MINING
PROJECTS GROUP

ANNUAL REPORT 2009

Contents

Chairman's Letter

Dear Shareholder,

The 2009 financial year was conducted within the context of the Global Financial Crisis ("GFC") which severely affected many companies and individuals involved in world equities markets and businesses. From the perspective of Mining Projects Group, the GFC had a marked impact on the market value of a number of the Company's share investments as well as its prevailing share price.

In December 2008, we received the assay results from our much anticipated drilling program at our 80% owned Talga Peak Project. Despite highly encouraging earlier indications the VMS targets we tested yielded inconclusive results and lessened our enthusiasm for the project. Following up on field observations a further rock chip investigation produced some encouraging iron values. The Company is currently in discussions with a number of parties that have expressed interest in assessing the iron ore potential of the Talga Peak Project.

In June 2009, Mining Projects Group announced its intention to make offers for all the shares on issue in Xplor Limited ("Xplor"). Approval for the acquisition was provided by shareholders on 14 August 2009 and offers were dispatched to Xplor shareholders on 26 August 2009. The Company has received final acceptances from Xplor shareholders and is evaluating potential programs and opportunities with respect to the projects.

Subsequent to the end of the year the Company completed a 1 for 2 pro-rata rights issue to all shareholders which raised approximately $1.83 million and received shareholder approval for the placement of an additional 500 million shares and 1 for 1 attaching option to raise up to $1 million. Upon the completion of the Xplor acquisition and the placement the Company intends to intensify its investigation of new projects both in Australia and internationally. The directors and management have extensive experience and relevant contacts in Africa and have been evaluating a number of opportunities in this region. It is the intention of the board to actively pursue new opportunities that provide good leverage returns to shareholders.

Yours faithfully,

Bryan J. Frost
Executive Chairman
Mining Projects Group Limited

The Company intends to continue with its goal of identifying prospective opportunities within the resources sector, providing short term and seed equity funding to new projects and participating in new ASX listings...

Review of Operations

TALGA PEAK PROJECT
(MPJ owns 80%)

Mining Projects Group Limited's ("MPJ" or "the Company") major exploration focus over the previous two financial years has been the Company's Talga Peak Project ("Talga Peak"). The project had two lead prospects; the Cord Prospect for base metal mineralisation, and the Duesenburg Prospect for gold. After preliminary investigations at both prospects, the Company focused its attention towards the Cord Prospect for volcanic massive sulphide (VMS) mineralisation (Cu, Pb, Zn), over a 15km strike horizon.

The Company completed a 4,018m, 19 hole RC drilling program in October 2008, which was designed to test the Cord Prospect and Talga Peak as a potential VMS corridor. This program investigated a number of Electro-Magnetic (EM) identified targets for shallow to moderate depth VMS style mineralisation, located beneath previously drill tested gossanous zones. The drill program also tested further EM targets located along the Cord Valley.

Assay results from the program were released in late December 2008, which combined with the geochemistry of the Cord Prospect, suggested the 2km strike consisted of multiple layers and lenses of variously polymetallic disseminated and semi massive sulphides over a stratigraphic width up to 40m. In addition, results from further along the Cord Valley reported narrower intercepts (3-18m) of variably sulphidic horizons beneath geochemically anomalous gossanous chert horizons.

In reviewing the complete set of assay results, the Company took the position that potential for shallow to moderate depth base metal VMS style mineralisation along the Cord Valley appeared diminished.

Whilst the program targeting base metal returned inconclusive results, ground inspections and rockchip sampling were also completed in December 2008, on an iron feature in the western part of the lease. The iron feature is associated with the South Muccan Shear Zone, a major regional structure extending east-west through the project area extending to Moly Mines Limited's Spinifex Ridge project. A total of five rock chip samples were collected from a single traverse sampled at 10m continuous intervals. The results received from the rock chip traverse were encouraging (Table 1).

Table 1. Rockchip sampling results from the iron feature in western portion of Talga Peak

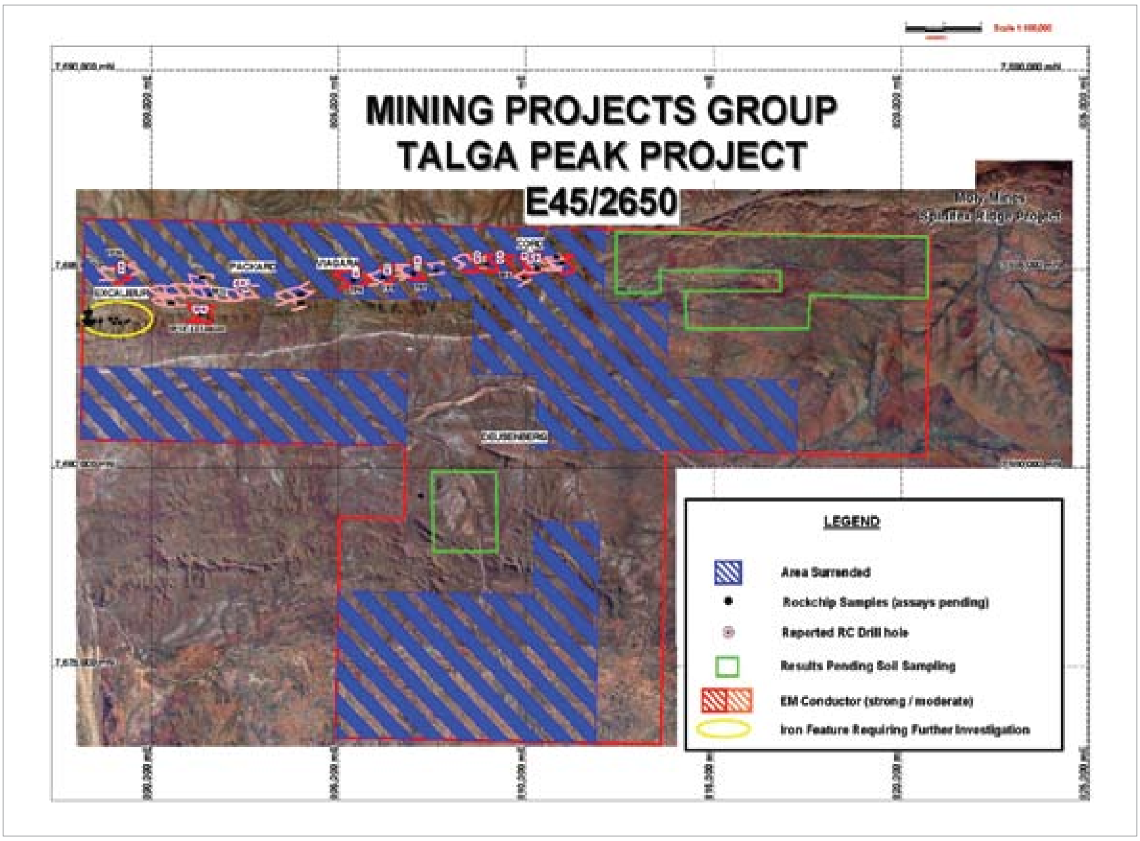
Sample ID	Northing	Easting	Fe %	SiO2 %	Al2O3 %	P %	S %	LOI 1000
TFE001	7683905	798342	39.53	40.55	0.23	0.024	0.025	2.25
TFE002	7683915	798342	39.03	40.02	0.09	0.063	0.027	3.51
TFE003	7683925	798342	66.81	4.22	0.23	0.014	0.011	0.22
TFE004	7683935	798343	38.48	41.99	0.28	0.027	0.016	1.49
TFE005	7683945	798341	58.51	13.31	0.35	0.052	0.016	2.41
		Average	**48.472**					

Note:

1. Analysis by X-Ray Flouressence Spectrometry method with Loss on Ignition (LOI) determined using Thermo-Gravimetric Analysis.
2. All co-ordinates GDA94, Zone 50.
3. Rock chip traverse sampling method involved total collection of a 1-2 kilogram sample comprising of several rock chips collected by hammering surface outcrop at nominal 1 meter spacing along a predetermined traverse generally across strike of mineralisation.
4. Maximum individual sample length 10 metres. Co-ordinates indicate start of individual sample/traverse.

Until now, its regional structure which has 12km of strike has received very limited exploration. This shear zone extends from the western boundary of the tenement which is shared with Atlas Iron, through to the eastern boundary shared with the Spinifex Ridge Project, owned and operated by Moly Mines Limited. The Company is currently in discussions with a number of parties that have expressed interest in assessing the iron ore potential of the Talga Peak Project.

Figure 1. Plan view of the Talga Peak Project



LAKE LEFROY JOINT VENTURE

(Independence Group (ASX: IGO) earning up to 100% of nickel sulphide rights)

The Lake Lefroy JV tenements are located both adjacent to and within Lake Lefroy, which 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"). At an extraordinary general meeting held on the 14 August 2009, MPJ shareholders approved the acquisition of Xplor. Xplor is an unlisted public company, its lease portfolio consists of three projects; the Egerton Project Western Australia, the Mt Tarrengower Project at Maldon, Victoria and the Golden Mount Project at Bonnie Doon, Victoria.

Egerton Gold Project (M52/343, M52/567 & E52/1402), Gascoyne – Western Australia

The Egerton Gold Project is located approximately 235 km northwest of Meekatharra, in the Gascoyne Region of Western Australia and comprises a 55km^2 tenement block, covering the historic Egerton Goldfield. The project tenements consist of two mining licences M52/343 (Hibernian) and M52/567 (Gaffney's Find) which are enclosed within a single exploration licence E52/1402.

The tenements have a history of gold production which is estimated to be 8,500oz predominantly from high grade, narrow quartz vein mineralisation within sheared and faulted metasediments and metavolcanics. In August 2005, ASX listed NGM Resources Limited (ASX: NGM) ('NGM') announced JORC reported measured, indicated and inferred classified resources at the Hibernian Prospect (M52/343) to a depth of 70m across a 1.5km strike of:

Classification	Tonnes	Grade (g/t) Au	Contained ounces of gold
Measured	32,100	9.5	9,801
Indicated	46,400	5.3	7,841
Inferred	37,800	5.1	6,169
Total	**116,400**	**6.4**	**23,811**

This estimate was completed by consultants Finore Pty Ltd in July 2005 on behalf of NGM using a cut-off grade of 2 g/t Au. Mineralisation lies within an east-west mineralised shear system which extends for some 11km and is covered by E52/1402. Further details are set out in the NGM announcement dated 9 August 2005 which can be accessed from the ASX website www.asx.com.au. Xplor acquired the Egerton Project from NGM in August 2007.

MPJ is re-evaluating the prospectivity of the Egerton Project in light of positive results returned from Montezuma Mining Limited's (ASX: MZM) nearby project at Peak Hill.

Mt Tarrengower Project (EL 4533), Maldon – Central Victoria

The Mt Tarrengower Project, EL4533, at Maldon in central Victoria, comprises relatively untested historic workings, estimated to have historically produced over 400,000oz of gold. The Maldon goldfield is noted to be the fourth largest gold producing area in Victoria after Bendigo, Ballarat and Stawell, with over 1.75Moz of recorded quartz reef production occurring between 1853 and 1926.

The Mt Tarrengower Project (EL4533) has the potential to host shallow high grade gold mineralisation associated with both vertical and flat lying structures. The Maldon project area and particularly the Lisle-Braithwaite zone remains under explored. The potential exists for intersecting mineralisation in both near surface, flat east dipping reefs from the Bells and Lisle reefs, as well as deeper repetitions adjacent to the interpreted vertical feeder reefs.

Within the Lisle-Braithwaite zone reported gold production was 60,000oz to 60 vertical metres below surface. Below this depth very little development occurred. MPJ intends to investigate whether gold mineralisation exists below the existing historical infrastructure, as it was Xplor's belief that the mineralised setting is analogous to the mineralised structures found within the nearby North British/ Oswald's mine.

