ANNUAL REPORT 2007

MINING
PROJECTS GROUP

Contents

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Chairman's Letter

Dear Shareholder,

The past financial year has been a major success for the Company. We have continued with our exploration efforts at the Talga Peak Project in the Pilbara, where we have encountered interesting base metals and gold results. The Company recently announced its EM survey results which have highlighted a number of strong targets that warrant further drilling.

The major transformation over the past two years has been the growth of the Company's balance sheet, net profit and net tangible assets (NTA). In 2005 Mining Projects Group Limited ("MPJ") had net assets of $4.1m, reported a net operating loss of $4.6m, and had NTA backing of approximately 0.27 cents per share. As at 30 June 2007 MPJ reported that net assets have grown to $18.5m, a net profit of $6.5m and NTA backing of 1.23 cents per share, an increase of approximately 350% over the period.

The favourable financial position in which the Company finds itself is the result of a number of well executed business decisions that were implemented by the board over recent periods. MPJ has consistently invested its funds in what it believes are worthwhile mining projects and where appropriate, has elected to leverage those investments into shares and options in listed public companies. The growth in the value of these investments has provided MPJ with a substantial net asset position, principally in the form of listed securities. It is the intention of MPJ to realise the value of some of these shareholdings and use the proceeds to acquire and develop new and potentially valuable mining projects in its own right.

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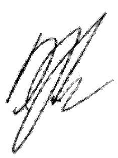
In terms of the reported net profit of $6.5m shareholders should note that these profits are yet to be realised as they are based predominantly on the increase in the value of investments in the Company's portfolio, and may therefore be subject to market fluctuations, both positive and negative.

It has been a most rewarding year for the Company, however, it would be pleasing to see MPJ shareholders rewarded through the MPJ share price more closely reflecting the Company's potential and intrinsic value.

It has been an excellent 12 months for MPJ and on behalf of the board I thank you for your ongoing support.



Bryan J. Frost

Executive Chairman

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Investment Strategy

Over recent years Mining Projects Group Limited ("MPJ") has pursued a consistent strategy of committing exploration funds to research and develop prospective resource projects. Given positive results a number of these projects have been taken to a stage where they are considered to be stand alone projects or are alternatively sold, joint ventured or exchanged for shares in new ASX listings or existing listed companies.

During the course of the last five years, projects initiated by MPJ have been resourced and developed and have formed the basis of new ASX listings or been exchanged for shares in companies such as:

- Atlas Iron Limited
- Eleckra Mines Limited
- De Grey Mining Limited
- Jackson Gold Limited.

The Company has also actively supported new listings with the provision of expertise and seed capital which has resulted in MPJ becoming a significant investor in companies such as Atlas Iron Limited, Mintails Limited and a number of other mining related entities. The longer term goal is for MPJ to secure, in its own right, projects that have the potential to be large scale, deliver strong returns, and utilise its significant existing asset base to develop these opportunities.

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

As a results of MPJ's mining investment and value realisation approach, the Company presently has $18.5m in net tangible assets which are almost entirely in the form of shares and options in listed public companies. This has placed MPJ in a strong financial position with a ready ability to realise some or all of these investments to leverage into worthwhile projects.

Review of Operations

This section outlines the various projects that MPJ has an interest in and summarises key results attained during the year to 30 June 2007.

TALGA PEAK BASE METALS AND GOLD PROJECT

(MPJ OWNS 51%, EARNING UP TO 80%)

MPJ's major exploration focus over the financial year has been the Talga Peak Base Metals and Gold Project ("Talga Peak"), located in the Pilbara, Western Australia. The project has led to two prospects being identified; the Cord Prospect which is prospective for base metals, and the Duesenberg Prospect which is prospective for gold.

MPJ has currently spent sufficient funds to earn an initial interest of 51% ownership of Talga Peak from Oakover Holdings Pty Ltd ("Oakover"). MPJ was required to spend $800,000 on exploration and evaluation with a minimum expenditure commitment of $400,000 to earn an initial interest of 51% in the project. In order to move to 80% ownership in the project MPJ was required by the joint venture to provide a further $2 million to the lease holder Oakover. However, on 30 October 2006 MPJ and Oakover reached agreement to vary the terms of the agreement by MPJ making an immediate cash payment of $300,000 to Oakover. As a result, MPJ may now move to 80% by making a further cash payment to Oakover of $1 million rather than $2 million as previously agreed. The new agreement will potentially save MPJ $700,000 cash in the event that MPJ elects to move to an 80% interest.

Exploration

After the positive results of the Company's initial exploration program completed in July 2006, the Company made a decision to extensively evaluate the economic potential of Talga Peak. The initial program completed between July and September 2006 consisted of approximately 5000 metres of RC drilling (25 to 30 holes) to test for oxidised massive and/or disseminated Volcanogenic Massive Sulphide ("VMS") style base metal mineralisation (Cu, Pb, Zn) at the Cord prospect, and the six anomalous gold targets at the Duesenberg prospect.

The Cord prospect

The Cord prospect consists of a series of VMS style related gossans located towards the top of the Warrawoona Group in the Pilbara. Previously reported programs have identified polymetallic gossanous exposures and anomalous soils scattered along a strike length of 13.5 km. This particular program confirmed VMS style mineralisation and returned multiple zones of massive and semi massive sulphides over widths of up to 48m with anomalous precious metal and base metals. Assays returned results to the magnitude of 63g/t Ag, 0.55% Cu, 0.98% Pb and 0.22% Zn over 3m from 67m followed by 7m averaging 28g/t Ag, 0.13% Cu, 0.07% Pb and 0.06% Zn from 76m.

Following this first program, a short program was completed with a larger capacity RC drill rig in December 2006 to test these gossans at a deeper level. Assays returned significant quantities (layers) of massive and semi massive sulphides as well as significant levels of base metals (Cu, Pb and Zn) together with high silver levels. These results together with the known geology give an indication of a VMS style environment capable of hosting good grade base metal deposits, which may also contain significant precious metal credits.

In the first quarter of 2007, MPJ completed a second extensive exploration program further testing the VMS base metals prospect at Cord and the gold anomalies at Duesenberg. The program consisted of 3865m of RC drilling for 29 holes over both prospects.

From this program the Company became confident that multiple stacked sulphide lenses from the polymetalic sulphides existed on the Cord prospect. Drilling results included 4m @ 0.42% Cu, 0.81%Pb, 0.17% Zn and 49.5 g/t Ag, followed by 7m @ 0.13% Cu and 28.1 g/t Ag.

From these results the Company quickly followed up with further Geochemistry work. At the time, only 1.8km of 13.5km of known strike length had been tested. This work will further allow the Company to begin to quantify the size of the base metals deposit.

On 10 September 2007 MPJ announced the results of the ground EM survey. The independent conclusion of the survey was that there were a number of moderate to good conductors identified within the prospective zone which warrant testing as massive sulphide targets.

A fixed loop transient electromagnetic survey was conducted over the 13.5km strike length of the mineralised horizon at Talga Peak, of which the previously drilled Cord prospect is located near the eastern end (see figure 1). The survey was carried out by GEM Geophysical Surveys using a SMARTEM receiver, RVR coil sensor and Zonge ZT-30 transmitter and under the professional supervision of Southern Geoscience Consultants. The aim of the survey was to locate bedrock conductors associated with VMS style precious metal rich base metal mineralisation within the extensive gossanous and geochemically anomalous zone previously identified within the felsic volcanic sequence.

The survey line spacing was generally 200m with some occasional "infill" lines being spaced at 100m intervals. Station spacing along the lines was generally 50m. Overall, 1,982 stations were recorded during the FLTEM survey along 95 traverse lines for a total of 85.375 line kilometres of data.

Their initial review of the data identified 16 EM conductors of which they have selected 5 (being TP05 – TP09 incl) as being "moderately strong mid time anomalies that are considered to be bedrock responses of the type expected for conductive VMS deposits" and "as such warrant drill testing." The previous drilling has tested none of these EM conductors (for locations of these conductors please see figure 2).

The EM survey also detected EM conductors associated with the previously identified and drilled mineralisation at Cord (anomalies TP1, 2 & 4). However, these conductors are generally much weaker than the conductors defined by TP05 to TP09 that are also located within the mineralised horizon. These anomalies have not yet been drill tested.

A program of geological mapping and rock chip sampling of these anomalies is nearing completion, with a total of 101 rock chip samples being submitted for assay. The mapping and rock chip sampling confirms that these conductors are located within the known mineralised horizon – on strike from the previously discovered Cu-Ag rich massive sulphide mineralisation at Cord.

Figure 1:

