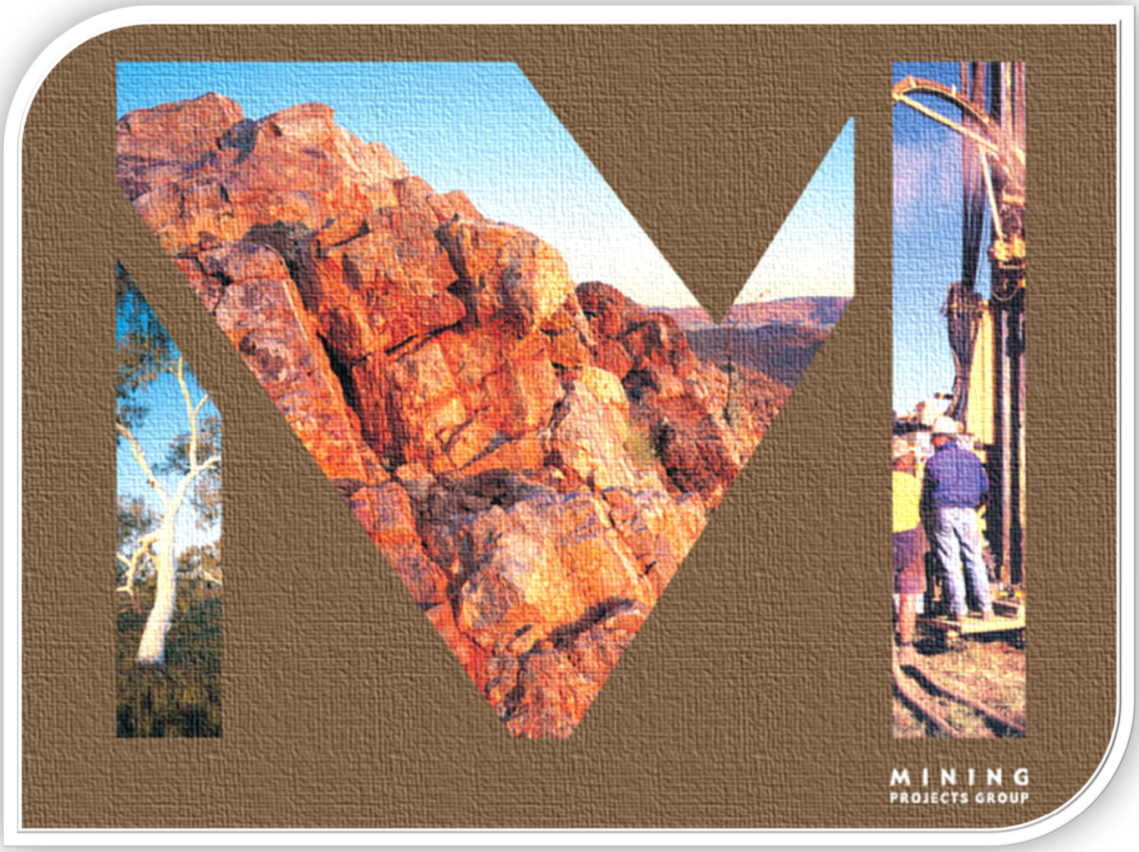
MINING PROJECTS GROUP LIMITED

ABN 84 006 189 331



ANNUAL REPORT 2013

Contents

Chairman's Letter

Dear Shareholder,

The 2012/13 financial year has proven to be a year of transition for Mining Projects Group Limited ("MPJ" or "the Company"). During the year the board made a strategic decision to establish exposure to further commodities outside the prospective coal leases it has secured in the Esk Basin, Queensland. This decision led to the Company entering into two transactions which delivered exposure to exploration ground prospective for nickel sulphide mineralisation in the Kambalda and Fraser Range regions of Western Australia. These two transactions have led to the direction of the Company being re-positioned and its focus to becoming an established Nickel explorer.

The two transactions initially entered into by MPJ were a Joint Venture ("JV") agreement to earn 75% of the prospective Roe Hills Nickel Project ("Roe Hills") as well as a JV agreement to obtain 70% of its Fraser Range tenements. Roe Hills possesses a 40km belt of highly strained greenstones and will form the initial focus over the coming 12 months. At Roe Hills there is evidence of a Kambalda style Komatiite belt with significant nickel mineralisation occurring within the ultramafic rock types and three priority prospects with multiple exploration targets identified.

On 14 May 2013, MPJ announced it had successfully renegotiated the Roe Hills JV to take 100% ownership of Roe Hills as well as Mt Barrett Gold Project for $200,000. The board recognises this transaction as a significant commercial windfall for the Company. The renegotiation removed an $800,000 funding commitment under the terms of the JV for the first 12 months as well as responsibility to solely funding Roe Hills through to a Bankable Feasibility Study only to earn 75% of the project. Now MPJ has 100% for $200,000. In addition MPJ loaned the vendor of both projects, Oroya Mining Limited ("Oroya") a further $50,000 which was repaid against a selective buy-back of the 50 million MPJ shares Oroya held as part of the original JV agreement.

The second agreement was completed on 10 September 2013, whereby MPJ entered into a JV agreement to obtain 70% of three granted tenements in the Fraser Range. These tenements were initially secured under an option agreement in late 2012. Initial desktop reviews undertaken by Bill Amann at Nexeco Pty Ltd interpreted a prominent bull's-eye intrusion which sits approximately 50kms west of the Nova discovery. Whilst this interpretation does not guarantee a discovery it did provide the impetus to move forward with the agreement. The board felt this prospect provided a strong project to add to the Company's nickel portfolio and support the Company's ambition to become an established nickel explorer.

In addition to the aforementioned projects, the Company intends to expand its coal focused tenement footprint in the Esk Basin, Queensland. The board believes there is significant value to unlock at Delcarmen and continues to engage with several Asia based investors as to ways it can be expanded and ultimately developed. It is the Company's goal to build a tenement portfolio over the Esk Basin and establish a number of 50 to 100 million tonne semi-soft coking coal deposits.

In repositioning the primary direction of the Company, the board also agreed it was an appropriate time to introduce a new board to execute this strategy and to take the Company forward for shareholders. At this point I would like to thank Richard Revelins, Jim Babbage and Philip Hains for their efforts over the years. The new team will be led by Mr Joshua Wellisch as Managing Director and ably supported by Mr Angus Edgar and Mr Dehong Yu who each possess key skills to oversee the development of both the Company's Nickel and Coal assets. The board and executive team will be developed overtime but the core competencies of the new board leave the Company in safe hands.

On behalf of the board and as the exiting Chairman I wish to thank shareholders for their ongoing support and patience and look forward to Joshua and the new team taking MPJ towards a prosperous future.

Yours faithfully,

Bryan Frost
Chairman
Mining Projects Group Limited

Review of Operations

The past 12 months for Mining Projects Group Limited (ASX : MPJ) ("MPJ" or "the Company") has been a period of transition both in focus and team. During the reporting period MPJ secured two nickel focused and one gold focused exploration projects located in Western Australia; the Roe Hills Nickel Project in the Kamblada region and the Balladonia Nickel Project located in the Fraser Range region as well as the Mt Barrett Gold Project. Both nickel project areas are prospective for nickel sulphide mineralisation. It is the Company's intention to establish itself as a focused nickel explorer in both the Kambalda and Fraser Range nickel regions.

MPJ also continued to undertake desktop work on its Delcarmen Coal Project in Queensland with a focus on creating a stronger regional presence. This strategy is supported by the Company's new substantial shareholder.

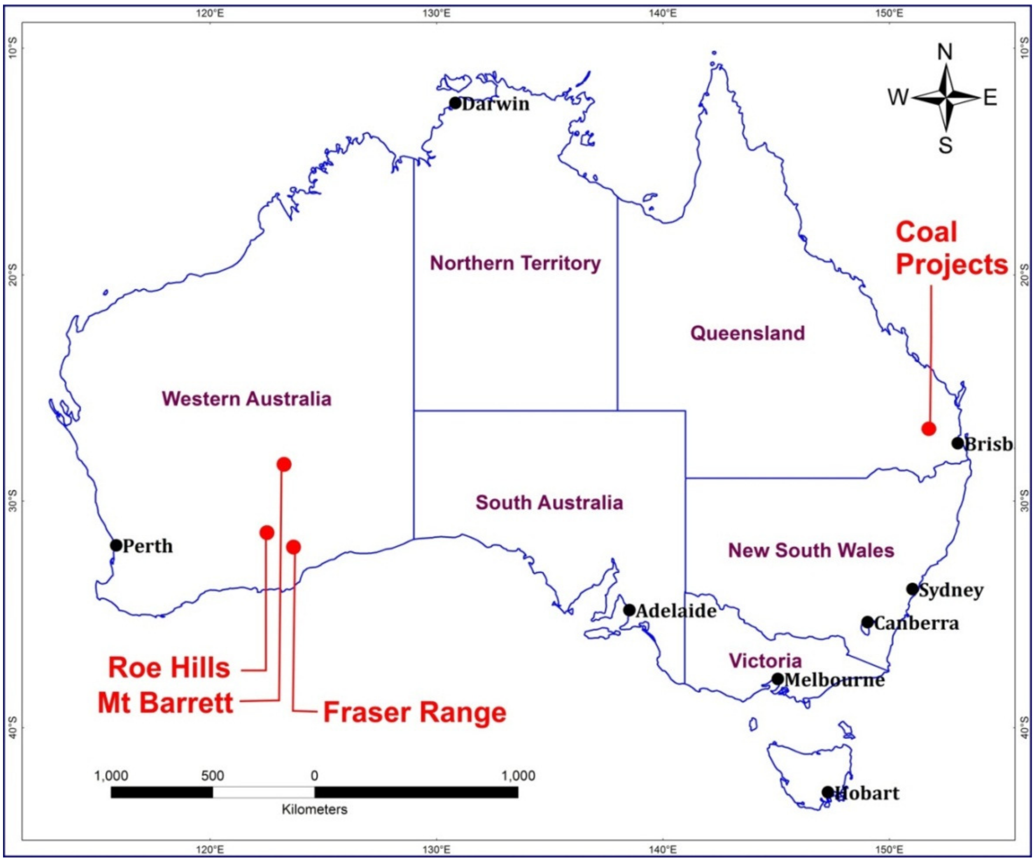


Figure 1. Project location map

Nickel Projects

Roe Hills Nickel Project – Western Australia (100%)

Roe Hills is a 40km strike length of highly strained greenstone belt located in Western Australia's Kambalda nickel region which combined with the Company's Fraser Range tenements provides the Company with a strong nickel focused tenement portfolio.

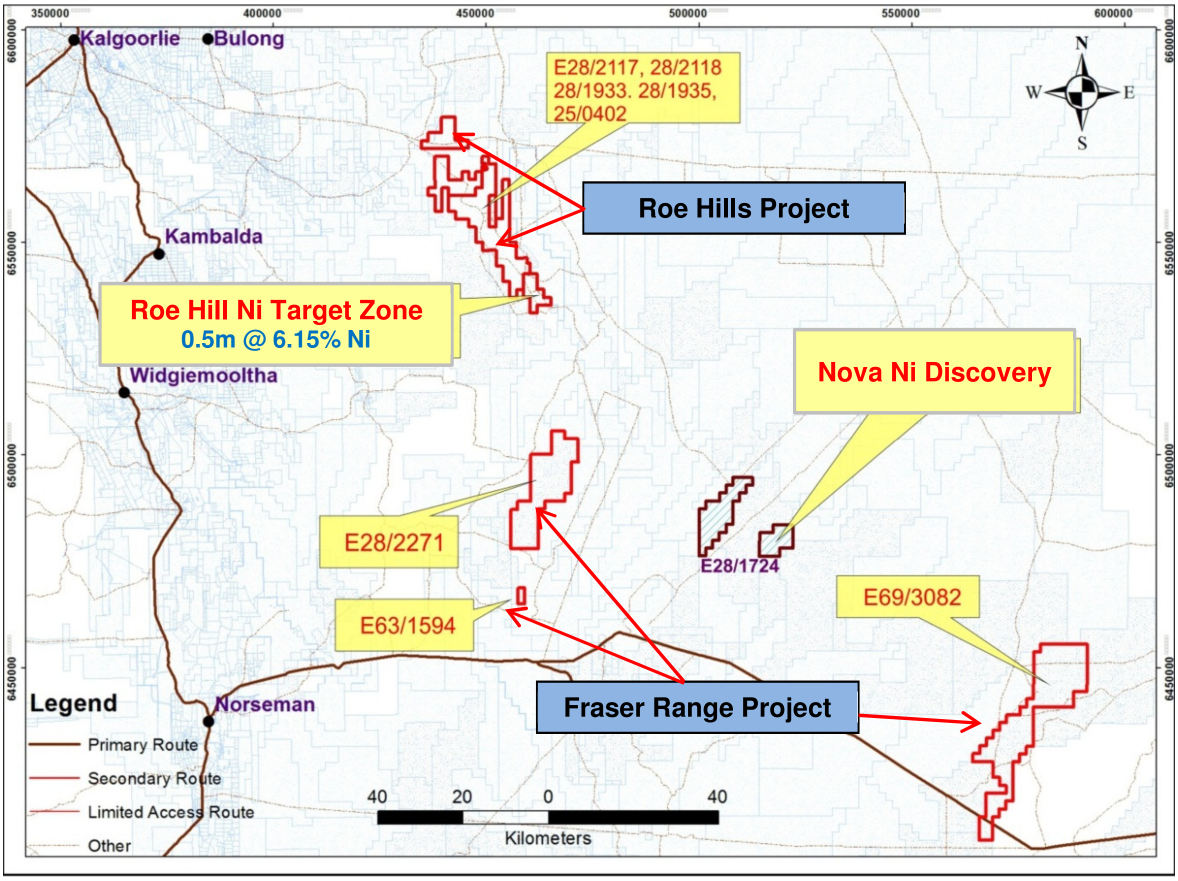


Figure 2. Roe Hill and Fraser Range tenement locations

The Company completed an extensive review of historical data held for Roe Hills, announced on 25 July 2013, which confirmed strong evidence of a Kambalda style Komatiite belt with significant nickel mineralisation occurring within the ultramafic rock types. Three priority prospects with multiple exploration targets have been identified, each highly prospective for massive nickel sulphide mineralisation. In addition gold anomalism was confirmed as prospective. Follow up drill programs will be completed at each target.

During deposition of the ultramafic Komatiites, separation of the olivine rich rocks occurred, which allowed the Company's independent consultant HGS to identify lithologies (cumulates) potentially containing nickel sulphide as well as the basal contact on which the nickel sulphides rest. The 3D analysis highlighted the three aforementioned target zones identified as; Talc Lake, Roe 1 & Roe 2 (see Figure 3).

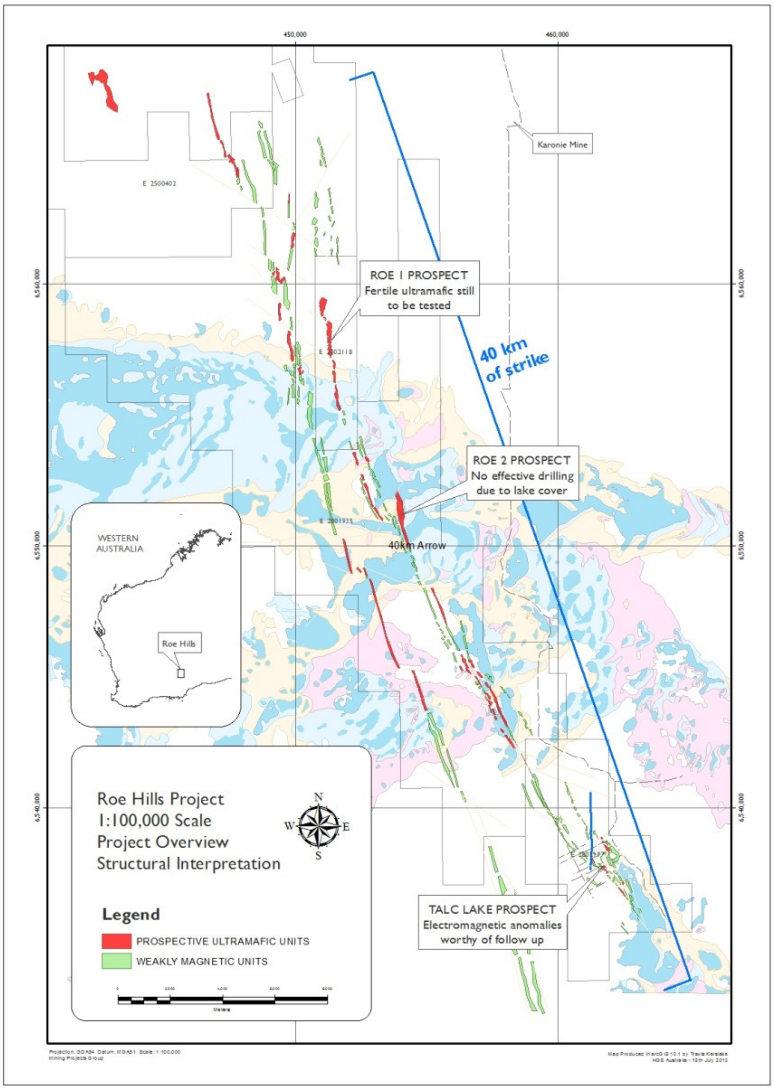


Figure 3. Targets and planned drilling suggested for the Roe Hills project.

