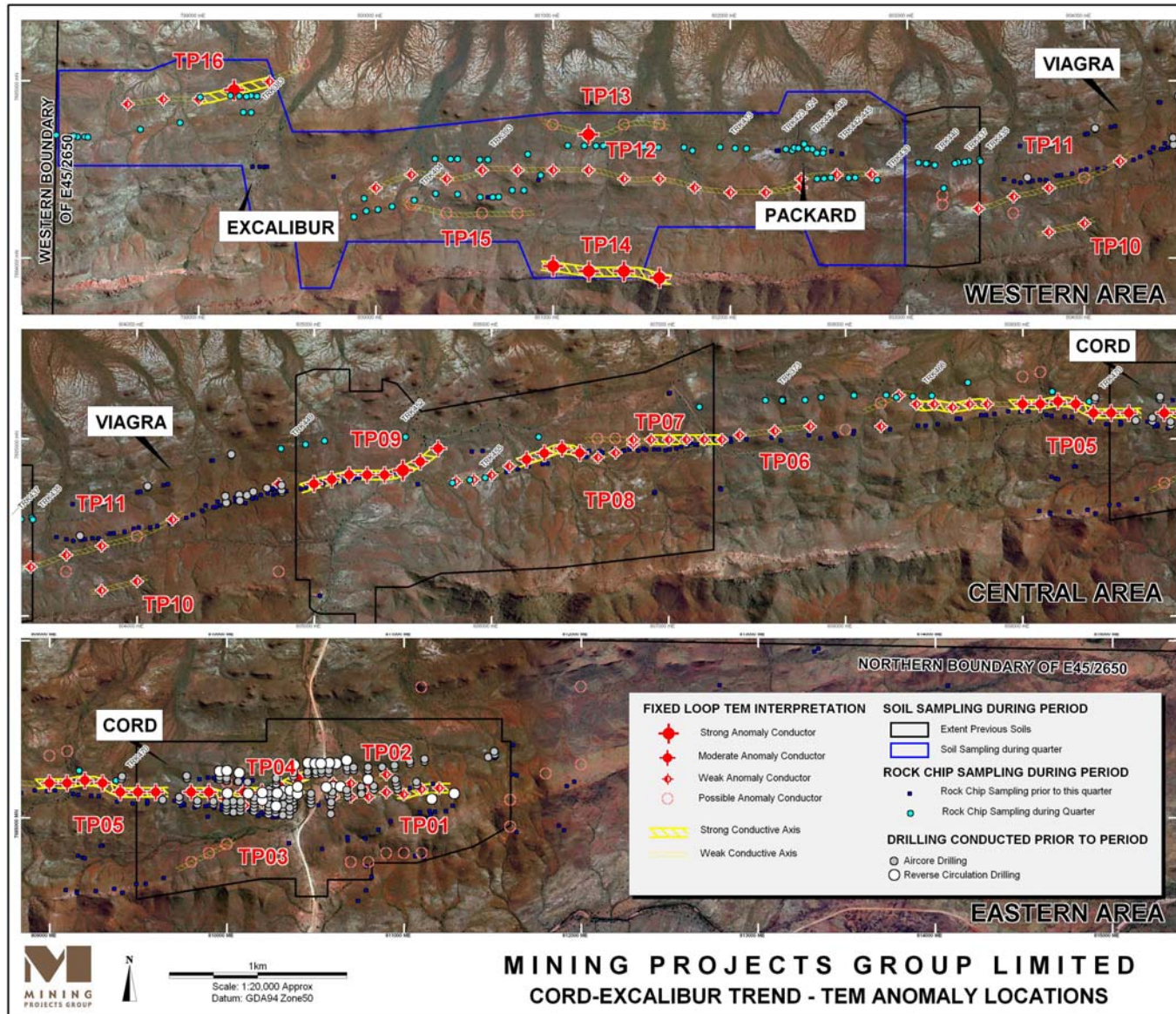
Assay results from the 101 rockchip samples (sample numbers TRK370-470) that were collected during the last quarter have now been received and these returned numerous results reporting significantly anomalous geochemical values >0.1g/t gold, >0.1% arsenic, >0.1% copper together with elevated levels of antimony, tin and bismuth. Samples collected from the Packard prospect in particular reported some extremely encouraging results and these combined with the EM conductor (TP12) located nearby suggests that this target clearly warrants drill testing. These anomalous rock chip samples included 12.9g/t Au (TRK444), 14.3% Cu (TRK447), 0.4% As (TRK437,470) and 726ppm Sb (TRK449) associated with a strongly gossanous, ferruginous and veined chert horizon at the Packard prospect which at this stage remains not drill tested.