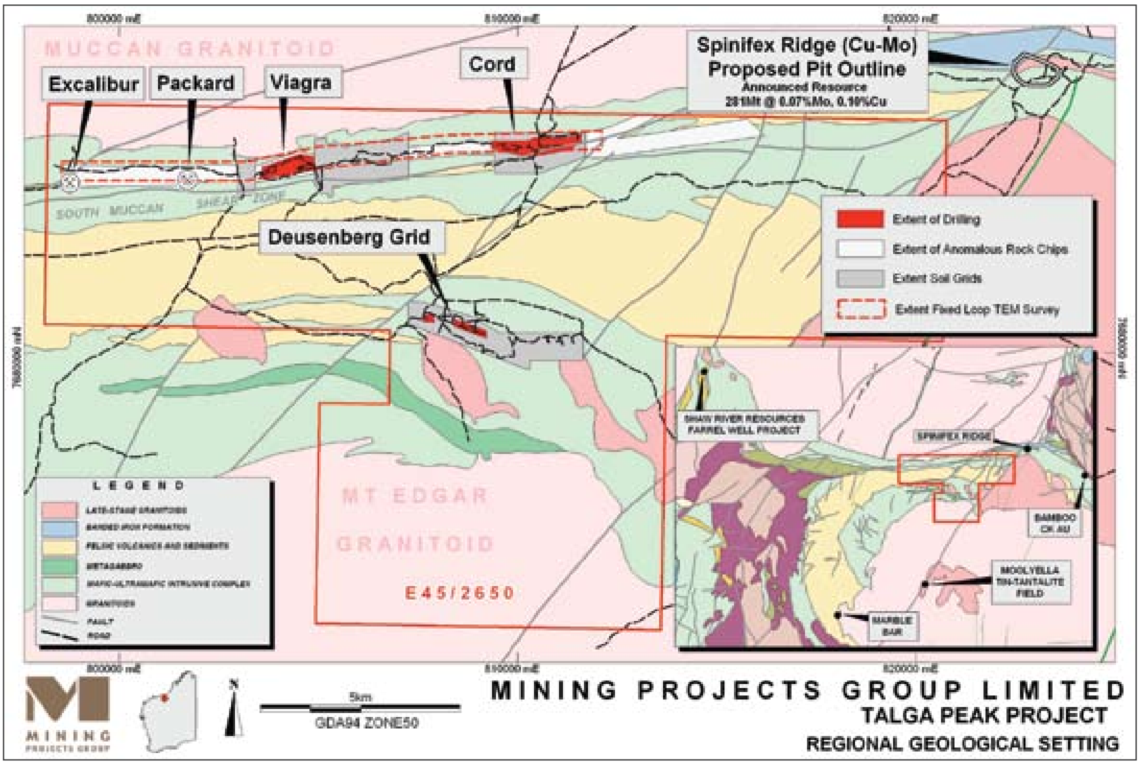
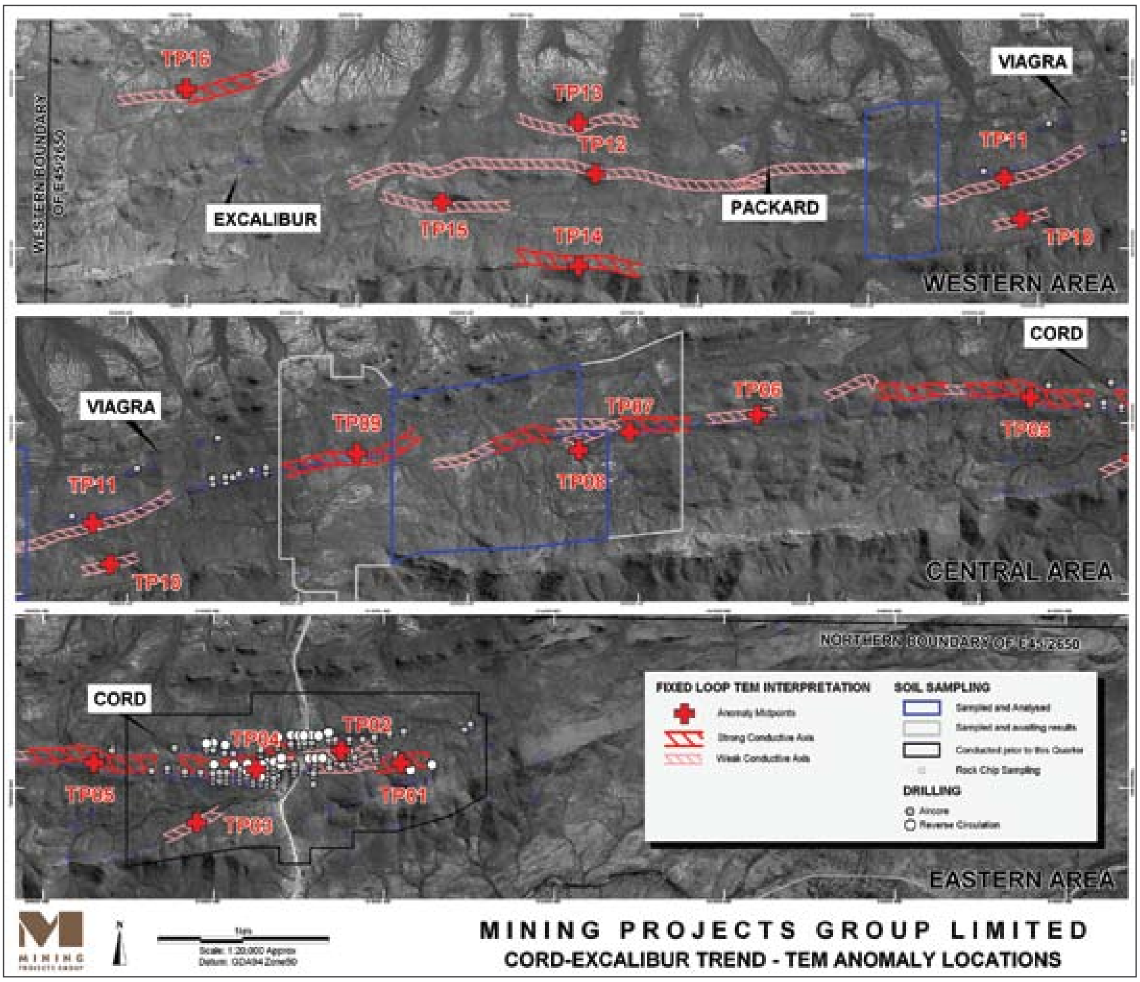


Figure 2:



The Duesenberg prospect

The Duesenberg prospect consists of a number (at least 6) of apparently structurally controlled gold in soil anomalies situated either within or adjacent to a major chert unit located within the Warrawoona Group, Pilbara, Western Australia.

At Duesenberg the initial program completed from July to September 2006 was designed to test potentially economic gold grades initially discovered within structurally controlled zones within and adjacent to a major chert unit. Results of the first program included 16m @ 1.99 g/t Au, 5m @ 2.22 g/t Au & 13m @ 1.78 g/t Au.

This first extensive program was successful in identifying several structurally controlled zones of alteration being variably brecciated cherts, silicous or sulphidic zones.

Second round exploration at the Duesenberg prospect consisted of 486m for 3 holes. The three holes were a follow up designed to test the down dip potential of the gold bearing mineralisation. Results from the program continue to demonstrate the deposit is still anomalous for gold at depth and included 9m @ 1.12 g/t Au from 62m, 4m @ 0.81 g/t Au from 101m and 2m @ 0.79 g/t Au from 114m.

ATLAS IRON LIMITED

ASX CODE: AGO
MPJ HOLDS APPROXIMATELY 2.9M SHARES AND 1.64M OPTIONS.

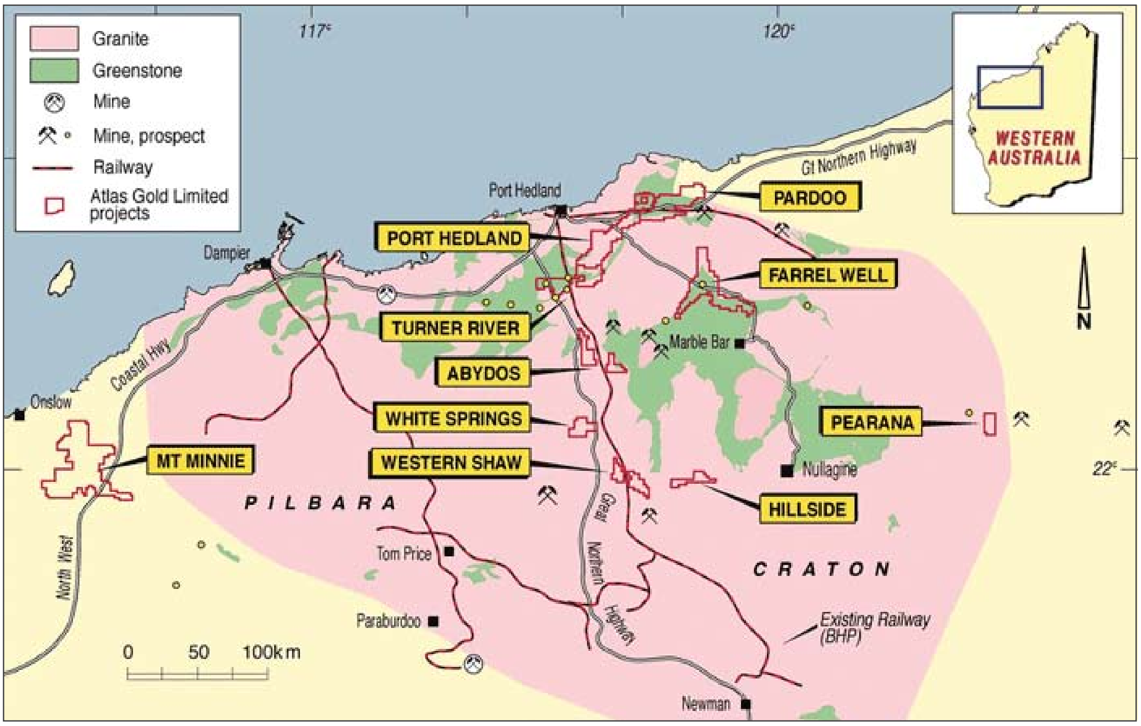
Atlas Iron Limited ("Atlas") listed on the ASX in December 2004 as Atlas Gold Limited with a large portfolio of highly prospective gold, base metals and iron ore tenements. Atlas subsequently shifted its main focus to the development of its iron ore tenements and has aggressively acquired additional ground within the region. Atlas' Pardoo Iron Ore Project is ideally located only 75 km east of Port Hedland and is intersected by the Great Northern Highway and the under utilised BHP Billiton Yarrie railway.

MPJ's investment in Atlas has been very successful over the past 12 months due to the performance of Atlas' management team and the increase in the price of iron ore in a competitive international market. Atlas' market capitalisation increased from $46.1 million at 30 June 2006 to $189.8 million on 30 June 2007 due to a number a significant milestones being achieved by the Company.

On 25 January 2007 Atlas announced an upgraded resource and reserve statement as well as the completion of the pre-feasibility study for the Pardoo Direct Shipping Ore (DSO) Project. The resource now stands at 10.5 million tonnes at 57.1% Fe of DSO. Within that resource statement Atlas has now estimated its first reserves of 4.4 million tonnes for the Pardoo DSO Project. The reserves estimated were based on the indicated resources and as such the reserves were of the Probable Reserve category.

The completed pre-feasibility study contained several key outcomes relating to: the upgrade in resources, the initial reserve estimate, the project using entirely contracted mining, crushing, screening and haulage operations, a start-up capacity of 1 million tonnes pa in October 2008, mine infrastructure and project costs of $8.3 million, a strip ratio of 1.8:1, operating margins of between $10 and $18 per tonne and strong potential for additional resources and reserves.

On 31 January 2007 Atlas announced positive results for initial testwork on its second major project at Pardoo, the Pardoo Magnetite Project. The metallurgical testwork and infrastructure studies undertaken supported the Company's conceptual exploration target of a 1-1.5 billion tonne deposit grading at between 33-36% Fe. These studies led to the 23 June 2007 announcement of an initial inferred magnetite resource of 853 million tonnes. Results from the initial resource returned grades of 34.9wt% Davis Tube Recovery (DTR) giving a concentrate of 68.9% Fe for the deposit.



Completed at the same time as the initial magnetite estimate, was a scoping study to assess the commercial feasibility of the resource. This study derived a mine life of greater than 25 years, life of mine strip ratios of 0.5:1 and a concentrate grade of 68.9% Fe. The study also suggested the proximity of the project to Port Hedland as a major advantage in the absence of rail haulage. Atlas intends to now move quickly towards pre-feasibility on this deposit. This will require further exploration drilling, additional metallurgical drilling and extensive engineering studies.

