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Chairman's Letter

Dear Shareholder,

The 2010/11 financial year has proven a challenging one for Mining Projects Group Limited ("MPJ" or "the Company"). MPJ is a junior mining company constantly reviewing projects for participation, acquisition or investment. Of recent times the flow of potential projects has expanded as the weakness in world sharemarkets has eliminated many potential competing investors and acquirers.

The board was pleased to complete the acquisition of Raptor Minerals Pty Ltd ("Raptor") as it provided exposure to a significant uranium province. However since the Fukushima disaster there has been downward pressure on the uranium market and therefore enthusiasm for exposure to uranium explorers. The Company has continued to focus on acquiring further projects outside South Africa in commodities such as gold and coal.

The board will continue to evaluate the Raptor tenements in the Karoo Basin but in the immediate term most of this exploration will be on a minimal basis. The board believes further project acquisitions may provide better opportunities for restoring shareholder value.

The Company has spent significant time reviewing coal and gold opportunities mainly based in Indonesia and Mongolia. MPJ has focused on the Indonesian and Mongolian coal opportunities as sectors in the coal market that are ideally placed to take advantage of the growing demand for power generation raw materials in rapidly emerging and expanding Asian economies. MPJ will continue to review all possibilities with an emphasis on coal in Indonesia and Mongolia where management has good contacts and experience. MPJ has finalised an agreement with one project generation entity and is negotiating with others to expand our local network within Indonesia and Mongolia. MPJ has formed strong legal and technical relationships with local groups in these markets.

The board will also continue to review prospective gold opportunities as it believes this market will continue to remain buoyant as global economic uncertainties remain.

Over the coming financial year the Board of MPJ is seeking to finalise a number of transactions in the Asian coal space.

Yours faithfully,



Bryan J. Frost
Executive Chairman
Mining Project Group Limited

Review of Operations

RAPTOR MINERALS (PTY) LIMITED

On 9 September 2010 Mining Projects Group Limited (“MPJ” or “the Company”) held a General Meeting for shareholders to approve the acquisition of Raptor Minerals (Pty) Ltd (“Raptor”). Raptor secured a number of granted prospecting rights strategically located in key regions of South Africa which MPJ considered had the potential to host significant gold, uranium and molybdenum mineralisation.

The exploration program has initially consisted of an airborne geophysical survey to identify the most prospective near surface uranium anomalies.

The low level helimag and radiometric survey over the prospective uranium tenements in the Karoo Region of South Africa was completed in March 2011. Radiometric surveying is an efficient exploration tool for detecting surface anomalies for uranium which can then be verified by on the ground mapping and sampling. The survey covered 3,815 line kilometres flown at low level (25-30m flight height) on 100m spaced flight lines. The interpretation of the radiometric data showed a generally subdued contrast which may reflect the veneer of sedimentary cover and limited surface expression of the targeted lithologies, which have historically hosted the uranium mineralisation in this region. However two (2) of the five (5) areas tested showed minor uranium anomalies (greater than >5ppm mean equivalent uranium values (eU)) compared to the background values, whilst the remaining three (3) areas exhibited only subtle anomalism.

These weakly anomalous uranium areas will be reviewed and further evaluated by field inspection, correlation with landform and geology and where appropriate, additional close spaced measurements using a handheld spectrometer to validate and define the anomalous target areas

These results indicate that so far the exploration activity has not encountered outcropping uranium bearing sediments but further field work will need to be completed to identify the source of the anomalies to define targets suitable for follow up drilling.

As such, and in light of the current market conditions for uranium, the Company has been focusing its attention on identifying further opportunities in other commodities mainly outside of South Africa.

XPLOR LIMITED

On 17 September 2010, MPJ entered into an option agreement with ASX listed Minotaur Exploration Limited (“Minotaur”) (ASX:MEP) to explore and, at Minotaur’s election, acquire Xplor Pty Ltd (“Xplor”) which holds exploration licence EL4533 (Mt Tarrengower) and mining licence MIN4683 (Golden Mountain).

MPJ granted Minotaur an option until 30 June 2011 to explore its Victorian tenements in return for;

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

Subject to the results of the exploration, Minotaur had the right to purchase all the issued capital of Xplor with the payment of \$25,000 on delivery of a JORC resource at the Golden Mountain Project and total payments to MPJ of \$225,000 comprised of;

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

An initial 3 diamond drillhole programme was completed on the Mt Tarrengower gold prospect. The three holes totaled 599m and were drilled targeting quartz vein hosted gold mineralisation associated with the presence of both subvertical and flat-lying structures.

Discrete zones of fracturing, quartz veining and silicification returned anomalous arsenic values consistent with the ubiquitous presence of arsenopyrite, however corresponding gold assays were sporadic and low. The best result was a quartz vein hosting an interval of 0.80m @ 2.84g/t Au in hole MT10D003 from 111.2m downhole. Minotaur believed these results do not of themselves negate the exploration value of the targets, as the geological complexity remains unresolved, but elected not to exercise the option.

With respect to the Golden Mountain project, a gold resource estimate based on historical information was completed by independent consultants CSA Global Pty Ltd (CSA). CSA reported a JORC compliant Inferred Resource of 950,000 tonnes at 2.31 g/t using a 1.0 g/t Au cut off for a total of 70,500 ounces of gold, as reported by Minotaur in an ASX release dated 12th October 2010.

EXTERRA RESOURCES

The Egerton Project was the subject of an option and sale agreement with Exterra Resources Pty Ltd now known as Exterra Resources Limited ('Exterra'). Under the agreement Exterra has provided MPJ with;

- a non-refundable payment of \$60,000,
- 2,500,000 shares and 2,100,000 options exercisable at 20 cents and
- a 2% net smelter royalty on all gold produced from the Egerton tenements to a maximum amount of \$500,000.

Exterra lodged its prospectus on the 5 April 2011 with the Australian Securities and Investment Commission (ASIC) seeking to raise up to \$7 million. Ongoing confirmation drilling in the 1st quarter of 2011 at its Second Fortune Prospect at Linden enabled an inferred resource of 207,000t @ 7.4g/t Au for 52,270 ounces of gold to be estimated and reported according to JORC standards. Exterra successfully listed on the ASX on 25th May 2011 allowing transfer of ownership to take place and the allotment of the securities to MPJ.

INVESTMENTS

Investment strategy

MPJ continues to pursue its strategy of committing exploration funds to develop prospective resource projects.

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

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

Review of core investments

West Wits Mining Limited (ASX : WWI)

West Wits Mining Limited (ASX:WWI) ("West Wits") has taken a number of positive steps forward over the previous 12 months. On 3 February 2011, West Wits announced that it had entered into a binding heads of agreement to acquire an interest in the Derewo River Gold Project ("Derewo"), located in the Papua Province, Indonesia. This acquisition provides entry into a promising placer gold project based on evidence from existing artisanal operations. The underlying opportunity and focus of this project is in the exploration upside of uncovering the source of these alluvial gravels.

West Wits also entered into a mandate letter with BGF Equities Pty Ltd ("BGF") to raise \$3m from its institutional and high net worth client base. This was supported with a share purchase plan ("SPP") for existing shareholders to raise a further \$500,000.

On 28 July 2011, West Wits announced the successful completion of the acquisition of Derewo and consequent closing of the \$3.5 million capital raising. These funds will be used to undertake exploration for the source of gold at Derewo as well as establish an economic production process to extract the gold from the alluvials. Funds will also be used to test the potential gold mineralisation at the 1km 'Gap' which lies along strike of and in between the Emerald Gold Project and the the Monarch resource. Potential extensions at the LIP target located on the Livingston Reef on the West Rand near Johannesburg South Africa will also be tested.

The Derewo River Gold Project is situated on the Derewo River within the central mountains of the Papua Province, Indonesia. The project is located approximately 110km north west of Freeport McMoRan's Grasberg complex. This is a promising placer gold project based on evidence from existing artisanal operations, but the upside of this project is the potential for discovering the primary source of the gold.

West Wits believes that Derewo River exhibits many similarities with the early stages of several large gold projects on the PNG side of New Guinea. This project area exhibits favourable geology with significant gold deposits nearby, including Wabu and Grasberg. The exploration target is a Porgera Zone 7 and Wafi/Golpu type deposit. Derewo River provides a promising setting for the pursuit of a well known pattern of development of placer style deposits established over several decades in PNG but not yet undertaken on the Indonesian side.

This mining area was discovered in 2004 with local artisanal miners mining isolated alluvial gold pockets in the downstream of the Derewo River close to Nabire. This led to the discovering of high concentrations of alluvial gold in the Derewo River where it exits the central mountains of Papua. This area has shown potential with reports of several tonnes of gold having been extracted over the last few years.

The gold is occurring in the form of coarse nuggets which show clear signs of fluvial transport. These nuggets are found in Derewo River terrace deposits. The composition of the alluvial gravels does suggest a mixed alluvial and colluvial origin in that they are likely to be the product of slumping from the sides of the valley. Mining of these colluvial/alluvial deposits is possible using hydraulic methods with sluice boxes, to provide a relatively low cost method of gold recovery.

