



Mining Projects Group Limited

**Quarterly Report for the 3 Months
Ended 31st Dec 2010**

Highlights

- Independent review to help prioritise Uranium exploration in the Karoo Basin is expected to be completed in late Jan/ early Feb
- Low Level airborne geophysical survey now confirmed for mid-Feb after consultation with local landowners
- NTA as at 31 Dec 2010 was approximately \$6.77 million

Review of Operations

Raptor Minerals Pty Ltd (“Raptor”)

Preliminary exploration undertaken by the Company in assessing the various prospects within the Karoo Basin tenements held by Raptor is well advanced. An independent geological consultant was engaged to complete a desktop review of each prospect and an airborne geophysical survey was commissioned. The study will be used to help prioritise the uranium prospects, while the geophysical survey is a non-invasive exploration tool to assist in generating uranium targets. Any anomalies will be subject to field validation by systematic sampling and geological mapping prior to delineation by exploration drilling.

The geological report is in the final stages of completion and is expected to be presented to the Company early in the first quarter of 2011. An aerial geophysical survey contractor has been engaged who has indicated, subject to any unforeseen delays, the survey will start in mid February now that the required landowner permissions have been attained.. The survey will be a low level (25-30m flight height) on 100m closely spaced flight lines using helicopter borne geophysical instrumentation and is designed to maximise the potential to map surface uranium anomalies.

The survey should be completed within 2 weeks of the start date and initial raw data will be available shortly after with further processing and interpretation to be completed by the end of the first quarter, 2011.

The Company is looking forward to now being able to progress these uranium targets around Beaufort West, within the Karoo Basin. The Raptor uranium prospects have been strategically selected based on the potential indicated by exploration completed on the adjacent properties to host significant uranium mineralisation.

+ See chapter 19 for defined terms.

Xplor Limited (“Xplor”)

The initial 3 diamond drillhole programme planned as part of the exploration option agreement granted to Minotaur Exploration Limited, covering Xplor’s Mt Tarrengower gold prospect, was successfully completed. The diamond drillholes totalling 599 metres of core were testing for gold values within quartz reefs associated with the high grade Lisles Reef. The diamond holes were drilled targeting quartz vein hosted gold mineralisation associated with the presence of both subvertical and flat-lying structures. Various intervals of fractured rock, quartz veins and sulphide-bearing sediments were intersected and 108 core samples submitted for gold analysis.

Discrete zones of fracturing, quartz veining and silicification returned consistently anomalous arsenic values consistent with the ubiquitous presence of arsenopyrite, however corresponding gold assays were sporadic and of lower tenor. The best result was a quartz vein hosting an interval of 0.80m @ 2.84g/t Au in hole MT10D003 from 111.2m downhole. However Minotaur believes these results do not of themselves negate the exploration value of the targets, as geological complexity remains unresolved.

With regards to the Golden Mountain Gold Project which is also part of the Exploration Option agreement with Minotaur, a gold resource estimate was completed by independent consultants CSA Global Pty Ltd (CSA) based on historical information. CSA reported an Inferred Resource of 950,000 tonnes at 2.31 g/t using a 1.0 g/t Au cut off for a total of 70,500 ounces of gold, as reported by Minotaur in an ASX release dated 12th October 2010.

Exterra Resources Limited (“Exterra”)

Despite lodging its prospectus with ASIC on the 19th October and anticipating listing on the ASX in December, the listing was deferred. Subsequent to this deferral, additional seed capital was raised to fund an exploration drilling program and listing is anticipate in the first quarter of 2011.

The Company’s Egerton Project is the subject of an option and sale agreement with Exterra Resources Limited (‘Exterra’). Under the agreement Exterra has provided MPJ with;

- a non-refundable payment of \$40,000,
- 2,500,000 shares and 1,750,000 options exercisable at 20 cents and
- a 2% net smelter royalty on all gold produced from the Egerton tenements to a maximum amount of \$500,000.

Further Opportunities

The Company is continuing to review and assess various new mining opportunities in conjunction with MPJ’s other existing activities.

Corporate

As at 31 Dec 2010 the net tangible asset position of the Company equated to approximately \$6.77m.

MPJ holds no debt or leveraged investment positions.

+ See chapter 19 for defined terms.