Talc Lake Prospect

The Talc Lake Prospect is located at the southern edge of the Roe Hills project on E28/2117 and is considered the most prospective target. Historical drilling for nickel sulphide mineralisation in the area has defined three prospective ultramafic flows, analogous in style to that seen at Kambalda. Strong encouragement to continue exploration at depth and along strike is based on historic drilling results which include:

- 0.5m at 6.15% from 155.5m in RC drill hole ROE 114;
- 1.9m @1.65% Ni from 131.55m;
- 0.15m @1.33% Ni from 222.75m; and
- 0.3m @1.46% Ni from 182.8m.

The majority of drilling activity was focused on one isolated area surrounding ROE 114 (see figure 4), yet the optimal targets remain along strike both to the north and south and down dip of this area.

A follow up drill program will focus on the two failings of the historical exploration completed at Roe Hills; the lack of holes that penetrate the prospective ultramafic basal contact at depth and the concentration of work in one isolated area surrounding ROE 114. As part of the drill program a XRF analysis of the drill samples and downhole electromagnetics will be conducted at the drill rig to establish any immediate vectors towards more prospective areas based on the information collected.

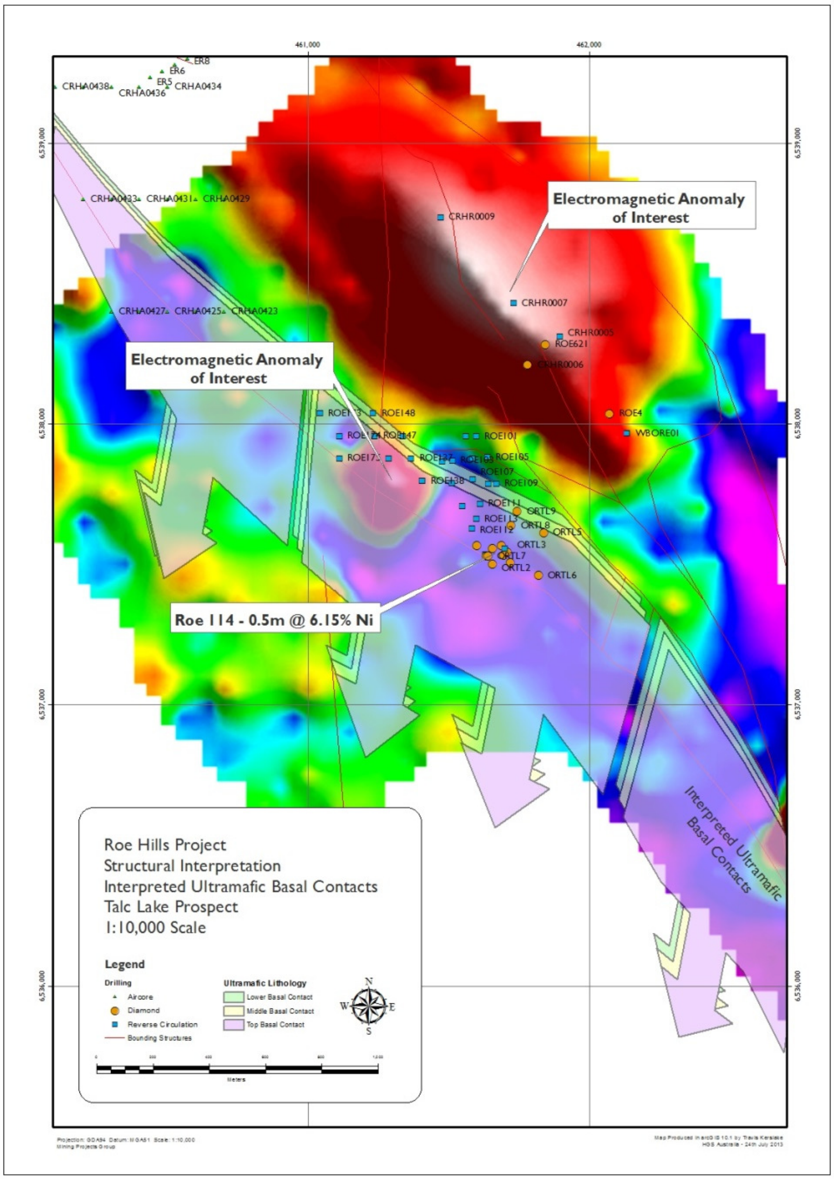


Figure 4. Talc Lake Prospect showing ultramafic outline and trend, and electromagnetic anomalies of interest. The translucent overlay highlights the extensive ultramafic sequence with three defined flows down dipping to the south-east which remains substantially untested.

Post Balance Date

On 24 September 2013, MPJ announced assays had been returned from a program in which it re-cut drill core from a 2011 diamond drill program undertaken at the Talc Lake Prospect. The historic program consisted of five diamond holes and focused around the historical WMC drill result of 0.5m @ 6.15% Ni (Figure 4).

Significant results are as follows:

- ORTL5: 145m @ 0.2%Ni and 27.5%MgO from 62m
- ORTL6: 41m @ 0.21%Ni and 29.5%MgO from 62m
- ORTL6: 48m @ 0.19%Ni and 27.3%MgO from 141.5m
- ORTL7: 73m @ 0.26%Ni and 29%MgO from 155m, including 1m @ 1%Ni from 214m
- ORTL8: 90m @ 0.2%Ni and 27%MgO from 69m
- ORTL9: 101m @ 0.18%Ni and 27%MgO from 2m, including 2m @ 0.6%Ni from 80m

The results indicate the ultramafic komatiite unit is thick and fertile with relatively consistent background nickel grades and MgO grades indicative of the upper and central cumulative units of a komatiite flow. The results surround the targeted olivine-rich adcumulate (dunite) lower sequence containing the high MgO grades and potentially massive nickel sulphides.

Recent geophysical modelling by Newexco regarding the down-hole electromagnetics (DHEM) conducted in diamond hole ORTL9 has confirmed the identification of a 800m x 200m conductor approximately 100m from the base of the drill hole. The interpretation suggests ORTL9 needs to be extended approximately 100 m in order to intersect the conductor.

MPJ is planning to commence additional drilling with the initial aim of extending hole ORTL9 to intersect the conductor and, depending on the portable XRF results, extend ORTL8. This is a recommended precursor to a substantial drilling program across the entire 40km strike at the Roe Hills project.

MPJ had submitted a programme of works (POW) and received approval from the Department of Mines and Petroleum (DMP) for drilling within the Talc Lake Prospect. MPJ will notify shareholders on the start date of drilling anticipated to commence before the end of October.

Roe 1 & 2 Prospects

The Roe 1 & 2 Prospects encompass highly magnetic ultramafic units terminating due to faulting or thrusting. The geological logging, analysis of the magnesium content, background nickel levels and magnetic interpretation of the area suggest thick portions of fertile ultramafic suitable for hosting economic deposits of massive nickel sulphides.

At the Roe 1 Prospect a diamond hole (ROE 2) intersected the ultramafic rocks returned 10.6m @ 0.39% Ni at the end of the hole (141.4m). Prospective areas of ultramafic lithology remain untested at depth and to the south. In addition to the nickel sulphide prospectivity, gold anomalism has also been highlighted to the west.

At the Roe 2 Prospect drilling has not been conducted on the ultramafic unit in this area due to the salt lake system covering the region. A program to drill a number of holes from a smaller number of common pads to test the target and define the basal contact will be undertaken.

Gold Prospectivity

A follow up program is required to determine the prospectivity of mesothermal lode gold mineralisation at Roe Hills. Historic drill holes intercepts, which have intersected gold regolith anomalism, include:

- ROE 100: 2m @2.7g/t Au from 44m
- ROE 114: 2m @2.6g/t Au from 132m
- ROE 147: 24m @1.01g/t* Au from 144m (to end of hole) *Including 2m @11g/T Au
- ROE 247: 5m @13.7g/t Au from 48m (to end of hole)

Next Steps

MPJ engaged Bill Amann from Newexco Services Pty Ltd ("Newexco") to review previous electromagnetic surveying conducted at Roe Hills, with both fixed and moving loop surveys at surface together with downhole electromagnetics on seven historic holes. Newexco successfully interpreted electromagnetics for massive nickel sulphides and then designed exploration programs which led to the recent discoveries at Spotted Quoll and Nova. Once this review is completed drilling programs for Roe Hills will be finalised and contractors engaged.

Balladonia Nickel Project, Fraser Range - Western Australia (100%)

MPJ renegotiated and executed a joint venture agreement ("JV") with Epi Energy Pty Ltd ("EPI"), announced 10 September 2013, to obtain a 70% interest in three granted exploration leases located in the Fraser Range, Western Australia (see figure 5). These leases originally formed the basis of an option agreement which MPJ entered into and announced on 5 November 212.

MPJ will receive a 70% interest in the project once ministerial consent has been received by EPI and transfer of the leases completed. The exploration leases E28/2271, E63/1594 and E69/3082, cover approximately 566km^2 in this highly prospective nickel-copper and gold province in Fraser Range, Western Australia.

Terms of JV

MPJ will obtain a 70% interest in all three granted EPI tenements on the following basis;

- A cash payment of $50,000 to EPI on formation of the JV (completed);
- 20 million MPJ fully paid shares and 15 million 1 cent options expiry date 30 December 2017 were issued also on the formation of the JV. EPI agreed to enter into a voluntary 12 months escrow period on the shares (completed);
- A deferred cash payment of $200,000 payable prior to the 15 November 2013. MPJ has a 12 month period to pay the deferred cash payment but will incur an interest charge of 6% pa from 15 November 2013 until the amount is paid in full; and
- EPI will maintain a 30% free carry interest through to the stage of Bankable Feasibility Study and in the event of termination by either party, each will retain a 50% interest.

Background

Prior to entering into this JV agreement EPI engaged geophysicist Bill Amann from Newxeco Pty Ltd to review and provide an interpretation of the regional geophysical data available on EL69/3082. The review assessed information in the public domain including aeromagnetic images, gravity images, Google Earth images and a GSWA geology plan at 1:125,000. Interpretations suggest the tenement area has been intruded by a series of granites which are circular to ellipsoidal in shape and contain highly magnetic intrusive material possibly mafic to ultramafic.

The most prominent intrusion identified has been interpreted by Newexco as a significant bull's-eye target and is approximately 50kms to the west of the recent Nova discovery. Whilst this independent interpretation is based on limited low resolution data, it does not provide any certainty towards delineating a resource, but displayed the geological potential to host mineralisation. This formed the basis for MPJ's decision to move forward with the JV and commit to an exploration program to investigate the mineralisation within this tenement area.

Newexco has defined reversely polarised east west linear magnetic features interpreted to be dolerite dykes commonly found in the Proterozoic. The entire region is dominated by a north east fabric with strong cross cutting features interpreted to be structurally controlled. The interpreted mafic/ultramafic intrusions are at the intersection of several of these structures and the Company believes warrants an early stage investigation to test its potential.

Next Steps

Recent nickel discoveries have been made in the Fraser Range through drilling programs following up on prospective targets identified from extensive geophysics and soil geochemistry. This will be the process used for identifying prospective drilling targets within these exploration leases in the near future.

MPJ looks forward to advising shareholders when the programs begin.

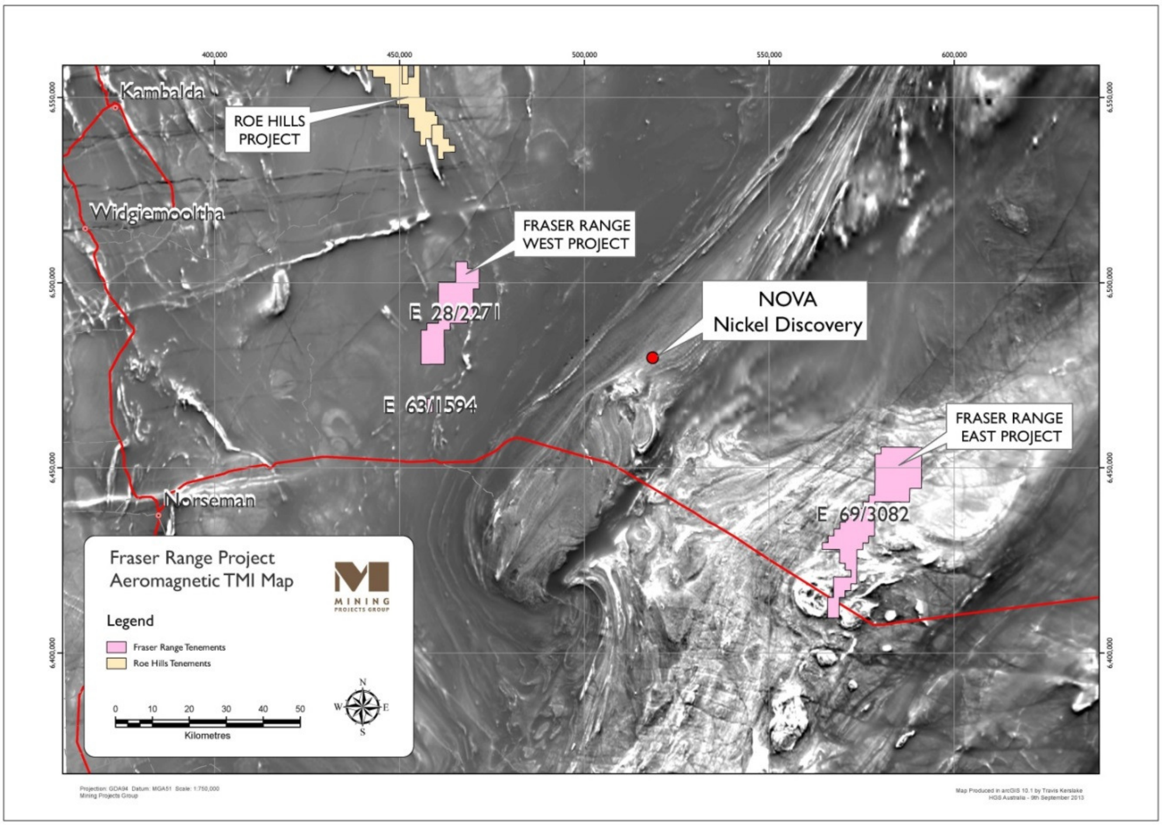


Figure 5. Fraser Range regional magnetics

Mt Barrett Gold Project, Lake Wells – Western Australia (100%)

The Mt Barrett Project is located in the Lake Wells Region on a highly prospective and relatively unexplored greenstone belt. Recent drilling on the immediately adjacent tenement (Goldphyre Limited's - Axford Prospect) returned several high grade gold intercepts. Gold Road Limited has discovered significant resources on the belt to the south of Oroya's tenement, and the Tropicana gold deposit containing over 7.8 million tonnes of gold is under development by AngloGold Ashanti and Independence Group.