During April 2007 the Company also reported further drilling targets at its Abydos Project, 130 km south of Port Hedland. Previously the Company had announced ground truthing field work was underway. From that fieldwork targets have now been identified from encouraging rock chip sampling results. Atlas' geologists have identified cumulative strike length of 8km of geology considered to have a conceptual exploration target in the order of 15 to 20 million tonnes of mineralisation grading 58% to 61%Fe.

MINTAILS LIMITED

ASX CODE: MLI
MPJ CURRENTLY OWNS APPROXIMATELY 5.42M SHARES.

Mintails Limited ("MLI") is an Australian listed company with management and operations in South Africa. MLI's mission is to process and recover gold and uranium from tailings resources which are present on the West Rand and East Rand of South Africa's historic Witwatersrand Basin.

MLI has enjoyed a highly successful 2007 financial year which has been reflected by the dramatic increase in the company's market capitalisation from $43.8 million on 30 June 2006 to $417.8 million on 30 June 2007. During the 2006-7 financial year Mintails announced a JORC uranium resource of 21 million pounds (recoveries of 85% are expected), executed a take-off agreement with a 100% owned subsidiary of AngloGold Ashanti Limited, acquired one of the largest fleets of mining infrastructure and equipment in Africa and acquired the largest gold and uranium tailings treatment facility in the world. Mintails also has a current JORC gold resource of 2 million ounces and has commenced construction of a new tailings treatment facility which is expected to be commissioned in October 2008. Phase 1 of that facility will be capable of treating 5 times the current throughput of the Mogale Gold Plant. Each of these milestones confirms MLI's status as an emerging force within the South African mining industry.

Transformation began in September 2006 when discussions took place with Skeat Gold Mining Pty Ltd ("SGM"), owners of one of the largest fleets of mining infrastructure and equipment in Africa. SGM also owned and/or had an option to buy two tailings treatment facilities on the East Rand which formed ERGO (East Rand Gold and Uranium Operations). ERGO was the largest tailings treatment facility in the world, treating 890 million tonnes of tailings which yielded 8.3 million ounces of gold and in excess of 2,500 tonnes of uranium. In December 2006 MLI shareholders approved the merger between MLI and SGM. This merger was a major step towards achieving the Company's ambition of being a substantial gold and uranium producer. Whilst MLI had substantial tailings resources, the Company only had one small processing plant and therefore very limited capacity. SGM possessed the necessary earthmoving equipment required as well as the world's largest tailings facility, but only had a small hard rock resource. The merger was seen as a natural fit for both entities.

Post merger, MLI commenced the development of WERGO (West Rand Gold and Uranium Operation). WERGO involves disassembling, refurbishing and redeploying certain critical components of the two ERGO (East Rand) plants. These components will be transported to the West Rand where the majority of MLI's gold and uranium tailings resources are located. The necessary pieces of plant and equipment will then be integrated into the WERGO design and reassembled to establish a large scale CIL plant.

The plant currently under development has a planned throughput capacity of approximately 1.24 million tonnes of tailings per month. The throughput estimates indicate that theoretical production should be approximately 1.08-1.32 million pounds of uranium per annum and 70,000-80,000 ounces of gold. Under the current feasibility plan, the Company plans to have stage 1 of WERGO commissioned by October 2008.

MLI has also announced two joint ventures with DRDGOLD Limited ("DRDGOLD"). On 26 April 2007 MLI announced a joint venture agreement with DRDGOLD to explore, delineate and if commercially viable extract gold and uranium from their underground mining leases located on the West Rand. Historical gold and uranium production on the constituent leases exceeds 30 million ounces of gold and 17,000 tonnes of uranium and the joint venture plans to extensively test these historical workings. The joint venture company is expected to list on the ASX later in 2007 as a separate entity under the name West Wits Mining

Limited and raise $10 million. On a fully diluted basis MLI will retain approximately a 30% holding in the joint venture company. The joint venture will allow MLI to derive further value from within its existing asset base, whilst not losing focus from its primary operations of producing uranium and gold from the large tailings dumps on the East and West Rand.

On 7 June 2007 MLI and DRDGOLD announced a further joint venture on the East Rand to evaluate and process significant gold bearing tailings materials. These tailings are currently being drilled, sampled and tested for both gold and uranium with feasibility work currently underway. The joint venture will be managed by Crown Gold Recoveries Limited, a subsidiary of DRDGOLD. DRDGOLD will contribute its Elsburg Tailings Complex comprising approximately 180 million tonnes of tailings materials, whilst MLI will contribute one of the CIL circuits at its Brakpan Plant. An additional 15 million tonnes of tailings materials were acquired as part of the agreement from AngloGold Ashanti. The initial phase of the project envisages the refurbishment of one CIL circuit which will then have the capacity to treat 1.25 million tonnes of tailings per month. Feasibility studies are being undertaken which include drilling and evaluation, and depending on the outcome, could enable first production to commence within 18-24 months.

Subsequent to balance date MLI announced that it had signed a uranium off-take agreement with Nuclear Fuels Corporation of South Africa (Proprietary) Limited (“Nufcor”), a wholly owned subsidiary of AngloGold Ashanti.

ELECKRA MINES LIMITED

ASX CODE: EKM
MPJ HOLDS 4.65M SHARES.

Eleckra Mines Limited (“Eleckra”) listed on the ASX on 4 July 2006 as a result of MPJ and Asarco Exploration Company Inc agreeing to vend their respective interests in the Yamarna Joint Venture into Eleckra. This transaction culminated in MPJ receiving 4,650,000 shares in Eleckra for its 20% stake of the Yamarna joint venture. Eleckra now owns 100% of the Yamarna Gold Project, a sizeable tenement package totaling approximately 3000 km^2, covering the majority of the Yamarna greenstone belt. Eleckra also owns a prospective uranium tenement portfolio around the Yamarna region which covers an additional area of approximately 2,000 km^2.

Since listing, Eleckra has completed three drilling programs testing for gold at its Yamarna Gold Project. The first RC program was completed in September 2006 to test extensions of the existing gold resource at Attila. The program proved to be successful returning wide zones of gold mineralisation (including 19m @ 1.44 g/t Au from 67m) and also revealing strike extensions with higher grade intercepts at Attila and Attila North.

The second program consisted of 7000m RAB and aircore geochemical drilling which was completed in April 2007. This program provided early stage testing of four regional targets. Eleckra reported that several highly anomalous zones were returned from the program including 4m @ 6.56 g/t Au from 22m, 400m south along strike from the Khan North prospect, and 4m @ 2.04 g/t Au from 6m located 1,800m north along strike from Khan North.

The third program with results released on 27 June 2007 involved the drilling of 29 holes for 2,899m. The drill program was designed to follow up encouraging results from the previous two programs. Drilling was also undertaken at the Khan North, Augusta, Breelya and Fuel Dump prospects. Extensional drilling at the Attila deposit continued to return encouraging results with 7m at 3.72 g/t Au from 111m. At Khan North a new mineralised zone named "Renegade" was discovered with results including 2m at 10.3 g/t Au from 19m. Broad zones of alteration and low-grade gold mineralisation were returned from Breelya, Augusta and Fuel Dump.

Over the last six months Eleckra has also begun to direct increasing exploration focus towards its uranium prospects. The Company currently has exploration licenses covering over 2000km^2 of the Yamarna Greenstone Belt with potential calcrete-associated uranium targets through the drainage systems of Thatchers Soak, Lake Wells and Lake Rason.

To date, Eleckra has compiled available data from historic exploration undertaken on its leases, completed a preliminary RAB and aircore chip sampling program returning positive indications of the presence of uranium, and completed an independent review of the prospectiveness for uranium over these leases which has led to the planning of a major exploration program scheduled to begin in October 2007.

The independent report completed by RSG Global Research Pty Ltd ("RSG") reported that "Eleckra has constructed a substantial uranium portfolio that is based on sound research and strong technical merit. The Thatchers Soak Project hosts a portion of a uranium deposit identified during the 1970's and competitors holding adjacent tenements are actively exploring the western portion and potential extensions of this deposit. Eleckra is well placed to rapidly redefine the deposit and explore for possible extensions."

CANGOLD

(TSX-V : CLD)
MPJ CURRENTLY OWNS APPROXIMATELY 5.78M SHARES.

In July 2007 Cangold Limited ("Cangold") announced it had signed an option agreement to acquire a 100% interest in the Los Venados property in northern Mexico. The Los Venados property is contiguous along strike from the Mutalos Gold Mine in the Sierra Madre gold belt of Sonora, Northern Mexico.

Los Venados lies within the emerging Mulatos gold mining district – a 15-20 km long northwest trending belt of strong hydrothermal alteration and gold mineralisation in Tertiary volcanic rocks within the Sierra Mountains. Cangold is targeting a multimillion ounce high sulphide epithermal deposit amenable to open pit and heap leaching similar to the Mulatos Gold deposit which contains a global resource of 3.71 million ounces at a cut off grade of 0.5 g/t currently in operation by Alamos Gold Inc (TSX:AGI).

Cangold's first phase of exploration was scheduled to begin in early August and is expected to include mapping, rock chip sampling and possibly trenching of the three zones identified to date, with diamond drilling to follow. Cangold can acquire 100% interest in the project by making staged cash payments adding up to C$250,000 and issuing 500,000 shares over 5 years. The acquisition is subject to a 2% NSR, half of which can be purchased back for C$500,000.

CORPORATE

Subsequent to the end of the June quarter the Company announced it had reached agreement with Melbourne Capital Limited, subject to shareholder approval, for a private placement to sophisticated investors of up to 330,000,000 new shares and a one for one attaching option at an issue price of 0.7 cents per share. The placement was fully subscribed and completed during September 2007 and raised $2.31 million before costs associated with the issue.

Over the financial year MPJ has seen their current investments in other listed and unlisted mining companies begin to realise some of their potential value. Share price rises in all major holdings has led to the Company's Net Tangible Assets increasing from $7.5 million at 30 June 2006 to approximately $18.5 million at 30 June 2007, a 157% increase. This growth has provided a significant liquid asset which places the Company in a position where it can now assess larger and more advanced mining projects.

CIVIL PROCEEDINGS

In January 2007 the Company received notice of civil proceedings in relation to certain announcements made in August 2005 concerning the Nuie Island Project. The Company and the Directors concerned deny the allegations and are continuing to defend this matter vigorously. The matter is the subject of civil proceedings and no orders or pecuniary damages are sought against the Company.

The Directors maintain that they acted appropriately with respect to the drafting and release of all information concerning the Nuie Island Project. Accordingly, it is expected that the proceedings will be successfully defended.

Corporate Governance Statement

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

Unless otherwise stated, all Policies and Charters meet the ASX Corporate Governance Council's Best Practice Recommendations. All Charters and Policies are available from the Company.