Work during the next quarter will focus on planning and preparing a RC drill program to drill test higher grade mineralisation at the Cord prospect and all of the recommended potential bedrock conductors TP6-8, TP9, TP12, TP14 and TP16 along the Cord Valley including the Packard prospect.

+ See chapter 19 for defined terms.



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Table One: Selection of Rock Chip Geochemistry – Cord Valley

SAMPLE	Au ppb	As ppm	Cu ppm	Ni ppm	Pb ppm	Sb ppm	Zn ppm	Ag ppm
TRK373	190	621	135	16	2	6	37	n/a
TRK383	144	174	30	107	12	5	11	n/a
TRK393	467	25	185	41	2	7	16	n/a
TRK404	331	1070	13200	102	32	441	30	n/a
TRK413	1910	11	274	40	7	1	25	n/a
TRK423	502	66	255	11	3	1	16	n/a
TRK424	32	46	1550	157	111	4	158	n/a
TRK430	44	3720	67	24	9	25	5	n/a
TRK435	492	365	14200	66	13	36	261	n/a
TRK437	37	4110	475	83	423	100	423	n/a
TRK440	45	143	7090	41	7	68	21	n/a
TRK442	1830	8	302	69	5	1	27	n/a
TRK443	246	309	1200	120	17	137	42	n/a
TRK444	12900	188	519	48	30	6	10	n/a
TRK445	153	98	1710	359	7	4	13	n/a
TRK447	201	57	143000	11	4	154	26	n/a
TRK448	586	35	2320	57	3	9	12	n/a
TRK449	187	474	480	33	6	726	35	n/a
TRK452	72	2090	4610	25	10	9	20	n/a
TRK455	47	120	16000	36	4	43	14	n/a
TRK466	486	229	292	84	22	188	74	n/a
TRK470	221	4500	390	14	34	25	14	n/a

Ag assays not available at the time of reporting

+ See chapter 19 for defined terms.

Corporate

The Company sold approximately 900,000 AGO shares over the quarter to take advantage of strong share price appreciation as well as raising funds to exercise the AGO options MPJ held which expire in February 2008. 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.

Unaudited Balance Sheet as at 31st December 2007

<u>Investment</u>	<u>Share Holding (approximate)</u>	<u>Price at 31 December 2007</u>	<u>Value at 31 December 2007 (approximate)</u>
AGO	2,432,000	\$2.40	\$5,837,000
AGOO	250,000	\$2.00	\$500,000
MLI	5,420,000	\$0.605	\$3,279,000
EKM	4,650,000	\$0.30	\$1,395,000
CLD-TSX (\$A equivalent)	5,700,000	\$0.185	\$1,054,000
Other listed and unlisted investments			\$4,785,000
Total Investments			\$16,850,000
Cash as at 31 December 2007			\$4,923,000
Other Assets			\$2,009,000
Total Assets			\$23,782,000
* Current and Non- Current Liabilities			\$2,551,000
Net Tangible Assets			\$21,231,000
Shares on Issue			1,833,390,276
NTA per share			\$0.0116 or 1.16 cents

* 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.