The source of this alluvial gold is potentially local, based on the size and shape of the nuggets discovered and the evidence of gold mineralisation from float samples observed within the mining area by independent geologists. The float samples consist of graphitic slates with associated with quartz veining. Evidence of silicification and hydrothermal alteration with fresh massive pyrite and disseminated chalcopyrite, sphalerite and galena indicate the potential for a larger mineralised system nearby which could provide a target to explore for a hard rock source.

MPJ currently holds 9.3m WWI shares.

The information in this report in relation to West Wits Mining Limited was extracted from previous ASX announcements released by West Wits Mining Limited.

The information in this report in relation to Xplor Ltd was extracted from previous ASX announcements released by Minotaur Exploration Limited.

The information in this report in relation to Exterra Resources Limited was extracted from previous ASX announcements released by Exterra Resources Limited.

Corporate Governance Report

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

STRUCTURE AND COMPOSITION OF THE BOARD

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

The names of the Directors, their independence, qualifications, experience and term of office are stated in the Directors' report 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 Economic Entity's industry; and
- some major Shareholders being represented on the Board.

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

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

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

The Economic Entity will, during the next reporting period, establish and implement a diversity policy which will include, but not be limited to, gender, age, ethnicity and cultural background of the Board and Key Management Personnel. The Company will set measurable objects to measure the achievement of the diversity policy, and introduce procedures to ensure its proper implementation. An internal review will be conducted annually to assess the effectiveness of the policy and its implementation procedures.

The Company does not have a Nomination Committee because it is deemed to be more efficient to have the Board consider membership nomination matters.

ETHICAL AND RESPONSIBLE DECISION-MAKING

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

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

INTEGRITY IN FINANCIAL REPORTING

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

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

The 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 Economic Entity immediately notifies the ASX of information concerning the Economic Entity:

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

RIGHTS OF SHAREHOLDERS

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

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

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

RECOGNISE AND MANAGE RISK

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

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

ENCOURAGE ENHANCED PERFORMANCE

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

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

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

All new Directors undergo an induction program.

REMUNERATE FAIRLY AND RESPONSIBLY

The Economic Entity adopted a Remuneration Committee on 3 August 2010. The members of the Committee are Mr. James Babbage (Chairman) and Mr. Christopher Taylor. The Committee has yet to meet. The Board was previously responsible for remuneration matters. The Committee is responsible for:

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

- Consulting appropriately qualified Consultants for advice on remuneration and other conditions of service.
- Succession planning for Senior Executive Officers.
- Performance assessment of Senior Executives Officers.

The Economic Entity is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with the Corporate Governance Principles and Recommendations' 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 Economic Entity without prior Shareholder approval.

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

LEGITIMATE INTERESTS OF STAKEHOLDERS

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

Directors' Report

The Board of Directors of Mining Projects Group Limited and its subsidiaries ('the Economic Entity') present their report for the year ended 30 June 2011.

DIRECTORS

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

Mr Bryan Frost

Executive Chairman Appointed to the Board 1991

Experience

Mr Frost was a partner of a Melbourne based stockbroking firm until 1973, where he specialised in advising international investors, banks and investment funds on Australian arbitrage and investments. Mr Frost has over 50 years experience and he has been involved in a number of public companies as an executive director and major shareholder and possesses extensive experience in financial engineering and management.

Interest in shares and options

11,170,085 ordinary shares and 7,623,930 options over ordinary shares.

Committees

Member of the Audit, Risk and Compliance Committee (resigned: 3 August 2010).

Directorships in listed entities over the past three years

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

Directorships in unlisted entities

Peregrine Corporate Limited.

Mr Richard Revelins

Executive Director Appointed to the Board 1991

Experience

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

Interest in shares and options

4,947,847 ordinary shares and 2,302,991 options over ordinary shares.

Committees

Member of the Audit, Risk and Compliance Committee (resigned: 3 August 2010).

Directorships in listed entities over the past three years

- Mintails Limited
Executive Director from 21 July 2000 to 16 March 2009.
- Cangold Limited (Canada)
Director from 9 March 2000 to 18 June 2008.
- Prana Biotechnology Limited
Company Secretary since 7 February 2000.

Directorships in unlisted entities

- Peregrine Corporate Limited.
- Entermo Limited
Executive Chairman since 12 December 2008 to 30 June 2011.

Mr James Babbage

Independent Non-Executive Director Appointed to the Board 1991

Qualifications

CPA

Experience

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

Interest in shares and options

150,000 ordinary shares and 125,000 options over ordinary shares.

Committees

Chairman of the Audit, Risk and Compliance Committee.

Chairman of the Remuneration and Nomination Committee.

Directorships in listed entities over the past three years

Nil.

Mr Christopher Taylor

Executive Director Appointed to the Board 2009

Qualifications

MBA and BSc (Honours) Major in Geology

Experience

Mr Taylor has previously held senior roles as Exploration Geologist and Consulting Geologist to a number of Australian and international mining companies including Newcrest Mining Limited, Delta Gold Limited, Gutnick Resources NL and Inco Resources (Australia).

Interest in shares and options

Nil ordinary shares and 1,400,000 options over ordinary shares.

Committees

Member of the Audit, Risk and Compliance Committee (appointed: 3 August 2010).

Member Remuneration and Nomination Committee (appointed: 3 August 2010).

Directorships in listed entities over the past three years

Nil.

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

COMPANY SECRETARY

Mr Richard Revelins throughout the financial year held, and continues to hold the position of Company Secretary.

PRINCIPAL ACTIVITY

The principal activity of the Economic 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 2011 financial year.

EARNINGS PER SHARE

Basic loss per share: 2.07 cents (2010: 4.01 cents)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER BALANCE DATE

No significant announcements have been made subsequent to balance date.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

REVIEW AND RESULTS OF OPERATIONS

The Economic Entity's net loss after income tax for the financial year was \$1,500,202 (2010: \$2,417,225). The Review of Operations provides further details regarding the progress made by the Economic Entity since the prior financial year, which has contributed to its results for the year.

ENVIRONMENTAL ISSUES

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

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

MEETINGS OF DIRECTORS

During the financial year, 16 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Committee Meetings Audit, Risk & Compliance	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr Bryan Frost	10	10	-	-
Mr Richard Revelins	9	10	-	-
Mr Christopher Taylor	10	10	6	6
Mr James Babbage	10	10	5	6

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OTHER OFFICERS

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

- a) indemnified or made 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	\$0.10
MPJAI	400,000	5 October 2015	\$0.10
MPJAI	500,000	5 October 2015	\$0.25
MPJAI	500,000	5 October 2015	\$0.50

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 2011, the following ordinary shares were issued as a result of the exercise of options:

ASX code	Exercise date	Exercise price	Number of shares issued
MPJOA	13/08/2010	\$0.10	30
MPJOA	04/10/2010	\$0.10	1,444
			1,474

No amounts are unpaid on any of the shares.

PROCEEDINGS ON BEHALF OF THE ECONOMIC ENTITY

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

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

NON-AUDIT SERVICES

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

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

	2011 \$	2010 \$
Taxation and compliance services	1,500	16,000

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 2011 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 Economic Entity support, and adhere to, good corporate governance practices. The Economic Entity's Corporate Governance Statement is contained within the section of this Annual Report entitled 'Corporate Governance Statement'.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the remuneration arrangements of the Directors and Executives of the Economic Entity as required by the Corporations Act 2001 and its Regulations.

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

The Directors of the Economic Entity during the year were:

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

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

Remuneration Policy

The remuneration of all Executive and Non-Executive Directors, Officers and Employees of the Economic Entity is determined by the Remuneration Committee as of 3 August 2010. It was previously determined by the Board.

The Economic Entity is committed to remunerating Senior Executives and Executive Directors in a manner that is market-competitive and consistent with "Best Practice" including the interests of Shareholders.

Remuneration packages are based on fixed and variable components, determined by the Executives' position, experience and performance, and may be satisfied via cash or equity.

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

Remuneration Policy versus Economic Entity Financial Performance

Over the past 5 years the Economic Entity has continued to acquire and maintain many participating interests in mining projects and companies that Directors believe have the potential to provide ongoing benefits to Shareholders. This is represented by the Economic Entity's interests in public and private companies, and direct participation in mining projects and joint ventures.

Some of the Economic Entity's investments have been realised over the past years and have provided trading profits and 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 yet been established, which may affect the Economic Entity's current performance and shareholder wealth.

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

Net Profit / (Loss) financial year 2011	(\$1,500,202)
Net Profit / (Loss) financial year 2010	(\$2,417,225)
Net Profit / (Loss) financial year 2009	(\$13,000,986)
Net Profit / (Loss) financial year 2008	(\$3,016,380)
Net Profit / (Loss) financial year 2007	\$6,462,545

Directors have been compensated for work undertaken and the responsibilities assumed in being Directors of this Economic Entity based on industry practice, as opposed to Economic Entity performance which is a difficult 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 Economic 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 Economic Entity. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Economic Entity uses a variety of KPI's to determine achievement, depending on the role of the executive being assessed, these include successful contract negotiations. No performance based remuneration was granted during the reporting period.