ROLE OF THE BOARD AND MANAGEMENT

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

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

- Leadership of the Organisation
- Strategy Formulation
- Overseeing Planning Activities
- Shareholder Liaison
- Monitoring 'Compliance and Risk Management'
- Company Finances
- Human Resources
- Ensuring the Health, Safety and Well-being of Directors, Officers and Contractors
- Delegation of Authority
- Remuneration Policy
- Nomination Policy.

STRUCTURE AND COMPOSITION OF THE BOARD

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

The names of the Directors, their independence, qualifications and experience are stated on pp. 15 along with the term of office held by each.

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

- Directors having the appropriate skills, experience and contacts within the Company's industry,
- The Company striving to have a number of Directors being independent as defined in the ASX Corporate Governance Guidelines,
- 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 will increase as the Company develops and grows, and the Board believes that it can attract appropriate Independent Directors with the necessary industry experience.

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

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

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

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

ETHICAL AND RESPONSIBLE DECISION-MAKING

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

The Company has a share trading policy that regulates the dealings by Directors, Officers and Employees, in shares, options and other securities issued by the Company.

The policy has been formulated to ensure that Directors, Officers, Employees and Consultants who work on a regular basis with the Company are aware of the legal restrictions on trading in company securities while in possession of unpublished price-sensitive information.

INTEGRITY IN FINANCIAL REPORTING

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

The Company has a duly constituted Audit, Risk and Compliance Committee, consisting of the full Board of the Company, with the Committee Chairman being an Independent Non-Executive Director. Due to the current composition of the full 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' Profiles on p. 15.

The Committee holds a minimum of two meetings a year. Details of attendance of the members of the Committee are contained on p. 18.

TIMELY AND BALANCED DISCLOSURE

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

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

RIGHTS OF SHAREHOLDERS

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

- Communicating effectively with Shareholders through ongoing releases to the market via ASX information and the General Meetings of the Company;
- Giving shareholders ready access to balanced and understandable information about the Company and Corporate Proposals;
- Making it easy for shareholders to participate in General Meetings of the Company; and
- 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.

Shareholder's are also able to ring the registered office of the Company to make enquiries of the Company or obtain updated announcements via the ASX website.

RECOGNISE AND MANAGE RISK

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

The CEO and CFO have given a statement to the Board that:

- In accordance with 'Best Practice Recommendation 4.1', that the Financial Statements are founded on a sound system of risk management and internal compliance and control which implements the Policies adopted by the Board; and and the General Meetings of the Company; and
- The Company's 'Risk Management and Internal Compliance and Control System', in so far as it relates to financial risk, is operating effectively in all material aspects.

ENCOURAGE ENHANCED PERFORMANCE

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

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

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

All new Directors undergo an induction program.

REMUNERATE FAIRLY AND RESPONSIBLY

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

- Setting the remuneration and conditions of service for all Executive and Non-Executive Directors, Officers and Employees of the Company. The aggregate of Non-Executive remuneration being approved by Shareholders at General Meetings of the Company 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 Company is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with 'Best Practice' as well as supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. Director shares/options are subject to approval by Shareholders.

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

Current remuneration is disclosed in the Remuneration Report contained in the Directors' Report on pp. 16 to 18.

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

Your Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2007.

DIRECTORS

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

- Bryan Frost
- Richard Revelins
- Jim Babbage

DIRECTORS' INFORMATION

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Bryan Frost
Executive Chairman
Director since 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. Over the past 33 years he has been involved in a number of public companies as an Executive Director and major shareholder and possess extensive experience in financial engineering and management.

Interest in Shares and Options 209,886,306 Ordinary Shares and 160,697,109 Options.

Special Responsibilities Member of the Audit, Risk and Compliance Committee

Directorships in listed entities over the past 3 years Executive Chairman of Mintails Limited since 21 July 2000; Director of Cangold Limited (Canada) since 17 December 1996.

Directorships in unlisted public entities Peregrine Corporate Limited, X-Ploration Limited.

Richard Revelins
Executive Director
Director since 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 takeovers, mergers and acquisitions, sale of businesses, debt and equity raisings and strategic financial advice.

Interest in Shares and Options 124,587,853 Ordinary Shares and 48,917,570 Options.

Special Responsibilities Member of the Audit, Risk and Compliance Committee

Directorships in listed entities over the past 3 years Executive Director of Mintails Limited since 21 July 2000; Director of Cangold Limited since 9 March 2000; Chairman of Atlas Iron Limited from 6 August 2004 to 8 February 2007; Chairman of Eleckra Mines Limited from 12 November 2005 to 17 May 2007.

Directorships in unlisted public entities Peregrine Corporate Limited, X-Ploration Limited.

James Babbage
Independent Non-Executive Director
Director since 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 No holdings

Special Responsibilities Chairman of the Audit, Risk and Compliance Committee

Directorships in listed entities over the past 3 years Nil

COMPANY SECRETARY

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

EARNINGS PER SHARE

Basic earnings/(loss) per share: 0.46 cents (2006: 0.31 cents).

DIVIDENDS PAID OR RECOMMENDED

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 2007 financial year.

CORPORATE INFORMATION

CORPORATE STRUCTURE

Mining Projects Group Limited is a Company limited by shares that is incorporated and domiciled in Australia. Mining Projects Group Limited changed its name from Yamarna Goldfields Limited on 26 July 2006.

PRINCIPAL ACTIVITIES

The Company's principal activities in the course of the financial year were resource exploration and investments.

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

EMPLOYEES

The Company employed 1 employee at 30 June 2007 (2006: 1 employee).

REVIEW AND RESULTS OF OPERATIONS

The consolidated net profit for the year after income tax amounted to $6,462,545 (2006: $2,475,823). The Review of Operations is set out on pp. 4 to 11.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

AFTER BALANCE DATE EVENTS

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

19/7/07 Company announces that it had reached an agreement with Melbourne Capital Limited, subject to shareholder approval, for a private placement to sophisticated investors of up to 330,000,000 new shares and 1 for 1 attaching options at an issue price of 0.7 cents per share and expiring 31 July 2009.

27/8/07 Shareholders approve a capital raising to raise $2.31m before costs.

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 Company. Accordingly, this information has not been included in this report.

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 licence.

There have been no significant breaches of the economic entity's licence conditions.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Mining Projects Group Limited and for the executives receiving the highest remuneration.

REMUNERATION POLICY

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

The Company 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 COMPANY FINANCIAL PERFORMANCE

Over the past five years the Company has acquired and maintained many participating interests in mining projects and companies that Directors believe have the potential to provide ongoing benefits to shareholders. This is represented by interests in public and private companies and direct participation in mining projects and joint ventures.

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

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

PERFORMANCE BASED REMUNERATION

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

The Company uses a variety of KPI's to determine achievement, depending on the role of the executive being assessed. These include:

- Successful contract negotiations.
- Company share price consistently reaching a targeted rate on the ASX or applicable markets over a period of time.

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

DETAILS OF REMUNERATION FOR YEAR ENDED 30 JUNE 2007

The remuneration for each Director and each of the Key Management Personnel of the Company during the year were as follows:

	Cash salary and fees $	Superannuation contribution $	Other $	Equity $	Total $
Directors					
Bryan Frost	249,996	-	-	-	249,996
Richard Revelins	128,440	11,560	-	-	140,000
Jim Babbage	25,000	-	-	-	25,000
	403,436	**11,560**	**-**	**-**	**414,996**

PERFORMANCE INCOME AS A PROPORTION OF TOTAL REMUNERATION

All executives are eligible to receive incentives whether through employment contracts or 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. Therefore there is no fixed proportion between incentive and non-incentive remuneration. Non-Executive Directors are not entitled to receive bonuses and/or incentives.

EQUITY ISSUED AS PART OF REMUNERATION FOR THE YEAR ENDED 30 JUNE 2007

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

EMPLOYMENT CONTRACTS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

No Director was under contract as at 30 June 2007.

MEETINGS OF DIRECTORS

During the financial year, 8 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were:

	Directors' Meetings		Committee Meetings Audit, Risk & Compliance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Bryan Frost	8	8	5	5
Richard Revelins	8	8	5	5
Jim Babbage	8	4	5	5

INDEMNIFYING OFFICERS OR AUDITOR

The Company 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 Company or a related body corporate:

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

As at the date of this report the unissued ordinary shares of Mining Projects Group Ltd under option are as follows:

Number under option	Date of expiry	Exercise price	Escrow period
693,372,421	31/07/09	$0.009	Nil

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the year ended 30 June 2007, the following ordinary shares of Mining Projects Group Ltd were issued on the exercise of options. No further shares have been issued since that date as a result of the exercise of options. No amounts are unpaid on any of the shares.

Grant Date	Exercise price	Number of Shares Issued
22/08/06	$0.009	50,000
5/12/06	$0.009	8,750

No person entitled to exercise the option had or has any right by virtue of the options to participate in any share issue of any other body corporate.

PROCEEDINGS ON BEHALF OF COMPANY

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

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

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

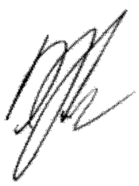
The following fees for non-audit services were paid or payable to the external auditor of the parent entity during the year ended 30 June 2007:

	$
Taxation services	24,373

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 2007 has been received and can be found on pp 20.

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



Bryan J Frost
Director

Dated this 28th day of September 2007

Independence Declaration

PKF

Chartered Accountants
& Business Advisers

28 September 2007

The Directors
Mining Projects Group Limited
Suite 1
1233 High Street
ARMADALE VIC 3143

Dear Directors

INDEPENDENCE DECLARATION

As lead audit partner for the audit of the financial report of Mining Projects Group Ltd for the financial year ended 30 June 2007 and in accordance with section 307C of the Corporations Act 2001, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

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

Yours faithfully
PKF

David Garvey

D J Garvey
Partner

PKF is a national association of independent chartered accounting and consulting firms, each trading as PKF. PKF Australia Ltd is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

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Income Statement
for the year ended 30 June 2007

		Economic Entity		Parent Entity	
	Note	2007 $	2006 $	2007 $	2006 $
Revenue	2	10,149,328	3,570,806	3,114,802	1,163,258
Depreciation	3	(12,920)	(9,477)	(12,920)	(9,477)
Tenement expenses		(15,113)	(124,566)	(15,113)	(124,566)
Directors' & consultants' fees		(425,996)	(354,282)	(425,996)	(354,282)
Travel & marketing		(9,458)	(109,738)	(9,458)	(109,738)
Administration		(82,070)	(62,667)	(82,070)	(62,667)
Movement in provision for intercompany loan	3	-	-	-	1,635,087
Professional fees		(575,304)	(304,442)	(575,304)	(304,276)
Other expenses		(207,385)	(129,811)	(206,301)	(129,013)
Profit before income tax expense		**8,821,082**	**2,475,823**	**1,787,640**	**1,704,326**
Income tax expense	4	2,358,537	-	294,683	-
Profit for the year		**6,462,545**	**2,475,823**	**1,492,957**	**1,704,326**
Profit attributable to minority equity interest		**6,462,545**	**2,475,823**	**1,492,957**	**1,704,326**
Overall Operations					
Basic earnings per share (cents per share)	7	0.46	0.31		
Diluted earnings per share (cents per share)	7a	0.46	0.31		

The accompanying notes form part of these financial statements.

