MINING PROJECTS GROUP

ANNUAL REPORT 2010

Contents

Chairman's Letter

Dear Shareholder,

During the course of the financial year the Company completed the acquisition of Xplor Limited ("Xplor") and Raptor Minerals (Pty) Limited ("Raptor"). Xplor was acquired in exchange for 246,628,140 shares in MPJ at a price of 0.2 cents per share or the equivalent of approximately $500,000. Subsequent to the acquisition the Company disposed of the Egerton project to Exterra Resources Limited ("Exterra") for a cash payment of $40,000, 2,500,000 Exterra shares and 1,750,000 Exterra options and 2% net smelter royalty to maximum value of $500,000. Subsequent to the balance date the Company entered into an agreement with Minotaur Resources Limited ("Minotaur") in respect to the remaining assets of Xplor (the Mt Tarrengower and Golden Mountain gold projects in Victoria). Under the agreement Minotaur is required to spend a minimum amount of $200,000 on exploration on the prospects and may then acquire Xplor for a $35,000 cash non-refundable option fee, $115,000 cash payment, $75,000 in shares in Minotaur and a 2% net smelter royalty capped at $1.3 million. This has provided a most satisfactory return on the Xplor investment for the Company.

The Company also completed the acquisition of Raptor which holds a number of strategically located gold, uranium and molybdenum prospects in the Free State and Western Cape Provinces of South Africa. Shareholders approved the acquisition on 9th September and the Company intends to commence exploration on the uranium tenements shortly. Initial exploration will be concentrated on the uranium prospects in the Karoo Province as they provide the best opportunity for low cost and immediate exploration results. The potential for gold mineralisation in the Free State, where Raptor's tenements adjoin existing gold producing mines will be a longer term situation as the gold mineralisation is expected to be encountered at depth and the Company intends to examine opportunities for joint venture partners.

It is a clearly established objective of the Company to investigate and secure new activities and the Company will continue to investigate and evaluate opportunities as they arise.

The Company has identified and evaluated a number of other potential acquisitions over the past year. This evaluation process is ongoing and the Board is hopeful that this will result in an announcement in the near term although at this time no contractual obligation has been entered into.

Yours faithfully,

Mr Bryan Frost
Executive Chairman
Mining Projects Group LImited

Review of Operations

RAPTOR MINERALS (PTY) LIMITED

On 4 December 2009 the Company entered into a binding heads of agreement to acquire Raptor Minerals (Pty) Ltd ('Raptor'). Raptor has secured a number of granted prospecting rights strategically located in key regions of South Africa which MPJ considers to have the potential to host significant gold, uranium and molybdenum mineralisation (Figure 1).

Raptor, through its subsidiary companies, has a 70-74% interest in 7 prospecting rights with one further prospecting right still under application. In total the rights cover approximately 44,209 hectares of gold, pyrite and uranium exploration tenements in the Free State Province and Uranium and Molybdenum tenements in the Western Cape Province of South Africa. The remaining equity is held by Raptor's Black Economic Empowerment (BEE) partners. These prospects include underground mining targets for gold and uranium mineralisation within extensive flat dipping conglomerate reefs associated with the Central Rand Group of sediments and shallow Karoo Basin sandstone hosted uranium targets which generally offer opportunities amenable to open pit extraction.

On April 28th 2010 the Company renegotiated the consideration payable to Raptor shareholders. The renegotiated consideration was $700,000, comprising of $250,000 in cash and $450,000 in shares (225 million shares at an issue price of 0.2 cents per share) which was substantially less than the original consideration announced. The renegotiated consideration represented a saving to MPJ shareholders of approximately $1.2 million.

The purchase of Raptor was approved by shareholders at the Extraordinary General Meeting held on 9 September 2010. The board of MPJ has evaluated a significant number of projects with an emphasis on uranium and gold and it believes the package of tenements assembled by Raptor offer the Company a unique opportunity in terms of exploration potential.

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

Raptor's Gold & Uranium Prospects, Free State Province:

The gold and uranium prospects include two Prospecting Rights known as Boschkop and Wintershoek which are located close to the mining town of Virginia, within the Free State Province, approximately 300km to the southwest of Johannesburg. The Free State Goldfield is not only the southernmost but also one of the most productive goldfields along the margin of the Witwatersrand Basin having produced in excess of 311 million ounces of gold at an average grade of 8.4 g/t.

