



Mining Projects Group Limited

**Quarterly Report for the 3 Months
Ended 30th September 2010**

Highlights

- MPJ shareholders approved the acquisition of Raptor Minerals (Pty) Ltd at the General Meeting held on 9 September 2010
- Geophysical survey proposed for January 2011 on prospective uranium targets located within the Karoo Basin, South Africa
- MPJ negotiates option agreement with Minotaur Exploration Limited over Victorian gold tenements
- Investment position Polar Star Mining has significant appreciation post balance date
- NTA as at 30 Sep 2010 was approximately \$6.34 million

Review of Operations

On 9 September 2010 Mining Projects Group Limited (“MPJ” or “the Company”) held a General Meeting for shareholders to approve a number of resolutions including an approval to acquire Raptor Minerals (Pty) Ltd (“Raptor”). Raptor has secured a number of granted prospecting rights strategically located in key regions of South Africa which MPJ considers have potential to host significant gold, uranium and molybdenum mineralisation. The board of MPJ was pleased to announce to the market that approval had been provided by shareholders to finalise the Raptor acquisition as they believe the package of tenements assembled by Raptor offer the Company a unique opportunity in terms of exploration potential.

The exploration program for Raptor has now been approved by the board, which will initially consist of an airborne geophysical survey to identify the most prospective near surface uranium anomalies. The Company is reviewing quotes from a number of contractors with regards to the suitability, availability and costs of fixed wing aircraft versus helicopter borne surveys within the Karoo Basin areas, some of which contain mountainous terrain. Subject to availability, it is anticipated that this survey will be completed in January 2011 and the interpreted data available shortly thereafter for analysis.

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. Several significant uranium exploration and development operations are being established in the Karoo Basin and MPJ believes its Raptor prospects could be located within the next uranium hotspot.

+ See chapter 19 for defined terms.

Further Opportunities

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

Xplor Limited

On 17 September 2010, MPJ entered into an option agreement with ASX listed Minotaur Exploration Limited ('Minotaur') (ASX:MEP) to explore and at Minotaur's election, subsequently acquire Xplor Pty Ltd ('Xplor'). Companies that still remain within the Xplor group own exploration licence EL4533 (Mt Tarrengower) and mining licence MIN4683 (Golden Mountain).

MPJ purchased Xplor in June 2009 as an unlisted company which had 3 gold projects; the Egerton Gold Project Western Australia, the Mt Tarrengower Project at Maldon, Victoria and the Golden Mountain Gold Project at Bonnie Doon, Victoria.

With regard to the Victorian Option Agreement MPJ has granted Minotaur an option until 30 June 2011 to explore its Victorian tenements in return for;

- a non refundable Option fee of AU\$35,000, and;
- a commitment to spend \$200,000 on exploration within the projects.

Subject to the results of the exploration, Minotaur has the right to purchase the share capital of Xplor pursuant to a share purchase agreement which includes \$25,000 for delivery of a JORC compliant resource on the Golden Mountain Project and total payments to MPJ of \$225,000 comprised of;

- \$35,000 non refundable Option fee (as outlined above),
- \$115,000 in cash,
- The issue of new shares in Minotaur to the value of \$75,000 and
- A net smelter royalty of 2% on gold produced from Mt Tarrengower to a maximum value of \$1.3million.

On 22 October, 2009 the Company announced that the Egerton Project was the subject of an option and sale agreement with Exterra Resources Pty Ltd now known as 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.

Exterra lodged its prospectus with ASIC on the 19th of October with the offer comprising 25,000,000 Shares at an issue price of 20 cents each to raise \$5,000,000 with applications closing on the 24th November.

+ See chapter 19 for defined terms.

Corporate

As at 30 Sep 2010 the net tangible asset position of the Company equated to approximately \$6.34m.

A further resolution approved at the General Meeting was a consolidation in the capital of the Company at a ratio of 50:1. This consolidation will simplify administration of the share registry as well as providing a better market for the shares to trade in.

Post the balance date of this report, the Company advised the ASX and shareholders on the performance of its investment in Polar Star Mining Limited ("Polar Star") (TSXV:PSR). Currently MPJ holds 1,000,000 fully paid ordinary shares with an average buy price of C\$0.73. Polar Star's last closing price (27 October 2010) was C\$3.49. This holding will be reviewed from time to time.

MPJ holds no debt or leveraged investment positions.