Balance Sheet
as at 30 June 2007

		Economic Entity		Parent Entity	
	Note	2007 $	2006 $	2007 $	2006 $
Current assets					
Cash and cash equivalents	8	746,409	384,081	533,928	162,743
Trade and other receivables	9	942,856	168,446	162,738	97,168
Other financial assets	10	17,551,335	6,618,349	4,200,359	1,706,273
Other	13	2,770	204	2,770	204
Total current assets		**19,243,370**	**7,171,080**	**4,899,795**	**1,966,388**
Non-current assets					
Trade and other receivables	9	-	-	6,069,660	3,967,608
Other financial assets	10	-	-	2	2
Plant and equipment	12	27,833	36,993	27,833	36,993
Exploration and evaluation costs	13	1,751,960	600,053	1,751,960	600,053
Total non-current assets		**1,779,793**	**637,046**	**7,849,455**	**4,604,656**
Total assets		**21,023,163**	**7,808,126**	**12,749,250**	**6,571,044**
Current liabilities					
Trade and other payables	14	253,506	272,136	250,117	272,136
Total current liabilities		**253,506**	**272,136**	**250,117**	**272,136**
Non-current liabilities					
Deferred tax liability	15	2,358,537	-	294,683	-
Total non-current liabilities		**2,358,537**	**-**	**294,683**	**-**
Total liabilities		**2,612,043**	**272,136**	**544,800**	**272,136**
Net assets		**18,411,120**	**7,535,990**	**12,204,450**	**6,298,908**
Equity					
Issued capital	16	25,464,912	21,052,327	25,464,912	21,052,327
Accumulated losses		(7,053,792)	(13,516,337)	(13,260,462)	(14,753,419)
Total equity		**18,411,120**	**7,535,990**	**12,204,450**	**6,298,908**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2007

	Economic Entity		
	Issued Capital $	Accumulated Losses $	Total $
Balance at 01 July 2006	20,156,670	(15,992,160)	4,164,510
Shares issued net of costs	895,657	-	895,657
Net (Loss) for the period	-	2,475,823	2,475,823
Balance at 30 June 2006	**21,052,327**	**(13,516,337)**	**7,535,990**
Shares issued net of costs	4,412,057	-	4,412,057
Options exercised net of costs	528	-	528
Net (Loss) for the period	-	6,462,545	6,462,545
Balance at 30 June 2007	**25,464,912**	**(7,053,792)**	**18,411,120**

	Parent Entity		
	Issued Capital $	Accumulated Losses $	Total $
Balance at 01 July 2006	20,156,670	(16,457,745)	3,698,925
Shares issued net of costs	895,657	-	895,657
Net (Loss) for the period	-	1,704,326	1,704,326
Balance at 30 June 2006	**21,052,327**	**(14,753,419)**	**6,298,908**
Shares issued net of costs	4,412,057	-	4,412,057
Options exercised net of costs	528	-	528
Net (Loss) for the period	-	1,492,957	1,492,957
Balance at 30 June 2007	**25,464,912**	**(13,260,462)**	**12,204,450**

The accompanying notes form part of these financial statements.

Cash Flow Statement
for the year ended 30 June 2007

		Economic Entity		Parent Entity	
	Note	2007 $	2006 $	2007 $	2006 $
Cash flows related to operating activities					
Payments to suppliers and employees		(2,110,076)	(897,548)	(1,403,541)	(885,079)
Other dividends received		1,579	-	-	-
Interest received		93,392	34,576	77,009	13,750
Underwriting fees		4,500	-	-	-
Net cash flows used in operating activities	**20a**	**(2,010,605)**	**(862,972)**	**(1,326,532)**	**(871,329)**
Cash flows related to investing activities					
Payment for purchases of plant and equipment		(3,760)	(23,164)	(3,760)	(23,164)
Proceeds from sales of equity investments		5,620,772	6,528,809	214,500	500,293
Payment for purchases of equity investments		(6,503,901)	(5,922,115)	(55,659)	(290,507)
Loans to other entities		(100,000)	(30,000)	-	(30,000)
Loans repaid by other entities		100,000	125,133	-	-
Advances to related parties		-	-	(1,717,186)	453,600
Payment for purchase of Mining Tenement		(1,151,907)	(550,053)	(1,151,907)	(550,053)
Net cash flows used (in)/from investing activities		**(2,038,796)**	**128,610**	**(2,714,012)**	**60,169**
Cash flows related to financing activities					
Proceeds from issues of securities		4,758,784	943,908	4,758,784	943,908
Capital raising costs		(347,055)	(48,251)	(347,055)	(48,251)
Net cash flows used from financing activities		**4,411,729**	**895,657**	**4,411,729**	**895,657**
Net increase in cash and cash equivalents		**362,328**	**161,295**	**371,185**	**84,497**
Cash and cash equivalents at the beginning of the year	8	384,081	222,786	162,743	78,246
Cash and cash equivalents at the end of the year	**8**	**746,409**	**384,081**	**533,928**	**162,743**

The accompanying notes form part of these financial statements.

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Mining Projects Group Ltd and controlled entities, and Mining Projects Group Ltd as an individual parent entity. Mining Projects Group Ltd is a listed public Company, incorporated and domiciled in Australia.

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the consolidated financial statements and notes of Mining Projects Group Ltd comply with International Financial Reporting Standards ("IFRS"). The parent entity financial statements and notes also comply with IFRS except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 Financial Instruments: Disclosure and Presentation.

The financial report was authorised for issue by the Directors on 28 September 2007. The Company has the power to amend and reissue the financial report.

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

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

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

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

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

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

(b) Income Tax

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

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

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

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

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

Mining Projects Group Ltd and its wholly-owned Australian subsidiaries have 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

Note 1 Statement of Significant Accounting Policies cont.

liabilities for the tax consolidated group as it is the head entity.

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

(c) Plant and Equipment

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

Plant and Equipment

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% to 33%

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

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

(d) Exploration and Development Expenditure

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

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

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

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

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

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

(e) Financial Assets

Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term and in accordance with the Company's risk management policy. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

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 these investments 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, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair vale 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 income statement. 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 income statement as gains or losses from investment securities.

Fair Value

Fair value is determined based on current bid prices for all quoted investments at reporting dates. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment

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

(f) Impairment of Assets

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, the group 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 group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

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

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

Note 1 Statement of Significant Accounting Policies cont.

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

(h) Cash and Cash Equivalents

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

(i) Revenue

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

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

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

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

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

(j) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision 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 principle amount. Interest, when charged by the lender is recognised as an expense on an accruals basis.

(l) Share Capital

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

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

(m) Share-Based Payments

Equity-settled payments are measured at fair vale at the date of grant. Fair value is measured by use of an option pricing model or other appropriate option pricing model as required. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability and exercise restrictions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

(n) 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.

(o) Goods and Services Tax (GST)

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

Receivables and payables in the balance sheet are shown inclusive of GST.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) New and Revised Accounting Standards and Interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2006.

The Directors have given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material financial impact on the financial statements of the Company or the Economic Entity.

Note 2 Revenue

		Economic Entity		Parent Entity	
	Note	2007 $	2006 $	2007 $	2006 $
Operating activities					
Interest revenue - other persons/ corporations		93,392	34,576	77,009	13,750
Interest revenue - wholly owned subsidiary		-	-	384,866	301,551
Net movement in fair value of financial assets held for trading	3b	10,049,857	3,536,230	2,652,927	847,957
Other		6,079	-	-	-
Total operating revenue		**10,149,328**	**3,570,806**	**3,114,802**	**1,163,258**

Note 3 Profit for the Year

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
(a) Expenses				
Audit fees				
- Audit fees	61,040	30,325	61,040	30,325
- Taxation fees	24,373	2,000	24,373	2,000
Audit fees	**85,413**	**32,325**	**85,413**	**32,325**
Depreciation				
- Depreciation	12,920	9,477	12,920	9,477
Directors' & consultants' fees				
- Bryan Frost	249,996	187,500	249,996	187,500
- Richard Revelins	140,000	139,999	140,000	139,999
- Jim Babbage	25,000	26,783	25,000	26,783
- Consultants	11,000	-	11,000	-
Directors' & consultants' fees	**425,996**	**354,282**	**425,996**	**354,282**
(b) Significant revenue and expenses				
The following significant revenue and expense items are relevant in explaining the financial performance:				
Net (increase)/decrease in fair value of financial assets held for trading	(10,049,857)	(3,536,230)	(2,652,927)	(847,957)
The net increase 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 those disposed of during the reporting period. The realised tax loss on sale of financial assets held for trading during the current year was $529,967 (2006: profit of $545,085) for the economic entity.				
Movement in provision for intercompany loan	-	-	-	(1,635,087)
The carrying value of intercompany loans were reviewed by Directors at balance date and the carrying values were deemed to be in excess of their recoverable values (Note 9).				

Note 4 Income Tax Expense

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
(a) The components of tax expense comprise:				
Current income tax (benefit)/expense	(900,107)	(172,658)	(685,276)	254,006
Deferred tax expense/(income) relating to the originating and reversal of temporary differences	3,813,985	933,354	1,535,300	275,249
Current tax losses not recognised	-	172,658	-	-
Tax benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense	(555,341)	-	(555,341)	(254,006)
Tax benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense	-	(933,354)	-	(275,249)
	2,358,537	**-**	**294,683**	**-**
(b) The prima facie tax on profit from ordinary activities before tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2006: 30%)				
- economic entity	2,646,325	742,747		
- parent entity			536,292	511,298
	2,646,325	**742,747**	**536,292**	**511,298**
Add: Tax effect of non-deductible items:				
- legal expenses	-	13,012	-	13,012
- deferred tax asset not previously recognised	(555,341)	(760,700)	(555,341)	(529,251)
- Section 40/880 deduction	(36,509)	-	(36,509)	-
- entertainment	2,694	4,941	2,694	4,941
- deferred tax liability not previously recognised	301,368	-	347,547	-
Income tax expense attributable to profit/loss before income tax	**2,358,537**	**-**	**294,683**	**-**
(c) The Directors estimate that the potential deferred tax asset at 30 June 2007 in respect of tax losses not brought to account is:				
Carried forward losses	1,807,569	2,316,974	1,807,569	2,316,974
Temporary Differences	-	(230,411)	-	-
	1,807,569	**2,086,563**	**1,807,569**	**2,316,974**

This benefit for tax losses will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and

(ii) the losses are transferred to an eligible entity in the consolidated entity; and

(iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

(iv) no changes in tax legislation adversely affect the economic entity in realising the benefit from the deductions for the losses.