Gold and uranium in the Free State Goldfield are hosted by a sequence of quartz pebble conglomerates (locally called Reefs) developed on laterally continuous unconformity or erosional surfaces. The reefs are thought to have formed in a braided alluvial stream environment and then reworked and are part of the significant Central Rand Group which extends laterally for hundreds of kilometres. The mineralised reef sequences are overlain by younger geological units such as the Karoo Sequence of rocks which extend over the entire surface area and vary in thickness from 350m to 960m. It is because of this barren overburden material that the Free State Goldfield was discovered and developed well after the main Witswaterand mines further north.

Locally the reefs can form as tabular bodies which form extensive continuous sheet-like conglomerate developed over large areas or as channelised deposits which have more irregular shapes but may be continuously parallel to the axis of the channel. Mining occurs on a number of these reef horizons which are generally 1m to 2.5m wide and extend to depths of about 2500m. These depths are considered shallow by South African standards and a number of producing gold operations are located adjacent to the Raptor Prospects including the Joel Mine owned and operated by Harmony Gold Mining Company Limited ("Harmony"), the Beatrix Mine owned and operated by Gold Fields Limited and an area covered by the Bloemhoek Project Pre-Feasibility Study completed by Witwatersrand Consolidated Gold Resources ("Wits Gold").

The Joel Mine is focused on mining the Beatrix Reef and has measured, indicated and inferred gold resources of 28.2 million ounces of gold at 6.76 g/t. In addition to these resources it has Proven and Probable Reserves for a total of 565,000 ounces of gold at 5.58 g/t (Harmony Annual Report 2009, Reserve and Resource Statement, as per South African mineral reporting code, SAMREC).

Similarly, recent pre-feasibility studies completed by Wits Gold on its Bloemhoek Project, which is contiguous to the Raptor gold and uranium prospects, reported a JORC indicated mineral resource on all reefs of 10.6 million ounces of gold at 6.9 g/t Au. This was converted into a probable Reserve of 5.4 million ounces of gold at 5.33 g/t Au ranging in depth from 1300m to 2500m, which in Witswaterand terms is relatively shallow and amenable to established underground mining techniques. The uranium estimate includes 13,774 tonnes of U3O8 at 0.15kg/t (Wits Gold Technical Report on the prefeasibility Study for Bloemhoek Project in compliance of the Canadian National Instrument 43-101, October 2009).

The Company believes that the stratigraphy and structure of the nearby mining operations of Harmony and the recent pre-feasibility studies completed by Wits Gold are strong indications that similar geology, reef structures and potential mineralisation could be present in the Raptor Prospects.

Uranium Prospects, Karoo Province:

- **Edenburg:** Two Uranium targets in the Karoo Basin sediments in the Free State Province, 80km south of Bloemfontein
- **Uitkyk and Schietkop prospects:** Uranium targets in the Karoo Basin near Beaufort West township in the Western Cape Province
- **Laingsburg Project :** Two uranium prospects (Spitzekop and Farm 45) close to Laingsburg township in the Western Cape

South Africa has historically produced up to 8% of the world's uranium as a bi-product of gold mining predominately from mining the conglomerate reefs of the Witswatersrand Basin. Within the Permian-Triassic Karoo Basin of southern Africa, uranium mineralisation is widespread and MPJ believes that the uranium prospecting rights are strategically located within the main mineralised corridor as defined by previous explorers.

The Karoo Basin uranium mineralisation is generally contained within fine grained sandstone units deposited within meandering river channels and floodplains at continental margins. The fluvial sandstones can form discrete bodies up to 16km long, 3km wide and 60m thick and their morphology is either ribbonous or tabular. Anomalous uranium values are widespread within the tabular sandstone units but the thicker, narrower and more continuous mineralisation is often associated with ribbon type sandstones which have formed in the ancient river channels.

The Raptor uranium prospects have been strategically selected based on the potential indicated by exploration completed on the adjacent properties to host significant uranium mineralisation. Several significant uranium exploration and development operations are being established in the Karoo Basin and MPJ believes its Raptor prospects could be located within the next uranium hotspot.

Raptor's Beaufort West properties in the Western Cape are contiguous with AREVA Resources South Africa (AREVA), Rietkuil and RystKuil uranium projects. 'A Lukisa', a subsidiary of AREVA is completing a feasibility study to verify the historical data and determine the viability of the Rystkuil deposit.