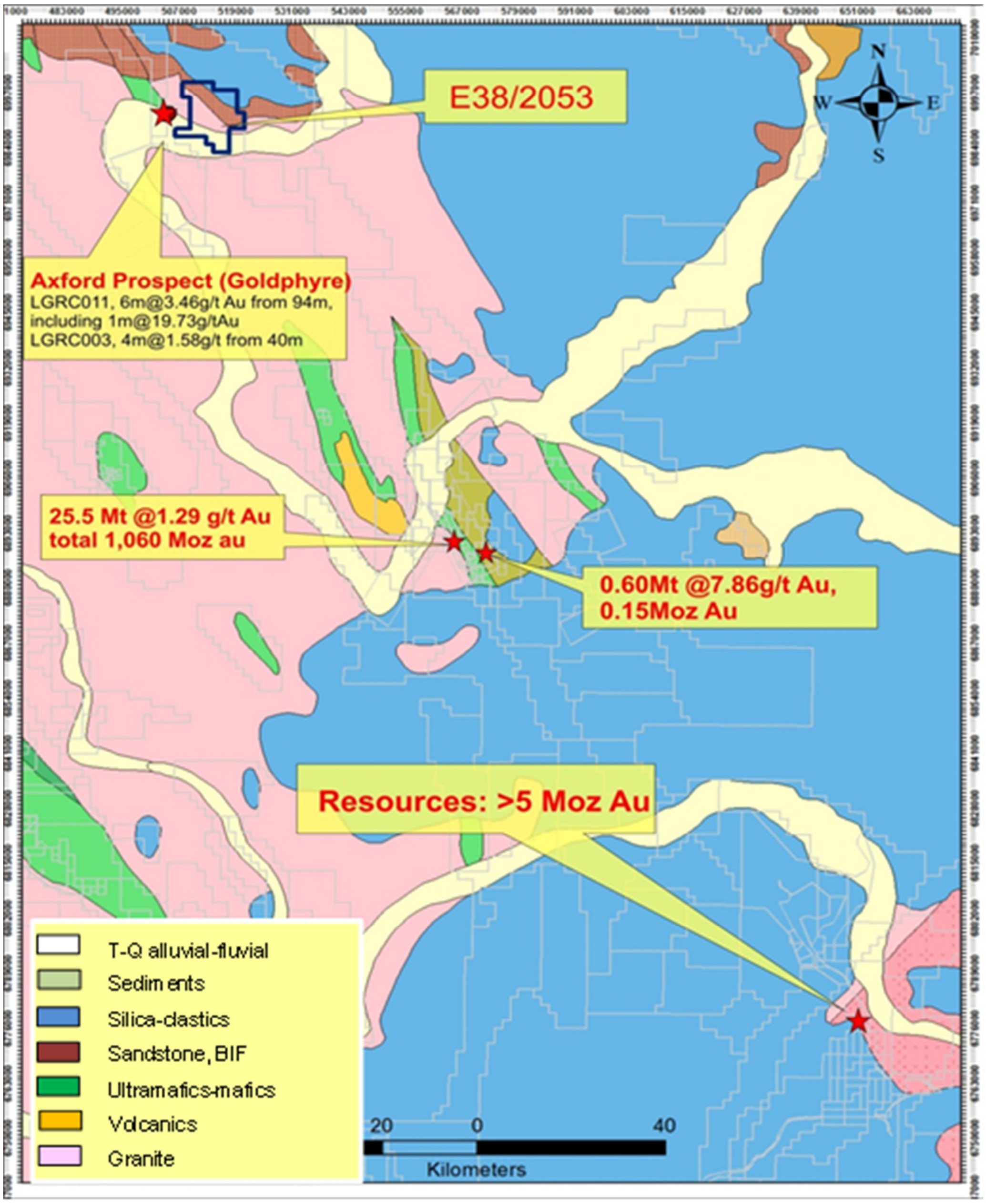


Figure 6. Mt Barrett Regional geology

Delcarmen Project, Coal – Murgon, Queensland (Owned 100%)

Delcarmen holds two prospective EPCs north and east of Kingaroy, Queensland, which are located approximately 170kms west of Brisbane and cover a combined area of 1,030 km^2 in which to target the Esk Basin. Historical rail infrastructure exists within the Delcarmen tenements, several major deposits sit in close proximity and 85kms south within the Tarong Basin lies the major Meandu mine and the Tarong and Tarong North Power stations. These were the primary factors that initially attracted MPJ to the EPC's. It is MPJ's intention to assess available options to expand its footprint within the Esk Basin.

During the year MPJ successfully renegotiated the acquisition cost on the second EPC, EPC 2528, as it has yet to be approved. Under the terms of the original Share Sale Agreement the Delcarmen vendors were to receive 12.5 million ordinary MPJ shares and $200,000 in cash upon the grant of EPC 2528 occurring within 12 months of completion of the Company's acquisition of Delcarmen ("the EPC 2528 Consideration"). The parties varied consideration terms on the following basis;

- On 6 August 2014 ("End Date") MPJ will (a) issue the Delcarmen vendors with 12.5 million ordinary MPJ shares; and (b) will (at MPJ's election) either pay the Delcarmen vendors $200,000 in cash or issue the Delcarmen vendors with ordinary MPJ shares with a value equal to $200,000 (calculated on the basis of a 30-day VWAP).
- The obligation to issue shares and/or pay cash is subject to, and conditional upon, the Company receiving confirmation (to its satisfaction) that EPC 2528 has been granted prior to the End Date.
- If prior to End Date the Company announces a transaction involving the sale or disposal of EPC 2528 to an entity listed on the ASX (or any comparative recognised exchange), as a substitute to the payments referred to above, it may (at its election) satisfy the obligation to pay the EPC 2528 Consideration by procuring an issue of shares in the entity purchasing EPC 2528 which shares shall have a value equal to the aggregate of: (a) the value of 12.5 million MPJ shares; and (b) an additional $200,000 of the purchasing entity's ordinary shares.

The board was pleased with the outcome of this renegotiation as it has deferred the Company's financial obligation for a further 12 months. MPJ now has the option to settle the $200,000 cash component via the issue of securities or cash. This further secures the Company's capital reserves and was a pleasing outcome given the challenges in capital markets being experienced by junior explorers.

An independent geological report assessing the prospectivity of Delcarmen, announced 30 January 2013, established an exploration target range of between 30 and 140 million tonnes of which up to 60 million tonnes has been identified as potentially semi soft coking coal. The report identified the project area as demonstrating potential for coal deposits of potentially high energy thermal or a semi-soft coking coal product, located within the Triassic-age Esk and Gayndah Formations, and suggests previous exploration 35 years ago was neither extensive nor intensive enough to confirm the existence of economic coal and further exploration is warranted. The tenures underlie formations in the Triassic Esk Basin or Esk Trough and the Tarong Basin. The prospective coal-bearing units, in descending stratigraphic order, are the:

- Main Range Volcanics (lignite);
- Tarong Beds;
- Gayndah Formation; and
- Esk Formation.

Based on exploration drilling conducted by New Hope Collieries and Mobil Energy, and coal intersections encountered in registered water bores, exploration targets for the three main coal target formations have been calculated using conservative values for coal thickness and density.

Predictions about coal quality have been based on historical analysis, however a drilling program following the outcrop of the north-west-trending Esk Formation has been recommended. An initial exploration plan will be based on rotary chip holes, followed by down-hole logging using the standard geophysical tools: density, gamma, sonic and caliper. This information will allow the correlation of the seams, the precise thickness of the coal seams, and can indicate the relative quality of the coal seams. A total of seventeen holes have been recommended with three holes in the southwest corner of the EPC, designed to contribute to a possible

Inferred Resource tonnage after databasing and modelling. Several holes are planned in the northeast of the EPC to establish coal intersections recorded in registered water bores.

The board has received a number of inquiries from strategic parties interested in playing a role in the development of Delcarmen. The Company is assessing, with the support of key new shareholders, expanding its footprint within the basin.

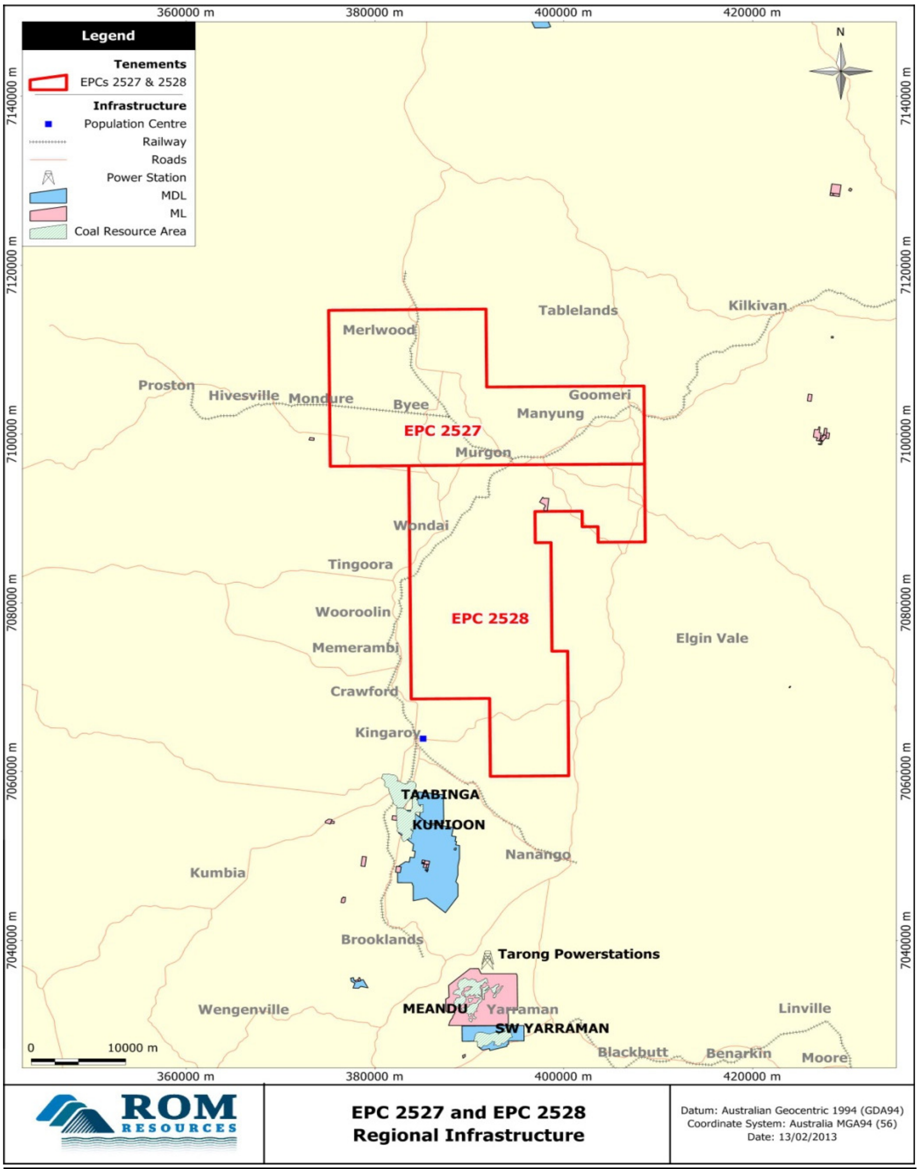


Figure 6. Delcarmen project location

Board Appointments

Over the past financial year the MPJ Board has been entirely restructured. As part of the transaction with Oroya Mining Limited which initially saw MPJ execute a joint venture agreement for the Roe Hills Nickel Project, MPJ welcomed to the board Messrs Joshua Wellisch and Angus Edgar.

As part of the Oroya transaction the Company also undertook a $1.6 million capital raising through which Redcliffe Coal Project Pty Ltd (Red Coal) invested to become a 19.99% shareholder in the Company. As such the board of MPJ welcomed Mr Dehong Yu as a Non-Executive Director to the Company's as its representative. Mr Yu is a business development executive with over 20 years' experience in international trade relations. He is a Chinese national and has been a resident of Australia since the late 1980's. Mr Yu was formally recognised by the Chinese community for his significant commercial achievements within Australia in 2008. He established his business operation in Australia within property development and expanded into Mining Exploration to utilise his extensive network of Chinese investors.

During the same period the board of MPJ accepted the resignations of Messrs Revelins, Babbage and Hains and gave them thanks for their contributions to the Company and wished them well for their future endeavours.

Effective 30 September 2013 Mr Bryan Frost will resign from the board and Chairman of the Company. As the Company has now been set in a new direction with a new team at the helm he felt it was the appropriate time to stand down and allow them to get on with the job at hand. As yet the appointment of a new Chairman has not been confirmed.

Directors' Report

The Board of Directors of Mining Projects Group Limited and its subsidiaries ('the Consolidated Entity') present their report for the year ended 30 June 2013.

Directors

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

Mr Joshua Wellisch	Managing Director
First appointed to the Board	28 March 2013
Experience	Mr Wellisch is a corporate professional and company director whose career has included acquisition and management of mineral geological projects in the energy and minerals sector. Mr Wellisch has held several private and public board positions in various capacities over the past 8 years. He has a breadth of experience in capital raisings, corporate structuring and public company transactions predominantly in the mining and exploration sector.
Qualification	Bachelor of Science in Information Technology and Post Graduate Diploma in Project Management.
Interest in shares and options[1]	60,000,000 options over ordinary shares.
Directorships held in other listed entities	Oroya Mining Limited
Directorships in unlisted entities	Nil

Mr Angus Edgar	Non-Executive Director
First appointed to the Board	28 March 2013
Experience	Mr Edgar has over 25 years' experience in the finance and stockbroking industry. He has been directly involved with providing corporate advisory and fund raising services to private and Australian Securities Exchange listed companies via Melbourne Capital Limited, where he has been a director for 13 years.
Interest in shares and options[1]	47,000,000 ordinary shares and 44,500,000 options over ordinary shares.
Directorships held in other listed entities	Transol Corporation Limited Regal Resources Limited
Directorships in unlisted entities	Melbourne Capital Limited

Mr Dehong Yu	Non-Executive Director
First appointed to the Board	15 July 2013
Experience	Mr Yu is a business development executive with over 20 years' experience in international trade relations. He established his business operation in Australia within property development and expanded into mining exploration utilizing his extensive network of Chinese investors. He brings to the Board his experience in mining exploration investment and access to his network of investors.
Interest in shares and options[1]	110,000,000 ordinary shares and 55,000,000 options over ordinary shares.
Directorships held in other listed entities	Nil
Directorships in unlisted entities	Nil

[1] The relevant interests of each Director in shares and options as at the date of this report.

Mr Bryan Frost	Executive Chairman
First appointed to the Board	1991
Resigned from the Board	Resignation received 16 September 2013 to take effect as of 30 September 2013
Directorships held in other listed entities	Nil
Mr Richard Revelins	**Executive Director & Company Secretary**
First appointed to the Board	1991
Resigned from the Board	28 March 2013
Directorships held in other listed entities	Prana Biotechnology Limited – Company Secretary (current)
Mr James Babbage	**Independent Non-Executive Director**
First appointed to the Board	1991
Resigned from the Board	28 March 2013
Directorships held in other listed entities	Nil
Mr Phillip Hains	**Executive Director**
First appointed to the Board	2012
Resigned from the Board	28 March 2013
Directorships held in other listed entities	BKM Management Limited (current) West Wits Mining Limited (resigned 3 May 2013)

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

Company Secretary

Mr Phillip Hains, a Chartered Accountant with a Masters in Business Administration and a Public Practice Certificate from the Institute of Public Accountants, held the position of Company Secretary throughout the financial year.

Principal Activity

The principal activity of the Consolidated Entity during the financial year was resource exploration and investment.

There have been no significant changes in the nature of those principal activities during the financial year not disclosed elsewhere in the Annual Report.

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 2013 financial year.

Earnings per Share

Basic loss per share: 1.57 cents (2012: 2.90 cents)

Significant Changes in State of Affairs

On the 13 June 2013 the Consolidated Entity disposed of Raptor Minerals Pty Ltd, a subsidiary of Mining Projects Group Limited and on the 30 June 2013 the Consolidated Entity sold AMN Nominees Pty Ltd, a subsidiary of Mining Projects Group Limited. The combined transactions resulted in a loss of $200,641.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters Subsequent to the Reporting Period

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

15 July 2013	-	The Company announced the appointment of Mr Dehong Yu, a major shareholder representative, to the Board
6 August 2013	-	The Company announced a variation to the sale agreement with Delcarmen Energy for the granting of tenement EPC 2528.
21 August 2013	-	The Company announced that it has completed the selective buy-back of shares from Oroya Mining Limited.
10 September 2013	-	The Company announced execution of the Joint Venture Agreement with Epi Energy Pty Ltd
24 September 2013	-	The Company announced plans to commence drilling at Talc Lake Prospect, a recommended precursor to substantial drilling program across the Roe Hills Project

Other than the matters listed above, no other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Consolidated Entity, the result of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

Likely Developments and Expected Results of Operations

The likely developments in the Consolidated 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 Consolidated Entity. Accordingly, this information has not been included in this Report.

Review and Results of Operations

The Consolidated Entity's net loss after income tax for the financial year was $5,263,314 (2012: $2,971,131). The Review of Operations provides further details regarding the progress made by the Consolidated Entity since the prior financial year, which has contributed to its results for the year.

Environmental Issues

The Consolidated Entity holds participating interests in a number of exploration licences. The various authorities granting such licences require 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 Consolidated Entity's licence conditions.

Meetings of Directors

During the financial year, 13 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		Remuneration	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr Bryan Frost	8	8	1	1	-	-
Mr Joshua Wellisch[1]	3	3	-	-	-	-
Mr Angus Edgar[1]	3	3	1	1	-	-
Mr Richard Revelins[2]	5	6	-	-	-	-
Mr James Babbage[2]	5	6	4	5	-	-
Mr Phillip Hains[3]	7	7	5	5	-	-

1 Appointed 28th March 2013
2 Resigned 28th March 2013
3 Resigned as a Director 28th March 2013

The Remuneration Committee has not formally met within the last 12 months, all Remuneration Committee matters are addressed by the Board during Directors' Meetings.