New Projects

During the quarter the Company undertook investigations and due diligence work 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.

+ See chapter 19 for defined terms.

Atlas Iron Limited (ASX : AGO)

Atlas Iron Limited (“Atlas”) had another very productive quarter achieving several further important milestones in the Company’s ambition to become a DSO iron ore producer by October 2008. On 22nd October 2007, Atlas announced further discoveries of DSO mineralisation from the Company’s first drilling program at its Abydos project located 100km south of Port Hedland. Significant results included;

- 52 metres at 62.2% Fe, 2.8% SiO₂, 0.7% Al₂O₃, 0.11% P from 38 metres
- 24 metres at 58.8% Fe, 2.7% SiO₂, 2.7% Al₂O₃, 0.09% P from surface; and
- 14 metres at 57.8% Fe, 5.2% SiO₂, 2.3% Al₂O₃, 0.1% P from surface.

These results further support AGO’s resource target of 15-20mt for the project.

On 12th November 2007 AGO announced a resource increase of 36% at the Pardoo DSO Project. The increase from 10.5 to 14.3mt further substantiates this project which is expected to begin production in October 2008, initially providing 1mtpa before increasing up to 3mtpa once the construction of the public berth has been completed.

On 15th November 2007, AGO confirmed earlier indications that it would have first access to the newly proposed Public Access Facility located at Utah Point in Port Hedland. AGO entered into a Facility Agreement with the Port Hedland Port Authority providing the company with unrestricted access to the public berth. This agreement is a key milestone in AGO being able to independently export its product.

On 17th December 2007, AGO announced the release of the Public Environmental Review (PER) for the Company’s Pardoo Direct Shipping Iron Ore Project. The PER produced in consultation with key State and Federal Government organisations, addresses potential environmental impacts of the Pardoo Mining Proposals and details proposed environmental management procedures throughout operations at the site. The key highlights of this review are that the project environmental approvals are on track, that AGO is in a position to deliver its first tonne of ore in October 2008 and that AGO is committed to the responsible development of the Pardoo project.

MPJ holds approximately 2.432m shares and 0.5m options in Atlas.

Mintails Limited (ASX : MLI)

The December quarter for MLI has been very successful in terms of the company achieving several significant milestones in the Company’s development. On 26 November 2007 MLI announced the expansion of the East Rand Joint Venture with DRDGOLD Limited from 195 million tonnes of tailings materials to 1.7 billion tonnes of tailings. This expansion endorses a strategy to pursue a consolidation of all available and unexploited surface uranium and gold assets located on the East and Central Rand. The term sheet executed for the expansion provides for;

- a total refurbishment of all infrastructure located on the Brakpan (ERGO) plant to increase the capacity from one CIL gold recovery circuit to a significantly larger plant capable of processing tailings for recovery of gold, uranium and sulphuric acid, and;
- substantial increase of tailings materials from 195 million tonnes to 1.7 billion tonnes.

The rationale behind the expanded JV is it will create a large scale production facility with a mine life substantially longer than 20 years. The JV will also allow for the creation of a gold, uranium

+ See chapter 19 for defined terms.

and sulphuric acid integrated circuit providing synergies that will create operational savings. This circuit will be established with proven technologies that have been tested over 27 years.

On 17th December 2007 MLI announced the first gold resource determined on the East Rand under the expanded JV. MLI established a JORC measured gold resource of 1.6 million oz's from the Elsburg complex which equates to approximately 10% of the 1.7 billion tonnes of tailings resource. Uranium and sulphur testing is currently being undertaken.

