



Mining Projects Group Limited

Quarterly Report for the 3 Months Ended 30th September 2008

Highlights

- New deep drilling program completed for the Company's Talga Peak Project awaiting assay results
- NTA as at 30 September 2008 was approximately \$8.7 million or 0.46 cents per share
- Mintails announces significant increase to JORC gold, uranium and sulphur resources
- West Wits Mining Limited receives positive initial results from the Company's Emerald Target

Talga Peak Project

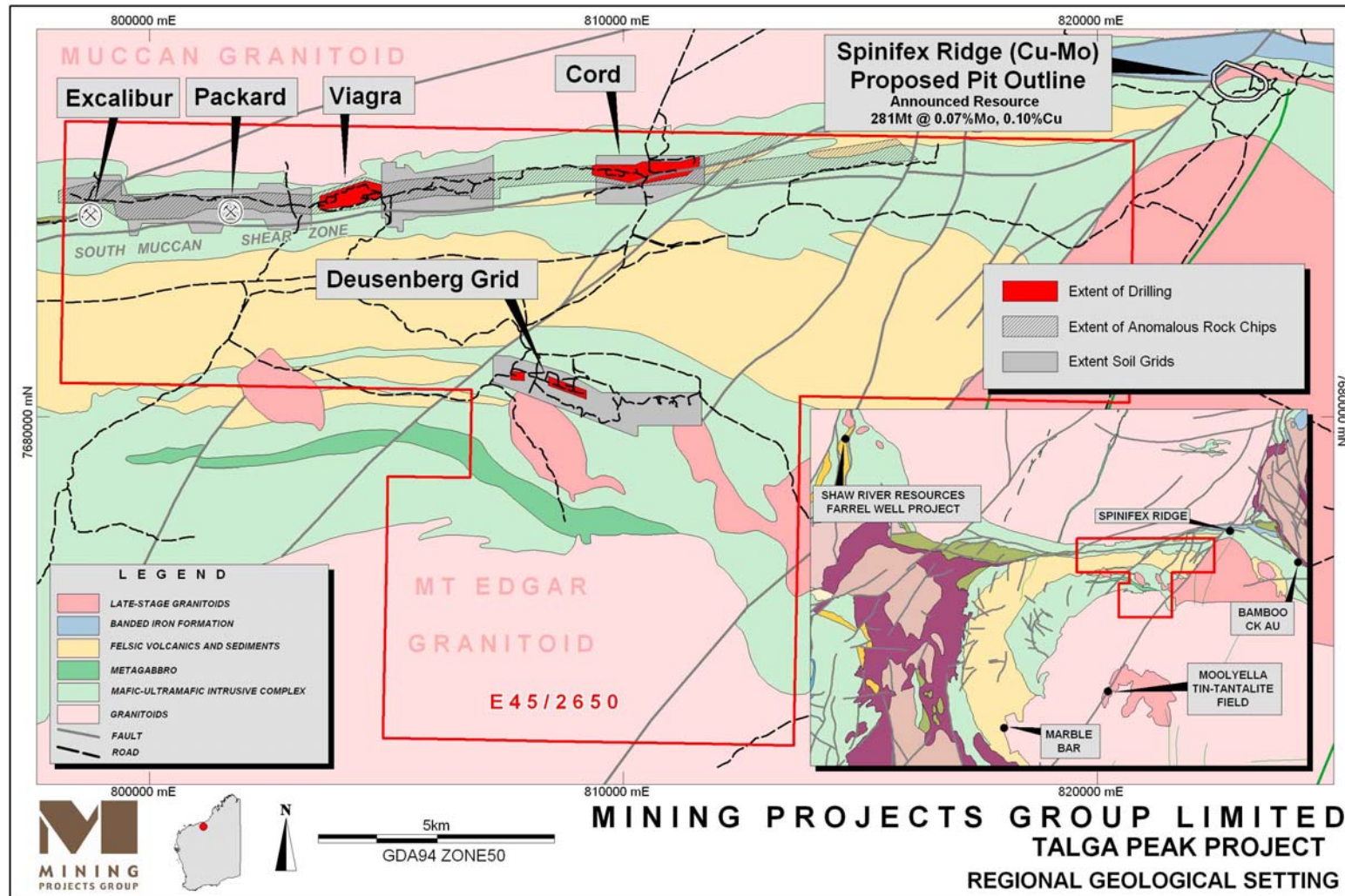
("MPJ" owns 80%)

Mining Projects Group Limited (ASX : MPJ) ("MPJ" or "the Company") announced during the quarter it has commenced a 5,000 metre RC drilling programme at its 80% owned Talga Peak Project located in the Pilbara region, near Port Hedland. The Company is now pleased to confirm that program has been completed with 19 holes for a total of 4018 metres being drilled and is awaiting assay results which should become available in early December.

