



**Mining Projects Group Limited**  
**Quarterly Report for the 3 Months**  
**Ended 30<sup>th</sup> June 2009**

**Highlights**

- MPJ announces offer to acquire Xplor Limited for shares in MPJ
- MPJ completes 1 for 2 non-renounceable rights issue to all shareholders raising \$1.83 million
- Proposed private placement of up to 500 million new shares and 1 for 2 attaching options, subject to shareholder approval
- MPJ increases West Wits shareholding after more positive results
- West Wits remains on track to bring its Emerald Resource into production by the end of calendar 2009
- Mintails Limited rejects offer made by DRDGold Limited for its South African assets
- NTA as at 30 June 2009 was approximately \$5.185 million

**Summary**

During the course of the quarter, a number of events occurred that are likely to have an important impact on the assets and operations of the Company going forward. From a corporate perspective Mining Projects Group Limited (“MPJ”) completed a 1 for 2 non-renounceable rights issue to all shareholders, comprising 1 share and 1 free attaching option for every 2 shares held as at the record date, at a subscription price of 0.2 cents per share. The issue closed on 13 July and was underwritten to the extent of 50% by Peregrine Corporate Limited (“PCL”). All the shortfall securities from the issue were successfully placed by PCL which raised approximately \$1.83 million in new funds before allowing for costs.

The Company has also requisitioned a shareholders meeting, scheduled for 14 August 2009, to consider a further placement of 500 million new shares with 1 free attaching option at 0.2 cents to raise \$1 million. A placement of new options to existing MPJO optionholders on a 3 for 4 basis at a subscription price of 0.01 cents per option will also be considered by shareholders. Funds raised from these activities will be applied to working capital purposes and to fund new opportunities and future activities of the Company. At the meeting shareholders are also to consider the acquisition of Xplor Limited which has a portfolio of prospective mining tenements in Western Australia and Victoria.

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+ See chapter 19 for defined terms.

### **Talga Peak Project**

("MPJ" owns 80%)

During the December Quarter, the Company completed an extensive drilling programme at its 80% owned Talga Peak Project located in the Pilbara region of Western Australia. The Company was hoping to establish potential for shallow to moderate depth base metal VMS style mineralisation along the Cord Valley which was not supported by the outcome of the last programme. Talga Peak has potential for other styles of mineralisation which are currently under investigation and negotiation with third parties.

### **Lake Lefroy**

(Independence Group (ASX:IGO) earning up to 100% of Nickel Sulphide Rights)

The Lake Lefroy JV tenements are located marginal to and within Lake Lefroy that is commonly prone to water inundation making access only possible for limited periods. Interpreted ultramafic stratigraphy in the JV area has been tested by the LTS in limited areas where access has been possible. TEM Conductors have been outlined, however follow-up TEM is required to determine their significance. This will be completed when surface conditions are suitable.

### **Xplor Limited**

On 12 June 2009, the Company announced its intention to acquire all the ordinary shares in Xplor Limited ("Xplor"). The acquisition is subject to all regulatory approvals, including MPJ shareholder approval, as well as acceptance of the proposal by Xplor shareholders. Xplor is an unlisted public company, its lease portfolio consists of three 100% owned projects; the Egerton Project WA, the Mt Tarrengower Project at Maldon, Victoria and the Golden Mount Project at Bonnie Doon, Victoria. A description of the activities of Xplor is contained in the Explanatory Memorandum dispatched to shareholders on 15 July 2009.

A meeting of MPJ shareholders has been requisitioned for 14 August 2009. If shareholders approve the proposal offers will then be sent to Xplor shareholders.

### **New Projects**

MPJ is actively looking for new opportunities, which may include distressed assets that other explorers are unable to complete expenditure commitments on. The Company is looking to diversify its current lease portfolio both geographically and by type of commodity.

### **Corporate**

On 29 May 2009, the Company announced a proposed non-renounceable rights issue of approximately 916,777,031 new shares on the basis of 1 new share and 1 free attaching option for every 2 shares held at the record date, at a subscription price of 0.2 cents per share. The attaching options are exercisable at 0.2 cents each on or before 6 July 2014. The Company has also proposed, subject to shareholder approval, a private placement of up to 500 million new shares and 1 for 1 attaching options at a subscription price of 0.2 cents per share to clients of Peregrine Corporate Limited. If approved by shareholders and fully subscribed the issues will raise a total of approximately \$2.83 million before allowing for issue costs.

MPJ has also proposed an offer to existing holders of MPJO options on the basis of 3 new options for every 4 options held at an issue price of 0.01 cents per option.

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Over the quarter the Company acquired a further 1m shares in West Wits Mining Limited and 3.5m shares in Watermark Global PLC. Each of these investments has been affected by the economic downturn, however the Company continues to believe both are undervalued.

As at 30 June 2009 the net tangible asset position of the Company equated to approximately \$5.185m.

Mining Projects holds no debt or leveraged investment positions.