Golden Mount (MIN4683) – Eastern Victoria

The Golden Mount project is located within MIN4683 which is located approximately 45km north-west of Mansfield, at the northern end of the Walhalla Synclinorium.

Golden Mount is a sediment-hosted gold project, with a hard rock and alluvial mining history of approximately 140,000oz of gold production from operations that concluded in the 1920s. Further exploration over Golden Mount occurred during the 1950s and 1980s. The Company has examined these results and is encouraged to make further investigations.

Xplor entered into a joint venture agreement with Flinders Resources Pty Ltd ("Flinders") in September 2007, whereby Flinders could earn up to 80% of the project. Flinders was consequently acquired by Canadian listed Tinka Resources (Tinka) (TSXv – TK). In March 2009, Tinka completed two drill holes totalling 417m, to confirm historical data and better understand potential styles of mineralisation that may exist within the lease. Assay results from this program were released on the Toronto Stock Exchange, and will be reviewed by the Company following completion of the acquisition.

In May 2009, Xplor received notice from Tinka they were withdrawing from the joint venture agreement to focus on other projects. It is MPJ's intention to further test data obtained from historical records to examine the prospect for potential mineralisation.

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 commodity type.

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 to raise approximately $1.83m before costs. The attaching options are exercisable at 0.2 cents each on or before 6 July 2014. This issue was completed on 16 July 2009 and all shortfall securities were successfully placed.

The Company has also received approval by shareholders for 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. If fully subscribed, the issue will raise approximately $1m before costs.

MPJ has also made 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. At the closing of the offer 648,260,031 new options were accepted by optionholders and allotted.

The funds raised by each offer will be applied towards working capital and to fund future activities of the Company.

INVESTMENTS

Investment strategy

MPJ continues to pursue its strategy of committing exploration funds to develop prospective resource projects. This strategy has led to a number of projects being developed to a stage where they could be considered stand alone projects or conversely sold, joint ventured or exchanged for shares in new ASX listings or in existing listed companies such as; Atlas Iron Limited, Eleckra Mines Limited, De Grey Mining Limited and Jackson Gold Limited.

However, the longer term goal is for MPJ to secure, in its own right, projects that have the potential to be large scale and deliver strong returns and utilise its existing significant asset base to develop these opportunities.

The Company intends to continue with its goal of identifying prospective opportunities within the resources sector, providing short term and seed equity funding to new projects and participating in new ASX listings, which has lead to current shareholdings in Mintails Limited, West Wits Mining Limited and Watermark Global Plc.

Review of current substantial investments

West Wits Mining Limited (ASX: WWI)

West Wits Mining Limited ("West Wits") has enjoyed a successful 12 months and is positioning to become a gold producer in the next 4 to 6 months.

In October 2008, West Wits adopted a strategy to focus on moving its most prospective target, the Emerald Resource, into production as quickly as possible to provide the company with early cash flow.

The Emerald Resource currently has a measured JORC gold resource of 95,600 g/t, at an average grade of 1.81 g/t, to a vertical depth of 85m. For production to be achieved by the end of 2009, the management team need to complete environmental and engineering studies, as well as a toll treating agreement, all of which are expected in the coming months. With the completion of all outstanding studies and agreements, 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 Mineral Resources (DMR).

The potential for development of the Emerald Resource, provides a significant advancement in terms of West Wits' strategy to fund access to and evaluation of its historical underground workings, where deeper and potentially more significant targets are located. The presence of historical underground infrastructure provides numerous possibilities and significantly reduces the capital expenditure required to access the targeted underground areas.

West Wits completed initial exploration programs at 8 of 14 current targets over 2008. Four of those tested were near surface targets at Emerald, Radiant, Marquise and Princess (now part of the Emerald Resource). Assay results achieved at these targets provided a combined 411,000oz near surface JORC gold resource.

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 3.95-5.20moz of gold and 17-22mlb of uranium.

In the near term, West Wits will continue to focus its efforts on delivering the Emerald Resource to production. However, the company is equally excited by the numerous exploration targets it currently has in the pipeline, which it intends to investigate over the 2010 calendar year.

MPJ currently holds approximately 8m shares in West Wits.

Mintails (ASX: MLI)

MPJ continued to build its shareholding in Mintails Limited ("Mintails") over the past financial year. Mintails has faced numerous challenges with respect to its operations and the current economic climate, which as a consequence has led to a depressed share price. MPJ believes Mintails offers an opportunity to gain great leverage into tailings retreatment within the South African gold mining industry where consolidation is expected to continue, due to the economics of treating tailings becoming more positive with an increasing gold price.

Mintails processes and recovers gold and is examining the commercial feasibility of producing uranium and sulphuric acid from surface tailings resources which are present on the West and East Rand of South Africa's historic Witwatersrand Basin. Mintails has a joint venture with DRDGold on the East Rand.

Over the previous 12 months Mintails managed to successfully complete the sale of its interest in the Elsburg JV late in 2008 for R177m (approximately A$26.8m) in cash. Given the prevailing economic climate, Mintails was fortunate to have secured this transaction with DRDGold. Not only did this transaction provide significant cash resources from the sale but also allowed Mintails to retain its 50% share of the larger ERGO Mines Joint Venture, which comprises in excess of 1.5bt of tailings materials containing gold, uranium and sulphur.

This sale also provided Mintails with the ability to continue funding the construction of the Mogale Slime Circuit to run in parallel with the existing Mogale Sand Circuit on the West Rand. The combined production for both circuits is anticipated to be approximately 35-40,000oz of gold per annum. Mintails is also currently upgrading the sand circuit. These upgrades have commenced and should begin to translate into increased efficiencies by the December quarter 2009.

The company has also undertaken an estimation on the potential sulphur content of its tailings dumps on the West Rand, with results expected to be released in the near future.

Subsequent to the end of the financial year, Mintails received institutional support for a placement to raise up to A$7,370,000 at an issue price of A$0.045 per share. Mintails also announced a proposed placement for a further A$7,370,000 to both existing shareholders and newly interested parties. The company will use the funds, to complete the Mogale Slime Circuit, rehabilitation funding and completion of Feasibility Studies of its projects on the West Rand and initiatives to extract value from its joint venture interests held in Ergo Mining.

MPJ currently holds approximately 10.66m shares in Mintails.

Watermark Global Plc (AIM: WET)

MPJ continued to accumulate and develop a substantial position in Watermark Global Plc (WET) over the financial year as it believes that Watermark provides a highly leveraged commercial option to the potential Acid Mine Drainage (AMD) crisis that faces the city of Johannesburg. The AMD crisis has been created by rain water decanting into the vacated underground mines which has reacted with oxidised ore creating a significant environmental threat. Watermark offers stakeholders a strong commercial advantage with regard to completing an agreement with Rand Water to re-sell the treated AMD back to Rand Water as a potable water resource. This has been demonstrated as achievable through its existing pilot plants.

Watermark, through its wholly owned subsidiary Western Utilities Corporation (WUC), has been established to treat AMD in the western basin outside Johannesburg, South Africa. After extensive analysis, the Alkaline Barium and Calcium process (ABC) from the Council for Scientific & Industrial Research (CSIR) has proven to be the best technical and commercial solution.

It is Watermark's intention to be able to treat the water through this proprietary technology, clean the water and re-sell the water to either Rand Water, who will re-introduced the water back into the potable drinking resource for Johannesburg or on-sell the water as industrial grade water for industrial use.

Through the completion of the company's pilot plant studies, Watermark has demonstrated its capacity to be able to treat AMD to a potable level economically. Watermark has the rights to this water resource, under Johannesburg, which is currently estimated to be a 50 year resource.

The water technology utilised is purpose-specific for the processing of AMD and has been developed to meet legislated requirements. The result of the pilot plants study has lead to the commissioning of a Definitive Feasibility Study (DFS), examining licensing of the preferred technology, and establishing the economic model for the construction and commissioning of a commercial-scale water treatment facility, expected to be able to treat, initially 75 megalitres per day.

The DFS is expected to be completed by October 2009, and includes:

- public participation;
- conducting the required environmental impact assessments;
- finalisation of water license application process;
- compilation of an environmental management plan;
- price determination and finalisation of initial off-take agreements;
- detailed engineering design with a deviation of 10% on capital and operating cost estimates for a full scale commercial plant;
- projected financing model and options.

As part of the DFS, Watermark has engaged Golder and Associates to prepare an Environmental Impact Assessment (EIA) study. This study will assess possible sites for the construction of a commercial size plant to treat 75 megalitres of AMD per day, as Phase One of this project. The study will also assess possible off-take agreements with either Rand Water or the platinum mines of Rustenburg.

MPJ currently holds approximately 17.86m shares in WET.

Corporate Governance Report

A review of the Economic Entity's 'Corporate Governance Framework' is performed on a periodic basis to ensure that it is relevant and effective in light of the changing legal and regulatory requirements. The board of Directors' continue to adopt a set of Corporate Governance Practices and a Code of Conduct appropriate for the size, complexity and operations of the Company and its subsidiary.

Unless otherwise stated, all Policies and Charters meet the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Economic Entity's Corporate Governance Statement is structured with reference to the Councils principals and recommendations which are as follows:

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the Board to add value
Principle 3.	Promote ethical and responsible decision making
Principle 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risk
Principle 8.	Remunerate fairly and responsibly

ROLE OF THE BOARD AND MANAGEMENT

The Board's role is to govern the Economic Entity rather than to manage it. In governing the Economic Entity, the Directors must act in the best interests of the Economic Entity as a whole. It is the role of senior management to manage the Economic Entity in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board's responsibilities are detailed in its Board Charter and cover the following broad categories:

1. Leadership of the Organisation
2. Strategy Formulation
3. Overseeing Planning Activities
4. Shareholder Liaison
5. Monitoring 'Compliance and Risk Management'
6. Company Finances
7. Human Resources
8. Ensuring the Health, Safety and Well-being of Directors, Officers and Contractors
9. Delegation of Authority
10. Remuneration Policy
11. Nomination Policy

STRUCTURE AND COMPOSITION OF THE BOARD

The Board has been formed so that it has an effective mix of personnel who are committed to adequately discharging their responsibilities and duties, and being of value to the Economic Entity.

The names of the Directors, their independence, qualifications, experience and term of office are stated in the Directors' Report.

The Board believes that the interests of all Shareholders are best served by:

- Directors having the appropriate skills, experience and contacts within the Economic Entity's industry; and
- some major Shareholders being represented on the Board.

At present there is not a majority of the Directors classified as being 'Independent'. The number of Independent Directors on the Board may increase as the Economic Entity develops and grows, and the Board believes that it can attract appropriate Independent Directors with the necessary industry experience.

However, where any Director has material personal interest in a matter and, in accordance with the Corporations Act 2001, the Director will not be permitted to be present during discussion or to vote on the matter. The enforcement of this requirement aims to ensure that the interest of shareholders, as a whole, is pursued and that their interest or the Director's Independence is not jeopardised.

The Economic Entity believes that at this stage in its development, the most appropriate person for the position of Chairman is an Executive Officer of the Economic Entity. The Executive Officer's overall expertise has been crucial to the Economic Entity's development and negates any perceived lack of independence.

Directors collectively or individually have the right to seek independent professional advice at the Economic Entity's expense, up to specified limits, to assist them to carry out their responsibilities. All advice obtained is made available to the Board.

The Company does not have a Nomination or Remuneration Committee because it is deemed to be more efficient to have the Board consider membership nominations and remuneration matters.

ETHICAL AND RESPONSIBLE DECISION-MAKING

As part of its commitment to recognising the legitimate interests of stakeholders, the Economic Entity has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Economic Entity has a share trading policy that regulates the dealings by Directors, Officers and Employees, in shares, options and other securities issued by the Economic Entity. The policy has been formulated to ensure that Directors, Officers, Employees and Consultants who work on a regular basis with the Economic Entity are aware of the legal restrictions on trading in Economic Entity securities while in possession of unpublished price-sensitive information.