Indemnification and Insurance of Directors and other Officers

The Consolidated 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 Consolidated Entity or a related body corporate:

(a) indemnified or made a 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:

ASX Code	Number under option	Date of Expiry	Exercise Price
MPJOA	41,299,175	6 July 2014	$0.100
MPJOB	105,282,868	30 November 2014	$0.015
MPJO	204,300,000	30 June 2016	$0.010
MPJAI	400,000	5 October 2015	$0.100
MPJAI	500,000	5 October 2015	$0.250
MPJAI	500,000	5 October 2015	$0.500
MPJAK	63,686	28 February 2014	$0.030
MPJAO	20,000,000	21 August 2017	$0.010
MPJAO	20,000,000	21 August 2017	$0.020
MPJAO	20,000,000	21 August 2017	$0.025
MPJAQ	15,000,000	30 December 2017	$0.01

Option holders 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 2013, the following ordinary shares were issued as a result of the exercise of options:

ASX Code	Exercise Date	Exercise Price	Number of Shares Issued
MPJOB	9/11/2012	$0.015	6,308
MPJO	5/03/2013	$0.02	43,686

No amounts are unpaid on any of the shares.

Proceedings on Behalf of the Consolidated 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 Consolidated Entity, or to intervene in any proceedings to which the Consolidated Entity is a party, for the purpose of taking responsibility on behalf of the Consolidated Entity for all or part of those proceedings.

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

Non-Audit Services

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.

No fees for non-audit services were paid or payable to the external auditor of the Parent Entity during the year ended 30 June 2013.

Auditor's Independence Declaration

The lead Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, for the year ended 30 June 2013 has been received and can be found in the section titled 'Auditor's Independence Declaration' within this Annual Report.

Corporate Governance

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

Remuneration Report (Audited)

The information provided under Sections A to D includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures.

The information in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This report details the nature and amount of remuneration for each Director and Key Management Personnel of the Consolidated Entity.

The Directors and Key Management Personnel of the Consolidated Entity during the year were:

Mr Joshua Wellisch	Managing Director	(Appointed 28th March 2013)
Mr Angus Edgar	Non-Executive Director	(Appointed 28th March 2013)
Mr Bryan Frost	Executive Chairman	(Resigned effective 30 September 2013)
Mr Richard Revelins	Executive Director and Company Secretary	(Resigned 28th March 2013)
Mr James Babbage	Independent Non-Executive Director	(Resigned 28th March 2013)
Mr Phillip Hains	Executive Director and Company Secretary	(Resigned as director 28th March 2013)

Section A: Principles used to determine the nature and amount of Remuneration

Remuneration Governance

The remuneration of all Executive and Non-Executive Directors, Officers and Employees of the Consolidated Entity is determined by the Remuneration Committee, whose responsibilities are addressed by the Board as a whole.

The Consolidated 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 Consolidated Entity Financial Performance

Over the past 5 years the Consolidated 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 the Consolidated Entity's interests in public and private companies, and direct participation in mining projects and joint ventures.

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

The Consolidated Entity's earnings in the past 5 years have remained negative which is due to the nature of the Consolidated Entity as an early stage mining Company. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Consolidated Entity.

The earnings of the consolidated entity for the five years to 30 June 2013:

Loss financial year ended 2013	($5,263,314)
Loss financial year ended 2012	($2,971,131)
Loss financial year ended 2011	($1,500,202)
Loss financial year ended 2010	($2,417,225)
Loss financial year ended 2009	($13,000,986)

Factors that are considered to affect total shareholder return are summarised below:

	2013	2012	2011	2010	2009
Share price at financial year end ($A)	0.004	0.009	0.023	0.002	0.002
Basic earnings per share (cents per share)	(1.57)	(2.90)	(2.07)	(4.01)	(0.71)

Directors have been compensated for work undertaken and the responsibilities assumed in being Directors of this Consolidated Entity based on industry practice, as opposed to the Consolidated Entity's performance which is difficult to ascertain 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 the Consolidated Entity's objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Consolidated Entity. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Consolidated 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 was granted during the reporting period (2012: $ nil).

Section B: Details of Remuneration

Details of Remuneration for the year ended 30 June 2013

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

FY 2012/13	Short-term employee benefits			Post-employment benefits	Share-based payments	Total
	Cash salary and fees	Other	Non-monetary benefits	Superannuation Contribution	Equity-settled	
	$	$	$	$	$	$
Bryan Frost	155,249	-	-	-	63,902 [4]	219,151
Joshua Wellisch	64,000	-	-	-	-	64,000
Angus Edgar	24,000	-	-	-	-	24,000
Richard Revelins	30,912	-	-	2,752	27,387 [4]	61,051
Jim Babbage	30,000	9,712 [1]	-	-	-	39,712
Phillip Hains	-	280,000 [2]	-	-	155,157 [3]	435,157
	304,161	**289,712**	**-**	**2,752**	**246,446**	**843,071**

[1] Fees received by Babbage & Co. for taxation services rendered to Mining Projects Group Limited while Jim Babbage was a Director.

[2] Fees received by The CFO Solution for accounting and administrative services rendered to Mining Projects Group Limited for the period, July 2013 to March 2013, while Phillip Hains was a Director.

[3] Fees received by The CFO Solution for termination of contract with Mining Projects Group Limited for the period Phillip Hains was a Director, received as a share based payment in the form of shares and options. Refer "Section C: Share Based Compensation" for further details of equity issued

[4] Details of the equity issued to Directors can be found in 'Section C: Share Based Compensation"

Details of Remuneration for the year ended 30 June 2012

The remuneration for each Director of the Consolidated Entity during the year ended 30 June 2012 was as follows:

FY 2011/12	Short-term employee benefits				Post-employment benefits	Share-based payments	
	Cash salary and fees	Other		Non-monetary benefits	Superannuation Contribution	Equity-settled	Total
	$	$		$	$	$	$
Bryan Frost	249,996	-		-	-	-	249,996
Richard Revelins	165,138	-		-	14,862	-	180,000
Jim Babbage	40,000	6,500	1	-	-	-	46,500
Phillip Hains	-	116,667	2	-	-	-	116,667
Chris Taylor	18,388	6,186	3	-	1,108	-	25,682
	473,522	**129,353**		**-**	**15,970**	**-**	**618,845**

1 Fees received by Babbage & Co. for taxation services rendered to Mining Projects Group Limited.

2 Fees received by The CFO Solution for accounting services rendered to Mining Projects Group Limited since Phillip Hains became a Director.

3 Fees received by Chris Taylor for geological consulting services rendered to Mining Projects Group Limited whilst a Director (resigned October 2011).

Performance Income as a Proportion of Total Remuneration

All executives are eligible to receive incentives by the recommendation of the Board. The performance payments are based on a set monetary value, set number of shares, or options, or as a portion of base salary. There is no fixed proportion between incentive and non-incentive remuneration.

Non-Executive Directors are not entitled to receive bonuses and/or incentives.

No performance incentives were paid during the reporting period (2012: $ nil).

Section C: Share Based Compensation

Details of Shares Issued

During the financial year, Directors and Key Management Personnel received shares in lieu of cash payment for provision of services to the Company:

FY 2012/13	Grant Date	Granted as Remuneration No.		Issue Price	Total $
Bryan Frost	1 March 2013	7,000,000	1	$0.008	49,000
Joshua Wellisch	-	-		-	-
Angus Edgar	-	-		-	-
Richard Revelins	1 March 2013	3,000,000	1	$0.008	21,000
Jim Babbage	-	-		-	-
Phillip Hains	1 March 2013	10,000,000	2	$0.008	70,000
		20,000,000			**140,000**

1 Shares issued in lieu of cash payment to Bryan Frost for services provided and Richard Revelins for directors fees.

2 Shares issued to The CFO Solution for termination of contract with Mining Projects Group Limited for the period Phillip Hains was a Director.

Details of Options Issued

During the financial year, Directors and Key Management Personnel received unlisted options in lieu of cash payment for provision of services to the Company:

FY 2012/13	Opening Balance No.	Granted as Remuneration No.		Options Exercised No.	Options Lapsed No.	Net Change Other	Closing Balance No.
Bryan Frost	-	3,500,000	1	-	-	-	3,500,000
Joshua Wellisch	-	-		-	-	-	-
Angus Edgar	-	-		-	-	-	-
Richard Revelins	-	1,500,000	1	-	-	-	1,500,000
Jim Babbage	-	-		-	-	-	-
Phillip Hains	-	20,000,000	2	-	-	-	20,000,000
	-	**25,000,000**		**-**	**-**	**-**	**25,000,000**

[1] Options issued in lieu of cash payment to Bryan Frost for services provided and Richard Revelins for directors fees.

[2] Options issued to The CFO Solution for termination of contract with Mining Projects Group Limited for the period Phillip Hains was a Director.

- 3,500,000 unlisted options exercisable at $0.01 on or before 30 June 2016 were issued to Bryan Frost. The options had a deemed value of $14,902 as calculated using the Black-Scholes valuation model when applying the following inputs:

Grant Date:	1 Mar 2013	Stock Price:	$0.007	Volatility:	95.00%	Dividend Yield:	0.00%
Exercise Price:	$0.01	Years to Expiry:	3.32	Risk-free Interest Rate:	2.76%	Option Fair Value:	$0.0043

- 1,500,000 unlisted options exercisable at $0.01 on or before 30 June 2016 were issued to Richard Revelins. The options had a deemed value of $6,387 as calculated using the Black-Scholes valuation model when applying the following inputs:

Grant Date:	1 Mar 2013	Stock Price:	$0.007	Volatility:	95.00%	Dividend Yield:	0.00%
Exercise Price:	$0.01	Years to Expiry:	3.32	Risk-free Interest Rate:	2.76%	Option Fair Value:	$0.0043

- 20,000,000 unlisted options exercisable at $0.01 on or before 30 June 2016 were issued to Phillip Hains. The options had a deemed value of $85,157 as calculated using the Black-Scholes valuation model when applying the following inputs:

Grant Date:	1 Mar 2013	Stock Price:	$0.007	Volatility:	95.00%	Dividend Yield:	0.00%
Exercise Price:	$0.01	Years to Expiry:	3.32	Risk-free Interest Rate:	2.76%	Option Fair Value:	$0.0043

Section D: Employment Contracts of Directors and Key Management Personnel

Mining Projects Group Limited had a service contract with The CFO Solution to provide back office support, financial reporting and compliance systems for listed public companies. The contract commenced on 9 November 2006 and was terminated on 16 August 2013. Mr Phillip Hains is the sole Director and Principal of The CFO Solution. All fees relating to services rendered by The CFO Solution to Mining Projects Group Limited are charged at standard arms-length commercial rates as disclosed in the remuneration table above.

For the period July 2012 to March 2013 whilst serving as a Director of the Company, The CFO Solution received fees of $210,000, which forms part of the total fees earned during the year of $280,000 for providing accounting and administrative services to Mining Projects Group Limited. The CFO Solution received an issue of shares and options in lieu of cash payment to remove the termination period for their services (refer to Section C: Share Based Payments for further information).

Mining Projects Group Limited contracts Babbage & Co. to perform tax agent related services for the Company, which includes preparation and lodgement of Company tax returns, and other tax related matters. Services are performed on a task-by-task basis and no formal services contract between the parties exists. Mr Jim Babbage is the principal and owner of Babbage & Co. All fees relating to services rendered by Babbage & Co. to Mining Projects Group Limited are charged at standard arms-length commercial rates as disclosed in the remuneration table above.

END OF REMUNERATION REPORT (AUDITED)

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

Joshua Wellisch
Managing Director

Dated: The 27th Day of September 2013.

Corporate Governance Report

A review of the Consolidated Entity's 'Corporate Governance Framework' is undertaken 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 subsidiaries.

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

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

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 Consolidated Entity rather than to manage it. In governing the Consolidated Entity, the Directors must act in the best interests of the Consolidated Entity as a whole. It is the role of senior management to manage the Consolidated 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.

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 Consolidated Entity.

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

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

- Directors having the appropriate skills, experience and contacts within the Consolidated 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 Consolidated 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 a 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 Consolidated Entity believes that at this stage in its development, the most appropriate person for the position of Chairman is an Executive Officer of the Consolidated Entity. The Executive Officer's overall expertise has been crucial to the Consolidated Entity's development and negates any perceived lack of independence.

Directors collectively, or individually, have the right to seek independent professional advice at the Consolidated 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 Committee because it is deemed to be more efficient to have the Board consider membership nomination matters.

Diversity Policy

The Company's objective is to have a workforce that is representative of the countries and communities in which it operates. Our workforce is employed based on the right person for the right job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability.

The Company is committed to increasing diversity amongst its employees, not just in relation to gender diversity, but at its mining operations in consultation with local community groups and BEE partners/advisors.

Executive and Board positions are filled by the best candidate available at the time, without discrimination. The Company is committed to increase gender diversity within these positions when appropriate appointments become available. The Company is also committed to identifying suitable persons within the organisation and, where appropriate opportunities exist, advance diversity and support the promotion of talented employees into management positions within the Company.

The Company has not set any gender specific diversity objectives as it believes that multicultural diversity is as equally as important within the organisation.

The following table demonstrates the Company's gender diversity as at 30 June 2013:

	Number of Males	Number of Females
Directors	3	-
Key Management Personnel	-	-
Other Company Employees / Consultants	1	-

Ethical and Responsible Decision-Making

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

The Consolidated Entity has a share trading policy that regulates the dealings by Directors, Officers and Employees, in shares, options and other securities issued by the Consolidated Entity. The policy has been formulated to ensure that Directors, Officers, Employees and Consultants who work on a regular basis with the Consolidated Entity are aware of the legal restrictions on trading in Consolidated 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 recommended by the ASX Corporate Governance Council as to the Consolidated Entity's financial condition prior to the Board signing this Annual Report.

The Consolidated Entity has a duly constituted Audit, Risk and Compliance Committee, consisting of members of the board of the Company, with the Committee Chairman being a 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 Audit, Risk and Compliance Committee hold a minimum of two meetings each 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 the ASX Listing Rules, the Consolidated Entity immediately notifies the ASX of information concerning the Consolidated Entity:

1. That a reasonable person would, or may expect to have a material effect on the price or value of the Consolidated 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 Consolidated Entity's securities.

Rights of Shareholders

The Consolidated Entity respects the rights of its Shareholders, and to facilitate the effective exercise of Shareholder's rights, the Consolidated Entity is committed to:

1. Communicating effectively with Shareholders through ongoing releases to the market via ASX information and the General Meetings of the Consolidated Entity;
2. Giving Shareholders ready access to balanced and understandable information about the Consolidated Entity and Corporate Proposals;
3. Making it easy for Shareholders to participate in General Meetings of the Consolidated 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 Consolidated Entity to make enquiries of the Consolidated Entity or obtain updated announcements via the ASX website.

Recognised and Manage Risk

The Audit, Risk & Compliance Committee has established a policy for risk oversight and risk management within the Consolidated 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 Consolidated 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 Consolidated Entity. The Board is responsible for conducting evaluations in line with these policy guidelines.

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

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

All new Directors undergo an induction program.

Remunerate fairly and responsibly

The Consolidated Entity appointed a Remuneration Committee, whose responsibilities are addressed by the Board as a whole. The Committee is responsible for:

- Setting the remuneration and conditions of service for all Executive and Non-Executive Directors, Officers and Employees of the Consolidated Entity. The aggregate of Non-Executive remuneration being approved by Shareholders at General Meetings of the Consolidated 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 Consolidated Entity is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with the Corporate Governance Principles and Recommendations' whilst supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. The granting of shares/options to Directors is 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 Consolidated 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'.