Other recent exploration activity in the region includes airborne radiometric surveys by Peninsula Minerals Ltd which has defined a number of anomalies on its Site 29 target and which has been ground proven with maximum grades of 2.1% U3O8 and 2430 ppm Mo. These radiometric anomalies indicate several areas with potential to host uranium mineralisation adjacent to Raptors' Schietkop uranium prospect.

MPJ believes that it has positioned itself in a highly prospective uranium corridor associated with the sediments of the Karoo Basin and that recent exploration and development activity adjacent to the Raptor Prospect bodes well for exploration success.

Figure 1: Location map of Freestate gold and uranium prospecting leases

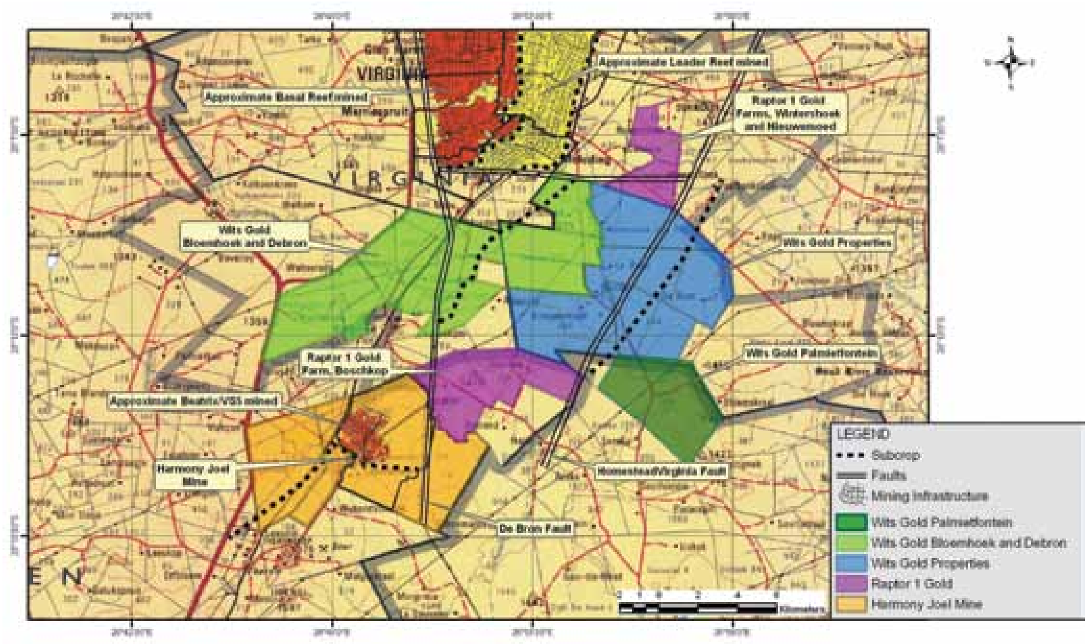
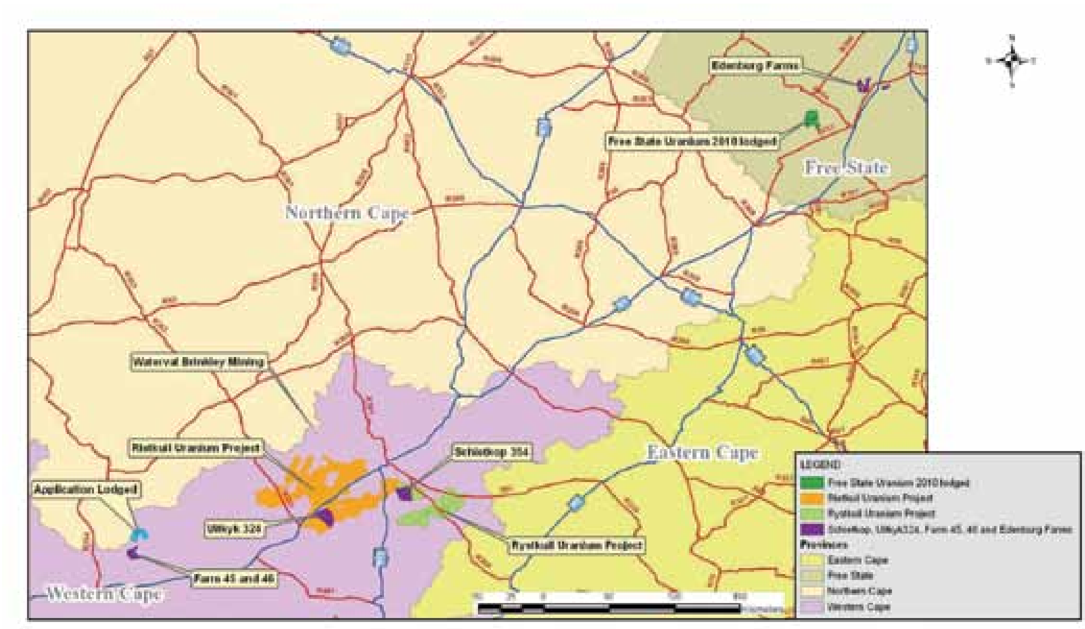