Earlier in the year MPJ completed both ground and down-hole EM (Electro-Magnetic) surveys conducted by Southern Geoscience Consultants ("SGC"). The ground EM Survey identified 16 EM conductors of which 5 were identified as being "moderately strong mid time anomalies that are considered to be bedrock responses of the type expected to be conducive for VMS deposits". The 5000 metre programme was designed for an average hole depth of 200 metres (ranging from 100m to 400m per hole) to properly investigate the targets illuminated from the EM surveys.

The purpose of the programme was to properly investigate a number of these EM targets and a new ferruginous feature associated with the South Muccan Shear Zone, a major regional structure which extends east – west through the project area extending to Moly Mines Limited's Spinifex Ridge project.

.



Corporate

It has been a difficult market for the Company over the past quarter with severe falls in world financial markets and restricted investment opportunities. During the quarter the Company disposed of 1.225 million shares in Atlas Iron Limited (AGO) at an average price of \$2.18. AGO is currently trading at \$0.68. The company acquired an additional 1.5m shares in Mintails Limited (MLI), 1m shares in Watermark Global PLC (WET – AIM) and 700,000 shares in West Wits Mining Limited (WWI). All these investments have been affected by current market conditions. The Company also reduced its shareholding in Cangold Limited (CLD – TSX) by 1.8m shares.

As at 30 September 2008 the net tangible asset position of the Company equated to approximately \$8.7m or 0.46 cents per share.

Mining Projects holds no debt or leveraged investment positions.

New Projects

The Company is assessing a number of new opportunities however given the challenging nature of current financial markets it is focussed on preserving cash resources to support existing investments and projects.

Unaudited Balance Sheet as at 30th September 2008

<u>Investment</u>	<u>Share Holding (approximate)</u>	<u>Price at 30 Sep 2008</u>	<u>Value at 30 Sep 2008 (approximate)</u>
	<u>(m)</u>	<u>(\$)</u>	<u>\$m</u>
MLI	7.80	0.15	1.17
AGO	0.53	1.57	0.83
WWI	5.31	0.08	0.76
WET-AIM	12.96	0.06	0.79
(\$A equivalent)			
Other listed and unlisted investments			3.35
Total Investments			6.90
Cash as at 30 September 2008			1.92
Other Assets			0.11
Total Assets			8.93
* Current and Non- Current Liabilities			0.23
Net Tangible Assets			8.70

Shares on Issue	1,883.5m (approx.)
NTA per share	0.46 cents per share (approx.)

+ See chapter 19 for defined terms.

Mintails Limited (ASX : MLI)

During the quarter Mintails Limited (“MLI” or “Mintails”) released an announcement significantly increasing its JORC defined resources of gold, uranium and sulphur. The company announced total defined JORC resources for both the West and East Rand Projects of 4.89m ozs of gold, 40.55m lbs of uranium and 1.76m tonnes of sulphur.

On 6 October 2008 MLI announced that it had entered arrangements that will provide a minimum amount of R100m (circa 15m) towards completing funding arrangements for the ERGO Project situated on the East Witwatersrand Basin near Johannesburg, South Africa. This funding became necessary to complete acquisitions of additional deposition capacity and tailings dumps as part of the significant expansion of the ERGO Project which was announced in November 2007.

The ERGO Project comprises a gold joint venture (“the Elsburg gold JV”) based on the Elsburg tailings dump containing some 180 mt with a JORC resource of 1.7 m oz au, and the larger Ergo Mining (Pty) Ltd (“Ergo Mining JV”) venture which involves the proposed reclamation and processing of about 1.5 billion tonnes of tailings for uranium, sulphur and gold. The Elsburg gold JV is on schedule to commence operations this month utilising one refurbished CIL circuit at Mintail’s Brakpan plant. The larger Ergo Mining JV is currently subject to a bankable feasibility study and involves the proposed recommissioning of the balance of the Brakpan site to process tailings through uranium, sulphur and gold circuits.