Section B: Details of Remuneration

Details of Remuneration for the year ended 30 June 2011

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

FY 2010/11	Cash salary and fees \$	Superannuation contribution \$	Other* \$	Equity \$	Total \$
Bryan Frost	249,996	-	-	-	249,996
Richard Revelins	165,138	14,862	-	-	180,000
James Babbage	40,000	-	6,500	-	46,500
Christopher Taylor**	43,842	3,600	67,434	10,900	125,776
	498,976	18,462	73,934	10,900	602,272

* Consulting services performed during the year over and above Director duties.

** Mr. Taylor was issued 1 million unlisted MPJA options in accordance with his employment contract. These options were approved by shareholders at the General Meeting of members held in September 2010.

Details of Remuneration for the year ended 30 June 2010

The remuneration for each Director of the Economic Entity during the year ended 30 June 2010 was as follows:

FY 2009/10	Cash salary and fees \$	Superannuation contribution \$	Other* \$	Equity \$	Total \$
Bryan Frost	249,996	-	-	-	249,996
Richard Revelins	165,138	14,862	-	-	180,000
James Babbage	40,000	-	-	-	40,000
Christopher Taylor	25,897	2,169	33,630	29,600	91,296
	481,031	17,031	33,630	29,600	561,292

* Consulting services performed during the year over and above Director duties.

Performance income as a proportion of total remuneration

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

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

Employment contracts of Directors and key management personnel

Mr Christopher Taylor was the only Director under contract as at 30 June 2011.

The employment conditions of the Mining Director, Mr Christopher Taylor were formalised in a contract of employment which commenced on 1 November 2009 and can be terminated with three months written notice by either party.

Mining Projects Group Limited has a contract with The CFO Solution, a specialist public practice, focusing on providing back office support, financial reporting and compliance systems for listed public companies. The contract commenced on 9 November 2006 and can be terminated with three months written notice of either party.

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



Mr Bryan Frost
Executive Chairman

Dated: The 30th Day of September 2011

Auditor's Independence Declaration



Chartered Accountants
& Business Advisers

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

**To: The Directors
Mining Projects Group Limited and the entities it controlled during the year**

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

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

A handwritten signature in black ink, appearing to read 'J A Mooney'.

J A Mooney
Partner
PKF

30 September 2011
Melbourne

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The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2011

	Note	30 June 2011 \$	30 June 2010 \$
Revenue			
Interest revenue - other persons/corporations	2	21,821	33,462
Profit on sale of mining tenements	2	201,421	-
Other	2	112,375	41,319
		335,617	74,781
Expenses			
Audit fees	3a	(53,525)	(61,590)
Depreciation		(21,117)	(18,530)
Tenement expenses		(32,025)	-
Directors' & consultants' fees	3a	(584,872)	(584,106)
Net movement in financial assets	3b	226,103	(627,334)
Impairment of tenement assets		(409,652)	(116,241)
Travel & marketing		(112,983)	(207,467)
Administration		(181,606)	(164,424)
Professional fees	3a	(284,751)	(472,878)
Rent		(184,842)	(94,008)
Other expenses		(196,549)	(145,428)
Profit/(Loss) before income tax		(1,500,202)	(2,417,225)
Income tax benefit	4	-	-
Profit/(Loss) for the period		(1,500,202)	(2,417,225)
Other comprehensive income			
Foreign exchange translation		14,402	-
Other comprehensive income for the period, net of income tax		14,402	-
Total comprehensive profit/(loss) for the period		(1,485,800)	(2,417,225)
Loss attributable to:			
• owners of Mining Projects Group Ltd		(1,494,076)	(2,415,380)
• non-controlling interests		(6,126)	(1,845)
		(1,500,202)	(2,417,225)
Total comprehensive income attributable to:			
• owners of Mining Projects Group Ltd		(1,479,676)	(2,415,380)
• non-controlling interests		(6,126)	(1,845)
		(1,485,800)	(2,417,225)
Basic loss per share (cents per share)	7	(2.07)	(4.01)
Diluted loss per share (cents per share)	7	(2.07)	(4.01)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2011

	Note	30 June 2011 \$	30 June 2010 \$
Assets			
Current assets			
Cash and cash equivalents	8	317,609	571,530
Trade and other receivables	9	230,713	205,704
Other financial assets	10	2,183,039	2,480,488
Current tax assets		947	-
Other		-	5,875
Total current assets		2,732,308	3,263,597
Non-current assets			
Trade and other receivables	9	66,582	-
Other financial assets	10	620,869	1,475,846
Property, plant and equipment	12	56,222	29,120
Exploration and evaluation costs	13	1,008,143	700,190
Total non-current assets		1,751,816	2,205,156
Total assets		4,484,124	5,468,753
Liabilities			
Current liabilities			
Trade and other payables	14	224,333	176,961
Provisions	15	13,931	1,794
Total current liabilities		238,264	178,755
Total liabilities		238,264	178,755
Net assets		4,245,860	5,289,998
Equity			
Issued capital	17	31,219,145	30,776,276
Foreign currency transaction		14,402	-
Accumulated losses		(26,980,614)	(25,486,538)
Parent interests		4,252,933	5,289,738
Non-controlling interests		(7,073)	260
Total equity		(4,245,860)	5,289,998

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2011

	Issued capital \$	Reserve \$	Accumulated losses \$	Total Parent interests \$	Non-controlling interests \$	Total \$
Balance at 30 June 2009	27,584,674	-	(23,071,158)	4,513,516	-	4,513,516
Total Comprehensive Income for the period	-	-	(2,415,380)	(2,415,380)	(1,845)	(2,417,225)
Non-controlling interest in subsidiaries acquired	-	-	-	-	2,105	2,105
Transactions with owners in their capacity as owners:						
Shares issued (net of costs)	3,108,187	-	-	3,108,187	-	3,108,187
Options exercised (net of costs)	4,881	-	-	4,881	-	4,881
Options issued	48,934	-	-	48,934	-	48,934
Options to be issued	29,600	-	-	29,600	-	29,600
Balance at 30 June 2010	30,776,276	-	(25,486,538)	5,289,738	260	5,289,998
Total Comprehensive Income for the period	-	-	(1,494,076)	(1,494,076)	(6,126)	(1,500,202)
Non-controlling interest in subsidiaries acquired	-	-	-	-	(1,207)	(1,207)
Transactions with owners in their capacity as owners:						
Shares issued (net of costs)	442,725	-	-	442,725	-	442,725
Options exercised	144	-	-	144	-	144
FX translation reserve movements	-	14,402	-	14,402	-	14,402
Balance at 30 June 2011	31,219,145	14,402	(26,980,614)	4,252,933	(7,073)	4,245,860

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2011

	Note	30 June 2011 \$	30 June 2010 \$
Cash flows related to operating activities			
Receipts from customers		20,069	43,632
Payments to suppliers and directors		(1,444,480)	(1,970,877)
Interest received		42,911	34,962
Interest and other costs of finance paid		(32)	-
Net cash flow used in operating activities	20	(1,381,532)	(1,892,283)
Cash flows related to investing activities			
Payment for purchases of plant and equipment		(48,219)	(4,573)
Proceeds from sales of equity investments		3,214,067	6,183,400
Payment for purchases of equity investments		(1,207,977)	(6,400,876)
Loans from/(to) other entities		(159,560)	(100,000)
Payment for tenement and exploration		(500,785)	(89,805)
Acquisition of subsidiaries, net of cash acquired	24	(172,063)	21,219
Net cash flows used in investing activities		1,125,463	(390,635)
Cash flows related to financing activities			
Proceeds from issues of securities		144	2,903,355
Capital raising costs		(7,275)	(234,611)
Net cash flows from/(used in) financing activities		(7,131)	2,668,744
Net increase/(decrease) in cash and cash equivalents		(263,200)	385,826
Cash and cash equivalents at the beginning of the period		571,530	185,704
Effects of exchange rate changes on cash and cash equivalents		9,279	-
Cash and cash equivalents at the end of the period	8	317,609	571,530

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2011

NOTE 1 - BASIS OF PREPARATION

Corporate information

The financial report of Mining Projects Group Ltd (the Economic Entity) for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 30 September 2011.

Mining Projects Group Ltd (MPJ) is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

The financial report covers the Economic Entity of Mining Projects Group Ltd and controlled entities. The separate financial statements of the parent entity, Mining Projects Group Ltd, 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.