Figure 2: Location map of Western Cape uranium prospecting leases



BOARD APPOINTMENT

The board of MPJ was pleased to announce the appointment to the board of Christopher Taylor in the capacity of Director of Exploration. Chris has previously held senior roles as Exploration Geologist and Consulting Geologist to a number of Australian and international mining companies including Newcrest Mining Limited, Delta Gold Limited and Gutnick Resources N.L. It is proposed that Chris will take a leading role in directing and implementing the exploration activities of the Company and overseeing the introduction of new mining projects and opportunities.

FURTHER OPPORTUNITIES

The Company is continuing to review and assess various new mining opportunities in conjunction with MPJ's other existing activities.

XPLOR LIMITED

On 12 June 2009 the Company announced its intention to acquire all the shares in Xplor Limited ("Xplor") which was finalised at the end of August 2009. The lease portfolio of Xplor consisted of 3 projects; the Egerton Project, Gascoyne region, WA, the Mount Tarrengower Project at Maldon, Victoria and the Golden Mount Project at Bonnie Doon, Victoria.

On 22 October 2009, MPJ announced that it had entered into an agreement with Exterra Resources Pty Ltd ("Exterra") in respect to the Egerton Project. Under the agreement Exterra acquired a 6 month option over the Egerton Project on the following basis:

- Exterra paid MPJ a $20,000 non-refundable option fee for an exclusive 6 month option period. Exterra at its election extended the period for a further 6 months through paying MPJ an additional $20,000 cash and allotting to MPJ 500,000 options in Exterra exercisable at 20 cents each on or before 30 September 2013;
- Exterra was to undertake its best endeavours to achieve listing on the Australian Securities Exchange prior to the end of the option period. Within 7 days of listing on ASX Exterra will issue to MPJ 2,500,000 fully paid ordinary shares and 1,750,000 options exercisable at 20 cents each on or before 30 September 2013;
- Should Exterra produce gold from the Egerton tenements Exterra will pay MPJ a 2% net smelter royalty on all gold produced to a maximum amount of $500,000.

Exterra is currently finalising its prospectus before undertaking its capital raising and listing on the Australian Securities Exchange (ASX).

Upon completion of Exterra's successful IPO, the value in the Company's holding within Exterra will have exceeded the value MPJ paid for the entire of Xplor Limited investment.

MPJ is undertaking an evaluation in respect to Mount Tarrengower and Golden Mount.

NON-CORE ASSETS

The Company has received approaches in relation to some of its non-core exploration assets. If these discussions and negotiations convert into an enforceable agreement the Company will advise of this outcome.

TALGA PEAK PROJECT

Talga Peak has been explored by MPJ over the past 4 years primarily for gold and base metals mineralisation at the Duesenberg and Cord Prospects. After receiving and analysing the drilling results from Cord last December the Company concluded that the potential for shallow to moderate depth base metal VMS style mineralisation along the Cord Valley had diminished and accordingly re-rated the VMS exploration potential.

On 1 October 2009 MPJ announced that it had entered into an exclusive an irrevocable option agreement with Process Minerals International Pty Ltd ("PMI"), a 100% owned subsidiary of Mineral Resources Limited (ASX : MIN), whereby PMI will undertake exploration for iron ore on the tenement area and pay MPJ a royalty per dry metric tonne of iron ore removed from the tenements.

MPJ retains the rights to all other minerals other than iron ore.

LAKE LEFROY JOINT VENTURE

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

The Lake Lefroy JV tenements are located both adjacent to and within Lake Lefroy, which is commonly prone to water inundation making access only possible for limited periods. Interpreted ultramafic stratigraphy in the JV area has been tested by the LTS in limited areas where access has been possible. TEM Conductors have been outlined, however follow-up TEM is required to determine their significance. This will be completed when surface conditions are suitable.

