



**Quarterly Activities Report for the 3 Months
Ended 31st December 2011**

Review of Operations

During the quarter Mining Projects Group Limited (ASX : MPJ) (“MPJ” or “the Company”) has continued to review coal exploration projects within Indonesia as well as Australia.

The Company had chosen to focus on the Indonesian coal market as it is an accessible market ideally placed to take advantage of the continuing demand for coal based power generation for rapidly emerging and expanding Asian economies. However identifying suitable projects with good quality coals, reasonable vendor expectations and strong tenure positions has provided timing challenges in securing prospective leases. As such the Company has also begun assessing a number of exploration projects based in Australia.

MPJ has identified a number of opportunities which has led to completing initial due diligence and undertaking negotiations for acquisition. The Company looks forward to updating the market in the coming weeks as to the progress of these negotiations.

In conjunction with the Company’s intention to acquire prospective coal leases MPJ completed a \$1 million rights issue, fully underwritten, during the December quarter, ensuring the Company has sufficient working capital for the costs for these investigations.

Corporate

As at 31 Dec 2011 the net tangible asset position of the Company equated to approximately \$2.43m. MPJ holds no debt or leveraged investment positions.

Unaudited Balance Sheet as at 31 Dec 2011

<u>Investment</u>	<u>Share Holding</u> <u>(approximate)</u> <u>(m)</u>	<u>Price at 31 Dec 2011</u> <u>(\$)</u>	<u>Value at 31 Dec 2011</u> <u>(approximate)</u> <u>\$m</u>
WWI.AU	9.01	0.032	0.29
PSR.CN (\$A equivalent)	0.95	0.27	0.24
CLD.CN (\$A equivalent)	1.39	0.27	0.28
Other listed and unlisted investments			0.69
Total Investments			1.50
Cash and cash equivalents as at 31 Dec 2011			0.87
Other Assets			0.11
Total Tangible Assets			2.58
* Current and Non- Current Liabilities			0.15
Net Tangible Assets			2.33

+ See chapter 19 for defined terms.

Core Investment

West Wits Mining Limited (ASX : WWI)

West Wits Mining Limited (“West Wits”) during the quarter continued to progress its Derewo River Gold Project (“Derewo”) in Papua Province, Indonesia. West Wits recently announced it has entered in to an agreement to sell part of its South African assets for \$9 million subject to a number of milestones. MPJ is very pleased with this transaction as the headline sale number is greater than the current market capitalisation of West Wits.

This transaction will secure West Wits’ cash position and provide the management team with confidence to complete developing all required infrastructure at Derewo, Indonesia to allow commissioning of its alluvial circuit by the end of the March quarter. West Wits has a number of significant milestones to achieve over the March quarter including commission of its alluvial circuit as well as initial exploration programs which MPJ looks forward to and the impending re-rating in the market.

MPJ currently holds 9.01m WWI 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.

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 2011

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	(20)	(51)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(123)	(235)
	(e) contract services	(292)	(456)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	3
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(434)	(740)
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	(14)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	52	321
	(c) other fixed assets	-	-
1.10	Loans to other entities	(6)	(8)
1.11	Loans repaid by other entities	4	4
1.12	Option Fee on Tenements	-	-
	Net Investing Cash Flows	50	303
1.13	Total Operating and Investing Cash Flows	(384)	(437)

+ 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)	(384)	(437)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	861	861
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	100	100
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net Financing Cash Flows		961	961
Net Increase / (Decrease) in Cash Held		577	524
1.20	Cash at beginning of quarter/year to date	255	572
1.21	Exchange rate adjustments to item 1.20	(6)	(15)
1.22	Cash at End of Quarter	826	1,081

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	166
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	25
4.2	Development	-
4.3	Production	-
4.4	Administration	120
4.5	Contract Services	200
Total:		345

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	826	255
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)		826	255

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	124,091,470	124,091,470	-	-
7.4	Changes during quarter				
	(a) Increases through issues	49,636,588	49,636,588	-	-
	(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
		49,636,588	49,636,588	\$0.02	28/02/2013
7.8	Issued during quarter	49,636,588	49,636,588	\$0.02	28/02/2013
7.9	Consolidation during quarter	-	-	-	-
	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: _____

Date: 31st January 2012

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 2012

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