Unaudited Balance Sheet as at 30 Sep 2010

<u>Investment</u>	<u>Share Holding (approximate)</u>	<u>Price at 30 Sep 2010</u>	<u>Value at 30 Sep 2010 (approximate)</u>
	<u>(m)</u>	<u>(\$)</u>	<u>\$m</u>
WWI.AU	9.01	0.055	0.50
WET.LN (\$A equivalent)	45.12	0.004	0.19
PSR.V (\$A equivalent)	1.00	1.64	1.68
Other listed and unlisted investments			3.46
Total Investments			5.83
Cash and cash equivalents as at 30 June 2010			0.41
Other Assets			0.243
Total Tangible Assets			6.483
* Current and Non- Current Liabilities			0.143
Net Tangible Assets			6.34

Core Investments

West Wits Mining Limited (ASX : WWI)

West Wits Mining Limited ("West Wits") encountered difficulty during the quarter with regard to sale of its Emerald Gold Project. On 1 September 2010 West Wits agreed to sell both the Emerald Gold Project and Monarch Mineral Resource ("Emerald") to Mintails for a total consideration value of approximately \$7.27m. The board was keen to realise value from the project and the sale of Emerald was seen as a way to provide working capital to fund further exploration of the Company's substantial gold and uranium targets. However, West Wits entered into the sale transaction with Mintails on the understanding that repayment of deposits made under a former terminated transaction, whilst not part of the total consideration value, were expected to be repaid for the sale of the project to be completed.

+ See chapter 19 for defined terms.

Unfortunately the board of West Wits had to inform the ASX on 15 October 2010 of Mintails' failure to fulfil its obligation to repay ZAR 5 million (AUD 739,000) plus interest due on 14th October 2010. This amount of money was related to part repayment of deposits advanced under the originally proposed Emerald Gold Project joint venture. West Wits notified Mintails that timely repayment of these monies was a condition of West Wits entering the Emerald Gold Project sale agreement and was now subject to termination at West Wits' election.

On 22 October 2010 West Wits reached 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 will be made through a set off of that amount against the total amount owing by Mintails to West Wits. The remaining balance owed by Mintails has been agreed at \$265,000 which is to be paid by Mintails on or before 26 November 2010. Under the resolution terms it was also agreed to formally terminate the sale agreement for the Emerald Gold Project.

The termination of the sale agreement means West Wits will retain all 59,000 ounces within its JORC reserve statement as well as all 426,700 ounces within its JORC resource statement. It is now the intention of the Company to increase its global resource above 1 million ounces as quickly as possible.

West Wits is reviewing drilling programs compiled by its exploration team to further test the Monarch resource as well as the 1km 'gap' which lies in between the Monarch resource and Emerald Gold Project. West Wits will also review its plans for the 59,000oz Au JORC Reserve Emerald Gold Project in light of the gold price rising approximately US\$100 since the former sale agreement was reached, as this reserve was calculated on a gold price of US\$975. However it will remain the Company's focus to further develop the Company's Reserve and Resource Statement before considering further production scenarios.

MPJ currently holds 9.013m WWI shares.

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).

Given that WUC has completed a Definitive Feasibility Study (DFS) which has been signed off by Golder & Associates and is ready to commence with the construction of the required infrastructure, WUC believes that it is several years ahead of the competition in terms of the work completed already and now awaits the Government's decision.

MPJ holds 45.12 million WET shares.

+ See chapter 19 for defined terms.

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 – 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 2010

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year to Date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(48)	(48)
	(b) development	(33)	(33)
	(c) production	-	-
	(d) administration	(164)	(277)
	(e) contract services	(200)	(87)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (Legal Fees)	-	-
	Net Operating Cash Flows	(443)	(443)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(150)	(150)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) businesses	-	-
	(b) equity investments	406	406
	(c) intellectual property	-	-
1.10	Loans to other entities	(47)	(47)
1.11	Loans repaid by other entities	18	18
1.12	Option Fee on Tenements	54	54
	Net Investing Cash Flows	281	281
1.13	Total Operating and Investing Cash Flows	(162)	(162)

+ 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)	(162)	(162)
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 – Capital Raising Costs	-	-
Net Financing Cash Flows		-	-
Net Increase / (Decrease) in Cash Held		(162)	(162)
1.20	Cash at beginning of quarter/year to date	571	571
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at End of Quarter	409	409

**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	79
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	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	409	571
5.2	Deposits at call	-	
5.3	Bank overdraft	-	
5.4	Other (provide details)	-	
Total: Cash at End of Quarter (item 1.22)		409	571

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	69,953,438	69,953,438	-	-
7.4	Changes during quarter				
	(a) Increases through issues	30	-	-	-
	(b) Decreases through returns of capital, buy-backs	(3,427,717,990)	-	-	-
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>	41,300,609	41,300,609	\$0.10	6/07/2014
7.8	Issued during quarter	-	-	-	-
7.9	Consolidation during quarter	(2,023,729,953)	-	-	-
	Exercised during quarter	30	-	-	-
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:



Executive Director

Date: Thursday, 28th October 2010

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

28th October 2010

+ See chapter 19 for defined terms.