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

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

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

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

Going concern

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

At 30 June 2011 the Economic Entity had cash and cash equivalents of \$317,609 (2010: \$571,530), cash outflows relating to operating activities of \$1,381,532 (2010: \$1,892,283) and a loss of \$1,500,202 (2010: \$2,417,225) for the financial year ended 30 June 2011, factors that give rise to a material uncertainty regarding going concern. The loss is inclusive of non-cash expenses amounting to \$118,671 (2010: \$524,942) relating to fair value adjustments and impairment to financial assets and the impairment of exploration and evaluation assets. The Directors have assessed the current cash balances available to the Economic Entity, along with other current financial assets, and the expenditure plans and obligations expected to arise over the next 12 months. Based on this assessment, the Directors are satisfied that there are sufficient resources available to the Economic Entity to meet its financial obligations as and when they become due over the next 12 months.

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

Statement of compliance

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

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 1: BASIS OF PREPARATION continued

Amendments to Australian Accounting Standards

The accounting policies adopted are consistent with the 2010 Annual Report except as follows:

Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2009-5				
Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	1 January 2010	Minimal	1 July 2010
[AASB 5, 8, 101, 107, 117, 118, 136 & 139]				
Interpretation 19				
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	<p>This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>	1 July 2010	No transactions identified to date as being affected however it could affect future transactions.	1 July 2010

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 Company for the annual reporting period ended 30 June 2011.

Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 124 (Revised)				
Related Party Disclosures (December 2009)	<p>The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:</p> <ul style="list-style-type: none"> (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other. (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other. (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other. <p>A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.</p>	1 January 2011	No Impact	1 July 2011
AASB 2009-12				
Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself).</p>	1 January 2011	Minimal	1 July 2011

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 1: BASIS OF PREPARATION continued

Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2011-1				
Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project	This Standard amends many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1 July 2011	Minimal Impact	1 July 2011
[AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]				
AASB 9				
Financial Instruments	The revised standard addresses the classification and measurement of financial assets. The most significant changes introduced through AASB 9 include: two categories for financial assets being amortised cost or fair value; strict requirements to determine which financial assets can be classified as amortised cost or fair value; and the removal of the requirement to separate embedded derivatives in financial assets.	1 January 2013	The impact of the standard has yet to be fully assessed but it is expected to impact future transactions.	1 July 2013

ACCOUNTING POLICIES

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

a) Principles of consolidation

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

A list of controlled entities is contained in Note 11 to the financial statements. All Australian controlled entities have a June financial year-end. The South African controlled entities had a February year-end however, this year-end date has been changed to 30 June to align with the rest of the group.

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

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

b) Income tax

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

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

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 1: BASIS OF PREPARATION continued

c) Plant and equipment

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

Plant and equipment

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

Depreciation

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance 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 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 company commits itself to either the purchase or sale of the asset.

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

Classification and subsequent measurement

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

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and 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.

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.

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 1: BASIS OF PREPARATION continued

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 Economic Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit and loss.

f) Impairment of assets

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

g) Foreign currency transactions and balances

Functional and presentation currency

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

Transaction and balances

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

Exchange differences arising on the translation of monetary items are recognised in the 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.

h) Cash and cash equivalents

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

i) Revenue

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

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

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

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

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

j) Trade and other receivables

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

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

k) Trade and other payables

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

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

l) Share capital

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

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

o) Interests in joint ventures

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

p) Investment in subsidiaries

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

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 2: REVENUE

	30 June 2011	30 June 2010
	\$	\$
Operating revenue		
Interest revenue - other persons/corporations	21,821	33,462
Profit on sale of mining tenements	201,421	-
Other	112,375	41,319
Total operating revenue	335,617	74,781

NOTE 3: (LOSS) FOR THE YEAR

a) Expenditure

Auditor fees		
Audit fees	52,025	45,590
Taxation fees	1,500	16,000
Auditor fees	53,525	61,590
Directors' & consultants' fees		
Bryan Frost	249,996	249,996
Richard Revelins	180,000	180,000
Jim Babbage	40,000	40,000
Chris Taylor	47,442	79,512
Consultants	67,434	34,598
Directors' & consultants' fees	584,872	584,106
Professional fees		
Legal fees	26,345	17,091
Other	258,406	455,787
Professional fees	284,751	472,878
Net movement in financial assets		
Sale proceeds	(3,228,682)	(6,187,561)
Cost of shares sold	5,680,150	7,089,688
Brokerage	14,615	31,332
Foreign exchange	211	1,303
Changes in fair value	(2,692,397)	(307,428)
Net movement in financial assets	(226,103)	627,334

b) Significant revenue and expenses

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

	30 June 2011 \$	30 June 2010 \$
Net (increase)/decrease in financial assets held for trading	(226,103)	405,112
Impairment of financial assets held for sale	-	222,222
	(226,103)	627,334

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 EXPENSES

	30 June 2011 \$	30 June 2010 \$
a) The components of tax benefit comprise:		
Current income tax benefit	1,247,440	616,109
Deferred tax (expense)/income relating to the originating and reversal of temporary differences	154,177	151,865
Tax losses not recognised	(1,401,617)	(767,974)
	-	-
b) The prima facie tax on profit/(loss) from continuing activities before tax is reconciled to the income tax expense as follows:		
Prima facie tax receivable on loss from continuing activities before income tax at 30% (2010: 30%)		
- economic entity	450,061	725,168
	450,061	725,168
Add:		
Tax effect of non-deductible items:		
- Section 40/880 deduction	47,616	50,679
- entertainment	(10,791)	(7,498)
- other	(47,877)	-
- impairment	963,062	-
- foreign exchange	(454)	(375)
	1,401,617	767,974
Tax effect of current period losses not recognised as deferred tax assets	(1,401,617)	(767,974)
Income tax benefit/(expense) attributes	-	-

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 4: INCOME TAX EXPENSES continued

	30 June 2011	30 June 2010
	\$	\$
c) Unrecognised deferred tax balances		
Deferred tax liabilities		
Deferred exploration & evaluation costs	387,831	373,741
Other	29,970	16,354
	417,801	390,095
Tax effect @ 30%	125,340	117,028
Deferred tax assets		
Investments	3,633,948	8,253,815
Other	13,931	1,847
Tax losses	11,404,903	7,419,094
	15,052,782	15,674,756
Tax effect @ 30%	4,515,835	4,702,427
Net deferred tax asset not recognised	4,390,494	4,585,398

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

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

- (i) the Economic 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 Economic 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 Economic Entity in realising the benefit from the deductions for the losses.

d) Tax-consolidation group

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

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

a) Key Management Personnel compensation

The aggregate compensation made to Directors of Mining Projects Group Ltd and other key management personnel of the Economic Entity is set out below:

	30 June 2011 \$	30 June 2010 \$
Short-term employee benefits	572,910	544,260
Post-employment benefits	18,462	17,032
	591,372	561,292

b) Options and rights holdings

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

	Balance at start of the year	Options consolidated	Received as compensation	Net change other ³	Balance at end of the year
2011					
Bryan Frost	296,296,486	(290,370,556)	-	1,698,000	7,623,930
Richard Revelins	115,149,539	(112,846,548)	-	-	2,302,991
Jim Babbage	6,250,000	(6,125,000)	-	-	125,000
Chris Taylor	20,000,000	(19,600,000)	1,000,000 ¹	-	1,400,000
	437,696,025	(428,942,104)	1,000,000	1,698,000	11,451,921
2010					
Bryan Frost	195,062,022	-	-	101,234,464	296,296,486
Richard Revelins	63,917,570	-	-	51,231,969	115,149,539
Jim Babbage	5,000,000	-	-	1,250,000	6,250,000
Chris Taylor	-	-	20,000,000 ²	-	20,000,000
	263,979,592	-	20,000,000	153,716,433	437,696,025

- 1 Mr. Taylor was issued 1 million unlisted MPJAI options in accordance with his employment contract. These options were approved by shareholders at the General Meeting of members held in September 2010.
- 2 Mr. Taylor was issued 20 million unlisted MPJAI options in accordance with his employment contract. These options were approved by shareholders at the General Meeting of members held in September 2010, then consolidated on a 50:1 basis.
- 3 The net change 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.

All securities on issue were consolidated on a 50 for 1 basis as approved by members at the General Meeting on 9 September 2010.

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION continued

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 Economic Entity, including their personally related parties, are set out below.

There were no shares granted during the period as compensation.

	Balance at start of the year	Shares consolidated	Received as compensation	Net Change Other ¹	Balance at end of the year
2011					
Bryan Frost	463,504,218	(454,234,134)	-	1,900,001	11,170,085
Richard Revelins	215,892,345	(211,574,498)	-	630,000	4,947,847
Jim Babbage	7,500,000	(7,350,000)	-	-	150,000
Chris Taylor	-	-	-	-	-
	686,896,563	(673,158,632)	-	2,530,001	16,267,932
2010					
Bryan Frost	235,493,608	-	-	228,010,610	463,504,218
Richard Revelins	127,075,012	-	-	88,817,333	215,892,345
Jim Babbage	5,000,000	-	-	2,500,000	7,500,000
Chris Taylor	-	-	-	-	-
	367,568,620	-	-	319,327,943	686,896,563

1 The net change 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.

All securities on issue were consolidated on a 50 for 1 basis as approved by members at the General Meeting on 9 September 2010.

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 21.