Tax losses recognised as a deferred tax asset and disclosed above are available to the tax consolidated group. At the date of this report the tax consolidated group has recognised $1,851,137 (2006: $0) of prior year losses. Prior year losses of $6,025,223 (2006: $7,723,247) have not been recognised as at 30 June 2007 as it has not been determined that these losses will be available for use against future taxable profits.

Note 5 Key Management Personnel Compensation

(a) Directors

The following persons were Directors of Mining Projects Group Ltd during the financial year:

Name	Position
Bryan Frost	Executive Chairman
Richard Revelins	Executive Director
Jim Babbage	Independent Non-Executive Director

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

(b) Key Management Personnel Compensation Policy

Remuneration Policy

Remuneration of all Executive and Non-Executive Directors, Officers of the Company is determined by the Remuneration and Nomination Committee.

The Company 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.

For further details, refer to the Company's Corporate Governance Statement contained elsewhere is this report.

Remuneration Policy versus Company Financial Performance

Over the past five years the Company has acquired and maintained many participating interests in mining projects and companies that Directors believe have the potential to provide ongoing benefits to shareholders. This is represented by interests in public and private companies and direct participation in mining projects and joint ventures.

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

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

Performance Based Remuneration

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

The Company uses a variety of KPI's to determine achievement, depending on the role of the executive being assessed. These include:

- successful contract negotiations
- Company share price consistently reaching a targeted rate on the ASX or applicable market over a period of time

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

(c) Key Management Personnel Compensation

The aggregate compensation made to key management personnel of the Company and the Group is set out below:

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
Short-term employee benefits	403,436	340,940	403,436	340,940
Post-employment benefits	11,560	11,560	11,560	11,560
Long-term benefits	-	-	-	-
Share-based payments	-	-	-	-
	414,996	**352,500**	**414,996**	**352,500**

The compensation of each member of the key management personnel of the Group is set out below.

(d) Key Management Personnel Compensation

The compensation of each member of the key management personnel of the Group for the current year is set out below:

	Short-term employment benefits				Post Employment Benefits	
2007	Cash, salary & fees $	Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Other $
Bryan Frost	249,996	-	-	-	-	-
Richard Revelins	128,440	-	-	-	11,560	-
Jim Babbage	25,000	-	-	-	-	-
	403,436	**-**	**-**	**-**	**11,560**	**-**

	Other long term employee benefits	Share-based payments				Total
		Equity-settled				
2007 (cont.)	Other $	Shares $	Options $	Cash-settled $	Other $	$
Bryan Frost	-	-	-	-	-	249,996
Richard Revelins	-	-	-	-	-	140,000
Jim Babbage	-	-	-	-	-	25,000
	-	**-**	**-**	**-**	**-**	**414,996**

Note 5 Key Management Personnel Compensation cont.

The compensation of each member of the key management personnel of the Group for the prior year is set out below:

	Short-term employment benefits				Post Employment Benefits	
2006	Cash, salary & commissions $	Cash profit share $	Non-cash benefit $	Other $	Super-annuation $	Other $
Bryan Frost	187,500	-	-	-	-	-
Richard Revelins	128,440	-	-	-	11,560	-
Jim Babbage	25,000	-	-	-	-	-
	340,940	**-**	**-**	**-**	**11,560**	**-**

	Other long term employee benefits	Share-based payments				Total
		Equity-settled				
2006 (cont.)	Other $	Shares $	Options $	Cash-settled $	Other $	$
Bryan Frost	-	-	-	-	-	187,500
Richard Revelins	-	-	-	-	-	140,000
Jim Babbage	-	-	-	-	-	25,000
	-	**-**	**-**	**-**	**-**	**352,500**

(e) Options and Rights Holdings

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

2007	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other	Balance at end of the year	Vested and exercisable	Unvested
Directors of Mining Projects Group Ltd							
Bryan Frost	-	-	-	160,697,109	160,697,109	160,697,109	-
Richard Revelins	-	-	-	48,917,570	48,917,570	48,917,570	-
Jim Babbage	-	-	-	-	-	-	-
	-	**-**	**-**	**209,614,679**	**209,614,679**	**209,614,679**	**-**

2006	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other	Balance at end of the year	Vested and exercisable	Unvested
Directors of Mining Projects Group Ltd							
Bryan Frost	-	-	-	-	-	-	-
Richard Revelins	-	-	-	-	-	-	-
Jim Babbage	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**

The net change other column above includes those options that have been forfeited by holders as well as options issued during the year under review.

(f) 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 Group, including their personally related parties, are set out below. There were no shares granted during the period as compensation.

2007	Balance at the start of the year	Received as Compensation	Options Exercised	Net Change Other*	Balance at the end of the year
Directors of Mining Projects Group Ltd					
Bryan Frost	81,737,617	-	-	128,148,689	209,886,306
Richard Revelins	75,670,283	-	-	48,917,570	124,587,853
Jim Babbage	-	-	-	-	-
	157,407,900	**-**	**-**	**177,066,259**	**334,474,159**

* Net change other refers to shares purchased or sold during the financial year.

2006	Balance at the start of the year	Received as Compensation	Options Exercised	Net Change Other*	Balance at the end of the year
Directors of Mining Projects Group Ltd					
Bryan Frost	109,945,380	-	-	(28,207,763)	81,737,617
Richard Revelins	92,470,283	-	-	(16,800,000)	75,670,283
Jim Babbage	-	-	-	-	-
	202,415,663	**-**	**-**	**(45,007,763)**	**157,407,900**

* Net change other refers to shares purchased or sold during the financial year.

Note 6 Auditors' Remuneration

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
Remuneration of the auditor of the parent entity for:				
- audit fees	61,040	30,325	61,040	30,325
- taxation services	24,373	2,000	24,373	2,000
	85,413	**32,325**	**85,413**	**32,325**

Note 7 Earnings per Share

	2007 $	2006 $
Basic earnings per share	0.46	0.31
Diluted earnings per share	0.46	0.31
(a) Reconciliation of earnings to net profit		
Earnings used in the calculation of basic and dilutive EPS	6,462,545	2,475,823

	No.	No.
(b) used in calculating basic EPS Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,416,002,809	792,519,553
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**1,416,002,809**	**792,519,553**
(c) Subsequent to balance date, the following equity was issued 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 earnings per share.		
Ordinary shares - fully paid	330,000,000	693,481,171
Options exercisable @ $0.009 on or before 31st July 2009	330,000,000	693,481,171

Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic profit per share. Where dilutive, potential ordinary shares are included in the calculation of diluted profit per share.

All the options on issue do not have the effect to dilute the profit per share. Therefore they have been excluded from the calculation of diluted profit per share.

Note 8 Cash and Cash Equivalents

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
Cash at bank and in hand	746,409	384,081	533,928	162,743
	746,409	**384,081**	**533,928**	**162,743**

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	746,409	384,081	533,928	162,743
	746,409	**384,081**	**533,928**	**162,743**

Note 9 Trade and Other Receivables

		Economic Entity		Parent Entity	
	Note	2007 $	2006 $	2007 $	2006 $
Current					
Trade receivables	9a	821,954	138,823	137,643	67,546
Goods and services tax		402	(377)	95	(378)
Amounts receivable from:					
- Unrelated entities	9b	120,500	30,000	25,000	30,000
		942,856	**168,446**	**162,738**	**97,168**
Non-current					
Amounts receivable from:					
- Wholly-owned subsidiaries	9c	-	-	6,069,660	3,967,608
		-	**-**	**6,069,660**	**3,967,608**

(a) At balance date there was a foreign currency receivable of CAN$55,000 (Canadian dollars)(2006: CAN$55,000) or AUD$61,204 (2006: AUD$67,298) payable to the economic entity.

(b) The above loans represent short term advances of no more than 6 months to unrelated third parties and are not interest bearing. The loans were repaid in full in July 2007.

(c) Details in relation to amounts payable, including terms, to related parties and subsidiaries are disclosed in note 22.

Note 10 Other Financial Assets

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
Current				
Financial assets (held for trading) at fair value through profit or loss	17,551,335	6,618,349	4,200,359	1,706,273
	17,551,335	**6,618,349**	**4,200,359**	**1,706,273**
Non current				
Investment in subsidiary at cost	-	-	2	2
	-	-	2	2
	17,551,335	**6,618,349**	**4,200,361**	**1,706,275**
Comprising:				
Listed investments, at fair value				
- Shares in listed corporations (current)	11,753,814	1,459,061	3,850,660	165,000
- Shares in listed corporations - director related (current)	5,304,801	3,928,421	299,699	611,273
	17,058,615	**5,387,482**	**4,150,359**	**776,273**
Unlisted investments				
- Shares in controlled entities at cost (non current)	-	-	2	2
- Shares in unlisted corporations at fair value (current)	372,718	300,867	-	-
- Shares in unlisted corporations at fair value - director related (current)	120,000	930,000	50,000	930,000
	492,718	**1,230,867**	**50,002**	**930,002**
Total financial assets at fair value through profit or loss	**17,551,333**	**6,618,349**	**4,200,361**	**1,706,275**

The Company invests in speculative investments in accordance with its risk management policy, predominantly those investments are in mining projects, and where appropriate has leveraged those investments into shares and options in listed public companies.

Note 11 Controlled Entities

	Country of Incorporation	Percentage Owned (%)*	
		2007	2006
Parent Entity			
Mining Projects Group Ltd	Australia		
Subsidiaries of Mining Projects Group Ltd			
AMN Nominees Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership.