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DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF MINING PROJECTS GROUP LIMITED

As lead auditor of Mining Projects Group Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

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

David Garvey

Partner

BDO East Coast Partnership

Melbourne, 27 September 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
REVENUE			
Interest Revenue from external parties	2	17,745	15,442
Other	2	-	7,116
TOTAL REVENUE		**17,745**	**22,558**
Net movement in financial assets	3b	(596,680)	(1,379,559)
EXPENSES			
Tax and audit fees	3a	(61,454)	(52,483)
Depreciation		(13,353)	(21,951)
Tenement expenses		(73,382)	(11,048)
Directors' & consultants' fees	3a	(1,921,379)	(689,855)
Impairment of tenement assets		(1,693,264)	(3,272)
Travel & marketing		(42,620)	(101,983)
Administration		(66,141)	(110,718)
Professional fees	3a	(565,474)	(332,237)
Rent		(39,910)	(85,283)
Other expenses		(68,449)	(205,300)
Receipt of previously written off bad debt		61,688	-
Disposal of assets	13a & 13b	(200,641)	-
Loss before income tax		**(5,263,314)**	**(2,971,131)**
Income tax expense	4	-	-
Loss for the year after income tax		**(5,263,314)**	**(2,971,131)**
Other comprehensive (expense):			
Foreign exchange translation		48,501	(113,549)
Reclassification of FX on disposal of subsidiaries		50,646	-
Other comprehensive (expense) for the year, net of tax		**99,147**	**(113,549)**
Total comprehensive (loss) for the year		**(5,164,167)**	**(3,084,680)**
Loss attributable to:			
Owners of Mining Projects Group Ltd		(5,253,680)	(2,968,707)
Non-controlling interests		(9,634)	(2,424)
		(5,263,314)	**(2,971,131)**
Total comprehensive income /(expense) attributable to:			
Owners of Mining Projects Group Ltd		(5,154,533)	(3,082,256)
Non-controlling interests		(9,634)	(2,424)
		(5,164,167)	**(3,084,680)**
Basic (loss) per share (cents per share)	7	(1.57)	(2.90)
Diluted (loss) per share (cents per share)	7	(1.57)	(2.90)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
ASSETS			
Current assets			
Cash and cash equivalents	8	983,421	202,682
Trade and other receivables	9	139,979	69,126
Other financial assets	10	107,978	645,733
Deposit funds		-	100,000
Other assets	11	5,042	20,673
Total Current Assets		**1,236,420**	**1,038,214**
Non-Current Assets			
Rehabilitation loan guarantees (SA)	9	-	57,343
Other financial assets	10	-	381,063
Deposit funds	11	120,000	-
Property, plant and equipment	14	23,904	34,888
Exploration and evaluation costs	15	1,252,044	1,037,890
Total Non-Current Assets		**1,395,948**	**1,511,184**
TOTAL ASSETS		**2,632,368**	**2,549,398**
LIABILITES			
Current Liabilities			
Trade and other payables	16	485,861	339,086
Provisions	17	-	9,013
Total Current Liabilities		**485,861**	**348,099**
TOTAL LIABILITES		**485,861**	**348,099**
NET ASSETS		**2,146,507**	**2,201,299**
EQUITY			
Contributed Equity	18	37,359,995	32,259,264
Foreign currency translation reserve		-	(99,147)
Accumulated losses		(35,203,001)	(29,949,321)
Parent interests		**2,156,994**	**2,210,796**
Non-controlling interests		(10,487)	(9,497)
TOTAL EQUITY		**2,146,507**	**2,201,299**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

Consolidated Entity	Issued Capital $	Reserve $	Accumulative losses $	Non-controlling interests $	Total $
Balance at 30 June 2011	**31,219,145**	**14,402**	**(26,980,614)**	**(7,073)**	**4,245,860**
Total comprehensive loss for the period	**-**	**(113,549)**	**(2,968,707)**	**(2,424)**	**(3,084,680)**
Transactions with owners in their capacity as owners:					
Shares issued (net of costs)	1,004,719	-	-	-	1,004,719
Options exercised	400	-	-	-	400
Options Issued	35,000	-	-	-	35,000
FX reserve movements	-	-	-	-	-
Balance at 30 June 2012	**32,259,264**	**(99,147)**	**(29,949,321)**	**(9,497)**	**2,201,299**
Loss for the period attributable to non-controlling interests	-	-	-	(9,634)	(9,634)
Total comprehensive loss for the period	**-**	**99,147**	**(5,253,680)**	**-**	**(5,154,533)**
Transactions with owners in their capacity as owners:					
Shares issued (net of costs)	3,950,690	-	-	-	3,950,690
Options exercised	969	-	-	-	969
Options Issued	1,149,072	-	-	-	1,149,072
Disposal of interest in subsidiaries	-	-	-	8,644	8,644
Balance at 30 June 2013	**37,359,995**	**-**	**(35,203,001)**	**(10,487)**	**2,146,507**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,131,503)	(1,051,905)
Interest received		15,751	18,937
Interest and other costs of finance paid		(1,151)	-
Net cash flows from operating activities	**21**	**(1,116,903)**	**(1,032,968)**
Cash flows from investing activities			
Payment for purchases of plant and equipment		(2,369)	(617)
Proceeds from sales of equity investments		320,941	773,353
Payment for purchases of equity investments		(154,857)	(485,447)
Loans from/(to) other entities		-	(25)
Loans repaid by other entities		317	-
Loans to unrelated entities		(179,465)	-
Payment for tenement and exploration		(301,114)	(116,471)
Net cash outflow on sale of subsidiary	13	(20,833)	-
Payment for the acquisition of subsidiary, net of cash relinquished	27	(199,928)	(100,000)
Net cash flows from/used in investing activities		**(537,308)**	**70,793**
Cash flows related to financing activities			
Proceeds from issues of securities		2,653,861	993,132
Capital raising costs		(224,702)	(123,012)
Net cash flows from financing activities		**2,429,159**	**870,120**
Net increase/(decrease) in cash and cash equivalents		**774,948**	**(92,055)**
Cash and cash equivalents at the beginning of the year		202,682	317,609
Effects of exchange rate changes on cash and cash equivalents		5,791	(22,872)
Cash and cash equivalents at the end of the financial year	**8**	**983,421**	**202,682**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPERATION

Corporate Information

The financial report of Mining Projects Group Limited (the Consolidated Entity) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 27 September 2013.

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 Securities Exchange (ASX:MPJ).

The financial report covers the Consolidated Entity of Mining Projects Group Limited and controlled entities. The separate financial statements of the parent entity, Mining Projects Group Limited, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2010.

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, as appropriate for profit orientated entities.

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 circumstances, 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.

Significant estimates and assumptions made by management in preparation of these financial statements are;

- Share based payment transactions
  The company measures the cost of the share-based payments at fair value at the grant date using the Black-Sholes formula after taking into account the terms and conditions upon which the instruments were granted (see note 18)

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.

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 are reported.

Going concern

The Consolidated Entity incurred a net loss after income tax of $5,263,314 for the year ended 30 June 2013 and had net cash outflows from operating and investing activities of $1,654,211. These conditions indicate a material uncertainty over the Consolidated Entity's ability to continue as a going concern.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and discharge of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- At 30 June 2013, the Consolidated Entity had cash and cash equivalents of $983,421 and had working capital, being current assets less current liabilities, of $750,559.
- The budgets and forecasts reviewed by the directors for a period of 12 months from the date of signing the financial report anticipate the business will hold cash and cash equivalents to fund its operations and exploration commitments. The ability of the Consolidated Entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. In addition, the Company has the ability to raise cash funds from the disposal of its investment portfolio.
- Management of the Consolidated Entity will actively manage the current level of discretionary expenditures in line with the funds available to the Consolidated Entity.

- Expenditures on the current exploration program and working capital requirements will also be actively managed.
- Should additional funding be required the Consolidated Entity may attempt future equity capital raising initiatives, however it should be noted that while this source of funding has been used in the past, any future capital raising would be dependent on financial market conditions at the time that any additional equity funds are being sought.

Based on the above, the directors are satisfied adequate plans are in place and that the Consolidated Entity will have sufficient sources of funding to meet its obligations and anticipated expenditure through to 27 September 2014 (12 months from date of audit report). On this basis the financial report has been prepared on the going concern basis.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

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 International Accounting Standards

The following amending Standards have been adopted from 1 July 2012. Adoption of these Standards did not have any effect on the financial position or performance of the Consolidated Entity:

Ref	Title	Summary
AASB 2010-8	*Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets*	The consolidated entity has applied AASB 2010-8 amendments from 1 July 2012. These amendments offer a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life.
AASB 2011-9	*Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*	The consolidated entity has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Other than the amended accounting policies listed above, all other accounting policies adopted by the Consolidated Entity are consistent with the most recent Annual Report for the year ended 30 June 2012.

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and therefore have not been adopted by the Consolidated Entity for the annual reporting period ended 30 June 2013:

Ref	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 9	*Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9*	This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.	1 January 2015	The entity has not yet determined the potential effect of the standard.	1 July 2015
AASB 10	*Consolidated Financial Statements*	The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.	1 January 2013	The entity has not yet determined the potential effect of the standard.	1 July 2013
AASB 11	*Joint Arrangements*	The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation.	1 January 2013	The entity has not yet determined the potential effect of the standard.	1 July 2013
AASB 12	*Disclosure of Interests in Other Entities*	It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.	1 January 2013	The entity has not yet determined the potential effect of the standard.	1 July 2013
AASB 13	*Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*	The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value.	1 January 2013	No material effect	1 July 2013

Accounting Policies

The following is a summary of the material accounting policies adopted by the Consolidated Entity 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 Limited. Control exists when 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 Limited to achieve the objectives of Mining Projects Group Limited.

A list of controlled entities is contained in Note 12 to the financial statements. All of the controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Consolidated 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 Consolidated 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 as at the end of the reporting period.

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 to the statement of profit or loss and other comprehensive income 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 Consolidated 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 Limited and one of its previously wholly-owned Australian subsidiaries AMN Nominees Pty Ltd, formed an income tax Consolidated Entity on 1 July 2002 under the tax consolidation regime. Mining Projects Group Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax Consolidated Entity as it is the head entity.

The tax Consolidated Entity has entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution of the group's income tax. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the parent entity.

c) Plant and Equipment

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

<u>Plant and equipment</u>

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 Consolidated 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 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 statement of profit or loss and other comprehensive income.

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 Consolidated Entity 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 fair value, amortised cost using the effective interest rate method, or at 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.

Amortised costs are calculated as:

i) the amount at which the financial asset or financial liability is measured at initial recognition;
ii) less principle repayments;
iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
iv) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment or receipts (including fees, transaction costs, and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss and other comprehensive income.

The Consolidated 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 the asset falls within the requirements 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 profit and loss 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. They are measured and held at amortised cost.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group 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.

De-recognition

Regular purchases and sales of financial assets are recognised or derecognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group 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 profit and loss 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.

Impairment

At each reporting date, the Group 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 impairment has arisen. Impairment losses are recognised in the profit and loss.

f) Impairment of Assets

At each reporting date, the Consolidated 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 profit and loss.

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 Consolidated 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 Consolidated Entity's entities 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 profit and loss, 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 profit and loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity's presentation currency are translated as follows:

- assets and liabilities are translated at the year-end exchange rates prevailing at the reporting date;
- income and expenses are translated at the average exchange rate for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve via other comprehensive income. The cumulative amount of these differences are recycled in profit or loss in the period in which the operation is disposed.

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.

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 customer.

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 Consolidated 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 Consolidated Entity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of 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 Taxation 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 statement of financial position are shown inclusive of GST.

o) Interests in Joint Ventures

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

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

p) Investment in subsidiaries

Investments in subsidiaries are carried at the lower of cost of acquisition or at their recoverable amount in the Consolidated Entity's financial statements.

q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and assessing their performance.

NOTE 2: REVENUE

	30 June 2013 $	30 June 2012 $
Operating revenue		
Interest revenue from external parties	17,745	15,442
Other	-	7,116
Total revenue	**17,745**	**22,558**

NOTE 3: (LOSS) FOR THE YEAR

a) Expenditure

	30 June 2013 $	30 June 2012 $
Tax & Audit Fees		
Audit fees	52,825	44,983
Taxation fees	8,629	7,500
Tax & Audit Fees	**61,454**	**52,483**
Directors' & consultants' fees		
Directors	306,913	489,491
Consultants	36,952	200,364
Share based payments – equity settled[1]	1,577,514	-
Directors' & consultants' fees	**1,921,379**	**689,855**
Net movement in financial assets		
Sale Proceeds	(372,796)	(775,974)
Cost of shares sold	2,760,878	1,290,947
Brokerage	1,855	2,621
Foreign exchange	(1,682)	744
Changes in fair value	(1,791,575)	861,221
Net movement in financial assets	**596,680**	**1,379,559**
Professional fees		
Legal fees	125,218	60,030
Other	285,099	272,207
Share based payments – equity settled[1]	155,157	-
Professional fees	**565,474**	**332,237**

[1] Equity was issued to Directors and Consultants pursuant to the March 2013 General Meeting of the Company.

b) Significant revenue and expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

	30 June 2013 $	30 June 2012 $
Net decrease in financial assets held for trading	596,680	1,379,559
	596,680	**1,379,559**

The net movement 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.

NOTE 4: INCOME TAX EXPENSE

		30 June 2013 $	30 June 2012 $
a)	**The components of tax benefit comprise**		
	Current income tax benefit	772,801	820,452
	Deferred tax (expense)/income relating to the originating and reversal of temporary differences	277,780	126,864
	Tax losses not recognised	(1,050,581)	(947,317)
		-	-
b)	**The prima facie tax on profit from continuing activities before tax is reconciled to the income tax expense as follows:**		
	Prima facie tax benefit on loss from continuing activities before income tax at 30% (2012: 30%)		
	- Consolidated Entity	1,578,995	891,339
		1,578,995	**891,339**
	Add:		
	Tax effect of:		
	- Section 40/880 deduction	44,757	34,122
	Less:		
	Tax effect of:		
	- share based payments	(510,801)	-
	- entertainment	(1,417)	(2,081)
	- foreign exchange	(728)	160
	- other	(34)	23,777
	- disposal of subsidiaries	(60,192)	-
		1,050,581	**947,317**
	Tax effect of current period losses not recognised as deferred tax assets	(1,050,581)	(947,317)
	Income tax benefit/(expense) attributes	-	-
c)	**Unrecognised deferred tax balances**		
	Deferred tax liabilities		
	Deferred exploration & evaluation costs	1,252,044	1,037,890
	Other	29,970	29,970
		1,282,014	**1,067,860**
	Tax effect @ 30%	**384,604**	**320,358**
	Deferred tax assets		
	Investments	290,350	4,792,130
	Other	-	-
	Tax losses **	17,884,982	14,569,852
		18,175,332	**19,361,982**
	Tax effect @ 30%	**5,452,600**	**5,808,595**
	Net deferred tax asset not recognised	5,067,996	5,488,237

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

(i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
(ii) the losses are transferred to an eligible entity in the Consolidated Entity; and
(iii) the Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation; and
(iv) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit from the deductions for the losses.

** These carry forward tax losses are gross tax losses from prior financial years amounting to $15,620,432. These losses are subject to further review by the consolidated entities to determine if they satisfy the necessary legislative requirements under the income tax legislation for the carry-forward and recoupment of tax losses. Included in tax losses are transferred losses into the tax Consolidated Entity relating to the years from 2000 to 2002.

Additionally, a deferred tax asset has not been recognised in respect of these items because it is not probable that future profit will be available against which the Consolidated Entity can utilise the benefits.

d) Tax-Consolidation Group

Mining Projects Group Limited and one of its previously wholly-owned subsidiaries AMN Nominees Pty Ltd, formed a tax Consolidated Entity with effect from 1 July 2002. Mining Projects Group Limited is the head entity in the tax Consolidated Entity.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

a) Key Management Personnel Compensation

The aggregate compensation made to Directors of Mining Projects Group Ltd and other Key Management Personnel of the Consolidated Entity is set out below:

	30 June 2013 $	30 June 2012 $
Cash salary and fees	304,161	473,522
Superannuation contribution	2,752	15,970
Share based payment - equity settled	246,446	-
Other[1 & 2]	289,712	129,353
	843,071	**618,845**

1 Fees received by Babbage & Co. for taxation services rendered to Mining Projects Group Limited while Jim Babbage was a Director.

2 Fees received by The CFO Solution for accounting and administrative services rendered to Mining Projects Group Limited for the period, July 2013 to March 2013, while Phillip Hains was a Director.

b) Options and Rights Holdings

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

	Balance at start of the year	Received as compensation**	Options Exercised No.	Options Lapsed No.	Net change other *	Balance at the end of the year/ resignation date
2013						
Bryan Frost[1]	23,797,217	3,500,000	-	-	16,106,114	43,403,331
Joshua Wellisch	-	-	-	-	-	-
Angus Edgar	-	-	-	-	44,500,000	44,500,000
Richard Revelins[1]	11,027,420	1,500,000	-	-	14,973,624	27,501,044
Jim Babbage	125,000	-	-	-	-	125,000
Phillip Hains[1 & 2]	287,048	20,000,000	-	-	838,096	21,125,144
	35,236,685	**25,000,000**	**-**	**-**	**76,417,834**	**136,654,519**
2012						
Bryan Frost	7,623,930	-	-	-	16,173,287	23,797,217
Richard Revelins	2,302,991	-	-	-	8,724,429	11,027,420
Jim Babbage	125,000	-	-	-	-	125,000
Phillip Hains	-	-	-	-	287,048	287,048
Chris Taylor	1,400,000	-	-	-	-	1,400,000
	11,451,921	**-**	**-**	**-**	**25,184,764**	**36,636,685**

* The net change other column above includes those options that have been acquired and disposed of by Directors as well as options issued during the year for Directors' participation in any placements/rights issues.

** The received as compensation column above includes options that were issued in lieu of cash payment.

1 25 million MPJO options exercisable at 1 cent on or before 30 June 2016 were issued to directors as approved by shareholders at the March 2013 General Meeting of the Company.