INTEGRITY IN FINANCIAL REPORTING

In accordance with the Board's policy, the Chairman and CFO have made attestations as to the Economic Entity's financial condition prior to the Board signing this Annual Report.

The Economic Entity has a duly constituted Audit, Risk and Compliance Committee, consisting of the full board of the Company, with the Committee Chairman being an Independent Non-Executive Director. Due to the current composition of the Board, it is not possible to meet the recommendation to have a minimum of three Non-Executive Directors, with the majority being independent. The current members of the Committee as at the date of this report, and their qualifications are detailed in the Directors' Report.

The Committee holds a minimum of two meetings a year. Details of attendance of the members of the Committee are contained in the Directors' Report.

TIMELY AND BALANCED DISCLOSURE

The Board has designated the Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with ASX Listing Rules the Economic Entity immediately notifies the ASX of information concerning the Economic Entity:

1. That a reasonable person would or may expect to have a material effect on the price or value of the Economic Entity's securities; and
2. That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Economic Entity's securities.

RIGHTS OF SHAREHOLDERS

The Economic Entity respects the rights of its Shareholders, and to facilitate the effective exercise of their rights, the Economic Entity is committed to:

1. Communicating effectively with Shareholders through ongoing releases to the market via ASX information and the General Meetings of the Economic Entity;
2. Giving shareholders ready access to balanced and understandable information about the Economic Entity and Corporate Proposals;
3. Making it easy for shareholders to participate in General Meetings of the Economic Entity; and
4. Requesting the External Auditor to attend the Annual General Meeting and be available to answer Shareholder's questions about the conduct of the audit, and the preparation and content of the Auditor's Report.

Shareholders are also able to ring the registered office of the Economic Entity to make enquiries of the Economic Entity or obtain updated announcements via the ASX website.

RECOGNISE AND MANAGE RISK

The Audit, Risk & Compliance Committee has established a policy for risk oversight and management within the Economic Entity. This is periodically reviewed and updated.

The Chairman and CFO have given a statement to the Board that the integrity of the financial statements is founded on a good sound system of Risk Management and Internal Compliance and Controls based on the Economic Entity risk management policies.

ENCOURAGE ENHANCED PERFORMANCE

A 'Performance Evaluation Policy' has been established to evaluate the performance of the Board, individual Directors and Executive Officers of the Economic Entity. The Board is responsible for conducting evaluations in line with these policy guidelines.

During the reporting period, the Board conducted individual and group performance evaluations on an informal basis which provided valuable feedback for future development.

During the year, all Directors have full access to all Economic Entity records and receive Financial and Operational updates on a regular basis.

All new Directors undergo an induction program.

REMUNERATE FAIRLY AND RESPONSIBLY

The Economic Entity has not adopted a Remuneration Committee as it deemed the full Board of the Company a more efficient mechanism to administer the Economic Entity's remuneration policy than a committee.
The Board is responsible for:

- Setting the remuneration and conditions of service for all Executive and Non-Executive Directors, Officers and Employees of the Economic Entity. The aggregate of Non-Executive remuneration being approved by Shareholders at General Meetings of the Economic Entity from time to time.
- Approving the design of Executive & Employee incentive plans (including equity-based plans and options) and proposed payments or awards under such plans.
- Reviewing performance hurdles associated with incentive plans.
- Consulting appropriately qualified Consultants for advice on remuneration and other conditions of service.
- Succession planning for Senior Executive Officers.
- Performance assessment of Senior Executives Officers.

The Economic Entity is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with the Corporate Governance Principles and Recommendations' as well as supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. Director shares/options are subject to approval by Shareholders.

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in Equity Schemes of the Economic Entity without prior Shareholder approval.

Current remuneration is disclosed in the Remuneration Report contained in the Directors' Report.

LEGITIMATE INTERESTS OF STAKEHOLDERS

The Board acknowledges the legitimate interests of various stakeholders such as Employees, Clients, Customers, Government Authorities, Creditors and the Community as a whole. As a good Corporate Citizen, it encourages compliance and commitment to appropriate corporate practices that are fair and ethical via its 'Code of Conduct Policy'.

Directors' Report

The Board of Directors of Mining Projects Group Limited and its subsidiaries ('the Economic Entity') present their report for the year ended 30 June 2009.

DIRECTORS

The names of the Directors in office at any time during, or since the end of the year are:

Mr Bryan Frost

Executive Chairman
Appointed to the Board 1991

Experience

Mr Frost was a partner of a Melbourne based stockbroking firm until 1973, where he specialised in advising international investors, banks and investment funds on Australian arbitrage and investments. Mr Frost has over 30 years experience and he has been involved in a number of public companies as an executive director and major shareholder and possesses extensive experience in financial engineering and management.

Interest in shares and options

413,504,218 ordinary shares and 296,296,486 options over ordinary shares.

Committees

Member of the Audit, Risk and Compliance Committee.

Directorships in listed entities over the past three years

- Mintails Limited – Executive Chairman from 21 July 2000 to 16 March 2009.
- Cangold Limited (Canada) – Director from 17 December 1996 to 18 June 2008.

Mr Richard Revelins

Executive Director
Appointed to the Board 1991

Experience

Mr Revelins has held senior executive positions in merchant banking and stockbroking firms and has acted as an advisor to a number of public companies in such matters as takeover, mergers and acquisitions, sale of businesses, debt and equity raisings and strategic financial advice.

Interest in shares and options

215,892,345 ordinary shares and 115,149,539 options over ordinary shares.

Committees

Member of the Audit, Risk and Compliance Committee

Directorships in listed entities over the past three years

- Mintails Limited – Executive Director from 21 July 2000 to 16 March 2009.
- Cangold Limited (Canada) – Director from 9 March 2000 to 18 June 2008.
- Atlas Iron Limited – Chairman from 6 August 2004 to 8 February 2007.
- Eleckra Mines Limited – Chairman from 12 November 2005 to 17 May 2007.
- Prana Biotechnology Limited – Company Secretary from 7 February 2000.

Mr James Babbage

Independent Non-Executive Director
Appointed to the Board 1991
Qualifications CPA

Experience
Mr Babbage has been a director of a number of public companies and possesses extensive experience in company and financial management, as well as being involved in the operation and management of mining companies.

Interest in shares and options
7,500,000 ordinary shares and 6,250,000 options over ordinary shares.

Committees
Chairman of the Audit, Risk and Compliance Committee

Directorships in listed entities over the past three years
- Nil

Directors have been in office since the start of the financial year to the date of this report.

COMPANY SECRETARY

Mr Richard Revelins held the position of Company Secretary during the financial year.

PRINCIPAL ACTIVITY

The principal activity of the Economic Entity during the financial year was resource exploration and investments.

There have been no significant changes in the nature of those principal activities during the financial year.

DIVIDENDS

The Directors did not pay any dividends during the financial year. The Directors do not recommend the payment of a dividend in respect of the 2009 financial year.

EARNINGS PER SHARE

Basic loss per share: 0.71 cents (2008: 0.17 cents).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there have been no significant changes in the state of affairs of the Economic Entity during the financial year under review not otherwise disclosed in this Annual Report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

The following significant announcements have been made subsequent to balance date:

14/7/2009	The Economic Entity announced that a General Meeting of shareholders was to be held on 14/8/2009.
16/7/2009	The Economic Entity announced the closing of a non-renounceable rights issue of 1 share for every 2 shares held at $0.002 each, together with 1 free option. 916,820,571 ordinary shares and 916,820,571 options exercisable on or before 6 July 2014 @ $0.002 were issued.
14/8/2009	The Economic Entity announced that all resolutions carried at the General Meeting of shareholders were unanimously carried on a show of hands.
26/8/2009	The Economic Entity issued a prospectus to acquire Xplor Limited (see Note 22) and a prospectus to issue options. Both prospectuses were approved by shareholders on the 14/8/2009.
14/9/2009	The Economic Entity issued 244,359,390 shares to acquire 85.33% of the share capital of Xplor Limited and 498,824,125 options to option holders.
21/9/2009	The Economic Entity announced the issue of 2,268,750 shares to acquire the remaining share capital of Xplor Limited and issued 149,435,906 options to option holders under the Option Prospectus.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The likely developments in the Economic Entity's operations, to the extent that such matters can be commented upon, are covered in the Review of Operations contained elsewhere in this Annual Report. In the opinion of the Directors, disclosure of information regarding the expected results of those operations in financial years after the current financial year is not predictable at this stage, or may prejudice the interests of the Economic Entity. Accordingly, this information has not been included in this Report.

REVIEW AND RESULTS OF OPERATIONS

The Economic Entity net loss after income tax for the financial year was $13,000,986 (2008:$3,016,380). The Review of Operations provides further details regarding the progress made by the Economic Entity since the prior financial year, which has contributed to its results for the year.

ENVIRONMENTAL ISSUES

The Economic Entity holds participating interests in a number of exploration licences. The various authorities granting such licences requires the holder to comply with directions given to it under the terms of the grant of the licence.

The Board is not aware of any breaches of the Economic Entity's licence conditions.

MEETINGS OF DIRECTORS

During the financial year, 14 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Committee Meetings Audit, Risk & Compliance	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Bryan Frost	8	8	6	5
Mr Richard Revelins	8	8	6	6
Mr James Babbage	8	6	6	6

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OTHER OFFICERS

The Economic Entity has not, during or since the end of the financial year in respect to any person who is or has been an officer or auditor of the Economic Entity or a related body corporate:

a) indemnified or made relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for costs or expenses to defend legal proceedings.

OPTIONS OVER UNISSUED SHARES

At the date of this report, the unissued ordinary shares of Mining Projects Group Limited under option are as follows:

Code	Number under option	Date of expiry	Exercise price
MPJOA	1,565,030,602	6-Jul-14	$0.002

Optionholders do not have any right, by virtue of the option, to participate in any share issue of the Mining Projects Group Limited.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the year ended 30 June 2009, the following ordinary shares were issued on the exercise of options.

Code	Exercise date	Exercise price	Number of shares issued
MPJO	4/03/2009	$0.009	60
MPJO	25/06/2009	$0.009	87,500
			87,560

The following shares have been issued as a result of the exercise of options since 30 June 2009:

Code	Exercise date	Exercise price	Number of shares issued
MPJO	10/07/2009	$0.009	12,500
MPJO	28/07/2009	$0.009	268,625
MPJO	31/07/2009	$0.009	250,000
MPJOA	14/08/2009	$0.002	50,000
			581,125

No amounts are unpaid on any of the shares.

PROCEEDINGS ON BEHALF OF THE ECONOMIC ENTITY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Economic Entity, or to intervene in any proceedings to which the Economic Entity is a party, for the purpose of taking responsibility on behalf of the Economic Entity for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Economic Entity with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

The following non-audit services were provided by the Economic Entity's auditor, PKF . The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

PKF received or are due to receive the following amounts for the provision of non-audit services:

	2009 $	2008 $
Taxation and compliance services	9,200	12,238

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditors Independence Declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2009 has been received and can be found in the section titled 'Auditors Independence Declaration' following this Directors' Report.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Economic Entity support and adhere to good corporate governance practices. The Economic Entity corporate governance statement is contained in the preceding section of this Annual Report, 'Corporate Governance Statement'.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Economic Entity as required by the Corporations Act 2001 and its Regulations. Other than the Directors there are no other Key Management Personnel.

This report details the nature and amount of remuneration for each Director of the Economic Entity.

The Directors of the Economic Entity during the year were:

- Mr. Bryan Frost – Executive Chairman
- Mr Richard Revelins – Executive Director and Company Secretary
- Mr James Babbage – Independent Non-Executive Director

SECTION A: PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration Policy

Remuneration of all Executive and Non-Executive Directors, Officers and Employees of the Economic Entity is determined by the Board.