On the 21st January MLI announced three significant additions to the senior executive team at MLI. Rob Croll Group Executive, Corporate has moved to a full time permanent basis with the Company. Mr Croll was previously Business Development Manager of AngloGold Ashanti Limited and has co-ordinated and overseen numerous acquisition and disposal transactions. In his new position Mr Croll will focus on the development and management of Mintails corporate capabilities. Bernard Swanepoel joined the board as a non-executive director, but will also sit on the Group Executive and focus on strategic growth initiatives, options available to increase group value and the optimization of the Company's current asset portfolio. Mr. Swanepoel has tremendous experience and an unparalleled track record within the mining industry in South Africa. For 12 years, he was Chief Executive of Harmony Gold Mining Company Limited, where under his leadership, Harmony grew from a 680,000 oz per year producer in 1995 to a 2.3m oz per year producer in 2007. And finally Basie Maree has joined the Mintails Executive Team, in the capacity of Group Executive Operations. Mr Maree was formerly Head of Metallurgy – Africa for AngloGold Ashanti. Under this position Mr Maree was responsible for managing AngloGold Ashanti's project management and technical advisory divisions for their African Operations. In his position as Group Executive Operations, Mr Maree will be able to contribute his technical and operational expertise to optimize the potential of Mintails large resource base and ensure that production milestones are achieved as the company moves into its next phase of development, mine commissioning and production.

MPJ currently owns approximately 5,420,000 shares.

Eleckra Mines Limited (ASX : EKM)

On 10th October 2007 EKM announced to the ASX that it was to commence an aircore drilling program at its Thatcher Soak Uranium prospect. The objective of the program was to provide an initial test of the potential for economic calcrete uranium mineralisation within the sections of the Thatchers Soak channel held by EKM. On 23rd January 2008 the results of this program were released to the market and returned elevated uranium values over an extensive area. EKM drilled 450 aircore holes for 4,792m testing approximately 18km² of the Tatcher Soak channel. Confirmatory geochemical assays for samples from the mineralised intervals are expected in March-April 2008, however downhole gamma logging results indicate widespread uranium mineralisation with over 40% of all drill holes have equivalent uranium values above 100ppm at a thickness of 0.2m. The mineralised zone is an area approximately 7km² and within 6m of surface and interpreted to occur as sub-horizontal sheets. New deeper zone have been discovered from 6-14m also. Some of the best intercepts from the program include:

- 2.00m at 808ppm eU₃O₈
- 2.16m at 758ppm eU₃O₈
- 1.74m at 649ppm eU₃O₈
- 2.16m at 596ppm eU₃O₈

These gamma result provide uranium equivalent grades are should be considered preliminary, however the assay results are expected late March early April 2008.

+ See chapter 19 for defined terms.

MPJ currently holds 4,650,000 million shares in Eleckra.

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. 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 Eleckra Mines Limited was extracted from previous ASX announcements released by Eleckra Mines Limited.

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

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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 2007

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	-	-
1.2 Payments for: (a) exploration and evaluation	(87)	(205)
(b) development	-	-
(c) production	-	-
(d) administration	(385)	(669)
(e) contract services	(103)	(200)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	68	99
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	(507)	(975)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(3,140)	(5,675)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	3,788	8,549
(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	648	2,995
1.13 Total Operating and Investing Cash Flows	141	2,020

+ See chapter 19 for defined terms.

	Current Quarter \$A'000	Year to Date (6 months) \$A'000
1.13 Total Operating and Investing Cash Flows (Carried Forward)	141	2,020
Cash Flows Related to Financing Activities		
1.14 Proceeds from issues of shares, options, etc.	(44)	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	(44)	2,142
Net Increase / (Decrease) in Cash Held	97	4,162
1.20 Cash at beginning of quarter/year to date	4,803	738
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at End of Quarter	4,900	4,900

**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	96
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	300
4.2 Development	-
Total:	300

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	4,900	4,803
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	4,900	4,803

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	1,833,543,942	1,833,543,942		
7.4	Changes during quarter (a) Increases through issues	153,666	153,666	\$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>	1,023,146,533	1,023,146,533	Exercise Price \$0.009	Expiry Date 31/07/2009
7.8	Issued during quarter				
7.9	Exercised during quarter	153,666	153,666	\$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 January 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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