2 Options issued to The CFO Solution for termination of contract with Mining Projects Group Limited

c) Shareholdings

The number of shares in the Company held during the financial year by each Director of Mining Projects Group Limited and other key management personnel of the Consolidated Entity, including their personally related parties, are set out below:

	Balance at start of the year	Received as compensation**	Options Exercised No.	Options Lapsed No.	Net change other *	Balance at the end of the year/ resignation date
2013						
Bryan Frost[1]	25,123,928	7,000,000	-	-	36,926,537	69,050,465
Joshua Wellisch	-	-	-	-	-	-
Angus Edgar	-	-	-	-	47,000,000	47,000,000
Richard Revelins[1]	10,252,832	3,000,000	-	-	18,698,053	31,950,885
Jim Babbage	150,000	-	-	-	-	150,000
Phillip Hains[1 & 2]	1,047,620	10,000,000	-	-	838,096	11,885,716
	36,574,380	**20,000,000**	**-**	**-**	**103,462,686**	**160,037,066**
2012						
Bryan Frost	11,170,085	-	-	-	13,953,843	25,123,928
Richard Revelins	4,947,847	-	-	-	5,304,985	10,252,832
Jim Babbage	150,000	-	-	-	-	150,000
Phillip Hains	-	-	-	-	1,047,620	1,047,620
	16,267,932	**-**	**-**	**-**	**20,306,448**	**36,574,380**

* The net change other column above includes those shares acquired and sold by Directors as well as shares issued during the year to Directors' for their participation in any placements/rights issues.

** The received as compensation column above includes shares that were issued in lieu of cash payment

1 20 million shares were issued to directors as approved by shareholders at the March 2013 General Meeting of the Company.

2 Shares issued to The CFO Solution for termination of contract with Mining Projects Group Limited

d) Loans to Directors and Other Key Management Personnel

There were no loans made to Directors or other Key Management Personnel of the Company, including their personally related parties.

e) Other transactions with Key Management Personnel

There were no further transactions with Key Management Personnel not disclosed above or in Note 22.

NOTE 6: AUDITORS' REMUNERATION

	30 June 2013 $	30 June 2012 $
Remuneration of the auditor of the parent entity for:		
- Audit and review fees	52,825	44,983
	52,825	**44,983**

NOTE 7: EARNINGS PER SHARE

	30 June 2013	30 June 2012
Basic (loss) per share (cents)	(1.57)	(2.90)
Diluted (loss) per share (cents)	(1.57)	(2.90)
a) Net profit / (loss) used in the calculation of basic and diluted loss per share	($5,253,680)	($2,968,707)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	334,080,078	102,365,798

As at 30 June 2013 the Company has issued options over unissued capital (see Note 18). As the exercise of these options would decrease basic loss per share, these options are not considered dilutive.

NOTE 8: CASH AND CASH EQUIVALENTS

	30 June 2013 $	30 June 2012 $
Cash at bank	963,421	182,682
Term deposits	20,000	20,000
	983,421	**202,682**

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cashflows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	983,421	202,682
	983,421	**202,682**

NOTE 9: TRADE AND OTHER RECEIVABLES

	30 June 2013 $	30 June 2012 $
Current		
Trade and other receivables *	114,403	68,142
Good and services tax refund due	25,576	984
Amounts receivable from unrelated entities	-	-
	139,979	**69,126**
Non-current		
Tenement rehabilitation guarantees	-	57,343
	-	**57,343**

* No receivables are past their due date or impaired.

NOTE 10: OTHER FINANCIAL ASSETS

	30 June 2013 $	30 June 2012 $
Current		
Financial assets (held for trading) at fair value through profit or loss	107,978	645,733
	107,978	**645,733**
Non-Current		
Financial assets (available for sale)	-	1,337,748
Accumulated Impairment	-	(956,685)
	-	**381,063**
Comprising of:		
Listed investments held at fair value		
- Shares held in listed corporations (current)	107,978	645,733
	107,978	**645,733**
Unlisted investments held		
- Shares held in unlisted corporations at cost less accumulated impairment - unrelated (non-current)	-	381,063
	-	**381,063**
Total financial assets	**107,978**	**1,026,796**

At each reporting date, the Consolidated Entity reviews the unlisted financial assets which are carried at cost to determine if there are indications of impairment. The Consolidated Entity considers factors such as recent arm length transactions resulting in capital raisings and commercial contracts to determine the estimated value of the investment.

NOTE 11: OTHER ASSETS

	30 June 2013	30 June 2012
	$	$
Current		
Prepayments	5,042	17,901
Franking credits	-	947
Exploration permits	-	1,825
	5,042	20,673
Non-Current		
Deposit*	120,000	-
	120,000	-

* During the year the Consolidated Entity issued 15 million shares to acquire the right to an option of 70% interest in a Joint Venture with Epi Energy Pty Ltd. The fair value of this transaction was deemed to be $120,000, based on the issue of 15 million shares at $0.008, being the market value of shares on the date of the transaction. Refer to note 27

NOTE 12: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
		30 June 2013	30 June 2012
Parent Entity			
Mining Projects Group Limited	Australia		
Subsidiaries of Mining Projects Group Limited			
Delcarmen Energy Pty Ltd	Australia	100.00	-
AMN Nominees Pty Ltd	Australia	-	100.00
Xplor Pty Ltd	Australia	100.00	100.00
Enoch's Point Pty Ltd	Australia	96.86	96.86
Horizon Energy Pty Ltd	Australia	96.86	96.86
Golden Mount Pty Ltd	Australia	96.86	96.86
Raptor Minerals (Pty) Ltd	South Africa	-	100.00
Nelesco 848 (Pty) Ltd	South Africa	-	74.00
New Order Investments 149 (Pty) Ltd	South Africa	-	74.00
Riverside Park Trading 270 (Pty) Ltd	South Africa	-	74.00
Scarlett Ibis Investments 258 (Pty) Ltd	South Africa	-	74.00
Olympic Park Trading 104 (Pty) Ltd	South Africa	-	74.00
Stylestar Prop 176 (Pty) Ltd	South Africa	-	74.00
Scribaspace Investments (Pty) Ltd	South Africa	-	70.00
Scribamax Investments (Pty) Ltd	South Africa	-	70.00

* Percentage of voting power is in proportion to ownership

NOTE 13: LOSS ON DISPOSAL OF ASSETS

a) Loss on Disposal of Investment Portfolio

Prior to the end of the financial year Mining Projects Group Limited sold its investment portfolio via the sale of AMN Nominees Pty Ltd as it was superfluous to the Groups requirements moving forward. This residual portfolio at the date of sale was sold for $20,000, resulting in a loss of $173,387 on disposal.

Sale of AMN Nominees Pty Ltd			30 June 2013 $
Total sale consideration			20,000*
Carrying amount of net assets sold:			
Cash and cash equivalents	(204)	*	
Trade and other receivables	(39,647)		
Other financial assets	(219,160)		
Current tax assets	(947)		
Trade and other payables	50,093		
Elimination of equity accounting loss	114,747		
Elimination of minority interests	(2,681)		
Carrying amount of net assets sold			(97,799)
Derecognition of foreign currency reserve			(95,588)
Loss on Disposal			**(173,387)**

b) Loss on Disposal of Raptor Tenement Assets

Prior to the end of the financial year Mining Projects Group Limited relinquished its rights to its tenements in South Africa and also its holding in Raptor Minerals Pty Ltd and its subsidiaries. The Group recognised a loss of $27,254 on this transaction.

Sale of Raptor Minerals Pty Ltd			30 June 2013 $
Total sale consideration			-
Carrying amount of net assets sold:			
Cash and cash equivalents	(40,629)	*	
Trade and other receivables	(14)		
Trade and other payables	18,337		
Provisions	3,222		
Rehabilitation Guarantees	(47,149)		
Elimination of minority interests	(5,963)		
Loss on disposal			(72,196)
Derecognition of foreign currency reserve			44,942
Total Comprehensive Loss			**(27,254)**

TOTAL	30 June 2013 $
Total sale consideration	20,000
Carrying amount of net assets sold	(169,995)
Derecognition of foreign currency reserve	(50,646)
	(200,641)

* Net cash outflow on disposal ($20,833)

NOTE 14: PLANT AND EQUIPMENT

	30 June 2013	30 June 2012
	$	$
Plant and equipment		
At cost	194,462	192,093
Accumulated depreciation	(170,558)	(157,205)
Total plant and equipment	**23,904**	**34,888**

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	34,888	56,222
Additions	2,369	617
Depreciation expense	(13,353)	(21,951)
Carrying amount at the end of the year	**23,904**	**34,888**

NOTE 15: EXPLORATION AND EVALUATION ASSETS

	Note	30 June 2013	30 June 2012
		$	$
Non-Current			
Exploration and tenement expenditure:			
*Talga Peak joint venture (80%)**			
Balance at the start of the year		20,072	8,412
Exploration expenditure capitalised		8,014	11,660
Capitalised exploration costs written down		(28,086)	-
		-	**20,072**
Mt Tarrengower project (98.86%)			
Balance at the start of the year		194,236	185,576
Exploration expenditure capitalised		2,923	8,660
Capitalised exploration costs written down		(197,159)	-
		-	**194,236**
Golden Mountain project (98.86%)			
Balance at the start of the year		203,427	190,600
Exploration expenditure capitalised		12,921	12,827
Capitalised exploration costs written down		(216,348)	-
		-	**203,427**
CyferKUIL project(70%)			
Balance at the start of the year		1,986	818
Exploration expenditure capitalised		-	1,323
Capitalised exploration costs written down		(1,845)	-
Foreign currency adjustment		(141)	(155)
		-	**1,986**
Zuinpingslaagte project (70%)			
Balance at the start of the year		1,304	973
Exploration expenditure capitalised		-	507
Capitalised exploration costs written down		(1,206)	-
Foreign currency adjustment		(98)	(176)
		-	**1,304**
Spitz Kop project (74%)			
Balance at the start of the year		2,944	1,236
Exploration expenditure capitalised		-	1,919
Capitalised exploration costs written down		(2,716)	-
Foreign currency adjustment		(228)	(211)
		-	**2,944**
Schiet Kop project (74%)			
Balance at the start of the year		180,930	206,767
Exploration expenditure capitalised		-	2,872
Capitalised exploration costs written down		(196,643)	-
Foreign currency adjustment		15,713	(28,709)
		-	**180,930**
Uitkyk project (74%)			
Balance at the start of the year		181,764	207,148
Exploration expenditure capitalised		-	3,350
Capitalised exploration costs written down		(197,416)	-
Foreign currency adjustment		15,652	(28,734)
		-	**181,764**

	Note	30 June 2013 $	30 June 2012 $
Farm 45 (74%)			
Balance at the start of the year		179,602	206,613
Exploration expenditure capitalised		-	1,634
Capitalised exploration costs written down		(195,444)	-
Foreign currency adjustment		15,842	(28,645)
		-	**179,602**
Etona Coal Project (100%)			
Balance at the start of the year		71,625	-
Balance of project acquired			25,000
Exploration expenditure capitalised		42,094	46,625
Capitalised exploration costs written down			-
		113,719	**71,625**
Delcarmen Coal Project (100%)			
Balance at the start of the year		-	-
Acquisition during period	27	725,145	
Exploration expenditure capitalised		47,637	-
Capitalised exploration costs written down		-	-
		772,782	**-**
Roe Hills Nickel Project (100%) [1]			
Balance at the start of the year		-	-
Exploration expenditure capitalised		250,592	-
Capitalised exploration costs written down		-	-
		250,592	**-**
Mt Barrett Gold Project (100%) [1]			
Balance at the start of the year		-	-
Exploration expenditure capitalised		114,951	-
Capitalised exploration costs written down		-	-
		114,951	**-**
Total capitalised exploration expenditure		**1,252,044**	**1,037,890**

1 Tenements were impaired on acquisition by $656,401 due to a renegotiation of the purchase price, which saw the cancellation of 50 million shares and 30 million options approved by shareholders at a general meeting of the Company on 20 August 2013.

At reporting date the group owned:

	Percentage Owned (%)*	
	30 June 2013	30 June 2012
Talga Peak join venture[1]	80.00	80.00
Mt Tarrengower Project	98.86	98.86
Golden Mountain Project	98.86	98.86
CyferKUIL Project	-	70.00
Zuinpinslaagte Project	-	70.00
Spitz Kop Project	-	74.00
Schiet Kop 354 Project	-	74.00
Uitkyk 324 Project	-	74.00
Farm 45 Project	-	74.00
Etona Coal Project[2]	100.00	100.00
Delcarmen Coal Project[3]	100.00	-
Roe Hills Nickel Project[4]	100.00	-
Mt Barrett Gold Project[4]	100.00	-

[1] This tenement was surrendered during the 2013 financial year, however Mining Projects Group has applied to retain a royalty.
[2] As per the ASX announcement on 9th May 2012, this tenement was acquired from New Coal Energy Pty Ltd.
[3] As per ASX announcement on 30th January 2013, tenement EPC 2527 was granted.
[4] As per ASX announcement on 14th May 2013, these tenements were acquired from Oroya Mining Ltd.

Ultimate recovery of exploration costs is dependent upon the Company maintaining appropriate funding through success in its exploration activities or by capital raising, or sale/farm-out of its exploration tenement interests to support continued exploration activities.

NOTE 16: TRADE AND OTHER PAYABLES

	30 June 2013 $	30 June 2012 $
Current		
Trade payables	49,186	192,388
Sundry payables and accrued expenses	436,675	146,698
	485,861	**339,086**

NOTE 17: PROVISIONS

	30 June 2013 $	30 June 2012 $
Current		
Provisions	-	9,013
Balance at the end of the year	**-**	**9,013**

NOTED 18: CONTRIBUTED EQUITY

	Note	30 June 2013 $	30 June 2012 $
Ordinary shares fully paid	18(a)	36,104,664	32,153,005
Options over ordinary shares	18(b)	1,255,331	106,259
		37,359,995	**32,259,264**

	Note	30 June 2013		30 June 2012	
		No.	$	No.	$
18 a) Ordinary Shares					
At the beginning of reporting period		131,611,470	32,153,005	74,454,882	31,147,886
Shares issued during year					
- Issue of shares	i)	305,289,176	2,652,892	49,636,588	992,731
- Issue of shares to consultants	ii)	153,216,200	1,464,500	7,500,000	135,000
- Exercise of Options	iii)	49,994	969	20,000	400
- Issue of shares to directors	iv)	10,000,000	70,000	-	-
Transaction costs relating to share issues		-	(236,702)	-	(123,012)
At reporting date		**600,166,840**	**36,104,664**	**131,611,470**	**32,153,005**

Note	30-Jun-13	Details	Number	Issue Price $	Total $
i)	7 Aug 2012	Non-Renounceable Rights Issue	105,289,176	0.010	1,052,892
i)	26 Mar 2013	Capital Raising	200,000,000	0.008	1,600,000
					2,652,892
ii)	13 Aug 2012	Non-Renounceable Rights Issue - Payment to Aloisia Lechthaler	1,358,100	-	6,000
ii)	13 Aug 2012	Non-Renounceable Rights Issue - Payment to Syracuse Capital	1,358,100	-	6,000
ii)	13 Aug 2012	Non-Renounceable Rights Issue - Payment to Bridun	3,000,000	-	30,000
ii)	9 Nov 2012	Interest in Fraser Range Tenements	15,000,000	0.008	120,000
ii)	4 Feb 2013	Issue of securities to vendors of Delcarmen Energy	12,500,000	-	112,500
ii)	5 Mar 2013	Issue of securities to consultants - Tim Chapman, in lieu of payment	6,000,000	0.007	42,000
ii)	5 Mar 2013	Issue of securities to consultants - Brian Dunkley, in lieu of payment	4,000,000	0.007	28,000
ii)	5 Mar 2013	Issue of securities to The CFO Solution - in lieu of payment at termination	10,000,000	0.007	70,000
ii)	26 Mar 2013	Issue of securities to Oroya (JV)	50,000,000	0.008	400,000
ii)	26 Mar 2013	Issue of securities to Melbourne Capital	25,000,000	0.013	325,000
ii)	26 Mar 2013	Issue of securities to CPS Securities	25,000,000	0.013	325,000
					1,464,500
iii)	9 Nov 2012	Exercise of Options	6,308	0.015	95
iii)	5 Mar 2013	Exercise of options	43,686	0.020	874
					969
iv)	5 Mar 2013	Issue of securities to Directors - Bryan Frost in lieu of directors fees	7,000,000	0.007	49,000
iv)	5 Mar 2013	Issue of securities to Directors - Richard Revelins in lieu of directors fees	3,000,000	0.007	21,000
					70,000
		Total	**468,555,370**		**4,188,361**