The Economic Entity is committed to remunerating Senior Executives and Executive Directors in a manner that is market-competitive and consistent with "Best Practice" including the interests of Shareholders. Remuneration packages are based on fixed and variable components, determined by the Executives' position, experience and performance, and may be satisfied via cash or equity.

Non-Executive Directors are remunerated out of the aggregate amount approved by Shareholders and at a level that is consistent with industry standards. Non-Executive Directors do not receive performance based bonuses and prior Shareholder approval is required to participate in any issue of equity. No retirement benefits are payable other than statutory superannuation, if applicable.

Remuneration Policy versus Economic Entity Financial Performance

Over the past four years the Economic Entity has continued to acquire and maintain many participating interests in mining projects and companies that Directors believe have the potential to provide ongoing benefits to shareholders. This is represented by interests in public and private companies and direct participation in mining projects and joint ventures.

Some of the Economic Entity's investments have been realised over the past years and have provided trading profits and cashflow to fund ongoing activities. A number of projects and joint ventures are not at a stage where production or positive cashflows have yet been established, which may affect the Economic Entity's current performance and shareholder wealth.

Directors have been compensated for work undertaken and the responsibilities assumed in being Directors of this Economic Entity based on industry practice, as opposed to Economic Entity performance which is a difficult matter to assess given the nature of the activities undertaken, as described above.

Performance based Remuneration

The purpose of a performance bonus is to reward individual performance in line with Economic Entity objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Economic Entity. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Economic Entity uses a variety of KPI's to determine achievement, depending on the role of the executive being assessed, these include successful contract negotiations.

No performance based remuneration has been issued during the reporting period.

SECTION B: DETAILS OF REMUNERATION

Details of Remuneration for the year ended 30 June 2009

The remuneration for each Director of the Economic Entity during the year was as follows:

FY 2008/09	Cash salary and fees $	Superannuation contribution $	Other $	Equity $	Total $
Bryan Frost	249,996	-	-	-	249,996
Richard Revelins	128,440	11,560	-	-	140,000
Jim Babbage	40,000	-	-	-	40,000
	418,436	**11,560**	**-**	**-**	**429,996**

Details of Remuneration for the year ended 30 June 2008

The remuneration for each Director of the Economic Entity during the year ended 30 June 2008 was as follows:

FY 2007/08	Cash salary and fees $	Superannuation Contribution $	Other $	Equity $	Total $
Bryan Frost	249,996	-	-	-	249,996
Richard Revelins	128,440	11,560	-	-	140,000
Jim Babbage	32,500	-	-	-	32,500
	410,936	**11,560**	**-**	**-**	**422,496**

Performance income as a proportion of total remuneration

All executives are eligible to receive incentives at the recommendation of the Board. Their performance payments are based on a set monetary value, set number of shares or options or as a portion of base salary. Therefore there is no fixed proportion between incentive and non-incentive remuneration. Non-Executive Directors are not entitled to receive bonuses and/or incentives.

Equity issued as part of remuneration for the year ended 30 June 2009

No equity was issued as part of remuneration during the current or prior period.

Employment contracts of Directors and key management personnel

No Director was under contract as at 30 June 2009.

Signed in accordance with a resolution of the Board of Directors.

Mr Bryan Frost
Executive Chairman

23 September 2009

Auditor’s Independence Declaration

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Mining Projects Group Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mining Projects Group Limited and the entities it controlled during the year.

J A Mooney
Partner
PKF

23 September 2009
Melbourne

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Income Statement
for the year ended 30 June 2009

		Economic Entity		Parent Entity	
	Note	2009 $	2008 $	2009 $	2008 $
Revenue	2	31,330	196,047	582,499	650,340
Auditor fees	6	(52,300)	(48,343)	(52,300)	(48,343)
Depreciation		(25,262)	(16,640)	(25,262)	(16,640)
Impairment of capitalised exploration expenses		(2,865,678)	-	(2,865,678)	-
Tenement expenses		(16,258)	(11,282)	(16,258)	(11,282)
Directors' & consultants' fees	3a	(437,496)	(449,996)	(437,496)	(449,996)
Net movement in financial assets	3c	(8,886,126)	(3,229,949)	(2,018,469)	(654,594)
Travel & marketing		(59,009)	(98,088)	(59,009)	(98,088)
Administration		(66,654)	(83,027)	(66,654)	(83,027)
Impairment of intercompany loan	3c	-	-	(2,240,953)	-
Professional fees	3b	(371,374)	(1,418,793)	(371,238)	(1,418,793)
Other expenses		(252,159)	(214,846)	(251,436)	(152,702)
(Loss) before income tax		**(13,000,986)**	**(5,374,917)**	**(7,822,254)**	**(2,283,125)**
Income tax benefit	4	-	2,358,537	-	294,683
(Loss) for the year		**(13,000,986)**	**(3,016,380)**	**(7,822,254)**	**(1,988,442)**
Basic (loss) per share (cents per share)	7	(0.71)	(0.17)		
Diluted (loss) per share (cents per share)	7	(0.71)	(0.17)		

The accompanying notes form part of these financial statements.

Balance Sheet
as at 30 June 2009

		Economic Entity		Parent Entity	
		2009	2008	2009	2008
Current assets	Note	$	$	$	$
Cash and cash equivalents	8	185,704	2,222,692	143,373	256,410
Trade and other receivables	9	66,555	74,716	16,186	72,666
Other financial assets	10	3,258,003	13,796,287	618,819	3,447,416
Other	13	16,077	9,149	16,077	9,149
Total current assets		**3,526,339**	**16,102,844**	**794,455**	**3,785,641**
Non-current assets					
Trade and other receivables	9	-	-	3,794,275	7,032,640
Other financial assets	10	1,062,605	-	2	2
Plant and equipment	12	43,077	40,211	43,077	40,211
Exploration and evaluation costs	13	53,759	2,071,777	53,759	2,071,777
Total non-current assets		**1,159,441**	**2,111,988**	**3,891,113**	**9,144,630**
Total assets		**4,685,780**	**18,214,832**	**4,685,568**	**12,930,271**
Current liabilities					
Trade and other payables	14	172,264	690,452	172,052	584,623
Total current liabilities		**172,264**	**690,452**	**172,052**	**584,623**
Total liabilities		**172,264**	**690,452**	**172,052**	**584,623**
Net assets		**4,513,516**	**17,524,380**	**4,513,516**	**12,345,648**
Equity					
Issued capital	15	27,584,674	27,594,552	27,584,674	27,594,552
Accumulated losses		(23,071,158)	(10,070,172)	(23,071,158)	(15,248,904)
Total equity		**4,513,516**	**17,524,380**	**4,513,516**	**12,345,648**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2009

	Issued capital $	Accumulated losses $	Total $
Economic Entity			
Balance at 30 June 2007	25,464,912	(7,053,792)	18,411,120
Shares issued net of costs	2,127,516	-	2,127,516
Options exercised net of costs	2,124	-	2,124
Net (loss) for the period	-	(3,016,380)	(3,016,380)
Balance at 30 June 2008	**27,594,552**	**(10,070,172)**	**17,524,380**
Options exercised net of costs	788	-	788
Transaction costs	(10,666)	-	(10,666)
Net (loss) for the period	-	(13,000,986)	(13,000,986)
Balance at 30 June 2009	**27,584,674**	**(23,071,158)**	**4,513,516**
Parent Entity			
Balance at 30 June 2007	25,464,912	(13,260,462)	12,204,450
Shares issued net of costs	2,127,516	-	2,127,516
Options exercised net of costs	2,124	-	2,124
Net (loss) for the period	-	(1,988,442)	(1,988,442)
Balance at 30 June 2008	**27,594,552**	**(15,248,904)**	**12,345,648**
Options exercised net of costs	788	-	788
Transaction costs	(10,666)	-	(10,666)
Net (loss) for the period	-	(7,822,254)	(7,822,254)
Balance at 30 June 2009	**27,584,674**	**(23,071,158)**	**4,513,516**

The accompanying notes form part of these financial statements.

Cash Flow Statement

for the year ended 30 June 2009

		Economic Entity		Parent Entity	
		2009	2008	2009	2008
Cash flows related to operating activities	Note	$	$	$	$
Payments to suppliers and directors		(1,697,785)	(1,928,253)	(1,593,051)	(1,869,032)
Interest received		31,049	196,047	1,912	84,729
Net cash flow used in operating activities	18	**(1,666,736)**	**(1,732,206)**	**(1,591,139)**	**(1,784,303)**
Cash flows related to investing activities					
Payment for purchases of plant and equipment		(28,128)	(29,018)	(28,128)	(29,018)
Proceeds from sales of equity investments		2,637,758	16,021,560	809,847	149,558
Payment for purchases of equity investments		(2,048,266)	(14,714,376)	-	(51,209)
Loans to other entities		(50,000)	-	-	-
Loans repaid by other entities		-	120,500	-	25,000
Loans (to)/repaid by subsidiaries		-	-	1,577,999	(397,369)
Payment for tenements and exploration		(871,738)	(319,817)	(871,738)	(319,817)
Net cash flows (used in)/from investing activities		**(360,374)**	**1,078,849**	**1,487,980**	**(622,855)**
Cash flows related to financing activities					
Proceeds from issues of securities		788	2,312,108	788	2,312,108
Capital raising costs		(10,666)	(182,468)	(10,666)	(182,468)
Net cash flows (used in)/from financing activities		**(9,878)**	**2,129,640**	**(9,878)**	**2,129,640**
Net increase/(decrease) in cash and cash equivalents		**(2,036,988)**	**1,476,283**	**(113,037)**	**(277,518)**
Cash and cash equivalents at the beginning of the year		2,222,692	746,409	256,410	533,928
Cash and cash equivalents at the end of the year	8	**185,704**	**2,222,692**	**143,373**	**256,410**

The accompanying notes form part of these financial statements.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The financial report of Mining Projects Group Limited (the Economic Entity) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the Directors on the date of signing of the Directors' Declaration.

Mining Projects Group Limited is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The financial report covers the Economic Entity of Mining Projects Group Ltd and controlled entities, and Mining Projects Group Ltd as an individual parent entity.

The principal activity of the Company is resource exploration and investments.

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian dollars.

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Judgements and estimates have been used in the calculation of fair value of financial assets and in the calculation of impairment of financial assets carried at cost and exploration assets. See notes 10 and 13 for details.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlements of liabilities in the normal course of business.

At 30 June 2009 the Economic Entity had cash and cash equivalents of $185,704 and a loss of $13,000,986 for the financial year ended 30 June 2009, factors that give rise to a material uncertainty regarding going concern. The loss is inclusive of non-cash expenses amounting to $11,751,804 relating to the impairment of financial assets and exploration assets. Since the 30 June 2009 the Economic Entity has raised in excess of $1.8m and the directors have assessed the current cash balances available to the Economic Entity, along with other current financial assets, and the expenditure plans and expected obligations over the next 12 months. Based on this assessment the directors are satisfied that there are sufficient resources available to the Economic Entity to meet its financial obligations as and when they become due over the next 12 months.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Economic Entity and Company be unable to continue as a going concern.

Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Amendments to Australian Accounting Standards

The following Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and therefore have not been adopted by the Company for the annual reporting period ended 30 June 2009.

AASB 8

Operating Segments and consequential amendments to other Australian Accounting Standards (Application date of standard 1 January 2009 & Application date for Company 1 July 2009).

New standard replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting. AASB 8 is a disclosure standard and as such this interpretation is not expected to have any impact on the amounts included in the Economic Entity's financial statements.

AASB 101 and 2008-9

Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards (Application date of standard 1 January 2009 & Application date for Company 1 July 2009).

Introduces a Statement of Comprehensive Income. Other revisions include impacts on the presentation of items in the Statement of Changes in Equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements. These amendments are only expected to affect the presentation of the Economic Entity's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Economic Entity anticipates that it will present a single Statement of Comprehensive Income rather than two separate statements due to the minimum number of items expected to be classified as Other Comprehensive Income.