NOTE 6: AUDITOR'S REMUNERATION

	30 June 2011 \$	30 June 2010 \$
Remuneration of the auditor of the parent entity for:		
Audit fees	52,025	45,590
Taxation services	1,500	16,000
	53,525	61,590

NOTE 7: EARNINGS PER SHARE

	2011 cents	2010 cents
Basic (loss) per share	(2.07)	(4.01)
Diluted (loss) per share	(2.07)	(4.01)
	\$	\$
a) Reconciliation of earnings to net (loss)		
(Loss) used in the calculation of basic and dilutive loss per share	(1,494,076)	(2,415,380)
	No.	No.
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive loss per share		
	72,081,859	60,279,377

As at 30 June 2011 the Company has issued options over unissued capital (see Note 17). As the exercise of these options would decrease basic loss per share, these options are not considered dilutive.

	2011		2010	
	No. of options exercised	\$	No. of options exercised	\$
c) Subsequent to balance date, the following equity was issued/exercised which could have potentially had a significant impact on the quantity of shares and options on issue if they had been issued prior to balance date and used in the calculation of basic and dilutive loss per share.				
Ordinary Shares - fully paid	-	-	30	0.06
Options exercised	-	-	(30)	(0.06)

NOTE 8: CASH AND CASH EQUIVALENTS

	30 June 2011 \$	30 June 2010 \$
Cash at bank and in hand	297,609	513,518
Term deposits	20,000	58,012
	317,609	571,530
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	317,609	571,530
	317,609	571,530

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 9: TRADE AND OTHER RECEIVABLES

	30 June 2011	30 June 2010
	\$	\$
Current		
Trade receivables	146,544	34,644
Good and services tax refund due	21,629	20
Amounts receivable from related entities	-	121,040
Amounts receivable from unrelated entities	62,540	50,000
	230,713	205,704
Non-current		
Tenement rehabilitation guarantees - South Africa	66,582	-
	66,582	-
	297,295	205,704

NOTE 10: OTHER FINANCIAL ASSETS

	30 June 2011	30 June 2010
	\$	\$
Current		
Financial assets (held for trading) at fair value through profit or loss	2,183,039	2,480,488
	2,183,039	2,480,488
Non-current		
Financial assets (available for sale)	1,937,932	2,280,836
Accumulated impairment	(1,317,063)	(804,990)
	620,869	1,475,846
Comprising:		
Listed investments, at fair value		
- shares in listed corporations (current)	2,183,039	2,480,488
	2,183,039	2,480,488
Unlisted investments:		
- shares in unlisted corporations at cost less accumulated impairment - unrelated (non-current)	516,875	598,069
- shares in unlisted corporations at cost less accumulated impairment - director related (non-current)	-	777,777
- convertible notes	103,994	100,000
	620,869	1,475,846
Total financial assets	2,803,908	3,956,334

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

NOTE 11: CONTROLLED ENTITIES

	Country of incorporation	Percentage owned (%)*	
		30 June 2011 \$	30 June 2010 \$
Parent Entity			
Mining Projects Group Limited	Australia		
Subsidiaries of Mining Projects Group Limited			
AMN Nominees Pty Ltd	Australia	100.00	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	0.00
Nelesco 848 (Pty) Ltd	South Africa	74.00	0.00
New Order Investments 149 (Pty) Ltd	South Africa	74.00	0.00
Riverside Park Trading 270 (Pty) Ltd	South Africa	74.00	0.00
Scarlett Ibis Investments 258 (Pty) Ltd	South Africa	74.00	0.00
Olympic Park Trading 104 (Pty) Ltd	South Africa	74.00	0.00
Stylestar Prop 176 (Pty) Ltd	South Africa	74.00	74.00
Scribaspace Investments (Pty) Ltd	South Africa	70.00	70.00
Scribamax Inv (Pty) Ltd	South Africa	70.00	70.00

* Percentage of voting power is in proportion to ownership

NOTE 12: PLANT AND EQUIPMENT

	30 June 2011 \$	30 June 2010 \$
Plant and equipment		
At cost	191,476	143,257
Accumulated depreciation	(135,254)	(114,137)
Total plant and equipment	56,222	29,120
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	29,120	43,077
Additions	48,219	4,573
Depreciation expense	(21,117)	(18,530)
Carrying amount at the end of year	56,222	29,120

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 13: EXPLORATION AND EVALUATION ASSETS

	30 June 2011	30 June 2010
	\$	\$
Non-current		
Exploration and tenement expenditure		
Talga Peak joint venture (80%)		
Balance at the start of the year	-	53,759
Exploration expenditure capitalised	8,411	62,482
Capitalised exploration costs written down	-	(116,241)
	8,411	-
Egerton WA project (100%)**		
Balance at the start of the year	373,832	-
Balance of project acquired	-	360,976
Exploration expenditure capitalised	9,289	12,856
Disposal of mining tenement	(383,121)	-
	-	373,832
Mt Tarrengower project (98.86%)		
Balance at the start of the year	171,286	-
Balance of project acquired	-	167,338
Exploration expenditure capitalised	14,290	3,948
Capitalised exploration costs written down	-	-
	185,576	171,286
Golden Mountain project (98.86%)		
Balance at the start of the year	155,058	-
Balance of project acquired	-	140,592
Exploration expenditure capitalised	35,542	14,466
Capitalised exploration costs written down	-	-
	190,600	155,058
CyferKUIL project(70%)		
Balance at the start of the year	5	-
Balance of project acquired	-	5
Exploration expenditure capitalised	813	-
Capitalised exploration costs written down	-	-
	818	5
Zuinpingslaagte project (70%)		
Balance at the start of the year	5	-
Balance of project acquired	-	5
Exploration expenditure capitalised	968	-
Capitalised exploration costs written down	-	-
	973	5

	30 June 2011	30 June 2010
	\$	\$
Spitz Kop project (74%)		
Balance at the start of the year	4	-
Balance of project acquired	-	4
Exploration expenditure capitalised	1,232	-
Capitalised exploration costs written down	-	-
	1,236	4
Schiet Kop project (74%)		
Balance at the start of the year	-	-
Balance of project acquired	150,886	-
Exploration expenditure capitalised	55,881	-
Capitalised exploration costs written down	-	-
	206,767	-
Uitkyk project (74%)		
Balance at the start of the year	-	-
Balance of project acquired	150,886	-
Exploration expenditure capitalised	56,262	-
Capitalised exploration costs written down	-	-
	207,148	-
Farm 45 (74%)		
Balance at the start of the year	-	-
Balance of project acquired	150,886	-
Exploration expenditure capitalised	55,727	-
Capitalised exploration costs written down	-	-
	206,613	-
Boschkop project (74%)*		
Balance at the start of the year	-	-
Balance of project acquired	150,886	-
Exploration expenditure capitalised	54,122	-
Capitalised exploration costs written down	(205,008)	-
	-	-
Wintershoek project (74%)*		
Balance at the start of the year	-	-
Balance of project acquired	150,886	-
Exploration expenditure capitalised	53,758	-
Capitalised exploration costs written down	(204,644)	-
	-	-
Total capitalised exploration expenditure	1,008,143	700,190

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 13: EXPLORATION AND EVALUATION ASSETS continued

At reporting date the Group owned:

- 80% of the Talga Peak joint venture
- 100% of the Egerton WA project **
- 98.86% of the Mt Tarrengower project
- 96.86% of the Golden Mountain project
- 74% of the Spitz Kop project
- 74% of the Schiet Kop 354 project
- 74% of the Uitkyk 324 project
- 74% of the Farm 45 project
- 70% of the CyferKUIL project
- 70% of the Zuinpingslaagte project
- 74% of the Boschkop 227 project *
- 74% of the Wintershoek 128 project *

* These tenements were relinquished back to the government as at 12 July 2011.