**Unaudited Balance Sheet as at 30<sup>th</sup> June 2009**

<u>Investment</u>	<u>Share Holding</u> <u>(approximate)</u> <u>(m)</u>	<u>Price at 30 June</u> <u>2009</u> <u>(\$)</u>	<u>Value at 30 June 2009</u> <u>(approximate)</u> <u>(\$m)</u>
MLI	10.60	0.039	0.41
AGO	0.23	1.65	0.39
WWI	7.81	0.089	0.70
WET-AIM	17.86	0.015	0.28
(\$A equivalent)			
Other listed and unlisted investments			3.11
<b>Total Investments</b>			<b>4.892</b>
Cash and cash equivalents as at 30 June 2008			0.186
Other Assets			0.204
<b>Total Tangible Assets</b>			<b>5.282</b>
* Current and Non- Current Liabilities			0.097
<b>Net Tangible Assets</b>			<b>5.185</b>

**West Wits Mining Limited (ASX : WWI)**

During the Quarter MPJ elected to increase its shareholding in West Wits Mining Limited (“West Wits”). West Wits continued over the quarter to focus on the development of its Emerald Resource, which they plan to bring online by the end of calendar 2009. During the June quarter West Wits delivered a JORC category upgrade at the Emerald Resource, now a 95,600 ounce Measured gold resource.

The management team at West Wits expect environmental and engineering studies to be completed in the coming weeks, with toll treatment negotiations continuing. With the completion of all outstanding studies and agreements proceeding as planned, finalisation of the economic model can be achieved thereby paving the way for the possible conversion of the Emerald Resource to a Reserve. Finalisation of the model will also allow a submission to be made for mining approval over the Emerald Resource to the Department of Minerals and Energy (DME) which is planned for August.

The development of the Emerald Resource, in conjunction with a cessation of exploration on all other resources and targets, has been West Wits’ focus in an attempt to provide the company with early cash flow whilst preserving its cash reserves.

The potential for exploitation of the Emerald Resource, provides a significant advancement in terms of its strategy to fund access to its historical underground workings, where deeper and potentially more significant targets are located. The presence of historical underground

+ See chapter 19 for defined terms.

infrastructure provides with numerous possibilities and significantly reduces the capital expenditure required to access the targeted underground areas. Such access would enable detailed investigation and testing of parallel reefs and pillars remaining in situ after historical mining concluded. This investigation will include testing areas adjacent to the historically productive Main, Main Reef Leader and South reef formations, which intersect all of its leases. The successful development of the Emerald Resource will provide a strong financial and operational platform to undertake that further exploration and investigate the significantly increased potential those previously inaccessible areas represent.

West Wits currently has four current near surface JORC resources totalling approximately 411,000 ounces of gold, and it will continue to explore targets that have high potential for convertibility to reserve estimates and ultimately profitable mining operations.

The numbers achieved at each of the four current resources outperformed their respective allocations within the conceptual target statement. The conceptual target statement currently stands at 3.95-5.20 million ounces of gold and 17-22 million pounds of uranium.

Whilst development of the Emerald Resource formed West Wits' primary focus, the review of existing targets along with the delineation of new near surface exploration targets continued.

#### **Mintails Limited (ASX : MLI)**

On 30 June 2009, DRD Gold Limited ("DRD") (JSE: DRD, NASDAQ: DROOY) announced its intention to acquire all of Mintails Limited's ("Mintails") interests in South Africa apart from MLI's shareholding of 33.75 million shares in West Wits Mining ("WWI"). On 23 July 2009, Mintails announced to the ASX that it had rejected the offer made by DRD. Mintails is currently undertaking a capital raising which will allow it to continue funding its current projects.

MPJ currently owns approximately 10.80m shares in Mintails.

#### **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 September 2009.

Watermark completed a capital raising during the quarter raising £1.97 million to help fund completion of the DFS, continuing negotiations with Rand Water for an off-take agreement and ongoing working capital.

During the quarter MPJ increased its holding in WET by 3.5m shares to 17.86 million 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*

# Appendix 5B – 4th 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')**

30<sup>th</sup> June 2009

### Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (12 months) \$A'000
<b><u>Cash Flows Related to Operating Activities</u></b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(20)	(1014)
(b) development	-	-
(c) production	-	-
(d) administration	(181)	(620)
(e) contract services	(105)	(411)
1.3 Dividends received	-	2
1.4 Interest and other items of a similar nature received	-	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Legal Fees)	-	(460)
<b>Net Operating Cash Flows</b>	<b>(306)</b>	<b>(2,471)</b>
<b><u>Cash Flows Related to Investing Activities</u></b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(144)	(1,743)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	481	2,525
(c) other fixed assets	-	-
1.10 Loans to other entities	(50)	(125)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net Investing Cash Flows</b>	<b>287</b>	<b>657</b>
<b>1.13 Total Operating and Investing Cash Flows</b>	<b>(19)</b>	<b>(1,814)</b>

+ See chapter 19 for defined terms.

	Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.13 <b>Total Operating and Investing Cash Flows (Carried Forward)</b>	(19)	(1,814)
<b>Cash Flows Related to Financing Activities</b>		
1.14 Proceeds from issues of shares, options, etc.	1	1
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)	-	-
<b>Net Financing Cash Flows</b>	<b>(1)</b>	<b>(1)</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(18)</b>	<b>(1,813)</b>
1.20 Cash at beginning of quarter/year to date	192	1,987
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at End of Quarter</b>	<b>174</b>	<b>174</b>

**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	105
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	-
4.2 Development	-
<b>Total:</b>	-

### 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	174	192
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: Cash at End of Quarter (item 1.22)</b>	<b>174</b>	<b>192</b>

### 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	<b>Preference +Securities</b> <i>(Description)</i>	-	-		
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary Securities</b>	1,833,641,562	1,833,641,562		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> <i>(Description)</i>	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(Description and Conversion Factor)</i>	1,023,048,913	1,023,048,913	<i>Exercise Price</i> \$0.009	<i>Expiry Date</i> 31/07/2009
7.8	Issued during quarter				
7.9	Exercised during quarter	87,500	87,500		
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:

Date: 31<sup>st</sup> July 2009

Director

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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