CORPORATE

MPJ lodged a Prospectus with ASIC on 16 June 2009 for a non-renounceable rights issue of one new share for every two shares held at an issue price of 0.2 cents ($0.002) together with one free option for every new share successfully subscribed for. Each new option has an exercise price of 0.2 cents ($0.002) and an expiry date of 6 July 2014. This offer was partially underwritten which allowed for the offer to be fully subscribed for.

On 1st October 2009 the Company announced the placement approved by shareholders of up to 500,000,000 new shares in the capital of the Company at an issue price of 0.2 cents per share, together with a 1 for 1 free attaching option for every new share subscribed, was completed fully subscribed. The attaching option is exercisable on or before 6 July 2014 at an exercise price of 0.2 cents each.

Funds raised from both issues have been applied towards working capital, as well as funding for potential new activities.

SUBSEQUENT EVENTS

On 9th September, 2010 shareholders approved the acquisition of Raptor Minerals. At the same meeting shareholders also approved a 1 for 50 consolidation of the issued share capital. The consolidation was proposed to create a better trading environment for MPJ shares, rather than trading in a narrow band between 0.1 cents and 0.2 cents as the Company's securities had done for some time. The consolidation also provides an ability for trading in the Company's listed options where there had previously been very little volume of trading.

Subsequent to the balance date the Company announced that it had signed an agreement with Minotaur Exploration Limited ("Minotaur") in respect to the Mt Tarrengower and Golden Mountain gold prospects in Victoria. Under the agreement Minotaur will spend a minimum of $200,000 on exploration in respect to the prospects. Subject to results Minotaur may acquire all the shares in Xplor Limited (the entity which holds the Mt Tarrengower and Golden Mountains prospects) by providing MPJ with a $35,000 non-refundable option-payment, $115,000 in cash $75,000 in the form of shares in Minotaur and a 2% net smelter royalty to a maximum value of $1.3 million.

INVESTMENTS

Investment strategy

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

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

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

Review of current substantial investments

West Wits Mining Limited (ASX: WWI)

West Wits Mining Limited ("West Wits") has experienced mixed success over the last 12 months. West Wits was being positioned to become a gold producer over the 2010 financial year which it was unable to achieve due to the Company's inability to finalise a satisfactory ore processing agreement. However West Wits enjoyed exploration success in announcing in May 2010, the 74,000 ounce gold resource at the Monarch Mineral Resource. This additional mineralisation was defined with a discovery cost per ounce of $3.50 and continues to demonstrate the potential for near surface mineralisation within the Company's leases.

The Emerald Gold Project ("Emerald") became far more challenging than expected for a number of reasons including the difficulties in securing a medium term toll treatment agreement and a very challenging regulatory environment. Nonetheless what became increasingly clear to the board was the potential value of the project if existing infrastructure was in place. The recognition of this value, consequently enabled West Wits to negotiate the post balance date proposed sale of the Emerald Gold Project.

MPJ is pleased with the proposed sale of Emerald for a total consideration value of approximately $7.27m, subject to approval by shareholders of West Wits. Two million dollars ($2m) of the sale price will be settled by either cash and/or Mintails shares, $3.6 million of the sale price will be settled via a share buyback of both the Mintails and DRD Gold Limited shareholding entitlements in West Wits reducing the fully diluted capital by 44% and the balance of the sale price will be settled by a US$15 per ounce royalty from all ounces produced at Emerald which can be paid out on the commencement of mining for US$1.5million (approx $1.67 million).

The completion of this transaction will mean MPJ becomes the largest shareholder within West Wits. The sale of Emerald represents only a small proportion of West Wits' exploration and mining interests, but will deliver a consideration value greater than the market capitalisation at the time of the transaction. The transaction will also enable West Wits to continue to test its other prospective targets and move forward on a reduced capital base of 88 million fully paid ordinary shares.

A General Meeting will be held to seek shareholder approval to finalise the sale of Emerald.

This transaction will allow West Wits to re-focus its efforts on further developing the resource potential of its substantial gold and uranium targets located on their leases within the world class Witswatersrand Goldfield. The Company's current independently signed off conceptual target is 3.95 to 5.20 million ounces of gold and 17 to 22 million pounds of uranium. West Wits has proven that it can successfully delineate near surface gold projects and will retain a combined JORC gold resource of 307,000 ounces over three prospects.