** As per the ASX announcement on 24th May 2011, this tenement was sold to Exterra Resources Limited.

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 14: TRADE AND OTHER PAYABLES

	30 June 2011	30 June 2010
	\$	\$
Trade payables	118,680	70,465
Sundry payables and accrued expenses	105,653	106,496
	224,333	176,961

NOTE 15: PROVISIONS

	30 June 2011	30 June 2010
	\$	\$
Current		
Provision for annual leave	13,931	1,794

NOTE 16: NET TANGIBLE ASSETS

	30 June 2011	30 June 2010
	\$	\$
Net tangible assets	4,245,860	5,289,998
Shares (No.)	74,454,882	69,953,408
Net tangible assets (Cents)	5.70	7.56

NOTED 17: ISSUED CAPITAL

	Note	30 June 2011	30 June 2010
		\$	\$
Ordinary shares fully paid	17(a)	31,147,886	30,697,742
Options over ordinary shares	17(b)	71,259	78,534
		31,219,145	30,776,276

a) Ordinary shares

	Note	2011		2010	
		No.	\$	No.	\$
At the beginning of reporting period		3,497,671,398	30,697,742	1,833,641,562	27,584,674
Shares issued during year					
- Consolidation of shares 50:1	i)	(3,427,717,990)	-	-	-
- Issue to Raptor Vendors	ii)	4,500,000	450,000	-	-
- Issue to Xplor Vendors	iii)			246,628,140	493,258
- Rights issue	iv)			634,630,521	1,269,261
- Placement	v)			782,190,050	1,564,380
- Exercise of options	vi)	1,474	144	581,125	4,881
Transaction costs relating to share issues			-		(218,712)
At reporting date		74,454,882	31,147,886	3,497,671,398	30,697,742

Details		Note	Number	Issue price \$	Total \$
2011					
21 Sep 2010	Consolidation of shares 50:1	i)	(3,427,717,990)	-	-
05 Oct 2010	Issue to the vendors of Raptor Minerals (Pty) Ltd	ii)	4,500,000	0.100	450,000
13 Aug 2010	Exercise of Options	vi)	30	-	3
04 Oct 2010	Exercise of Options	vi)	1,444	-	141
			(3,423,216,516)		450,144
2010					
10 Jul 2009	Exercise of Options	vi)	12,500	0.009	113
21 Jul 2009	Issue to investors as per June 2009 Prospectus	v)	282,190,050	0.002	564,380
28 Jul 2009	Exercise of Options	vi)	268,625	0.009	2,418
30 Jul 2009	Shortfall for Rights Issue - June Prospectus	iv)	634,630,521	0.002	1,269,261
05 Aug 2009	Exercise of Options	vi)	250,000	0.009	2,250
14 Aug 2009	Exercise of Options	vi)	50,000	0.002	100
11 Sep 2009	Issue to Vendors of Xplor - 2009 August Prospectus	iii)	244,359,390	0.002	488,719
17 Sep 2009	Issue to Vendors of Xplor - 2009 August Prospectus	iii)	2,268,750	0.002	4,539
30 Sep 2009	Placement	v)	500,000,000	0.002	1,000,000
			1,664,029,836		3,331,780

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 17: ISSUED CAPITAL continued

b) Options

	2011			2010	
	Note	No.	\$	No.	\$
At the beginning of reporting period		2,085,030,602	78,534	1,023,048,913	-
Options movements during year					
- Consolidation of shares 50:1	(i)	(2,043,329,953)	-	-	-
- Rights issue	(ii)	-	-	634,630,521	-
- Placement	(iii)	-	-	1,430,450,081	64,833
- Exercise of options	(iv)	(1,474)	-	(581,125)	-
- Expiry of options	(v)	-	-	(1,022,517,788)	-
- Options granted to director in lieu of payment	(vi)	-	-	20,000,000	29,600
- Options granted to director as per GM resolution - Sept 2010	(vii)	1,000,000	-	-	-
Transaction costs relating to share issues			(7,275)		(15,899)
At reporting date		42,699,175	71,259	2,085,030,602	78,534

	Details	Note	ASX code	Number	Issue price \$	Total \$
2011						
13 Aug 2010	Exercise of options	(iv)	MPJO	30	-	-
21 Sep 2010	Consolidation of shares 50:1	(i)	MPJO	(2,043,329,953)	-	-
04 Oct 2010	Exercise of options	(iv)	MPJO	1,444	-	-
05 Oct 2010	Issue of shares to C.Taylor as per GM resolution	(vii)	MPJOA	500,000	-	-
05 Oct 2010	Issue of shares to C.Taylor as per GM resolution	(vii)	MPJOA	500,000	-	-
				(2,042,328,479)		-

	Details	Note	ASX code	Number	Exercise price \$	Total \$
2010						
10 Jul 2009	Exercise of options	(iv)	MPJO	(12,500)	-	-
21 Jul 2009	Free attaching 1:1 option as per June 2009 Prospectus	(ii)	MPJO	282,190,050	-	-
28 Jul 2009	Exercise of Options	(iv)	MPJOA	(268,625)	-	-
30 Jul 2009	Shortfall for Rights Issue - June Prospectus	(ii)	MPJO	634,630,521	-	-
31 Jul 2009	Expiry of Options	(v)	MPJOA	(1,022,517,788)	-	-
05 Aug 2009	Exercise of Options	(iv)	MPJO	(250,000)	-	-
14 Aug 2009	Exercise of Options	(iv)	MPJO	(50,000)	-	-
11 Sep 2009	1:1 Placement - 2009 August Option Prospectus	(iii)	MPJO	498,824,125	0.0001	49,882
18 Sep 2009	1:1 Placement - 2009 August Option Prospectus	(iii)	MPJOA	149,435,906	0.0001	14,951
30 Sep 2009	Free 1:1 attaching option for Placement	(iii)	MPJOA	500,000,000	-	-
30 Jun 2011	Issue of shares to Director in lieu of cash payment	(vi)	MPJOA	20,000,000	0.0015	29,600
				1,061,981,689		94,433

NOTE 18: 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. Some of these tenements may be subject to native title claims. Because of the uncertainties described above, the granting of exploration rights and ultimately mining from those tenements will depend on the outcome of the Native Title Claims and/or current negotiations by the Company.

The full impact of the consequences of the Mabo decision cannot be determined, but may in the future include:

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

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

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 19: 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.
- **Corporate** - The Corporate business segment consists of the Board of Directors and the costs of the consolidated entity communications and reporting.

The company owns interests in exploration assets and financial assets that are based in a number of different countries, however all assets are managed at a global level.

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

30 June 2011	Exploration & mining \$	Investments \$	Corporate \$	Total \$
Revenue				
Interest	-	-	21,821	21,821
Net movement in fair value of financial assets held for trading	-	92,375	-	92,375
Profit on sale of mining tenement	201,421	-	-	201,421
Other	-	20,000	-	20,000
Total revenue	201,421	112,375	21,821	335,617
Result				
Impairment and tenement expense	(441,667)	226,103	(1,278,512)	(1,829,683)
Income tax expense	-	-	-	-
Profit/(loss) attributed to minority interest	-	-	(6,126)	(6,126)
Net result	(240,246)	338,478	(1,294,833)	(1,500,202)
Assets				
Segment assets	1,008,143	2,803,908	672,073	4,660,295
Total assets	1,008,143	2,803,908	672,073	4,660,295
Liabilities				
Segment liabilities	(13,931)	-	(224,333)	(238,264)
Total liabilities	(13,931)	-	(224,333)	(238,264)

30 June 2010	Exploration & mining \$	Investments \$	Corporate \$	Total \$
Revenue				
Interest	-	-	33,462	33,462
Other	-	-	41,319	41,319
Total revenue	-	-	74,781	74,781
Result				
Expenses	(116,241)	627,334	(3,001,254)	(2,490,161)
Income tax expense	-	-	-	-
Profit/(loss) attributed to minority interest	-	-	(1,845)	(1,845)
Net result	(116,241)	627,334	(2,928,318)	(2,417,225)
Assets				
Segment assets	700,190	3,956,334	812,229	5,468,753
Total assets	700,190	3,956,334	812,229	5,468,753
Liabilities				
Segment liabilities	(1,794)	-	(176,961)	(178,755)
Total liabilities	(1,794)	-	(176,961)	(178,755)

NOTE 20: CASH FLOW INFORMATION

	30 June 2011 \$	30 June 2010 \$
Reconciliation of cash flow from operations with result after income tax		
(Loss) for the period	(1,500,202)	(2,417,225)
Add back depreciation expense	21,117	18,530
Add back write-off unrecoverable loan	52,304	-
Add back interest on other loans	(10,173)	(1,040)
Add back equity settled expense	-	29,600
(Increases)/Decreases in provisions for non recovery of loan	(118,998)	-
Add back (gain)/loss on revaluation of assets	(2,367,940)	(399,426)
Add back (gain)/loss on sales of equity investments	2,466,083	923,449
Add back provisions	3,502	1,794
Add back exploration costs written down	409,652	116,241
(Increases)/Decreases in accounts receivable	25,009	(34,745)
(Increases)/Decreases in other current assets	(302,377)	6,552
Increases/(Decreases) in accounts payable	(47,372)	(136,013)
Increases/(Decreases) in other current liabilities	(12,137)	-
Cash flow from operations	(1,381,532)	(1,892,283)

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 21: RELATED PARTY TRANSACTIONS

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

The Directors of the Company during the financial year were:

- Bryan Frost
- Richard Revelins
- James Babbage
- Christopher Taylor

a) Other related parties transactions

	30 June 2011	30 June 2010
	\$	\$
Director related entities		
Investments		
The fair value of consideration paid for shares issued by the related party, and the fair value of the shares held at 30 June are disclosed.		
During the year Mining Projects Group Limited held investments in the following related parties.		
EnterMo Limited , a company in which Richard Revelins is an Executive Director (appointed 12 December 2008) and Bryan Frost and Richard Revelins hold ownership interests.		
Opening balance at fair value	575,000	375,000
Purchases	34,532	200,000
Recognised in statement of comprehensive income	(602,694)	-
Holding at 30 June at fair value	6,838	575,000
Casey Gardens , a joint venture in which Bryan Frost and Richard Revelins hold an ownership interest.		
Opening balance at fair value	125,000	-
Purchases	2,688	125,000
Sale of part of investment	(19,118)	-
Recognised in statement of comprehensive income	-	-
Holding at 30 June at fair value	108,570	125,000
Raptor Minerals (Pty) Ltd , a company in which Bryan Frost and Richard Revelins formally held an ownership interest.		
Opening balance at fair value	77,822	300,000
Purchases	700,000	45
Recognised in statement of comprehensive income	-	(222,223)
Holding at 30 June at fair value	777,822	77,822

a) Other related parties transactions continued

	30 June 2011	30 June 2010
	\$	\$
Loans		
Loans to related entities		
EnterMo Limited , a Company in which Richard Revelins is the former Executive Chairman (resigned 30 June 2011) and Bryan Frost and Richard Revelins hold ownership interests.		
Opening balance	101,040	50,281
Loan to related party	-	150,000
Interest charged on loan	5,796	759
Conversion of loan into shares in Entermo Limited	(34,532)	-
Repayment received	-	(100,000)
Write-off of loan	(72,304)	-
Holding at 30 June at fair value	-	101,040
Loans from related entities		
Raptor Minerals 1 (Pty) Ltd , a company in which Bryan Frost and Richard Revelins hold an ownership interest.		
Opening balance at fair value	20,000	-
Loan from related party	(20,000)	20,000
Repayment made	-	-
Holding at 30 June at fair value	-	20,000
	-	121,040
Services performed		
Babbage & Co. Pty Ltd , is a Company owned and operated by James Babbage which provides taxation services to Mining Projects Group Limited and standard commercial rates.		
Value of services performed	6,500	-
Holding at 30 June at fair value	6,500	-
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 and standard commercial rates.		
Value of services performed	67,434	33,630
Holding at 30 June at fair value	67,434	33,630
	73,934	33,630

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 22: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Financial instruments

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

	30 June 2011	30 June 2010
	\$	\$
Cash and cash equivalents	317,609	571,530
Trade and other receivables	297,295	205,704
Other financial assets held for trading	2,183,039	2,480,488
Other financial assets available for sale	620,869	1,475,846
Trade and other payables	224,333	176,961

The Economic Entity does not have any derivative instruments at 30 June 2011.

b) Risk management policy

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

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

c) Significant accounting policy

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

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

d) Capital risk management

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

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

e) Financial risk management

Interest rate risk

The Economic Entity is exposed to interest rate risks via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial 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 Economic Entity's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

Cash at bank balances of \$317,609 (2010: \$571,530) are subject to interest rate risk, being held in accounts with floating interest rates. There is no other exposure to interest rate risk.

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

	30 June 2011 \$	30 June 2010 \$
+4% (2010: +4%)	12,704	22,861
- 2% (2010: - 2%)	(6,352)	(11,431)

Foreign currency risk

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

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

	30 June 2011 \$	30 June 2010 \$
Cash and cash equivalents (AUD/CAD)	391	659
Cash and cash equivalents (AUD/ZAR)	80,348	-
Trade and other payables (AUD/ZAR)	9,826	31,822
Financial assets held for trading (AUD/CAD)	1,268,392	232,560
Financial assets held for trading (AUD/GPB)	198,794	-
Financial assets held for trading (AUD/USD)	155,136	-

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

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

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 22: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

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

	30 June 2011 \$	30 June 2010 \$
Increase/(Decrease) in cash and cash equivalents		
AUD/CAD +6% (2010: +6%)	24	40
AUD/CAD - 7% (2010: - 7%)	(28)	(46)
Increase/(Decrease) in financial assets held for trading		
AUD/CAD +6% (2010: +6%)	79,049	13,954
AUD/CAD - 7% (2010: - 7%)	(91,441)	(16,279)
AUD/GPB +6% (2010: +6%)	(11,928)	-
AUD/GPB - 6% (2010: - 6%)	11,928	-
AUD/USD +9% (2010: +9%)	(13,962)	-
AUD/USD - 9% (2010: - 9%)	(13,962)	-

Credit risk

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

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

2011	0-30 days	30-60 days	60-90 days	90+ days	Total
Trade and other receivables					
- Trade receivables	135,471		250	-	135,721
- Good and services tax refund due	-	-	-	21,629	21,629
- Amounts receivable from related entities	-	-	-	-	-
- Amounts receivable from unrelated entities	-	-	-	73,363	73,363
	135,471	-	250	94,992	230,713

2010					
Trade and other receivables					
- Good and services tax refund due	34,102	562	-	-	34,664
- Amounts receivable from related entities	50,000	51,040	-	-	101,040
- Amounts receivable from unrelated entities	70,000	-	-	-	70,000
	154,102	51,602	-	-	205,704

Liquidity risk

The Economic Entity is exposed to liquidity risk via its trade and other payables. Liquidity risk is the risk that the Economic Entity will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring the Economic Entity's undiscounted cash flow forecasts to ensure the Economic Entity is able to meet its debts as and when they fall due.

Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the activity. The Board considers when reviewing its undiscounted cash flows forecasts whether the Economic Entity needs to raise additional funding from the equity markets. The Economic Entity has analysed its trade and other payables below:

2011	0-30 days	30-60 days	60-90 days	Total
Trade and other payables				
- Trade and other payables (AUD)	65,156	35,404	-	100,560
- Trade and other payables (ZAR)	39,956	-	-	39,956
- Accrued expenses	83,817	-	-	83,817
	188,929	35,404	-	224,333

2010	0-30 days	30-60 days	60-90 days	Total
Trade and other payables				
- Trade and other payables (AUD)	31,823	3,894	3,926	39,643
- Trade and other payables (ZAR)	31,822	-	-	31,822
- Accrued expenses	105,496	-	-	105,496
	169,141	3,894	3,926	176,961

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 organized financial market the net fair value has been 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 2011		30 June 2010	
	Carrying amount	Net fair value	Carrying amount	Net fair value
Economic Entity	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	317,609	317,609	571,530	571,530
Trade and other receivables	297,295	297,295	205,704	205,704
Other financial assets held for trading	2,183,039	2,183,039	2,480,488	2,480,488
Other financial assets available for sale	620,869	620,869	1,475,846	1,475,846
	3,418,812	3,418,812	4,733,568	4,733,568
Financial liabilities				
Trade and other payables	224,333	224,333	176,961	176,961
	224,333	224,333	176,961	176,961

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 22: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

g) Market risk

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

The Economic Entity has conducted a sensitivity analysis of the Economic Entity's exposure to market price risk. The variation disclosure of +10% and -5% (2010: +5% and -10%) are reflective of the economic entity's assumptions based on the current market climate. The Directors seek to mitigate this risk by monitoring market movements and maintaining a portfolio of diverse investments in various market sectors.

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

	30 June 2011	30 June 2010
	\$	\$
Increase/(Decrease) in financial assets held for trading:		
+10% (2010: 10%)	218,304	248,049
-5% (2010: -5%)	(109,152)	(124,024)
Increase/(Decrease) in financial assets held for sale:		
-5% (2010: -5%)	(31,043)	(73,792)

Listed investments

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

Unlisted investments

Where there is no organised financial market, the unlisted investments are carried at cost unless there is evidence of impairment down to fair value. The carrying value of unlisted investments is \$620,869 (2010: \$1,250,846).

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.

2011				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Financial assets at fair value through the profit or loss:				
- listed investments (held for trading)	2,183,039	-	-	2,183,039
- unlisted investments (held for trading)	-	-	516,875	516,875
- derivative instruments	-	-	103,994	103,994
	2,183,039	-	620,869	2,803,908
Available for sale financial assets carried at cost less accumulated impairment:				
- unlisted investments	-	-	-	-
	2,183,039	-	620,869	2,803,908

2010				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Financial assets at fair value through the profit or loss:				
- investments (held for trading)	2,480,488	-	-	2,480,488
	2,480,488	-	-	2,480,488
Available for sale financial assets carried at cost less accumulated impairment:				
- unlisted investments	-	-	77,777	77,777
	2,480,488	-	77,777	2,558,265

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 23: 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 2011 \$	30 June 2010 \$
Statement of Financial Position		
Assets		
Current assets	605,146	194,410
Non-current assets	3,800,769	5,271,787
Total assets	4,405,915	5,466,197
Liabilities		
Current liabilities	198,954	195,932
Total liabilities	198,954	195,932
Net assets	4,206,961	5,270,265
Equity		
Issued capital	31,219,145	30,776,276
Accumulated losses	(27,012,184)	(25,506,011)
Total equity	4,206,961	5,270,265
Statement of Comprehensive Income		
Total profit	(1,506,173)	(2,434,855)

Included in total loss is an impairment expense of \$400,00 (2010: \$2,159,668) relating to the net investment in AMN Nominees Pty Ltd by the parent entity, based on the carrying value of the assets of the subsidiary.