AASB 2008-2

Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (Application date of standard 1 July 2009 & Application date for Company 1 July 2009).

The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009.

The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.

AASB 2009-4 & 5 and AASB 2008-5 & 6

Amendments to Australian Accounting Standards (Application date of standard 1 July 2009 & Application date for Company 1 July 2009).

These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.

AASB 3 (Revised)

Business Combinations (Application date of standard 1 July 2009 & Application date for Company 1 July 2009).

The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.

AASB 127 (Revised)

Consolidated and Separate Financial Statements (Application date of standard 1 July 2009 & Application date for Company 1 July 2009).

Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.

AASB 2008-7

Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Application date of standard 1 January 2009 & Application date for Company 1 July 2009).

The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.

Accounting policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Principles of consolidation

A controlled entity is any entity controlled by Mining Projects Group Ltd. Control exists where the Company has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Mining Projects Group Ltd to achieve the objectives of Mining Projects Group Ltd.

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Economic Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

b) Income tax

The charge for current income tax expense is based on the profit or loss for the year adjusted for any non-assessable or non-deductible items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Mining Projects Group Ltd and its wholly-owned Australian subsidiary formed an income tax consolidated group on 1 July 2002 under the tax consolidation regime. Mining Projects Group Ltd is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group as it is the head entity.

Each company within the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

c) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight-line basis over their useful lives to the Economic Entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	20% to 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement.

d) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The costs of restoration obligations are provided for in full at the time of the activities which give rise to the need of restoration. Restoration costs include reclamation, site closure and monitoring of those activities, and are based on undiscounted prospective current cost estimates which satisfy anticipated legal requirements. Estimates of future costs are measured at least annually.

Where part of a joint venture is farmed out in consideration of the farminee undertaking to incur further expenditure on behalf of both the farminee and the entity in the joint venture area of interest, exploration expenditure incurred and carried forward prior to farmout continues to be carried forward without adjustment, unless the terms of the farmout are excessive based on the diluted interest retained. A decision is then made to reduce exploration expenditure to its recoverable amount.

e) Financial assets

Recognition and initial measurement

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit and loss, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.

The Economic Entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Economic Entity's management has the positive intention and ability to hold to maturity. If the Economic Entity were to sell other than an insignificant amount of held-to-maturity financial assets the whole category would be tainted and reclassified as available-for-sale. They are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available for sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither fixed maturity nor fixed or determinable payments. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Derecognition

Regular sales of financial assets are derecognised on trade-date - the date on which the Economic Entity commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Economic Entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains or losses from investment securities.

Fair value

Fair value is determined based on current bid prices for all quoted investments at reporting dates. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. Where a reliable measurement of fair value cannot be calculated, unlisted investments are carried at cost.

Impairment

At each reporting date, the Economic Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

f) Impairment of assets

At each reporting date, the Economic Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Income Statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Economic Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Economic Entity's subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Income Statement.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Balance Sheet.

i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

j) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

k) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Economic Entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender is recognised as an expense on an accruals basis.

l) Share capital

Ordinary share capital is recognised as the fair value of the consideration received by the Economic Entity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction against the share proceeds received.

m) Earnings per share

Basic earnings per share is determined by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares outstanding during the financial year. Where a net loss is made for the period, basic earnings per share and dilutive earnings per share are the same, because, the inclusion of options in the earnings per share calculation does not result in future dilution.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.

o) Interests in joint ventures

Where the Economic Entity is a venturer and so has joint control in a jointly controlled operation, the Economic Entity recognises the assets that it controls and the liabilities that it incurs, long with the expenses that it occurs and the Economic Entity's share of the income that it earns from the sale of the goods or services by the joint venture.

p) Investment in subsidiaries

Investments in subsidiaries are carried at their cost of acquisition in the Economic Entity's financial statements.

NOTE 2. REVENUE

		Economic Entity		Parent Entity	
Operating revenue	Note	2009 $	2008 $	2009 $	2008 $
Interest revenue - other persons/corporations		31,330	196,047	1,912	84,729
Interest revenue - wholly owned subsidiary		-	-	580,587	565,611
Total operating revenue		**31,330**	**196,047**	**582,499**	**650,340**

NOTE 3. (LOSS) FOR THE YEAR

a) Directors' & consultants' fees				
Bryan Frost	249,996	249,996	249,996	249,996
Richard Revelins	140,000	140,000	140,000	140,000
Jim Babbage	40,000	32,500	40,000	32,500
Consultants	7,500	27,500	7,500	27,500
Directors' & consultants' fees	**437,496**	**449,996**	**437,496**	**449,996**
b) Professional fees				
Legal fees	65,238	1,138,793	65,238	1,138,793
Other	306,136	280,000	306,000	280,000
Professional fees	**371,374**	**1,418,793**	**371,238**	**1,418,793**
c) Significant revenue and expenses				
The following significant revenue and expense items are relevant in explaining the financial performance:				
Net decrease in fair value of financial assets held for trading	8,287,895	3,229,949	1,968,469	654,594
Impairment of financial assets held for sale	598,231	-	50,000	-
	8,886,126	3,229,949	2,018,469	654,594
The net decrease in fair value of financial assets held for trading represents the increment/decrement in the fair value of assets held for trading at balance date and purchases and disposals during the reporting period.				
Provision for intercompany loan	-	-	2,240,953	-
The carrying value of intercompany loans were reviewed by the Directors at balance date and the carrying values were deemed to be in excess of their recoverable values.				

NOTE 4. INCOME TAX EXPENSE

	Economic Entity		Parent Entity	
a) The components of tax benefit comprise:	2009 $	2008 $	2009 $	2008 $
Current income tax (expense)/benefit	342,368	(1,037,512)	1,870,776	645,753
Deferred tax (expense)/income relating to the originating and reversal of temporary differences	2,733,771	2,694,152	(348,040)	83,350
Over provision in respect of prior years	-	132,993	-	-
Tax benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense	-	568,904	-	-
Deferred tax assets not recognised	(3,076,139)	-	(1,522,736)	(434,420)
	-	**2,358,537**	**-**	**294,683**
b) The prima facie tax on loss from continuing activities before tax is reconciled to the income tax as follows:				
Prima facie tax payable on loss from continuing activities before income tax at 30% (2008: 30%)				
- Parent Entity			2,346,676	684,938
- Economic Entity	3,900,296	1,612,475		
	3,900,296	**1,612,475**	**2,346,676**	**684,938**
Add:				
Tax effect of non-deductible items:				
- deferred tax asset not previously recognised	-	568,904	-	-
- over provision in respect of prior years	-	132,993	-	-
- Section 40/880 deduction	35,963	43,360	35,963	43,360
- entertainment	(2,791)	(1,745)	(2,791)	(1,745)
- deferred tax liability not previously recognised	-	-	-	-
- exploration impairment	(859,703)	-	(859,703)	-
- foreign exchange	2,374	2,550	2,591	2,550
	3,076,139	**2,358,537**	**1,522,736**	**729,103**
Tax effect of deferred tax assets not recognised	(3,076,139)	-	(1,522,736)	(434,420)
Income tax benefit/(expense) attributable	**-**	**2,358,537**	**-**	**294,683**
c) Unrecognised deferred tax balance				
Deferred tax liabilities				
Deferred exploration and evaluation costs	53,759	2,071,777	53,759	2,071,777
Investments	-	1,560,476	-	2,706,303
Other	-	16,380	-	16,379
	53,759	**3,648,633**	**53,759**	**4,794,459**
Tax effect @ 30%	16,128	1,094,590	16,128	1,438,338
Deferred tax assets				
Investments	8,016,484	-	8,016,484	-
Other	97,721	-	97,721	-
Tax losses	5,349,546	4,927,976	5,349,546	4,927,976
	13,463,751	4,927,976	13,463,751	4,927,976
Tax effect @ 30%	4,039,125	1,478,393	4,039,125	1,478,393
Net deferred tax asset not recognised	4,022,997	383,803	4,022,997	40,055

NOTE 4. INCOME TAX EXPENSE CONT.

The benefits of the tax losses and timing differences will only be achieved if:

i) the Economic Entity derives future assessable income of a nature and amount sufficient to enable the benefit from the taxation deductions to be realised; and

ii) the losses are transferred to an eligible entity in the Economic Entity; and

iii) the Economic Entity continues to comply with the conditions of deductibility imposed by law; and

iv) there are no changes in taxation legislation adversely affecting the Economic Entity in realising the benefit from the deductions for the losses.

Included in tax losses are transferred losses into the tax consolidated group relating to the years 2000 to 2002. These transferred losses amount to $1,837,593 on a gross basis and are subject to utilisation on the basis of a 16% available fraction each year.

d) Tax Consolidation Group

Mining Projects Group Limited and its wholly-owned subsidiary formed a tax consolidated group with effect from 1 July 2002. Mining Projects Group Limited is the head entity in the tax consolidated group.

NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION

The Economic Entity has no Key Management Personnel other than the Directors.

a) Key Management Personnel compensation

The aggregate compensation made to Directors of the Economic Entity is set out below:

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Short-term employee benefits	418,436	410,936	418,436	410,936
Post-employment benefits	11,560	11,560	11,560	11,560
	429,996	**422,496**	**429,996**	**422,496**

b) Options and Rights

The number of options over ordinary shares in the Economic Entity held during the financial year by each Director of Mining Projects Group Limited of the Economic Entity, including their personally related parties, are set out below:

	Balance at start of the year	Received as compensation	Options exercised	Net change other[1]	Balance at end of the year[2]
2009					
Bryan Frost	195,062,022	-	-	-	195,062,022
Richard Revelins	63,917,570	-	-	-	63,917,570
Jim Babbage	5,000,000	-	-	-	5,000,000
	263,979,592	**-**	**-**	**-**	**263,979,592**

	Balance at start of the year	Received as compensation	Options exercised	Net change other[1]	Balance at end of the year[2]
2008					
Bryan Frost	160,697,109	-	-	34,364,913	195,062,022
Richard Revelins	48,917,570	-	-	15,000,000	63,917,570
Jim Babbage	-	-	-	5,000,000	5,000,000
	209,614,679	**-**	**-**	**54,364,913**	**263,979,592**

[1] The net change column above includes those options that have been forfeited by holders as well as options issued during the year under review, including a placement in September 2007.

[2] Subsequent to 30 June 2009, the Directors participated in a rights issue and options held by them expired 31/07/2009. They also received options under the Option Prospectus and shares as a result of the Xplor Ltd acquisition. All options at the end of the year have vested.

c) Shareholdings

The number of shares in the Economic Entity held during the financial year by each Director of the Economic Entity, including their personally related parties, are set out below. There were no shares granted during the period as compensation.

	Balance at start of the year	Received as compensation	Options exercised	Net change other[1]	Balance at end of the year
2009					
Bryan Frost	235,493,608	-	-	-	235,493,608
Richard Revelins	127,075,012	-	-	-	127,075,012
Jim Babbage	5,000,000	-	-	-	5,000,000
	367,568,620	**-**	**-**	**-**	**367,568,620**
2008					
Bryan Frost	209,886,306	-	-	25,607,302	235,493,608
Richard Revelins	124,587,853	-	-	2,487,159	127,075,012
Jim Babbage	-	-	-	5,000,000	5,000,000
	334,474,159	**-**	**-**	**33,094,461**	**367,568,620**

[1] This includes a placement in September 2007.

d) Loans to Directors

There were no loans made to Directors of the Economic Entity, including their personally related parties.

e) Other transactions

There were no further transactions with Directors not disclosed above or in Note 20.