The West Wits exploration team is commencing exploration programs on two near surface goal targets, as well as two uranium targets and in anticipation of completing the sale transaction, the Company is also assessing a number of additional gold projects within Africa.

Whilst the management of West Wits missed production timelines provided to the market over the last 18 months, MPJ has held a number of discussions with management and is comfortable with the strategic re-alignment of its focus from small scale production towards exploration and the development of their substantial conceptual resource target. MPJ is looking forward to its investment in West Wits beginning to deliver significant shareholder value over the next 12 months.

MPJ currently holds 8.5 million WWI shares.

Watermark Global PLC (AIM: WET)

Watermark Global Plc (Watermark), and its wholly owned subsidiary, Western Utilities Corporation Pty Ltd. (WUC) are continuing to work with both government and non-government organisations through the process of finalising the governments preferred short, medium and long term strategies for the treatment of Acid Mine Drainage (AMD).

Given that WUC has completed a Definitive Feasibility Study (DFS) which has been signed off by Golder & Associates and is now ready to commence with the construction of the required infrastructure, WUC believes that it is several years ahead of the competition in terms of the work completed already and continues to await the Government's decision.

Its clear from recent speeches and debates in the South African Parliament that the Department of Water Affairs and Environment and the government recognise and accept the gravity of the situation and accordingly need to act urgently on this matter.

MPJ holds 45.12 million WET shares.

Corporate Governance Report

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

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

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

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

ROLE OF THE BOARD AND MANAGEMENT

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

STRUCTURE AND COMPOSITION OF THE BOARD

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

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

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

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

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

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

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

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

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

ETHICAL AND RESPONSIBLE DECISION-MAKING

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

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

INTEGRITY IN FINANCIAL REPORTING

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

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

The Audit, Risk and Compliance Committee hold a minimum of two meetings each year. Details of attendance of the members of the Committee are contained in the Directors' Report.

TIMELY AND BALANCED DISCLOSURE

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

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

RIGHTS OF SHAREHOLDERS

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

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

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

RECOGNISE AND MANAGE RISK

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

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

ENCOURAGE ENHANCED PERFORMANCE

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

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

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

All new Directors undergo an induction program.

REMUNERATE FAIRLY AND RESPONSIBLY

The Economic Entity adopted a Remuneration Committee on 3 August 2010.

The members of the committee are Mr James Babbage (Chairman) and Mr Christopher Taylor. The Committee has yet to meet. The Board was previously responsible for remuneration matters.

The Committee is responsible for:

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

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

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

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

LEGITIMATE INTERESTS OF STAKEHOLDERS

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

Directors' Report

The Board of Directors of Mining Projects Group Limited and its subsidiaries ('the Economic Entity') present their report for the year ended 30 June 2010.

DIRECTORS

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

Mr Bryan Frost

Executive Chairman
Appointed to the Board 1991

Experience

Mr Frost was a partner of a Melbourne based stockbroking firm until 1973, where he specialised in advising international investors, banks and investment funds on Australian arbitrage and investments. Mr Frost has over 40 years experience and he has been involved in a number of public companies as an executive director and major shareholder and possesses extensive experience in financial engineering and management.

Interest in shares and options

9,270,085 ordinary shares and 5,925,930 options over ordinary shares.

Mr Frost is to be issued 900,000 ordinary shares as approved by members at the General Meeting of the Company on 9 September 2010.

Committees

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

Directorships in listed entities over the past three years

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

Directorships in unlisted entities

Peregrine Corporate Limited

Mr Richard Revelins

Executive Director
Appointed to the Board 1991

Experience

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

Interest in shares and options

4,317,847 ordinary shares and 2,302,991 options over ordinary shares.

Mr Revelins is to be issued 630,000 ordinary shares as approved by members at the General Meeting of the Company on 9 September 2010.

Committees

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

Directorships in listed entities over the past three years

- Mintails Limited Executive
  Director from 21 July 2000 to 16 March 2009.
- Cangold Limited (Canada)
  Director from 9 March 2000 to 18 June 2008.
- Prana Biotechnology Limited
  Company Secretary since 7 February 2000.
- Entermo Limited
  Executive Chairman since 12 December 2008

Directorships in unlisted entities

Peregrine Corporate Limited

Mr James Babbage

Independent Non-Executive Director
Appointed to the Board 1991

Qualifications
CPA

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

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

Committees
Chairman of the Audit, Risk and Compliance Committee
Chairman of the Remuneration and Nomination Committee

Directorships in listed entities over the past three years
Nil

Mr Christopher Taylor

Executive Director
Appointed to the Board 2009

Qualifications
MBA and BSc (Honours) Major in Geology

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

Interest in shares and options
Nil.