The funding has been secured through agreement with the Company’s joint venture partner DRD Gold Limited (“DRD Gold”) which will advance the funds in exchange for a 15% interest in the Elsburg gold JV. This will take DRD Gold’s interest to 65% with the balance held by Mintails. Mintails 50% interest in the larger Ergo Mining JV is unchanged by this transaction. Mintails is delighted to have DRD Gold’s support through these arrangements which validates the growing strength of the relationship between the venture partners.

In addition, DRD Gold has been granted an option to acquire a further 11.4% in the Elsburg Gold JV (“the Option”). The Option is exercisable between 1 January 2009 and 15 January 2009 at an exercise price of ZAR75 million (circa AUD\$12m). The Option is only exercisable in circumstances where the Company has insufficient funds to complete its funding arrangements in respect of the ERGO Project. Funds obtained through the exercise of the Option would be applied by MLI in meeting its funding requirements for those projects.

MPJ currently owns approximately 7.8m shares in Mintails.

Atlas Iron Limited (ASX : AGO)

During the quarter Atlas Iron (AGO) announced that it had commenced mining and ore was being stockpiled on site prior to being hauled to the port of Port Hedland. The Pardoo Project has a relatively low capital cost of \$12 million and plans to commence shipping of iron ore in December subject to completing takeoff agreements with short listed parties. The company also announced new upgraded results from the Ridley Magnetite Project and the Weld Range Direct Shipping Iron Ore Project.

In light of current economic conditions MPJ elected to dispose of 1.225 million AGO shares at an average price of \$2.18.

MPJ currently holds 633,895 shares in AGO.

West Wits Mining Limited (ASX : WWI)

+ See chapter 19 for defined terms.

Subsequent to the end of the quarter West Wits Mining Limited (“WWI”) received encouraging results from a shallow RC programme on its Emerald Gold Target.

Significant shallow gold intersections indicate near surface gold mineralisation with the potential to be extracted by open pit mining methods

Significant gold intersections included:

- 1m @ 5.68g/t Au from 31.5m (WRCKP014)
- 2.5m @ 3.39g/t Au from 20.5m (includes 0.5m @ 14.15g/t) (WRCKP015)
- 4m @ 7.21g/t Au from 47m (includes 0.5m @ 47.5g/t) (WRCKP016)
- 3m @ 2.83 g/t Au from 53m (includes 1m @ 5.77g/t) (WRCKP018)
- 4m @ 6.24 g/t Au from 46m (includes 2m @ 10.10g/t) (WRCKP041)

The Emerald Gold Target is focussed on near surface mineralisation (0 – 50m below surface) suitable for low cost open cut mining methods.

During the quarter MPJ elected to increase its interest in WWI by 700,000 shares to approximately 5.31 million shares.

Watermark Global PLC (AIM : WET)

Watermark Global Plc (WET) is a company listed on the AIM market in London. The company is based in South Africa and is completing testing of two pilot plants which are processing underground acid mine drainage water (AMD), converting the water into industrial quality water for on selling and extracting the chemicals as a valuable by product for use within the process and / or sale to third parties.

During the quarter MPJ increased its holding in WET by 10m shares to 12.96 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 Atlas Iron Limited was extracted from previous AGO 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.

+ See chapter 19 for defined terms.

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 2008

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (3 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	(248)	(248)
(b) development	-	-
(c) production	-	-
(d) administration	(188)	(188)
(e) contract services	(93)	(93)
	-	-
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	21	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Legal Fees)	(460)	(460)
Net Operating Cash Flows	(968)	(968)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(781)	(781)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	1,697	1,697
(c) other fixed assets	-	-
1.10 Loans to other entities	(25)	(25)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	891	891
1.13 Total Operating and Investing Cash Flows	(77)	(77)

+ 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)	(77)	(77)
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	(77)	(77)
1.20 Cash at beginning of quarter/year to date	1,987	1,987
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at End of Quarter	1,910	1,910

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	85
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	250
4.2 Development	-
Total:	250

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	1,910	1,987
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	1,910	1,987

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 (Description)	-	-		
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				
7.5	⁺Convertible debt securities (Description)	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (Description and Conversion Factor)	1,023,136,473	1,023,136,473	Exercise Price \$0.009	Expiry Date 31/07/2009
7.8	Issued during quarter				
7.9	Exercised during quarter				
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 October 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.

== == == == ==

The CFO Solution
www.thecfo.com.au