Note 12 Plant and Equipment

	Economic Entity		Parent Entity	
	2007 $	**2006 $**	**2007 $**	**2006 $**
Plant and equipment				
At cost	81,538	77,777	81,538	77,777
Accumulated amortisation	(53,705)	(40,784)	(53,705)	(40,784)
Total plant and equipment	**27,833**	**36,993**	**27,833**	**36,993**
(a) 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	36,993	23,306	36,993	23,306
Additions	3,760	23,164	3,760	23,164
Depreciation expense	(12,920)	(9,477)	(12,920)	(9,477)
Carrying amount at the end of year	**27,833**	**36,993**	**27,833**	**36,993**

Note 13 Other Assets

Current				
Prepayments	2,770	204	2,770	204
	2,770	**204**	**2,770**	**204**
Non-current				
Exploration and tenement acquisition expenditure on talga peak joint venture				
- At cost	1,751,960	600,053	1,751,960	600,053
	1,751,960	**600,053**	**1,751,960**	**600,053**

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

Note 14 Trade and Other Payables

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Current					
Trade payables		94,528	104,591	91,139	104,591
Sundry payables and accrued expenses		158,978	167,545	158,978	167,545
		253,506	**272,136**	**250,117**	**272,136**

Note 15 Deferred Tax Liability

	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
(a) Liabilities				
Non-current				
Deferred tax liability comprises:				
Prepaid expenses	(831)	-	(831)	-
Evaluation of exploration expense	(525,588)	-	(525,588)	-
Financial assets carried at fair value	(3,287,566)	-	(1,019,381)	-
Total	**(3,813,985)**	**-**	**(1,545,800)**	**-**
(b) Assets				
Deferred tax assets comprise:				
Accrued expenses	7,500	-	10,500	-
Losses carried forward	1,447,948	-	1,240,617	-
	1,455,448	-	1,251,117	-
Net deferred tax liability	**(2,358,537)**	**-**	**(294,683)**	**-**

Note 16 Issued Capital

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Ordinary shares fully paid	16a	25,464,912	21,052,327	25,464,912	21,052,327
Options over ordinary shares	16b	-	-	-	-
		25,464,912	**21,052,327**	**25,464,912**	**21,052,327**

		2007		2006	
	Note	No.	$	No.	$
(a) Ordinary shares					
At the beginning of reporting period		809,721,133	21,052,327	703,596,133	20,156,670
Shares issued during year	(i)	693,538,171	4,759,968	106,125,000	849,000
Exercise of options	(ii)	58,750	528	-	-
Transaction costs relating to share issues			(347,911)		(48,251)
Capital received at $0.007 per share but script not issued at 30 June 2006*			-		94,908
At reporting date		**1,503,318,054**	**25,464,912**	**809,721,133**	**21,052,327**

* At 30 June 2006 the Company had received capital from shareholders in relation to a rights issue. Theses shares were issued 12 July 2006.

The Company has unlimited authorised share capital of no par value ordinary shares.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

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

	Details	Number	Issue Price $	$
(i) 2007				
12 July 2006	Rights Issue	202,430,283	0.007	1,322,104
11 August 2006	Placement of Shares	115,714,285	0.007	810,000
5 September 2006	Placement of Shares	375,286,603	0.007	2,627,008
29 June 2007	Issue in lieu of services	107,000	0.008	856
		693,538,171		**4,759,968**
2006				
29 August 2005	Placement of Shares	106,125,000	0.008	849,000
		106,125,000		**849,000**
(ii) 2007				
22 August 2006	Exercise of Options	50,000	0.009	450
5 December 2006	Exercise of Options	8,750	0.009	78
		58,750		**528**

Note 16 Issued Capital cont.

		2007		2006	
	Note	No.	$	No.	$
(b) Options					
At the beginning of reporting period					
Options issued during year	(i)	693,431,171	-	-	-
Exercise of options	(ii)	(58,750)	-	-	-
At reporting date		**693,372,421**	**-**	**-**	**-**

	Details	Number	Exercise Price $	$
(i) 2007				
12 July 2006	Options	202,430,283	0.009	-
11 August 2006	Options	115,714,285	0.009	-
5 September 2006	Options	375,286,603	0.009	-
		693,431,171		**-**
(ii) 2007				
22 August 2006	Exercise of Options	(50,000)	0.009	-
5 December 2006	Exercise of Options	(8,750)	0.009	-
		(58,750)		**-**

Note 17 Capital and Leasing Commitments

(a) Other

The CFO Solution provides administrative support at a rate of $16,667 per month plus GST. This commitment may be terminated with 3 months notice from either party.

Note 18 Contingent Liabilities and Contingent Assets

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 with 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.

Legal Proceedings

In January 2007 the Company received notice of civil proceedings in relation to certain announcements made in August 2005 concerning the Nuie Island Project. The company and the Directors concerned deny the allegations and are continuing to defend this matter vigorously. The matter is the subject of civil proceedings and no orders or pecuniary damages are sought against the Company.

The Directors maintain that they acted appropriately with respect to the drafting and release of all information concerning the Nuie Island Project. Accordingly it is expected that the proceedings will be successfully defended.

Otherwise, the consolidated entity is not involved in any legal or arbitration proceedings nor, so far as the Directors are aware, are such proceedings pending or threatened against the consolidated entity.

Contingent Assets

Jackson Gold Limited

Mining Projects Group has an entitlement to a further 1.5 million shares in Jackson Gold Limited in the event that Placer Dome Asia Pacific Ltd (Placer) declares the Claypan Dam Project part of a “Declared” area. At this stage no value can reliably be attributed to the asset.

Note 19 Segment Reporting

	Exploration & Mining		Investments		Consolidated	
	2007 $	2006 $	2007 $	2006 $	2007 $	2006 $
Primary reporting format - business segments						
Revenue						
External sales	-	-	10,149,328	3,570,806	10,149,328	3,570,806
Total segment revenue/income	**-**	**-**	**10,149,328**	**3,570,806**	**10,149,328**	**3,570,806**
Segment result	(15,113)	(124,566)	10,149,328	3,570,806	10,134,215	3,446,240
Unallocated expenses					(1,313,133)	(970,417)
Income tax expense					(2,358,537)	-
Net profit	**(15,113)**	**(124,566)**	**10,149,328**	**3,570,806**	**6,462,545**	**2,475,823**
Segment assets	1,751,960	600,053	17,551,335	6,618,349	19,303,295	7,218,402
Unallocated assets					1,719,868	589,724
Total assets	**1,751,960**	**600,053**	**17,551,335**	**6,618,349**	**21,023,163**	**7,808,126**
Segment liabilities	(30,772)	(101,776)	-	-	(30,772)	(101,776)
Unallocated liabilities					(2,581,271)	(170,360)
Total liabilities	**(30,772)**	**(101,776)**	**-**	**-**	**(2,612,043)**	**(272,136)**
Depreciation and amortisation expense					12,920	9,477
Acquisition of non-current segment assets	1,151,907	550,053	-	-	1,151,907	550,053
Other non-cash segment revenues	-	-	10,049,857	2,991,145	10,049,857	2,991,145

	Segment revenues from sales to external customers		Carrying amount of segment assets		Acquisition of non-current segment assets	
	2007 $	2006 $	2007 $	2006 $	2007 $	2006 $
Secondary reporting format - geographical segments						
Australia	10,149,328	3,514,843	19,012,716	6,603,123	1,151,907	550,053
North America	-	55,963	2,010,447	1,205,003	-	-
Total assets	**10,149,328**	**3,570,806**	**21,023,163**	**7,808,126**	**1,151,907**	**550,053**

The economic entity operates predominantly in Australia and North America (secondary segment). Revenue is mainly derived from proceeds from sale of shares. The Company's business segments (primary segment) are:

- Exploration and Mining - exploration activities through farm out arrangements in the Company's Australian tenements (note 13) and in North America through the Company's current investment in Cangold Inc. (note 10).

Segment accounting policies are the same as the economic entity's accounting policies described at note 1. Intersegment revenues are charged by the parent entity to business segments at market rates.

Note 20 Cash Flow Information

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
(a) Reconciliation of cash flow from operations with profit after income tax				
Profit for the period	6,462,545	2,475,823	1,492,957	1,704,326
Add back depreciation expense	12,920	9,477	12,920	9,477
Add back amortisation expense	-	-	-	-
Add back (loss)/gain on revaluation of assets	(10,595,396)	(2,991,145)	(2,844,086)	(797,437)
Add back interest on inter-company loans	-	-	(384,866)	(301,551)
Add back loss on sales of equity investments	545,540	(545,085)	191,159	(50,520)
Add back equity issued for nil consideration	856	-	856	-
Add back write-down of assets	-	561	-	561
Add back provision for inter-company loan	-	-	-	(1,635,087)
(Increases)/Decreases in accounts receivable	(774,410)	(27,955)	(65,569)	(18,925)
(Increases)/Decreases in other current assets	(2,567)	(6)	(2,567)	(6)
Increases/(Decreases) in accounts payable	(18,630)	215,358	(22,019)	217,833
Increases/(Decreases) in deferred tax liability	2,358,537	-	-	-
Cash flow from operations	**(2,010,605)**	**(862,972)**	**(1,621,215)**	**(871,329)**
(b) Non-cash financing and investing activities				
In 2007 Mining Projects Group Limited was issued 1,250,000 ordinary shares at $0.04 ($50,000) in X-Ploration Limited, and AMN Nominees Pty Ltd was issued 1,400,000 ordinary shares at $0.05 ($70,000) in X-Ploration Limited, as repayment of short term borrowings.				
Repayment of short term borrowings	70,000	-	-	-
Acquisition of X-Ploration Limited ordinary shares	(70,000)	-	-	-
In 2006 Mining Projects Group Limited was issued 2,150,000 ordinary shares at $0.20 ($430,000) in Electra Mines Limited as consideration for the sale of Yamarna Project Tenements.				
Sale of Yamarna Project tenements	-	430,000	-	430,000
Acquisition of Electra Mines Limited ordinary shares	-	(430,000)	-	(430,000)
	-	**-**	**-**	**-**

Note 21 Events After the Balance Sheet Date

19/7/2007 Company announces that it had reached an agreement with Melbourne Capital Limited, subject to shareholder approval, for a private placement to sophisticated investors of up to 330,000,000 new shares and 1 for 1 attaching options at an issue price of 0.7 cents per share and expiring 31 July 2009.

27/8/2007 Shareholders approve a capital raising to raise $2.31m before costs.