NOTE 6. AUDITOR'S REMUNERATION

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Remuneration of the auditor of the Parent Entity for:				
Audit fees	43,100	36,105	43,100	36,105
Taxation services	9,200	12,238	9,200	12,238
	52,300	**48,343**	**52,300**	**48,343**

NOTE 7. (LOSS) PER SHARE

	2009 cents	2008 cents
Basic (loss) per share	(0.71)	(0.17)
Diluted (loss) per share	(0.71)	(0.17)

	$	$
a) Reconciliation of earnings to net (loss)		
(Loss) used in the calculation of basic and dilutive loss per share	(13,000,986)	(3,016,380)

	No.	No.
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive loss per share		
	1,833,555,223	1,762,033,240

As at 30 June 2009 the Company has issued options over unissued capital (see Note 15). As the exercise of these options would decrease basic loss per share, these options are not considered dilutive.

	No.	No. of options exercised
c) Subsequent to balance date, the following equity was issued/exercised which could have potentially had a significant impact on the quantity of shares and options on issue if they had been issued prior to balance date and used in the calculation of basic and dilutive loss per share.		
Ordinary Shares - fully paid	1,164,029,836	(581,125)
Options exercisable @ $0.002 on or before 6th July 2014	1,565,030,602	(50,000)

NOTE 8. CASH AND CASH EQUIVALENTS

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Cash at bank and in hand	185,704	2,222,692	143,373	256,410
	185,704	**2,222,692**	**143,373**	**256,410**

NOTE 9. TRADE AND OTHER RECEIVABLES

	Economic Entity		Parent Entity	
Current	2009 $	2008 $	2009 $	2008 $
Trade receivables	-	72,559	-	72,559
Loan to Related Parties[1]	50,281	-	-	-
Good and services tax refund due	16,274	2,157	16,186	107
	66,555	**74,716**	**16,186**	**72,666**
Non-current				
Amounts receivable from wholly-owned subsidiaries	-	-	3,794,275	7,032,640
	-	**-**	**3,794,275**	**7,032,640**

1 The loan to Related Parties was made to Entermo Ltd, a director related entity repayable at an interest rate of 5% pa and has been repaid post 30 June 2009.

NOTE 10. OTHER FINANCIAL ASSETS

		Economic Entity		Parent Entity	
Current	Note	2009 $	2008 $	2009 $	2008 $
Financial assets (held for trading) at fair value through profit or loss		3,258,003	13,796,287	618,819	3,447,416
		3,258,003	**13,796,287**	**618,819**	**3,447,416**
Non-current					
Investment in subsidiary at cost	11	-	-	2	2
Financial assets (available for sale) at cost		1,660,836	-	50,000	-
Accumulated impairment		(598,231)	-	(50,000)	-
		1,062,605	**-**	**2**	**2**
Comprising:					
Listed investments, at fair value					
– shares in listed corporations (current)		3,258,003	10,510,148	618,819	3,384,916
– shares in listed corporations - director related (current)		-	2,014,677	-	-
		3,258,003	**12,524,825**	**618,819**	**3,384,916**
Unlisted investments					
– shares in controlled entities at cost (non-current)		-	-	2	2
– shares in unlisted corporations at fair value (current)		-	1,271,462	-	62,500
– shares in unlisted corporations (non-current)		1,062,605	-	-	-
		1,062,605	**1,271,462**	**2**	**62,502**
Total financial assets		**4,320,608**	**13,796,287**	**618,821**	**3,447,418**

NOTE 10. OTHER FINANCIAL ASSETS CONT.

The Directors have considered the impact of the prevailing economic conditions on its unlisted investments and determined that the market conditions are not conducive to continuing to trade such investments for short-term profit taking. The Directors have determined that all such investments will be held for long-term strategic purposes. Accordingly all unlisted investments have been reclassified as non-current available for sale financial assets in 2009. This classification best reflects the Board's plans regarding these assets.

At each reporting date, the Economic Entity reviews the unlisted financial assets which are carried at cost to determine if there are indications of impairment. The Economic Entity considers factors such as recent arm length transactions resulting in capital raisings and commercial contracts to determine the estimated value of the investment. At 30 June 2009 the Directors determined that a number of the financial assets available for sale at cost were impaired, and recorded an impairment of $598,231.

NOTE 11. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned (%)*	
Parent Entity		2009	2008
Mining Projects Group Ltd	Australia		
Subsidiaries of Mining Projects Group Ltd			
AMN Nominees Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership.

NOTE 12. PLANT AND EQUIPMENT

	Economic Entity		Parent Entity	
Plant and equipment	2009 $	2008 $	2009 $	2008 $
At cost	138,684	110,556	138,684	110,556
Accumulated depreciation	(95,607)	(70,345)	(95,607)	(70,345)
Total plant and equipment	**43,077**	**40,211**	**43,077**	**40,211**
Movements in carrying amounts				
Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:				
Balance at the beginning of year	40,211	27,833	40,211	27,833
Additions	28,128	29,018	28,128	29,018
Depreciation expense	(25,262)	(16,640)	(25,262)	(16,640)
Carrying amount at the end of year	**43,077**	**40,211**	**43,077**	**40,211**

NOTE 13. OTHER ASSETS

	Economic Entity		Parent Entity	
Current	2009 $	2008 $	2009 $	2008 $
Prepayments	6,077	9,149	6,077	9,149
Other	10,000	-	10,000	-
	16,077	**9,149**	**16,077**	**9,149**
Non-current				
Exploration and tenement expenditure on Talga Peak joint venture				
Balance at the start of the year	2,071,777	1,751,960	2,071,777	1,751,960
Exploration expenditure	847,660	319,817	847,660	319,817
Impairment of capitalised exploration expenses	(2,865,678)	-	(2,865,678)	-
Total exploration expenditure	**53,759**	**2,071,777**	**53,759**	**2,071,777**

At reporting date the Economic Entity owned 80% of the Talga Peak Project.

During the year ended 30 June 2009, the Economic Entity received assay results from its Reverse Circulation (RC) drill programme at Talga Peak, which targeted shallow to moderate depth VMS targets. On review of the complete set of results the Economic Entity has taken the position that the potential for shallow to moderate depth base metal VMS style mineralisation along the Cord valley appears diminished. As a result, the decision has been made to impair $2,865,678 in capitalised costs incurred on the Economic Entity's Talga Peak Project in the Pilbara, Western Australia. It is considered likely that the carrying value of the asset is recoverable through the sale of iron ore mineral rights. Refer to the Review of Operations for further detail.

NOTE 14. TRADE AND OTHER PAYABLES

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Trade payables	36,174	178,863	35,962	73,034
Sundry payables and accrued expenses	136,090	511,589	136,090	511,589
	172,264	**690,452**	**172,052**	**584,623**

NOTE 15. ISSUED CAPITAL

		Economic Entity		Parent Entity	
	Note	2009 $	2008 $	2009 $	2008 $
Ordinary shares fully paid	16a	27,584,674	27,594,552	27,584,674	27,594,552
Options over ordinary shares	16b	-	-	-	-
		27,584,674	**27,594,552**	**27,584,674**	**27,594,552**

		2009		2008	
	Note	No.	$	No.	$
a) Ordinary Shares					
At the beginning of reporting period		1,833,554,002	27,594,552	1,503,318,054	25,464,912
Shares issued during year	(i)	-	-	330,000,000	2,309,984
Exercise of options	(ii)	87,560	788	235,948	2,124
Transaction costs relating to share issues	(iii)	-	(10,666)	-	(182,468)
At reporting date		**1,833,641,562**	**27,584,674**	**1,833,554,002**	**27,594,552**

	Details	Number	Issue Price $	$
i) Shares issued during year 2008				
18 September 2007	Rights issue	330,000,000	0.007	2,309,984
ii) Exercise of options 2009				
4 March 2009	Exercise of options	60	0.009	1
25 June 2009	Exercise of options	87,500	0.009	787
		87,560		**788**
2008				
12 October 2007	Exercise of options	72,222	0.009	650
6 December 2007	Exercise of options	153,666	0.009	1,383
30 May 2008	Exercise of options	10,060	0.009	91
		235,948		**2,124**

iii) Transaction costs relating to share issues of $10,666 mainly relate to the non-redeemable rights issue completed subsequent to the reporting date, as disclosed on Note 19.

The Economic Entity has unlimited authorised share capital of no par value ordinary shares. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At Shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

		2009		2008	
b) Options	Note	No.	$	No.	$
At the beginning of reporting period		1,023,136,473	-	693,372,421	-
Options issued during year	(i)	-	-	330,000,000	-
Exercise of options	(ii)	(87,560)	-	(235,948)	-
At reporting date		**1,023,048,913**[1]	**-**	**1,023,136,473**	**-**

[1] These options expired 31 July 2009.

	Details	Number	Exercise Price $	$
i) 2008				
18 September 2007	Rights issue	330,000,000	0.009	-
ii) 2009				
4 March 2009	Exercise of options	(60)	0.009	-
25 June 2009	Exercise of options	(87,500)	0.009	
		(87,560)		**-**
ii) 2008				
12 October 2007	Exercise of options	(72,222)	0.009	-
6 December 2007	Exercise of options	(153,666)	0.009	-
30 May 2008	Exercise of options	(10,060)	0.009	-
		(235,948)		**-**

NOTE 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Mabo decision

The decision of the High Court of Australia in June 1992 in Mabo and Others v The State of Queensland (no. 2) (1992) 175 CLR 1 recognised traditional native title rights of Aboriginal Australians to land in certain circumstances. As a consequence of the Mabo decision the Federal Parliament enacted the Native Title Act 1993. The Mabo decision and subsequent native title claims have resulted in uncertainties concerning the security of title to interests in land, including exploration and mining tenements on an Australia-wide basis.

The Company and controlled entities hold tenements in Western Australia. Some of these tenements may be subject to native title claims. Because of the uncertainties described above, the granting of exploration rights and ultimately mining from those tenements will depend on the outcome of the Native Title Claims and/or current negotiations by the Company. The full impact of the consequences of the Mabo decision cannot be determined, but may in the future include:

- Tenements being made subject to conditions relating to native title
- Delays in the granting of new tenements or for renewals or extensions of existing tenements
- Claims for recognition of native title or for compensation by persons claiming native title

Other than as disclosed above the Economic Entity is not involved in any legal or arbitration proceedings nor, so far as the Directors are aware, of such proceedings pending or threatened against the Economic Entity.

NOTE 17. SEGMENT REPORTING

	Exploration and mining		Investments		Economic Entity	
Primary reporting format – business segments	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Revenue						
Unallocated revenue	-	-	-	-	31,330	196,047
Total segment revenue/income	**-**	**-**	**-**	**-**	**31,330**	**196,047**
Segment result	(2,881,936)	(11,282)	(8,886,126)	(3,229,949)	(11,768,062)	(3,241,231)
Unallocated revenue	-	-	-	-	31,330	196,047
Unallocated expenses	-	-	-	-	(1,264,254)	(2,329,733)
Income tax expense	-	-	-	-	-	2,358,537
Net profit	**(2,881,936)**	**(11,282)**	**(8,886,126)**	**(3,229,949)**	**(13,000,986)**	**(3,016,380)**
Segment assets	53,759	2,071,777	4,320,608	13,796,287	4,374,367	15,868,064
Unallocated assets	-	-	-	-	311,413	2,346,768
Total assets	**53,759**	**2,071,777**	**4,320,608**	**13,796,287**	**4,685,780**	**18,214,832**
Segment liabilities	(4,800)	(28,878)	-	(105,829)	(4,800)	(134,707)
Unallocated liabilities		-	-	-	(167,464)	(555,745)
Total liabilities	**(4,800)**	**(28,878)**	**-**	**(105,829)**	**(172,264)**	**(690,452)**
Depreciation and amortisation expense	-	-	-	-	25,262	16,640
Acquisition of non-current segment assets	847,660	319,817	375,000	-	1,222,660	319,817
Other non-cash segment expenses	2,865,678	-	8,886,126	3,229,949	11,751,804	3,229,949

	Segment revenues from sales to external customers		Carrying amount of segment assets		Acquisition of non-current segment assets	
Secondary Reporting Format – Geographical Segments	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Australia	31,330	196,047	3,081,105	13,894,447	1,250,768	319,817
Canada	-	-	410,583	929,812	-	-
South Africa	-	-	300,000	-	-	-
United Kingdom	-	-	757,354	3,196,428	-	-
United States of America	-	-	136,738	194,145	-	-
	31,330	**196,047**	**4,685,780**	**18,214,832**	**1,250,768**	**319,817**

The Economic Entity operates predominantly in Australia. The Economic Entity business segments (primary segment) are:

- Exploration and Mining – exploration activities through farm out arrangements in the Company's Australian tenements (Note 13) and in Australia, Canada, South Africa, United States of America and United Kingdom through the Company's current investments (Note 10).