Note	30-Jun-12	Details	Number	Issue Price $	Total $
i)	8 Dec 2011	Shares issued in accordance with 3:2 Rights Issue	9,299,569	0.020	185,991
i)	16 Dec 2011	Shortfall shares issued to underwriter of the 3:2 Rights Issue	40,337,019	0.020	806,740
					992,731
ii)	2 May 2012	Shares issued as per resolution 5b of May 2012 General Meeting	2,500,000	0.020	50,000
ii)	24 May 2012	Shares issued as per resolution 4 of May 2012 General Meeting	5,000,000	0.017	85,000
					135,000
iii)	13 Mar 2012	Exercise of options	20,000	0.020	400
					400
		Total	**57,156,588**		**1,128,131**

	Note	30 June 2013 No.	30 June 2013 $	30 June 2012 No.	30 June 2012 $
18 b) Options					
At the beginning of reporting period		102,335,763	106,259	42,699,175	71,259
Options movements during year					
- Issue of options	i)	205,332,862	-	49,656,588	-
- Exercise of options	ii)	(49,994)	-	(20,000)	-
- Issue of options to consultants	iii)	125,000,000	1,127,783	10,000,000	35,000
- Expiration of options	iv)	(59,572,902)	-	-	-
- Issue of options to directors	v)	5,000,000	21,289	-	-
At reporting date		**378,045,729**	**1,255,331**	**102,335,763**	**106,259**

Note	30-Jun-13	Details	Class	Number	Issue Price $	Total $
i)	7 Aug 2012	Non-Renounceable Rights Issue - free attaching	MPJOB	105,289,176	-	-
i)	5 Mar 2013	Issue of options upon exercise of Options	unlisted	43,686	-	-
i)	26 Mar 2013	Capital Raising - free attaching options	unlisted	100,000,000	-	-
						-
ii)	9 Nov 2012	Exercise of Options	MPJOB	(6,308)	-	-
ii)	5 Mar 2013	Exercise of Options	MPJO	(43,686)	-	-
						-
iii)	5 Mar 2013	Issue of options to consultants - Tim Chapman, in lieu of payment	unlisted	3,000,000	-	12,773
iii)	5 Mar 2013	Issue of options to consultants - Brian Dunkley, in lieu of payment	unlisted	2,000,000	-	8,516
iii)	5 Mar 2013	Issue of options to The CFO Solution -in lieu of payment at termination	unlisted	20,000,000	-	85,157
iii)	26 Mar 2013	Issue of options to Oroya (JV)	unlisted	30,000,000	-	306,401
iii)	26 Mar 2013	Issue of options to Melbourne Capital	unlisted	35,000,000	-	357,468
iii)	26 Mar 2013	Issue of options to CPS Securities	unlisted	35,000,000	-	357,468
						1,127,783
iv)	28 Feb 2013	Expiration of Options	MPJO	(59,572,902)	-	-
						-
v)	5 Mar 2013	Issue of options to directors - Bryan Frost in lieu of directors fees	unlisted	3,500,000	-	14,902
v)	5 Mar 2013	Issue of options to directors - Richard Revelins in lieu of directors fees	unlisted	1,500,000	-	6,387
						21,289
		Total		**275,709,966**		**1,149,072**

Note	30-Jun-12	Details	Class	Number	Issue Price $	Total $
i)	8 Dec 2011	Issue of free-attaching 1:1 options to Rights Issue subscribers	MPJO	9,299,569	-	-
i)	16 Dec 2011	Issue of shortfall free 1:1 options to Rights Issue underwriters	MPJO	40,337,019	-	-
i)	16 Mar 2012	Issue of new 1:1 free options upon exercise of MPJO options	unlisted	20,000	-	-
						-
ii)	16 Mar 2012	Exercise of options	MPJO	(20,000)	-	-
						-
iii)	8 Feb 2012	Options issued as introductory fee for coal tenements venture	MPJO	5,000,000	0.003	15,000
iii)	24 May 2012	Shares issued as per resolution 4 of May 2012 General Meeting	MPJO	5,000,000	0.004	20,000
						35,000
		Total		**59,636,588**		**35,000**

During the period the Company issued 130,000,000 unlisted options as part of a share based payment which was valued with a Black-Scholes calculation, using the following criteria:

Recipient	Directors & Consultants	Tenement Acquisition	Consultants
Quantity	30,000,000	30,000,000	70,000,000
Entitlement date	01/03/2013	1/03/2013	1/03/2013
Expiry date	30/06/2016	30/06/2016	30/06/2016
Share price	$0.007	$0.014	$0.014
Exercise price	$0.01	$0.01	$0.01
Implied volatility	95%	95%	95%
Option life (years)	3.32	3.32	3.32
Expected dividends	-	-	-
Risk free rate	3.21	3.21	3.21

None of the options issued above had any vesting or escrow conditions.

The share options outstanding at the end of the year had a weighted average exercise price of $0.02, and a weighted average remaining contractual life of 2.29 years.

NOTE 19: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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 and Queensland. 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 Consolidated 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 Consolidated Entity.

NOTE 20: OPERATING SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the management team in assessing performance and determining the allocation of resources.

The operating segments are identified by management based on the manner in which the expenses are incurred and resources allocated. Discrete financial information about each of these operating segments is reported to the board on a regular basis.

The reportable segments are based on aggregated operating segments determined by similarity of expenses, where expenses in the reportable segments exceed 10% of the total expenses for either the current and/or previous reporting period.

Operating segments

- Investments - The Consolidated Entity invests in a portfolio of listed investments for short term gains and liquidity purposes, and in unlisted equities for the purpose of long-term results.
- Exploration - The Consolidated Entity invests in exploration activities in areas of interest in order to identify mineral deposits for exploitation through sale of rights or mining activities. Impairment expenses have been included in this segment.
- Corporate - The Corporate business segment consists of the Board of Directors and the costs of the Consolidated Entity communications and reporting. Share based payments have been included in this segment.

The company owns interests in exploration assets and financial assets that are based in Australia.

Segments are reported before tax. Tax is reflected in corporate expenditure.

30 June 2013	Exploration & Mining $	Investments $	Corporate $	Total $
Revenue				
Interest revenue	-	-	17,745	17,745
Net movement in fair value of financial assets held for trading	-	-	-	-
Unallocated revenue	-	-	-	-
Total Revenue	**-**	**-**	**17,745**	**17,745**
Expenses				
Depreciation	-	-	(13,353)	(13,353)
Other Expenses	(1,152,741)	(466,179)	(3,639,152)	(5,258,072)
Profit/(loss) attributed to minority interest	-	-	(9,634)	(9,634)
Net Result	**(1,152,741)**	**(466,179)**	**(3,644,394)**	**(5,263,314)**
Assets				
Segment assets	1,252,044	227,978	1,152,346	2,632,368
Total Assets	**1,252,044**	**227,978**	**1,152,346**	**2,632,368**
Liabilities				
Segment liabilities	328	-	485,533	485,861
Total Liabilities	**328**	**-**	**485,533**	**485,861**

30 June 2012	Exploration & Mining $	Investments $	Corporate $	Total $
Revenue				
Interest revenue	-	-	15,442	15,442
Other unallocated revenue	-	-	7,116	7,116
Total Revenue	**-**	**-**	**22,558**	**22,558**
Expenses				
Segment Expenses	(106,919)	(1,607,229)	(1,277,117)	(2,991,265)
Profit/(loss) attributed to minority interest	-	-	(2,424)	(2,424)
Net Result	**(106,919)**	**(1,607,229)**	**(1,256,983)**	**(2,971,131)**
Assets				
Segment assets	1,037,890	1,026,796	484,712	2,549,398
Total Assets	**1,037,890**	**1,026,796**	**484,712**	**2,549,398**
Liabilities				
Segment liabilities	38,205	-	309,894	348,099
Total Liabilities	**38,205**	**-**	**309,894**	**348,099**

NOTE 21: CASH FLOW INFORMATION

	30 June 2013 $	30 June 2012 $
Reconciliation of Cash Flow from Operations with Result after Income Tax:		
(Loss) for the Period	**(5,263,314)**	**(2,971,131)**
Add back depreciation expense	13,353	21,951
Add back impairment of asset	-	108,570
Add back equity settled expense	1,732,671	170,000
Add back loss/(gain) on revaluation of assets	(1,791,575)	861,221
Add back non capitalised exploration	1,693,264	-
Add back loss on sales of equity investments	2,389,937	517,594
Add back disposal of subsidiary	200,641	-
Decreases in Accounts Receivable	(10,967)	161,587
(Increases) in Other Current Assets	13,645	(18,357)
Increases/(Decreases) in Accounts Payable	(89,495)	114,753
Increases/(Decreases) in Other Current Liabilities	(5,063)	844
Cash flow from operations	**(1,116,903)**	**(1,032,968)**

NOTE 22: 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 (Resigned: effective 30th September 2013)
- Joshua Wellisch (Appointed: 28th March 2013)
- Angus Edgar (Appointed: 28th March 2013)
- Richard Revelins (Resigned: 28th March 2013)
- James Babbage (Resigned: 28th March 2013)
- Phillip Hains (Resigned: 28th March 2013)

	30 June 2013 $	30 June 2012 $
Services performed		
Peregrine Corporate Ltd, is a Company of which Bryan Frost and Richard Revelins are also directors of. During the year this entity provided corporate advice and capital raising underwriting services to Mining Projects Group Limited at standard commercial rates.		
Value of services performed whilst Directors of MPJ - cash settled	69,000	65,520
Value of services performed whilst Directors of MPJ - equity settled	12,000	105,000
	81,000	**170,520**
Babbage & Co. Pty Ltd, is a Company owned and operated by James Babbage which provides taxation services to Mining Projects Group Limited at standard commercial rates.		
Value of services performed whilst a Director of MPJ – cash settled	9,712	6,500
	9,712	**6,500**
The CFO Solution Pty Ltd, is a Company owned and operated by Phillip Hains which provides accounting and administration services to Mining Projects Group Limited and its subsidiaries at standard commercial rates.		
Value of services performed whilst a Director of MPJ – cash settled	280,000	116,667
Value of services performed whilst a Director of MPJ - equity settled [1]	155,157	-
	435,157	**116,667**
Shared Office Services, is a Company owned and operated by Phillip Hains which provides back office support services to Mining Projects Group Limited and its subsidiaries at standard commercial rates.		
Value of services performed whilst a Director of MPJ	25,194	31,392
	25,194	**31,392**
Christopher Taylor Geological Consulting Pty Ltd, is a Company owned and operated by Christopher Taylor which provides geological and tenement services to Mining Projects Group Limited and its subsidiaries at standard commercial rates.		
Value of services performed whilst a Director of MPJ	-	6,186
	-	**6,186**
Total	**551,063**	**331,265**

[1] Fees received by The CFO Solution for termination of contract with Mining Projects Group Limited for the period Phillip Hains was a Director, received as a share based payment.

NOTE 23: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Financial Instruments

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

		30 June 2013 $	30 June 2012 $
Cash and cash equivalents		983,421	202,682
Trade and other receivables		139,979	126,469
Other financial assets held for trading		107,978	645,733
Other financial assets available for sale		-	381,063
Trade and other payables		(485,861)	(339,086)

The Consolidated Entity does not have any derivative instruments at 30 June 2013 (30 June 2012: Nil).

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 Consolidated Entity's implementation of that system on a regular basis.

The Board seeks to ensure that the exposure of the Consolidated 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 Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Company's constitution.

The capital structure of the Company consists of equity attributed to equity holders of the Company, comprising issued capital and accumulated losses.

e) Financial Risk Management

Interest Rate Risk

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

Cash at bank balances of $983,421 (2012: $202,682) are subject to interest rate risk, being held in accounts with floating interest rates. There is no other exposure to interest rate risk.

The Consolidated Entity has conducted a sensitivity analysis of the Consolidated Entity's exposure to interest rate risk. The analysis shows that if the Consolidated 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 Consolidated Entity's loss after tax and equity would be as follows:

	30 June 2013 $	30 June 2012 $
1% (2012: +2.50%)	9,834	5,067
-1% (2012: -2.50%)	(9,834)	(5,067)

Foreign Currency Risk

The Company is exposed to foreign currency risk via the cash and cash equivalents, equity investments in foreign entities and trade and other payables that it holds. Foreign currency risk is the risk that the value of the financial investment will fluctuate due to changes in the foreign exchange rates. The Company does not have a policy to hedge overseas payments or receivables as they are infrequent.

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

	30 June 2013 $	30 June 2012 $
Cash and cash equivalents (AUD/CAD)	391	391
Cash and cash equivalents (AUD/ZAR)	-	65,188
Trade and other payables (AUD/ZAR)	-	28,545
Financial Assets held for trading (AUD/CAD)	17,484	1,304,916
Financial Assets held for trading (AUD/GPB)	-	146,331
Financial Assets held for trading (AUD/USD)	-	100,000

The Consolidated Entity has significantly reduced its investments outside of Australia, which previously exposed it to transactional currency movements. The Consolidated Entity is currently only exposed to fluctuations in Canadian dollars, meaning there is very minimal impact on the entity.

Credit Risk

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

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

Receivables past due and impaired are $nil (2012: $nil). All other receivables past due are not considered impaired. Management believe that these receivables are recoverable and are satisfied that payment will be received in full. The ageing of the group's trade receivables at reporting date:

	0-30 days	30-60 days	60-90 days	90+ days	Total
2013					
Trade and other receivables					
- Trade receivables	14,403	-	-	-	14,403
- Good and services tax refund due	25,515	-	-	61	25,576
- Amounts receivable from related entities	-	-	-	-	-
- Amounts receivable from unrelated entities	100,000	-	-	-	100,000
	139,918	**-**	**-**	**61**	**139,979**

	0-30 days	30-60 days	60-90 days	90+ days	Total
2012					
Trade and other receivables					
- Trade receivables	1,887	-	-	169	2,056
- Good and services tax refund due	25,911	-	-	-	25,911
- Amounts receivable from related entities	-	-	-	3,558	3,558
- Amounts receivable from unrelated entities	57,343	-	-	37,601	94,944
	85,141	**-**	**-**	**41,328**	**126,469**

Liquidity Risk

The Company is exposed to liquidity risk via its trade and other payables. Liquidity risk is the risk that the Company 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 Company's undiscounted cash flow forecasts to ensure the Company 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 Company needs to raise additional funding from the equity markets. The Company has analysed its trade and other payables below:

	0-30 days	30-60 days	60-90 days	90+ days	Total
2013					
Trade and other payables					
- Trade and other payables (AUD)	48,471	715	-	-	49,186
- Trade and other payables (ZAR)	-	-	-	-	-
- Accrued expenses	436,675	-	-	-	436,675
	485,146	**715**	**-**	**-**	**485,861**
2012					
Trade and other payables					
- Trade and other payables (AUD)	77,150	32,139	45,077	15,891	170,257
- Trade and other payables (ZAR)	28,545	-	-	-	28,545
- Accrued expenses	140,284	-	-	-	140,284
	245,979	**32,139**	**45,077**	**15,891**	**339,086**

f) Net Fair Value

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, assets are carried at lower of cost or recoverable amount based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date is as follows:

	30 June 2013		30 June 2012	
	Carrying Amount $	Net Fair Value $	Carrying Amount $	Net Fair Value $
Consolidated Entity				
Financial Assets				
Cash and cash equivalents	983,421	983,421	202,682	202,682
Trade and other receivables	139,979	139,979	126,469	126,469
Other financial assets held for trading	107,978	107,978	645,733	645,733
Other financial assets available for sale	-	-	381,063	381,063
	1,231,378	**1,231,378**	**1,355,947**	**1,355,947**
Financial liabilities				
Trade and other payables	485,861	485,861	339,086	339,086
	485,861	**485,861**	**339,086**	**339,086**

g) Market Risk

The Consolidated Entity has reduced its exposure to market price risk through the sale of AMN Nominees Pty Ltd, which held majority of the equity investments. Market risk is the risk that the value of an investment will decrease due to movements in market factors.

The Board do not follow a formally documented risk management policy. The analysis shows that if the Company's market price was to fluctuate as disclosed below and all other variables had remained constant, then the market price sensitivity impact on the Company's loss after tax and equity would be as follows:

	30 June 2013 $	30 June 2012 $
Increase/(Decrease) in financial assets held for trading:		
5.00% (2012: 5%)	5,399	32,287
-5.00% (2012: -5%)	(5,399)	(32,287)
Increase/(Decrease) in financial assets held for sale		
5.00% (2012: 5%)	-	19,053
-5.00% (2012: -5%)	-	(19,053)

Listed Investments

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

h) Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements.

The fair value hierarchy consists of the following levels:

- quoted prices 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 asset or liability values that are not based on observable market data (unobservable inputs) (Level 3). Level 3 is applied to available for sale financial assets that are considered to be impaired.