NOTE 24: ACQUISITIONS DURING THE YEAR

1. Acquisition of Raptor Minerals (Pty) Ltd

On 4 December 2009, the consolidated entity announced its proposed acquisition of the Raptor Minerals' group, a South African Gold and Uranium group.

On April 28th 2010 Mining Projects Group Limited ("MPJ" or "the Company") announced that it had reached agreement with Raptor Minerals (Pty) Ltd ('Raptor') to renegotiate the consideration payable to Raptor shareholders. The renegotiated consideration is now \$700,000 in total, comprising of \$250,000 in cash and \$450,000 in shares (225 million shares at an issue price of 0.2 cents per share) which is substantially less than the original consideration announced which was \$1.89 million. The renegotiated consideration represents a saving to MPJ shareholders of approximately \$1.2 million.

Shareholder approval was required to proceed with the acquisition of the Raptor Minerals group, which was received at an Extraordinary General Meeting of Mining Projects Group Ltd on 9 September 2010.

It is now the Company's intention to instigate immediate exploration programmes on the Raptor tenements.

Raptor has secured a number of granted prospecting rights strategically located in key regions of South Africa which MPJ considers have potential to host significant gold, uranium and molybdenum mineralisation.

The expected purchase consideration, and assets and liabilities acquired were as follows: -

Purchase consideration ^(a)	777,778
Fair value of net identifiable assets acquired ^(b)	777,778

a) Purchase consideration

Raptor shares acquired (No.)	111
Cash payment of AUD\$250,000	250,000
MPJ shares issued (No.)	225,000,000
Value of shares issued (@ AUD\$0.002 per share)	450,000
Fair value of initial investment	77,778
Total purchase consideration	777,778

In addition, in the event that MPJ sells or lists some or all of the tenements held by Raptor Minerals (or its subsidiaries) within three years, additional consideration equal to 50% of the sale proceeds received by MPJ less A\$777,000 and any additional expenditure incurred by MPJ in developing the tenements, will be payable by MPJ.

$$AC = \frac{CR - (\$700,000 + E)}{2}$$

AC = Additional Consideration to be paid to Raptor shareholders

CR = Value of this Consideration to be received by MPJ in relation to some or all of the Raptor Tenements

E = Amount of expenditure by MPJ in respect to the Raptor Tenements post acquisition

Notes to the Financial Statements

for the year ended 30 June 2011 continued

NOTE 24: ACQUISITIONS DURING THE YEAR continued

b) Asset and liabilities acquired

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

	Acquiree's carrying amount (AUD\$)	Fair value (AUD\$)
Assets		
Current assets		
Cash and cash equivalents	77,937	77,937
Trade and other receivables	489	489
	78,426	78,426
Non-current assets		
Loans to group companies	18,664	18,664
Loans to shareholders	14,996	14,996
Exploration and evaluation costs	-	751,323
	33,660	784,983
Total assets	112,086	863,409
Liabilities		
Current liabilities		
Provisions	4,567	4,567
	4,567	4,567
Non-current liabilities		
Loans from group companies	56,385	56,385
Other financial liabilities	24,679	24,679
	81,064	81,064
Total liabilities	85,631	85,631
Net assets	26,455	777,778

NOTE 25: SUBSEQUENT EVENTS

No significant announcements have been made subsequent to balance date.

NOTE 26: COMPANY DETAILS

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

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

Directors' Declaration

The Directors' of the Company declare that:

1. In the Directors' opinion the financial statements and notes and the Remuneration report in the Directors' Report set out on pages 13 to 15, are in accordance with the Corporations Act 2001, including:
 - a. giving a true and fair view of the Economic Entity's financial position as at 30 June 2011 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, and other mandatory professional reporting requirements.
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 2011.

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



Mr. Bryan Frost
Executive Chairman
Mining Projects Group Limited

Melbourne

Dated: 30th Day of September 2011

Independent Audit Report



Chartered Accountants
& Business Advisers

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

Report on the Financial Report

We have audited the accompanying financial report of Mining Project Group Limited, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies, other explanatory information, and the directors' declaration of Mining Project Group Limited (the company) and the consolidated entity. The consolidated entity comprises 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 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion:

- (a) the financial report of Mining Projects Group Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001, and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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Liability limited by a scheme approved under Professional Standards Legislation.

Independent Audit Report



Chartered Accountants
& Business Advisers

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 15 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Mining Projects Group Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

A handwritten signature in black ink, appearing to be 'PKF'.

PKF

30 September 2011
Melbourne

A handwritten signature in black ink, appearing to be 'J A Mooney'.

J A Mooney
Partner

Shareholder Information

as at 22 September 2011

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary shares

74,454,882 fully paid ordinary shares are held by 3,249 individual shareholders.

All ordinary shares carry one vote per share.

Options

Listed options

- MPJOA - 41,299,175 options exercisable at \$0.10 on or before 14 July 2014, are held by 745 individual shareholders.

Unlisted options

- MPJAI - 400,000 options exercisable at \$0.10 on or before 5 October 2015, are held by 1 individual shareholder.
- MPJAI - 500,000 options exercisable at \$0.25 on or before 5 October 2015, are held by 1 individual shareholder.
- MPJAI - 500,000 options exercisable at \$0.50 on or before 5 October 2015, are held by 1 individual shareholder.

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	1,192
1,001 - 5,000	988
5,001 - 10,000	386
10,001 - 100,000	575
100,001 +	105
Total number of shareholders	3,246
Unmarketable parcels	2,664

Optionholders (MPJOA)

	No. of Optionholders
1 - 1,000	247
1,001 - 5,000	232
5,001 - 10,000	91
10,001 - 100,000	129
100,001 +	46
Total number of optionholders	745

Shareholder Information

as at 22 September 2011

TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

Fully paid ordinary shares

Shareholders	Number	%
1 QUEENSLAND M M PL*	7,389,318	9.92%
2 JP MORGAN NOM AUST LTD	2,816,729	3.78%
3 EMERDZIEV IANAKI	2,729,434	3.67%
4 PTNRS CAPFIN	2,025,000	2.72%
5 DARONTACK PL*	2,007,461	2.70%
6 TRE PL	1,865,000	2.50%
7 CRUMP ANDREW C + T C	1,538,500	2.07%
8 ACTIONETTE PL	1,502,500	2.02%
9 RONAY INV PL*	1,489,099	2.00%
10 PEREGRINE CORP LTD	1,338,267	1.80%
11 AURALANDIA NL	1,000,000	1.34%
12 DAVISON RODNEY KENNETH	1,000,000	1.34%
13 LAMPAM PL	964,156	1.29%
14 BRIEN ALAN + MELINDA	845,210	1.14%
15 COPPER OAK PL	720,000	0.97%
16 NAKHLE PAULUS SALEEM	669,084	0.90%
17 REVELINS LISA	630,000	0.85%
18 KASTIN PL	619,250	0.83%
19 SADARAJAK PL	600,000	0.81%
20 DARWELL HUGH	543,327	0.73%
TOTAL	32,292,335	43.38%

* Denotes merged holdings

Optionholders (MPJOA)

Optionholders	Number	%
1 QUEENSLAND M M PL*	4,549,589	11.02%
2 GOFFACAN PL	3,590,952	8.69%
3 TALEX INV PL	3,300,000	7.99%
4 GOFFACAN PL	2,344,592	5.68%
5 DARONTACK PL*	2,021,251	4.89%
6 FOSTER JANET I + MARINO D	1,541,608	3.73%
7 ACTIONETTE PL	1,524,375	3.69%
8 MARTIN NICHOLAS KENT	1,205,000	2.92%
9 DAVISON RODNEY KENNETH	1,200,000	2.91%
10 NEW AGE ENERGY PL*	1,200,000	2.91%
11 RONAY INV PL*	1,100,000	2.66%
12 HANNELL LOUISE PAMELA	1,075,000	2.60%
13 ORCA TRADING GMBH	936,045	2.27%
14 CARROLL RODNEY LEWIS	903,995	2.19%
15 FROST BRYAN*	818,226	1.98%
16 LAMPAM PL	725,000	1.76%
17 SADARAJAK PL	600,000	1.45%
18 ELLIOTT HLDGS PL	500,000	1.21%
19 DARWELL HUGH	461,611	1.12%
20 TORWOOD LIFESTYLE PL	424,643	1.03%
TOTAL	30,021,887	72.70%

* Denotes merged holdings

UNQUOTED EQUITY SECURITIES HOLDINGS GREATER THAN 20%

Nil

SUBSTANTIAL SHAREHOLDERS

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

Queensland Marketing Management Pty Ltd 9291,818 ordinary fully paid shares - 12.48%

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 Bryan Frost
Executive Chairman

Mr Richard Revelins
Executive Director

Mr James Babbage
Independent Non-Executive Director

Mr Christopher Taylor
Executive Director

COMPANY SECRETARY

Mr Richard Revelins

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

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
MPJOA Options expiring 6/07/2014
exercisable @ \$0.10

BANKERS

National Australia Bank
Melbourne, Victoria
Australia 3000



MINING PROJECTS GROUP LIMITED

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