Segment accounting policies are the same as the Economic Entity's accounting policies described at Note 1. Intersegment revenues are charged by the parent entity to business segment at market rates.

NOTE 18. CASH FLOW INFORMATION

	Economic Entity		Parent Entity	
Reconciliation of cash flow from operations with result after income tax	2009 $	2008 $	2009 $	2008 $
(Loss) for the period	(13,000,986)	(3,016,380)	(7,822,254)	(1,988,442)
Add back depreciation expense	25,262	16,640	25,262	16,640
Add back interest on loans	(281)	-	(580,587)	(565,611)
Add back provision for non-recovery of loan	-	-	2,240,953	-
Add back (gain)/loss on revaluation of assets	8,886,126	3,133,298	2,018,749	654,594
Add back impaired exploration costs	2,865,678	-	2,865,678	-
(Increases)/Decreases in trade and other receivables	58,438	123,150	56,480	65,072
(Increases)/Decreases in other current assets	(6,928)	(6,382)	(6,928)	(6,377)
Increases/(Decreases) in trade and other payables	(494,045)	341,447	(388,492)	334,504
Increases/(Decreases) in deferred tax liability	-	(2,358,537)	-	(294,683)
Expired options	-	34,558	-	-
Cash flow used in operations	**(1,666,736)**	**(1,732,206)**	**(1,591,139)**	**(1,784,303)**

NOTE 19. EVENTS AFTER THE BALANCE SHEET DATE

14/7/2009	The Economic Entity announced that a General Meeting of shareholders was to be held on 14/8/2009.
16/7/2009	The Economic Entity announced the closing of a non-renounceable rights issue of 1 share for every 2 shares held at $0.002 each, together with 1 free option. 916,820,571 ordinary shares and 916,820,571 options exercisable on or before 6 July 2014 @ $0.002 were issued.
14/8/2009	The Economic Entity announced that all resolutions carried at the General Meeting of shareholders were unanimously carried on a show of hands.
26/8/2009	The Economic Entity issued a prospectus to acquire Xplor Limited (see Note 22) and a prospectus to issue options. Both prospectuses were approved by shareholders on the 14/8/2009.
14/9/2009	The Economic Entity issued 244,359,390 shares to acquire 85.33% of the share capital of Xplor Limited and 498,824,125 options to option holders.
21/9/2009	The Economic Entity announced the issue of 2,268,750 shares to acquire the remaining share capital of Xplor Limited and issued 149,435,906 options to option holders under the Option Prospectus.

NOTE 20. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Directors of the Company during the financial year were:

- Bryan Frost
- Richard Revelins
- James Babbage

	Economic Entity		Parent Entity	
a) Wholly owned group transactions	2009 $	2008 $	2009 $	2008 $
Loan made by Mining Projects Group Limited to a wholly owned subsidiary	-	-	3,794,275	7,032,640
The Parent Entity has provided a line of credit to its subsidiary for a period of 10 years from 1 July 2004 up to $10,000,000, or such other amount as so agreed by both parties. Interest on the loan is calculated daily and applied monthly based on ATO benchmark interest rates: 2009: 9.45% (2008: 8.05%).				
b) Other related parties transactions				
Director related entities				
Success fees paid for capital raising assistance to Peregrine Corporate Limited, in which Bryan Frost and Richard Revelins are Directors	-	60,060	-	60,060
Investments				
During the year Mining Projects Group Limited held investments in ordinary shares of the following related parties. The fair value of consideration paid for shares issued by the related party, and the fair value of the shared held at 30 June are disclosed.				
Mintails Limited, a company in which Bryan Frost and Richard Revelins were Directors and hold a financial interest (resigned 16 March 2009)				
Opening balance at fair value	2,014,677	4,390,174	-	-
Purchases	343,906	441,641	-	-
Recognised in profit and loss	(1,946,364)	(2,817,138)	-	-
Holding at 30 June at fair value	412,219	2,014,677	-	-
Entermo Limited, a company in which Richard Revelins is a Director and holds a financial interest (appointed 12 December 2008)				
Opening balance at fair value	-	-	-	-
Purchases	375,000	-	-	-
Recognised in profit and loss	-	-	-	-
Holding at 30 June at fair value	375,000	-	-	-
Receivables				
Amounts receivable from related parties are disclosed in Note 9.				

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Financial instruments

The Economic Entity's financial instruments consist of cash and cash equivalents, trade and other receivables, other financial assets, and trade and other payables.

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Cash and cash equivalents	185,704	2,222,692	143,373	256,410
Trade and other receivables	66,555	74,716	3,810,461	7,105,306
Other financial assets held for trading	3,258,003	13,796,287	618,819	3,447,416
Other financial assets available for sale	1,062,605	-	2	2
Trade and other payables	172,264	690,452	172,052	584,623

The Economic Entity does not have any derivative instruments at 30 June 2009.

b) Risk management policy

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the Economic Entity's implementation of that system on a regular basis.

The Board seeks to ensure that the exposure of the Economic Entity to undue risk which is likely to impact its financial performance, continued growth and survival is minimised in a cost effective manner.

c) Significant accounting policy

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and other financial assets are represented at their fair values determined in accordance with the accounting policies disclosed in Note 1.

d) Capital risk management

The Economic Entity's objectives when managing capital are to safeguard the Economic Entity's ability to continue as a going concern and to maintain a capital structure that maximises shareholder value. In order to maintain or achieve an optimal capital structure based on its expenditure commitments, the Economic Entity may issue new shares or reduce its capital, subject to the provisions of the Economic Entity's constitution. The capital structure of the Economic Entity consists of equity attributed to equity holders of the Economic Entity, comprising issued capital and accumulated losses.

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONT.

e) Financial risk management

Interest rate risk

The Economic Entity is exposed to interest rate risks via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The objective of managing interest rate risk is to minimise the Economic Entity's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

2009	Weighted average effective interest rate %	Floating interest rate $	Fixed interest rate within year $	Fixed interest rate 1 to 5 years $	Fixed interest rate over 5 years $	Non-interest bearing $	Total $
Economic Entity							
Financial Assets:							
Cash and cash equivalents	0.19	185,704	-	-	-	-	185,704
Parent Entity							
Financial Assets:							
Cash and cash equivalents	0.18	143,373	-	-	-	-	143,373
2008							
Economic Entity							
Financial Assets:							
Cash and cash equivalents	4.20	2,222,692	-	-	-	-	2,222,692
Parent Entity							
Financial Assets:							
Cash and cash equivalents	0.45	256,410	-	-	-	-	256,410

The Economic Entity has conducted a sensitivity analysis of the Economic Entity's exposure to interest rate risk based on historical interest rate movements and expected future interest rate movements. The analysis shows that if the Economic Entity's interest rate was to fluctuate as disclosed below and all other variables had remained constant, then the interest rate sensitivity impact on the Economic Entity's loss after tax and equity would be as follows:

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
+4% (2008 +1%)	7,428	22,227	5,735	2,564
-2% (2008 -1%)	(3,714)	(22,227)	(2,867)	(2,564)

Foreign currency risk

The Economic Entity is exposed to foreign currency risk via the cash and cash equivalents, investments offshore and trade and other payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Economic Entity does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing.

The following financial assets and liabilities are subject to foreign currency risk:

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Cash and cash equivalents (AUD/CAD)	11,717	11,175	436	417
Trade and other payables (AUD/GBP)	-	104,633	-	-
Financial assets held for sale (AUD/CAD)	410,583	929,812	90,542	195,932
Financial assets held for sale (AUD/GBP)	757,354	3,196,428	-	-
Financial assets held for sale (AUD/USD)	-	194,145	-	-

Foreign currency risk is measured by regular review of our cash forecasts, monitoring the dollar amount and currencies that payments are anticipated to be paid in. The Economic Entity also considers the market fluctuations in relevant currencies to determine the level of exposure. If the level of exposure is considered by the Board to be too high, then the Board has authority to take steps to reduce the risk. Steps to reduce risk may include the acquisition of foreign currency ahead of the anticipated due date of an invoice or may include negotiations with suppliers to make payment in our functional currency.

The Economic Entity currently has investments outside of Australia which exposes it to transactional currency movements, where the Economic Entity is required to pay in a currency other than its functional currency. The Economic Entity is currently exposed to fluctuations in Canadian dollars and Great British Pounds. Analysis is conducted on a currency by currency basis using the same sensitivity variable.

The Economic Entity has conducted a sensitivity analysis of the Economic Entity's exposure to foreign currency risk. The analysis shows that if the Economic Entity's exposure to foreign currency risk was to fluctuate as disclosed below and all other variables had remained constant, then the foreign currency sensitivity impact on the Economic Entity's loss after tax and equity would be as follows:

	Economic Entity		Parent Entity	
Increase/(Decrease) in cash and cash equivalents	2009 $	2008 $	2009 $	2008 $
AUD/CAD + 8% (2008: +8%)	(937)	(894)	(35)	(33)
AUD/CAD - 8% (2008: -8%)	937	894	35	33
Increase/(Decrease) in trade and other payables				
AUD/GBP + 6% (2008: +10%)	-	10,463	-	-
AUD/GBP - 6% (2008: -10%)	-	(10,463)	-	-
Increase/(Decrease) in financial assets held for sale				
AUD/CAD + 8% (2008: +8%)	(32,847)	(74,385)	(7,243)	(15,675)
AUD/CAD - 8% (2008: -8%)	32,847	74,385	7,243	15,675
AUD/GBP + 6% (2008: +10%)	(45,441)	(319,643)	-	-
AUD/GBP -6% (2008: -10%)	45,441	319,643	-	-
AUD/USD + 9% (2008: +8%)	-	(15,532)	-	-
AUD/USD - 9% (2008: -8%)	-	15,532	-	-

The variation in CAD, USD and GBP is reflective of the average movement of the foreign exchange over the past financial year.

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONT.

Credit risk

The Economic Entity is exposed to credit risk via its cash and cash equivalents and trade and other receivables. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Economic Entity. To reduce risk exposure for the Economic Entity's cash and cash equivalents, it places them with high credit quality financial institutions.

The Economic Entity has analysed its trade and other receivables below. All trade and other receivables disclosed below have not been impaired.

Economic Entity	0-30 days	30-60 days	60-90 days	90+day
2009				
Loan to related parties	-	50,281	-	-
ATO refund	16,274	-	-	-
2008				
Trade and other receivables	74,716	-	-	-

Parent Entity	0-30 days	30-60 days	60-90 days	90+day
2009				
Trade and other receivables	16,186	-	-	-
2008				
Trade and other receivables	72,666	-	-	-

Liquidity risk

The Economic Entity is exposed to liquidity risk via its trade and other payables. Liquidity risk is the risk that the Economic Entity will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring the Economic Entity's undiscounted cash flow forecasts to ensure the Economic Entity is able to meet its debts as and when they fall due. Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the activity. The Board considers when reviewing its undiscounted cash flows forecasts whether the Economic Entity needs to raise additional funding from the equity markets.