	2013			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Financial Assets				
Financial assets at fair value through the profit or loss:				
- listed investments (held for trading)	107,978	-	-	107,978
	107,978	**-**	**-**	**107,978**
Available for sale financial assets carried at cost less accumulated impairment				
- listed investments	-	-	-	-
	-	-	-	-
	107,978	**-**	**-**	**107,978**

	2012			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Financial Assets				
Financial assets at fair value through the profit or loss:				
- listed investments (held for trading)	645,733	-	-	645,733
- unlisted investments (held for trading)	-	-	381,063	381,063
	645,733	**-**	**381,063**	**1,026,796**
Available for sale financial assets carried at cost less accumulated impairment				
- listed investments	-	-	-	-
- unlisted investments	-	-	-	-
	-	-	-	-
	645,733	**-**	**381,063**	**1,026,796**

NOTE 24: PARENT COMPANY INFORMATION

The following information has been extracted from the financial reports and records of the Parent Entity, Mining Projects Group Ltd, and has been prepared in accordance with the accounting standards.

	Parent Entity	
	30 June 2013	30 June 2012
	$	$
STATEMENT OF FINANCIAL POSITION		
Assets		
Current Assets	1,212,297	332,902
Non-Current Assets	1,388,786	2,160,924
Total Assets	**2,601,083**	**2,493,826**
Liabilities		
Current Liabilities	485,533	309,894
Total Liabilities	**485,533**	**309,894**
Net Assets	**2,115,550**	**2,183,932**
Equity		
Issued capital	37,359,995	32,259,265
Accumulated losses	(35,244,445)	(30,075,333)
Total Equity	**2,115,550**	**2,183,932**
STATEMENT OF PROIT OR LOSS AND OTHERCOMPREHENSIVE INCOME		
Total Loss	**(5,169,114)**	**(3,063,150)**

NOTE 25: EVENTS OCCURRING AFTER THE REPORTING DATE

15 July 2013 - The Company announced the appointment of Mr Dehong Yu, a major shareholder representative, to the Board

6 August 2013 - The Company announced a variation to the sale agreement with Delcarmen Energy for the granting of tenement EPC 2528.

21 August 2013 - The Company announces that it has completed the selective buy-back of shares from Oroya Mining Limited.

10 September 2013 - The Company announces execution of Joint Venture Agreement with Epi Energy Pty Ltd

24 September 2013 - The Company announces plans to commence drilling at Talc Lake Prospect, a recommended precursor to substantial drilling program across the Roe Hills Project

NOTE 26: ACQUISITIONS SUBSEQUENT TO BALANCE DATE

On the 10 September 2013, the Company announced the execution of a joint venture agreement with Epi Energy Pty Ltd to obtain a 70% interest in three granted exploration leases (E28/2271, E63/1594 and E69/3082) located within the Fraser Range, Western Australia.

	AUD $
Consideration paid or to be paid:	
- Cash Consideration	
· Initial payment to Epi Energy Pty Ltd	50,000
· Deferred consideration*	200,000
- Share Consideration	
· Issue of 15 million fully paid ordinary MPJ shares to Epi Energy Pty Ltd to execute a binding terms sheet for an option to acquire a right (issued prior to year end, refer note 18)	120,000
· Issue of 20 million fully paid MPJ shares and 15 million 1 cent options expiring 30 December 2017 to Epi Energy Pty Ltd on the formation of the joint venture	100,000
Total consideration	**470,000**

*Note: Deferred consideration of $200,000 is payable prior to 15 November 2013. MPJ has a 12 month period to pay the deferred cash payment but will incur an interest charge of 6% pa from 15 November 2013 until the amount is paid in full

Due to the execution of the joint venture agreement with Epi Energy Pty Ltd being so close to the end of the reporting period and preparation of the Annual Report, the Company has not yet been able to verify the fair value of the net assets being acquired. Full details of the joint venture will be reported in the future financial reports.

NOTE 27: BUSINESS COMBINATION

Delcarmen Energy Pty Ltd

On 5 July 2012, the Company announced the completion of the acquisition of 100% of the issued capital of Delcarmen Energy Pty Ltd, effectively acquiring Exploration Permits for Coal (EPC 2527 & EPC 2528) north and east of Kingaroy, Queensland.

On the 30 January 2013 the Company announced the Exploration Permits for Coal EPC 2527 had been granted. At the date of this report EPC 2528 is still in the process of been granted.

The Company is assessing expanding its footprint within the Esk Basin in which the Delcarmen project area lies.

	AUD $
Consideration paid or to be paid to vendors:	
- Cash Consideration	
· Non-refundable deposit (PAID prior to 30 June 2012)	20,000
· Initial payment to vendors of Delcarmen (PAID prior to 30 June 2012)	80,000
· Payment to vendors upon issue of formal granting of tenement EPC 2527	200,000
· Payment to vendors upon issue of formal granting of tenement EPC 2528 (TO BE PAID) or issue of shares to the same value	200,000
- Share Consideration	
· Issue of 12.5 million fully paid ordinary MPJ shares, with a deemed value of $0.01 per share, to the vendors of Delcarmen upon issue of formal granting of tenement EPC 2527	112,500
· 12.5 million fully paid ordinary MPJ shares to be issued to the vendors of Delcarmen upon formal granting of tenement EPC 2528 , with a deemed value of $0.01 per share	112,500
	725,000
Total consideration	**725,000**

	Initial value	Adjustment	Final fair value
Assets			
Cash and cash equivalents	72	-	72
Receivables	60	-	60
Exploration, evaluation and development	128,526	725,145*	853,670
Total Assets	**128,658**	**725,145**	**853,802**
Liabilities			
Loan	128,803	-	128,803
Total Liabilities	**128,803**	**-**	**128,803**
Fair value of identifiable net assets	**(145)**	**725,145**	**725,000**

* The fair value adjustment to exploration, evaluation and development costs on consolidation of $725,145 is attributed to the initial consideration paid to acquire Delcarmen Energy Pty Ltd. The Directors do not believe that this should be impaired due to the transaction recently occurring, and expanding the project.

NOTE 28: COMPANY DETAILS

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

Suite 2, 1233 High Street, Armadale, Victoria, Australia. 3143

Director's Declaration

The Directors' of the Company declare that;

1. In the Directors' opinion the financial statements and the notes and the remuneration disclosures that are contained within the Remuneration report within the Directors' report are in accordance with the Corporations Act 2001 , including:

   a. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date; and

   b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

2. the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in note 1; and

3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the chief executive officer and chief financial officer for the financial year ended 30 June 2013.

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

Joshua Wellisch
Managing Director
Mining Projects Group Limited

Melbourne
Dated: 27th Day of September 2013

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of Mining Project Group Limited

Report on the Financial Report

We have audited the accompanying financial report of Mining Project Group Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mining Project Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 "Going Concern" in the financial report, which indicates that the consolidated entity has incurred a net loss attributable to the owners of Mining Project Group Limited of $5,253,680 and had cash outflows from operating activities of $1,116,903. The ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. These conditions, along with other matters as set out in Note 1 "Going Concern", indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 22 of the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion, the Remuneration Report of Mining Project Group Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

David Garvey

Partner

Melbourne, 27 September 2013

Shareholder Information

As at 19th September 2013:

Number of Holders of Equity Securities

Ordinary Shares

570,166,840 fully paid ordinary shares are held by 3,238 individual shareholders.
All ordinary shares carry one vote per share.

Options

MPJO - 204,300,000 options exercisable at $0.01 on or before 30 Jun 2016, are held by 64 individual shareholders;

MPJOA - 41,299,175 options exercisable at $0.10 on or before 6 Jul 2014, are held by 736 individual shareholders;

MPJOB - 105,282,868 options exercisable at $0.015 on or before 30 Nov 2014, are held by 277 individual shareholders;

MPJAI - 1,400,000 options exercisable at various prices on or before 5 October 2015, are held by 3 individual shareholders;

MPJAK - 63,686 options exercisable at $0.03 on or before 28 Feb 2014, are held by 4 individual shareholders;

MPJAO - 60,000,000 options exercisable at various prices on or before 21 Aug 2017, are held by 3 individual shareholders; and

MPJAQ – 15,000,000 options exercisable at $0.01 on or before 30 Dec 2017, are held by 3 individual shareholders.

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

Shareholders (MPJ)

	No. of Shareholders
1 – 1,000	1,132
1,001 – 5,000	875
5,001 – 10,000	347
10,001 – 100,000	618
100,001 –	266
Total number of shareholders	**3,238**
Unmarketable Parcels	2,943

Optionholders (MPJO)

	No. of Optionholders
1 – 1,000	-
1,001 – 5,000	-
5,001 – 10,000	-
10,001 – 100,000	40
100,001 –	24
Total number of optionholders	**64**

Optionholders (MPJOA)

	No. of Optionholders
1 – 1,000	249
1,001 – 5,000	228
5,001 – 10,000	91
10,001 – 100,000	119
100,001 –	49
Total number of optionholders	**736**

Optionholders (MPJOB)

	No. of Optionholders
1 – 1,000	46
1,001 – 5,000	70
5,001 – 10,000	36
10,001 – 100,000	83
100,001 –	42
Total number of optionholders	**277**

Shareholder Information *(Continued...)*

Twenty Largest Holders of Quoted Securities

Fully paid ordinary shares

Shareholders		Number	%
1	REDCLIFFE COAL ROJECT PL	110,000,000	19.99%
2	QUEENSLAND MM PL *	52,925,302	9.28%
3	MELBOURNE CAP LTD	34,000,000	5.96%
4	FOREIGN DIMENSIONS PL *	26,700,000	4.68%
5	DARONTACK PL	16,305,778	2.86%
6	INTERCORP PL *	13,210,000	2.32%
7	MUNGALA INV PL *	13,000,000	2.28%
8	MIKADO CORP PL	12,500,000	2.19%
9	PEREGRINE CORP LTD *	11,835,527	2.08%
10	CFO SOLUTION TEAM PL *	9,885,716	1.73%
11	BBD CUSTS PL	9,523,810	1.67%
12	RED MARLIN PL	9,523,810	1.67%
13	TALEX INV PL	9,290,675	1.63%
14	ALTIME NOM PL	9,000,000	1.58%
15	RICHSHAM NOM PL *	9,000,000	1.58%
16	BRIDUN PL *	7,545,002	1.32%
17	FGL CAP LTD	6,790,675	1.19%
18	INVERNESS CAP PL	6,217,253	1.09%
19	REALSTAR FINANCE PL	6,000,000	1.05%
20	R A H STC PL	4,627,774	0.81%
	TOTAL	**377,881,322**	**66.26 %**

* Denotes Merged Holdings

Optionholders (MPJO)

Optionholders		Number	%
1	REDCLIFFE COAL PROJECT PL	55,000,000	26.92%
2	MELBOURNE CAP LTD	39,500,000	19.33%
3	CFO SOLUTION TEAM PL *	20,000,000	9.79%
4	FOREIGN DIMENSIONS PL *	12,500,000	6.12%
5	ALTIME NOM PL	12,000,000	5.87%
6	RICHSHAM NOM PL *	12,000,000	5.87%
7	INTERCORP PL *	6,250,000	3.06%
8	MIKADO CORP PL	6,250,000	3.06%
9	MUNGALA INV PL *	5,000,000	2.45%
10	CPS CAP GRP PL	5,000,000	2.45%
11	QUEENSLAND MM PL *	3,500,000	1.71%
12	VISION TECH NOM PL *	3,225,000	1.58%
13	TRANSOL CORP LTD	3,125,000	1.53%
14	INVERNESS CAP PL	3,000,000	1.47%
15	BRIDUN PL *	2,000,000	0.98%
16	SELBY ARLO MURRAY	2,000,000	0.98%
17	DALEXT PL *	2,000,000	0.98%
18	SEEFELD INV PL	2,000,000	0.98%
19	DARONTACK PL	1,500,000	0.73%
20	ST BARNABAS INV PL *	1,500,000	0.73%
	TOTAL	**197,350,000**	**96.59%**

* Denotes Merged Holdings

Optionholders (MPJOA)

	Optionholders	Number	%
1	LO-SCHIAVO ALANNA	5,035,000	12.19%
2	QUEENSLAND MM PL *	4,849,589	11.74%
3	TALEX INV PL	3,300,000	7.99%
4	DARONTACK PL *	2,021,251	4.89%
5	MARTIN NICHOLAS KENT	1,855,000	4.49%
6	FOSTER JANET I + MARINO D	1,541,608	3.73%
7	ACTIONETTE PL	1,524,375	3.69%
8	DAVISON RODNEY KENNETH	1,200,000	2.91%
9	GOFFACAN PL	1,189,311	2.88%
10	RONAY INV PL *	1,100,000	2.66%
11	CARROLL RODNEY LEWIS	903,995	2.19%
12	FROST BRYAN *	818,226	1.98%
13	LAMPAM PL	725,000	1.76%
14	NEW AGE ENERGY PL	700,000	1.69%
15	SADARAJAK PL	600,000	1.45%
16	ELLIOTT HLDGS PL	500,000	1.21%
17	NEW AGE ENERGY	500,000	1.21%
18	KLEYN ANDRE	500,000	1.21%
19	DARWELL HUGH	461,611	1.12%
20	LASTA NOM PL	443,092	1.07%
	TOTAL	**29,768,058**	**72.06%**

* Denotes Merged Holdings

Optionholders (MPJOB)

	Optionholders	Number	%
1	QUEENSLAND M M PL *	22,162,697	21.05%
2	CHIFLEY PORTFOLIOS PL *	20,051,349	19.05%
3	PEREGRINE CORP LTD *	10,116,704	9.61%
4	DARONTACK PL	8,581,349	8.15%
5	BARGOLD HLDGS PL *	5,000,000	4.75%
6	ESTELVILLE NOM PL	4,290,675	4.08%
7	TALEX INV PL	4,290,675	4.08%
8	FGL CAP LTD	4,290,675	4.08%
9	SAFRATA MICHAL	2,500,000	2.37%
10	PALERMO ADAM	2,250,000	2.14%
11	REGIONAL MGNT PL	2,000,000	1.90%
12	GILLAND STEPHEN IAN	2,000,000	1.90%
13	BEACH LAURENCE PERCY	1,566,000	1.49%
14	RAH STC PL *	1,383,800	1.31%
15	LO-SCHIAVO ALANNA	1,000,000	0.95%
16	BRIEN ALAN + MELINDA	1,000,000	0.95%
17	FRIEND MICHAEL JOHN	1,000,000	0.95%
18	CFO SOLUTION TEAM PL *	838,096	0.80%
19	HALIDAS THEO	760,175	0.72%
20	JP MORGAN NOM AUST LTD	607,270	0.58%
		95,689,465	**90.91%**

* Denotes Merged Holdings

Unquoted Equity Securities Holdings Greater than 20%

Nil

Substantial Shareholders

The substantial Shareholders who have notified the Consolidated Entity in accordance with Section 671B of the Corporations Act are:

Redcliffe Coal Project Pty Ltd	110,000,000 ordinary fully paid shares – 19.99%
Queensland M M Pty Ltd	52,925,302 ordinary fully paid shares – 9.28%
Melbourne Capital Ltd	34,000,000 ordinary fully paid shares – 5.96%

Shareholder Enquiries

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

Security Transfer Registrars
770 Canning Highway
Applecross, Western Australia 6153
Telephone: +61 (0)8 9315 2333 Facsimile: +61 (0)8 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 Sub-register System)

Shareholders wishing to move to uncertificated holdings under the Australian Securities Exchange (ASX) 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

COMPANY

Mining Projects Group Limited
ABN 84 006 189 331

DIRECTORS

Mr Joshua Wellisch	Managing Director
Mr Angus Edgar	Independent Non-Executive Director
Mr Dehong Yu	Independent Non-Executive Director
Mr Bryan Frost	Executive Chairman (resigned effective 30 September 2013)

COMPANY SECRETARY

Mr Phillip Hains

COMPANY WEBSITE

www.miningprojectsgroup.com.au

REGISTERED OFFICE

Suite 2, 1233 High Street
Armadale, Victoria
Australia 3143

Phone: +61 (0)3 9824 8166
Facsimile: +61 (0)3 9824 8161

SOLICITORS

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

SHARE REGISTRY

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

Telephone: +61 (0)8 9315 2333
Facsimile: +61 (0)8 9315 2233

Email: registrar@securitytransfer.com.au

AUDITORS

BDO East Coast Partnership
(Formally: PKF Chartered Accountants)
Level 14, 140 William Street
Melbourne, Victoria
Australia 3000

SECURITIES QUOTED

Australian Securities Exchange (ASX)

ASX Code:	MPJ	Ordinary Fully Paid Shares
	MPJO	Listed options exercisable at $0.01 per option on, or before 30 June 2016
	MPJOA	Listed options exercisable at $0.10 per option on, or before, 6 Jul 2014
	MPJOB	Listed options exercisable at $0.015 per option on, or before, 30 Nov 2014

BANKERS

National Australia Bank
Melbourne, Victoria
Australia 3000