Note 22 Related Party Transactions

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

The Directors of the Company during the financial year were:

Bryan Frost
Richard Revelins
James Babbage

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
(a) Wholly owned group transactions				
Loan made by Mining Projects Group Limited to a wholly owned subsidiary	-	-	6,069,660	3,967,608
The Parent has provided a line of credit to its subsidiary for a period of 10 years from 1 July 2004 of $5,000,000, or such other amount as so agreed by both parties. Interest on the loan is calculated daily and applied monthly based on ATO benchmark interest rates: 2007: 7.05% (2006: 7.35%).				
(b) Other related parties transactions				
Director-related entities				
Accountancy fees paid to Babbage & Co, a company in which James Babbage has a beneficial interest	25,000	25,000	25,000	25,000
Underwriting fees paid to Peregrine Corporate Limited, in which Bryan Frost and Richard Revelins are Directors.	-	22,450	-	22,450
Other				
Loan to Kaare Foye (Canadian $55,000), a Director of Cangold Inc, in which the Company is a 9.0% shareholder (2006: 9.0%), and Mr Frost and Mr Revelins are also Directors.	61,204	67,298	-	-
Investments				
During the year Mining Projects Group Limited held investments in ordinary shares of the following related parties. The fair value of consideration paid for shares issued by the related party, and the fair value of the shares held at 30 June are disclosed for each related party.				
Mintails Limited, a company in which Bryan Frost and Richard Revelins are Directors.				
Opening balance at fair value	875,367	102,102	-	-
Purchases	429,813	630,577	-	-
Recognised in profit & loss	3,084,994	142,688	-	-
Holding at 30 June at fair value	4,390,174	875,367	-	-

	Economic Entity		Parent Entity	
	2007 $	2006 $	2007 $	2006 $
Atlas Iron, a company in which Richard Revelins was a Directors (resigned 8 February 2007).				
Opening balance at fair value	-	623,592	-	123,900
Purchases	-	205,056	-	-
Recognised in profit & loss	-	1,554,880	-	229,920
Holding at 30 June at fair value	-	2,383,528	-	353,820
Eleckra Mines Limited, a company in which Richard Revelins was a Directors (resigned 17 May 2007).				
Opening balance	-	-	-	-
Purchases	-	455,000	-	455,000
Recognised in profit & loss	-	475,000	-	475,000
Holding at 30 June at fair value	-	930,000	-	930,000
Cangold Inc (Vancouver, Canada), a company in which Bryan Frost and Richard Revelins are Directors.				
Opening balance	769,526	391,240	257,453	211,702
Purchases	-	137,788	-	-
Recognised in profit & loss	145,103	240,498	42,246	45,751
Holding at 30 June at fair value	914,629	769,526	299,699	257,453
Payables and receivables				
Amounts receivable from related parties are disclosed in note 9.				
Amounts payable to related parties are disclosed in note 14.				

Note 23 Financial Instruments

(a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate $	Fixed Interest Rate Within Year $	Fixed Interest Rate 1 to 5 years $	Fixed Interest Rate Over 5 years $	Non-Interest Bearing $	Total $
2007							
Financial assets:							
Cash and cash equivalents	5.45%	746,409	-	-	-	-	746,409
Trade and other receivables	0.00%	-	-	-	-	942,856	942,856
Other financial assets	0.00%	-	-	-	-	17,551,335	17,551,335
Total financial assets		**746,409**	**-**	**-**	**-**	**18,494,191**	**19,240,600**
Financial liabilities:							
Trade and other payables	0.00%	-	-	-	-	253,506	253,506
Total financial liabilities		**-**	**-**	**-**	**-**	**253,506**	**253,506**
2006							
Financial assets:							
Cash and cash equivalents	2.79%	384,081	-	-	-	-	384,081
Trade and other receivables	0.00%	-	-	-	-	168,446	168,446
Other financial assets	0.00%	-	-	-	-	6,618,349	6,618,349
Total financial assets		**384,081**	**-**	**-**	**-**	**6,786,795**	**7,170,876**
Financial liabilities:							
Trade and other payables	0.00	-	-	-	-	272,136	272,136
Total financial liabilities		**-**	**-**	**-**	**-**	**272,136**	**272,136**

(b) Credit Risk

Financial assets, which potentially expose the consolidated entity to concentrations of credit risk, consist primarily of cash and receivables. The consolidated entity's cash and cash equivalents are placed with high credit quality financial institutions and receivables are presented net of any allowances for estimated doubtful receivables. Accordingly, the Directors believe the consolidated entity has no significant concentration of credit risk.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values determined in accordance with the accounting policies disclosed in note 1.

Cash and Short-Term Investments

The carrying amount approximates fair value because of their short term to maturity.

Receivables and Payables

The carrying amount approximates fair value.

Listed Investments

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

Unlisted Investments

Where there is no organised financial market, the recoverable amount is assessed from recent arm's length transactions, reference to similar instruments and option pricing models. The carrying value of unlisted investments approximates $492,718. The Directors believe the carrying value approximates fair value.

Non-Current Investments/Securities

The carrying amount approximates fair value.

Note 24 Company Details

The registered office of the Company is:

Mining Projects Group Ltd
Suite 2, 1233 High Street
Armadale Victoria 3143

The principal place of business of Mining Projects Group Ltd is:

Mining Projects Group Ltd
Suite 2, 1233 High Street
Armadale Victoria 3143

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 21 to 49, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the Company and economic entity;

2. The Chief Executive Officer and Chief Finance Officer have each declared that:

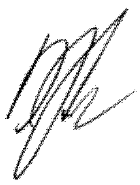
   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director **Bryan Frost**

Dated this **28th** day of **September 2007**

Chartered Accountants
& Business Advisers

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

We have audited the accompanying financial report of Mining Projects Group Limited ("the company") and the consolidated entity for the year ended 30 June 2007. The financial report comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity for both 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 "Presentation of Financial Statements", that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards other than the company has elected to apply the relief provisions provided to parent entities in respect of certain disclosure requirements contained in AASB132 "Financial Instruments: Disclosure and Presentation".

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion, the financial report of Mining Projects Group Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2007 and of their performance for the year ended on that date;

PKF is a national association of independent chartered accounting and consulting firms, each trading as PKF. PKF Australia Ltd is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

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Victorian Partnership | ABN 56 527 914 493
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PKF

Chartered Accountants
& Business Advisers

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

(c) the financial statements and notes also comply with International Financial Reporting Standards.

PKF

David Garvey

PKF
Chartered Accountants

D J Garvey
Partner

28 September 2007
Melbourne

Shareholder Information
as at 26 September 2007

Number of Holders of Equity Securities

Ordinary Shares

1,833,318,054 fully paid ordinary shares are held by 3,059 individual shareholders.

All ordinary shares carry one vote per share.

Options

1,023,372,421 options exercisable at $0.009 on or before 31 July 2009, are held by 494 individual shareholders.

Distribution of Holders in each Class of Equity Securities

	Fully paid ordinary shares
1 - 1,000	206
1,001 - 5,000	186
5,001 - 10,000	87
10,001 - 100,000	1,305
100,001 - and over	1,275
Total number of shareholders	**3,059**
Unmarketable parcels	**1,472**
	Listed Options
1 - 1,000	43
1,001 - 5,000	37
5,001 - 10,000	29
10,001 - 100,000	193
100,001 - and over	192
Total number of shareholders	**494**

Shareholder Information
as at 26 September 2007 cont.

Twenty Largest Holders of Quoted Securities

	Shareholders	Number	Fully Paid Ordinary Shares %
1	ANZ Nominees Limited	152,105,402	8.30
2	Queensland Marketing Management - Super Fund	75,714,285	4.13
3	Peregrine Corporate Limited	66,913,326	3.65
4	Mungala Investments Pty Ltd	60,000,000	3.27
5	RAH (STC) Pty Ltd - MEH Retirement Fund	50,061,993	2.73
6	Darontack Pty Ltd	45,000,000	2.45
7	RAH (STC) Pty Ltd - RAH Retirement Fund	43,061,993	2.35
8	Queensland MM Pty Ltd	36,000,000	1.96
9	RAH (STC) Pty Ltd - MEH Retirement Fund A/c	31,000,000	1.69
10	Bryan Frost	30,000,000	1.64
11	Bodie Investments Pty Ltd	30,000,000	1.64
12	Farcam Pty Ltd	27,000,000	1.47
13	Hugh Darwell	23,577,778	1.29
14	Greenslade Holdings Pty Ltd	20,000,000	1.09
15	City Select Ltd	20,000,000	1.09
16	Leon Eugene Pretorius	15,000,000	0.82
17	Nefco Nominees Pty Ltd	15,000,000	0.82
18	Rocfin Pty Ltd	15,000,000	0.82
19	LSAF Holdings Pty Ltd	15,000,000	0.82
20	Adam Stratton	14,000,000	0.76
		784,434,777	**42.79**

Optionholders		Number	Listed Options %
1	Mungala Investments Pty Ltd	79,439,412	7.76
2	Queensland Marketing Management - Super Fund	75,714,285	7.40
3	Elinora Investments Pty Ltd	68,972,473	6.74
4	Bryan Frost	54,548,420	5.33
5	RAH (STC) Pty Ltd - MEH Retirement Fund	51,061,993	4.99
6	RAH (STC) Pty Ltd - RAH Retirement Fund	48,461,993	4.74
7	Darontack Pty Ltd	45,000,000	4.40
8	Queensland MM Pty Ltd	36,000,000	3.52
9	RAH (STC) Pty Ltd - MEH Retirement Fund A/c	35,527,200	3.47
10	Bodie Investments Pty Ltd	30,000,000	2.93
11	Talex Investments Pty Ltd	28,300,000	2.77
12	City Select Ltd	20,000,000	1.95
13	LSAF Holdings Pty Ltd	18,400,000	1.80
14	Luke Charles Anderson	17,000,000	1.66
15	Hugh Darwell	15,055,555	1.47
16	Melbourne Capital Pty Ltd	15,000,000	1.47
17	Rocfin Pty Ltd	15,000,000	1.47
18	Adam Stratton	14,000,000	1.37
19	Locope Pty Ltd	14,000,000	1.37
20	Peregrine Corporate Ltd	13,382,665	1.31
		694,863,996	**67.92**

Shareholder Information
as at 26 September 2007 cont.

Unquoted Equity Securities Holdings greater than 20%

There are no unquoted equity securities holding greater than 20%.

Substantial Shareholders

There are no substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act.

Shareholder Enquiries

Shareholders with enquiries about their shareholders should contact the share registry:

Security Transfer Registrars
770 Canning Highway Applecross
Western Australia 6153 Australia
Telephone (08) 9315 2333
Facsimile (08) 9315 2233
Email registrar@securitytransfer.com.au

Change of Address, Change of Name, Consolidation of Shareholdings

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

Removal from the Annual Report Mailing List

Shareholders who do not wish to receive the Annual Report should advise the Share Registry in writing.
These shareholders will continue to receive all other shareholder information.

Tax File Numbers

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

Chess (Clearing House Electronic Subregister System)

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

Uncertified Share Register

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

Corporate Directory

Directors

Bryan Frost

Richard Revelins

Jim Babbage

Company Secretary

Richard Revelins

Registered Office

Mining Projects Group Ltd
Suite 2, 1233 High Street
Armadale Victoria 3143

Principal Place of Business

Mining Projects Group Ltd
Suite 2, 1233 High Street
Armadale Victoria 3143

Securities Quoted

Code:	MPJ	Shares
	MPJO	Options expiring 31/7/2009 exerciseable @ $0.009

Auditors

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

Solicitors

Oakley Thompson & Co
Level 17, 500 Collins Street
Melbourne, Victoria, 3000
Australia

Share Registry

Security Transfer Registrars
770 Canning Highway Applecross
Western Australia 6153 Australia

Telephone (08) 9315 2333

Facsimile (08) 9315 2233

Email registrar@securitytransfer.com.au

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PROJECTS GROUP