The Economic Entity has analysed its trade and other payables below:

Economic Entity	0-30 days	30-60 days	60-90 days	90+day
2009				
Trade and other payables	172,264	-	-	-
2008				
Trade and other payables	690,452	-	-	-

Parent Entity	0-30 days	30-60 days	60-90 days	90+day
2009				
Trade and other payables	172,052	-	-	-
2008				
Trade and other payables	584,623	-	-	-

f) Net fair value

The net fair values of listed investments have been valued at the quoted market bid price at balance dated adjusted for transaction costs expected to be incurred.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date is as follows:

	2009		2008	
Economic Entity	Carrying amount $	Net fair value $	Carrying amount $	Net fair value $
Financial assets				
Cash and cash equivalents	185,704	185,704	2,222,692	2,222,692
Trade and other receivables	66,555	66,555	74,716	74,716
Other financial assets	4,320,608	4,320,608	13,796,287	13,796,287
	4,572,867	**4,572,867**	**16,093,695**	**16,093,695**
Financial liabilities				
Trade and other payables	172,264	172,264	690,452	690,452
	172,264	**172,264**	**690,452**	**690,452**
Parent Entity				
Financial assets				
Cash and cash equivalents	143,373	143,373	256,410	256,410
Trade and other receivables[1]	3,810,461	3,810,461	7,105,306	7,105,306
Other financial assets	618,821	618,821	3,447,418	3,447,418
	4,572,655	**4,572,655**	**10,809,134**	**10,809,134**
Financial liabilities				
Trade and other payables	172,052	172,052	584,623	584,623
	172,052	**172,052**	**584,623**	**584,623**

[1] In financial year 2009, the Intercompany loan was impaired.

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONT.

g) Market risk

The Economic Entity is exposed to market price risk via the investments that it holds. Market risk is the risk that the value of an investment will decrease due to movements in market factors.

The Economic Entity has conducted a sensitivity analysis of the Economic Entity's exposure to market price risk. The variation disclosure of +10% and -5% (2008: +5% and -10%) are reflective of the Economic Entity's assumptions based on the current market climate. The Directors seek to mitigate this risk by monitoring market movements and maintaining a portfolio of diverse investments in various market sectors. The Board do not follow a formally documented risk management policy. The analysis shows that if the Economic Entity's market price was to fluctuate as disclosed below and all other variables had remained constant, then the market price sensitivity impact on the Economic Entity's loss after tax and equity would be as follows:

	Economic Entity		Parent Entity	
Increase/(Decrease) in financial assets held for trading	2009 $	2008 $	2009 $	2008 $
+10% (2008: 5%)	325,800	689,814	61,882	172,371
-5% (2008: 10%)	(162,900)	(1,379,629)	(30,941)	(344,742)
Increase/(Decrease) in financial assets held for sale				
-5%	(53,130)	-	-	-

Listed investments

Net fair value of current listed investments are determined by reference to their quoted market bid price at balance date. Market values of all listed investments are disclosed in Note 10.

Unlisted investments

Where there is no organised financial market, the unlisted investments are carried at cost unless there is evidence of impairment down to fair value. The carrying value of unlisted investments is $1,062,605, (2008: $1,271,462).

NOTE 22. ACQUISITION OF XPLOR LIMITED

On 14 August 2009 the shareholders of Mining Projects Group Ltd passed a resolution to acquire the shares of Xplor Ltd. On 26 August 2009 Mining Projects Group Ltd, issued a Prospectus to Xplor Ltd shareholders offering them 15 Mining Projects Group Ltd shares for each share held in Xplor Ltd.

Prior to the passing of the Resolution the Economic Entity owned 2,650,000 shares in Xplor Ltd, representing 13.88% of the issued capital.

In September 2009, Mining Projects Group Ltd issued 246,628,140 shares to Xplor Ltd shareholders, acquiring the remaining 86.12% of Xplor Ltd.

The estimated fair value of the acquisition is as follows:

Purchase consideration (a)	$523,437
Fair value of net identifiable assets acquired (b)	$523,437

a) Purchase Consideration

The purchase consideration was the issue of 15 Mining Projects Group Ltd shares for each Xplor Ltd share held. At the time of the offer, the Mining Project Group Ltd shares had an average market value of $0.002 per share.

Xplor shares acquired (No.)	16,441,876
Mining Project Group Ltd shares issued (No.)	246,628,140
Value of shares issued	$493,256
Costs associated with the acquisition	$30,181
Total purchase consideration	$523,437

NOTE 22. ACQUISITION OF XPLOR LIMITED CONT.

b) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
Cash	$21,219	$21,219
Trade and other receivables	$1,775	$1,775
Other current assets	$299	$299
Exploration assets	$342,456	$620,114
Trade and other payables	($117,350)	($117,350)
Net assets	$248,399	$526,057
Minority interest		($2,620)
Net identifiable assets acquired		$523,437

NOTE 23. COMPANY DETAILS

The registered office and principal place of business of the Company is:

Suite 2, 1233 High Street
Armadale Victoria 3143

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 20 to 50 and the Remuneration Report in the Directors' Report set out on pages 17 to 18 are in accordance with the Corporations Act 2001 and:
    a. comply with Accounting Standards and the Corporations Regulations 2001; and
    b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Company.
2. the Chairman and Chief Financial Officer have each declared that:
    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view.
3. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
4. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

Mr Bryan Frost
Executive Chairman

23 September 2009

Independent Audit Report

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MINING PROJECTS GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Mining Projects Group Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Mining Projects Group Limited and the consolidated entity comprising Mining Projects Group Limited and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

(a) the financial report of Mining Projects Group Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001, and

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

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GPO Box 5099 | Melbourne | Victoria 3001

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MINING PROJECTS GROUP LIMITED (CONT'D)

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 18 of the directors' report for the period ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Mining Projects Group Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

PKF

23 September 2009
Melbourne

J A Mooney
Partner

Shareholder Information As at 21 September 2009

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary Shares

2,997,671,398 fully paid ordinary shares are held by 3,447 individual shareholders.
All ordinary shares carry one vote per share.

Options

1,565,030,602 listed options exercisable at $0.002 on or before 6 July 2014, are held by 819 individual optionholders. Options do not carry a right to vote. Voting rights will be attached to the unissued shares when the options have been exercised.

DISTRIBUTION OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES

	Fully Paid Ordinary Shares	Listed Options
1 - 1,000	205	28
1,001 - 5,000	181	25
5,001 - 10,000	85	32
10,001 - 100,000	1,245	298
100,001 and over	1,731	436
Total number of holders	3,447	819
Unmarketable parcels	144	N/A

TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

	Shareholders	Number	Fully Paid Ordinary Shares %
1.	QUEENSLAND M M PL	224,465,892	7.49
2.	ANZ NOM LTD	150,881,951	5.03
3.	DARONTACK PL	100,373,049	3.35
4.	ACTIONETTE PL	75,125,000	2.51
5.	PEREGRINE CORP LTD	66,913,326	2.23
6.	DAVISON RODNEY KENNETH	60,000,000	2.00
7.	CHIFLEY PORTFOLIOS PL	57,500,000	1.92
8.	LSAF HLDGS PL	50,000,000	1.67
9.	BGR CAP PL	41,905,441	1.40
10.	NEFCO NOM PL	40,500,000	1.35
11.	LAMPAM PL	38,207,795	1.27
12.	NGM RES LTD	33,750,000	1.13
13.	RICHARDS NICHOLAS C	32,100,000	1.07
14.	DARWELL HUGH	28,166,334	0.94
15.	FARCAM PL	27,000,000	0.90
16.	ELLIOTT HLDGS PL	25,000,000	0.83
17.	PERSIA PETROLEUM SVCS PLC	21,825,000	0.73
18.	REVELINS LISA	21,605,970	0.72
19.	SEET PI ANG	20,000,000	0.67
20.	AUSSIE HOMES QLD PL	18,644,301	0.62
		1,133,964,059	37.83

	Optionholders	Number	Listed Options %
1.	DARONTACK PL	101,062,541	6.46
2.	QUEENSLAND M M PL	100,773,684	6.44
3.	ACTIONETTE PL	76,218,750	4.87
4.	CHIFLEY PORTFOLIOS PL	57,500,000	3.67
5.	QUEENSLAND MARKETING MGNT	56,785,700	3.63
6.	JAMES MICHAEL DAVID	51,750,000	3.31
7.	LSAF HLDGS PL	50,000,000	3.19
8.	ELINORA INV PL	44,280,600	2.83
9.	FROST BRYAN	40,911,300	2.61
10.	ANDERSON LUKE CHARLES	40,800,000	2.61
11.	RAH STC PL	38,296,494	2.45
12.	JACOBS CORP PL	30,409,254	1.94
13.	PROKSA PETER ANDREW	26,700,000	1.71
14.	LAMPAM PL	26,250,000	1.68
15.	ELLIOTT HLDGS PL	25,000,000	1.60
16.	EDMONDSON FIONNUALA C	25,000,000	1.60
17.	BURFORD MATTHEW DAVID	24,236,728	1.55
18.	DARWELL HUGH	23,080,555	1.47
19.	NEFCO NOM PL	18,750,000	1.20
20.	THOMSON T + B H T C S	17,635,500	1.13
		875,441,106	**55.95**

UNQUOTED EQUITY SECURITIES HOLDINGS GREATER THAN 20%

Nil

SUBSTANTIAL SHAREHOLDERS

The names of Substantial Shareholders who have notified the Economic Entity in accordance with Section 671B of the Corporations Act. are:

- Queensland Marketing Management Pty Ltd: 291,580,282.

SHAREHOLDER ENQUIRIES

Shareholders with enquiries about their shareholdings should contact the Share Registry:

Security Transfer Registrars
770 Canning Highway
Applecross, Western Australia 6153

Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

CHANGE OF ADDRESS, CHANGE OF NAME, CONSOLIDATION OF SHAREHOLDINGS

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes.

REMOVAL FROM THE ANNUAL REPORT MAILING LIST

Shareholders who wish to receive a hard copy of the Annual Financial Report should advise the Share Registry or the Company in writing. Alternatively, an electronic copy of the Annual Financial Report is available from www.asx.com.au or www.miningprojectsgroup.com.au. All shareholders will continue to receive all other shareholder information.

TAX FILE NUMBERS

It is important that Australian resident shareholders, including children, have their tax file number or exemption details noted by the Share Registry.

CHESS (CLEARING HOUSE ELECTRONIC SUBREGISTER SYSTEM)

Shareholders wishing to move to uncertificated holdings under the Australian Stock Exchange CHESS system should contact their stockbroker.

UNCERTIFICATED SHARE REGISTER

Shareholding statements are issued at the end of each month that there is a transaction that alters the balance of your holding.

Corporate Directory

DIRECTORS
Mr Bryan Frost - Executive Chairman
Mr Richard Revelins - Executive Director
James Babbage - Independent Non-executive Director

COMPANY SECRETARY
Mr Richard Revelins

AUDITORS
PKF Chartered Accountants
Level 14, 140 William Street
Melbourne Victoria 3000

COMPANY
Mining Projects Group Limited
ABN 84 006 189 331

BANKERS
National Australia Bank
Melbourne, Victoria

REGISTERED OFFICE
Suite 2, 1233 High Street
Armadale, Victoria, 3143

SOLICITORS
Quinert Rodda & Associates
Level 19, 500 Collins Street
Melbourne, Victoria, 3000

SHARE REGISTRY
Security Transfer Registrars
770 Canning Highway
Applecross, Western Australia, 6153

Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

SECURITIES QUOTED
Australian Securities Exchange

ASX Code: MPJ Shares
MPJOA Options expiring 6/07/2014 exercisable@$0.002

WEBSITE
www.miningprojectsgroup.com.au

MINING
PROJECTS GROUP

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MINING PROJECTS GROUP LIMITED ANNUAL REPORT 2009

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