



COMPANY ANNOUNCEMENT

RESPONSE TO MEDIA RELEASE

24 January 2007

A media release was issued by the Australian Securities and Investments Commission (ASIC) late yesterday that it had commenced civil proceedings against Mining Projects Group Limited and two of its directors Bryan Frost and Richard Revelins in relation to announcements made in August 2005 regarding a \$60,000 option to earn an 80% interest in the Nuie Island Project. The company wishes to state that no charges have been laid against the company or its directors and that ASIC is only seeking a declaration against the company. No pecuniary penalties are being sought against the company.

The directors believe there is no foundation to the allegations and the matter will be defended vigorously. In all matters which involve reporting of geological information the company relies on competent expert opinion. The company followed the same procedure in making the announcements relating to the Nuie Island Project.

The company and its directors are disappointed that the regulator has chosen to bring these allegations into the public forum at this time when they are fully aware that the allegations are the basis of proceedings that have yet to be heard in court which is the appropriate forum for this matter to be determined. The company and the directors in question expect to be fully exonerated when this matter is properly heard.

On Behalf Of The Company

Bryan J. Frost
Chairman