Unaudited Balance Sheet as at 31 Dec 2010

<u>Investment</u>	<u>Share Holding</u> <u>(approximate)</u>	<u>Price at 31 Dec</u> <u>2010</u>	<u>Value at 31 Dec 2010</u> <u>(approximate)</u>
	<u>(m)</u>	<u>(\$)</u>	<u>\$m</u>
WWI.AU	9.01	0.045	0.40
WET.LN (\$A equivalent)	45.12	0.004	0.20
PSR.CN (\$A equivalent)	1.00	1.87	1.87
Other listed and unlisted investments			3.46
Total Investments			5.93
Cash and cash equivalents as at 30 June 2010			0.56
Other Assets			0.56
Total Tangible Assets			7.05
* Current and Non- Current Liabilities			0.28
Net Tangible Assets			6.77

Core Investments

West Wits Mining Limited (ASX : WWI)

West Wits was able to reach agreement with Mintails for the terms of their repayment of the deposits to the value of approximately \$1.95m (including interest) to West Wits. Under the terms West Wits has agreed to buy back Mintails' entire West Wits shareholding of 33,750,000 ordinary shares for a price of \$0.05 per share amounting to \$1,687,500. Payment was to be made through a set off of that amount against the total amount owing by Mintails to West Wits, with the remaining balance owed by Mintails of \$265,000 paid on 26 November 2010.

However instead of going through the formal process of cancelling the Mintails shareholding, which would require shareholder approval at a general meeting of the company accompanied with an independent experts report, West Wits has proposed to place that shareholding which will provide a benefit from the redirection of these funds back into the Company, as well as avoiding incurring costs of holding a general meeting including commissioning an experts report. West Wits intends to update the market of the finalisation of this placement as well as the evaluation of a number of new projects for the purpose of acquisition shortly.

The termination of the sale agreement meant West Wits has retained the 59,000 oz JORC reserve as well as the combined 426,700 oz JORC resource. Whilst it is West Wits' intention to increase its global gold resource above 1 million ounces, it has needed to secure additional capital before undertaking further exploration. The placing of the Mintails shares will in part help this requirement.

MPJ currently holds 9.013m WWI shares.

+ See chapter 19 for defined terms.

Watermark Global PLC (AIM : WET)

Watermark Global Plc (Watermark), and its wholly owned subsidiary, Western Utilities Corporation Pty Ltd. (WUC) are continuing to work with both government and non-government organisations through the process of finalising the governments preferred short, medium and long term strategies for the treatment of Acid Mine Drainage (AMD).

MPJ holds 45.12 million WET shares.

For And On Behalf Of The Board



Richard Revelins
Director

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 – 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 (ASX:MPJ)

ABN:

84 006 189 331

Quarter Ended ('Current Quarter')

31st December 2010

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year to Date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(112)	(160)
	(b) development	-	(33)
	(c) production	-	-
	(d) administration	(143)	(307)
	(e) contract services	(371)	(571)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	5
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		(623)	(1,066)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(708)	(858)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	1,500	1,906
	(c) other fixed assets	-	-
1.10	Loans to other entities	(28)	(75)
1.11	Loans repaid by other entities	-	18
1.12	Option Fee on Tenements	7	61
Net Investing Cash Flows		771	1,052
1.13	Total Operating and Investing Cash Flows	148	(14)

+ 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)	148	(14)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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		-	-
Net Increase / (Decrease) in Cash Held		148	(14)
1.20	Cash at beginning of quarter/year to date	409	571
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at End of Quarter	557	557

**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	150
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	-
4.3	Production	-
4.4	Administration	185
Total:		385

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	557	409
5.2	Deposits at call	-	
5.3	Bank overdraft	-	
5.4	Other (provide details)	-	
Total: Cash at End of Quarter (item 1.22)		557	409

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	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ 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	74,454,882	74,454,882	-	-
7.4	Changes during quarter				
	(a) Increases through issues	4,501,444	-	-	-
	(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>	41,299,175	41,299,175	\$0.10	6/07/2014
7.8	Issued during quarter	-	-	-	-
7.9	Consolidation during quarter	-	-	-	-
	Exercised during quarter	1,444	-	-	-
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: Monday 31st January 2011

Executive 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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The CFO Solution

31 January 2011

+ See chapter 19 for defined terms.