Mr Taylor is to be issued 1,400,000 unlisted options over shares as approved by members at the General Meeting of the Company on 9 September 2010.

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

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

Directorships in listed entities over the past three years
Nil

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

COMPANY SECRETARY

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

PRINCIPAL ACTIVITY

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

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

DIVIDENDS

The Directors did not pay any dividends during the financial year. The Directors do not recommend the payment of a dividend in respect of the 2010 financial year.

EARNINGS PER SHARE

Basic loss per share: 0.07 cents (2009: 0.71 cents)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER BALANCE DATE

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

- The acquisition of Raptor was approved at a General Meeting of the shareholders held on 9 September 2010.
- The consolidation of the company's share capital on a fifty to one basis was also approved at the same General meeting

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

REVIEW AND RESULTS OF OPERATIONS

The Economic Entity's net loss after income tax for the financial year was $2,417,225 (2009: $13,000,986). The Review of Operations provides further details regarding the progress made by the Economic Entity since the prior financial year, which has contributed to its results for the year.

ENVIRONMENTAL ISSUES

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

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

MEETINGS OF DIRECTORS

During the financial year, 11 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Committee Meetings Audit, Risk & Compliance	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr Bryan Frost	10	11	-	3
Mr Richard Revelins	10	11	3	3
Mr Christopher Taylor	4	5	2	2
Mr James Babbage	7	11	2	3

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OTHER OFFICERS

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

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

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

OPTIONS OVER UNISSUED SHARES

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

ASX code	Number under option	Date of expiry	Exercise price
MPJOA	2,065,030,602	6 July 2014	$0.002

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

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the year ended 30 June 2010, the following ordinary shares were issued as a result of the exercise of options:

ASX code	Exercise date	Exercise price	Number of shares issued
MPJO	10/07/2009	$0.009	12,500
MPJO	28/07/2009	$0.009	268,625
MPJO	05/08/2009	$0.009	250,000
MPJO	14/08/2009	$0.009	50,000
			581,125

The following shares have been issued as a result of the exercise of options since 30 June 2010:

ASX code	Exercise date	Exercise price	Number of shares issued
MPJOA	13/08/2010	$0.002	30
			30

No amounts are unpaid on any of the shares.

PROCEEDINGS ON BEHALF OF THE ECONOMIC ENTITY

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

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

NON-AUDIT SERVICES

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

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

	2010 $	2009 $
Taxation and compliance services	16,000	9,200

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 2010 has been received and can be found in the section titled 'Auditor's Independence Declaration' within this Annual Report.

CORPORATE GOVERNANCE

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

REMUNERATION REPORT (AUDITED)

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

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

The Directors of the Economic Entity during the year were:

- Mr Bryan Frost – Executive Chairman
- Mr Richard Revelins – Executive Director and Company Secretary
- Mr James Babbage – Independent Non-Executive Director
- Mr Christopher Taylor – Executive Director (appointed 25 Nov 2009).

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

Remuneration policy

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

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

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

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

Remuneration policy versus Economic Entity financial performance

Over the past 4 years the Economic Entity has continued to acquire and maintain many participating interests in mining projects and companies that Directors believe have the potential to provide ongoing benefits to Shareholders. This is represented by the Economic Entity's interests in public and private companies, and direct participation in mining projects and joint ventures.

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

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

Performance based remuneration

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

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

No performance based remuneration was granted during the reporting period.

Section B: Details of remuneration

Details of remuneration for the year ended 30 June 2010

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

FY 2009/10	Cash salary and fees $	Superannuation Contribution $	Other $	Equity $	Total $
Bryan Frost	249,996	-	-	-	249,996
Richard Revelins	165,138	14,862	-	-	180,000
Jim Babbage	40,000	-	-	-	40,000
Chris Taylor *(appointed 25 November 2009)*	24,103	2,169	33,630	29,600	89,501
	479,236	**17,032**	**33,630**	**29,600**	**559,497**

Details of Remuneration for the year ended 30 June 2009

The remuneration for each Director of the Economic Entity during the year ended 30 June 2009 was as follows:

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

Performance income as a proportion of total remuneration

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

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

Equity issued as part of remuneration for the year ended 30 June 2010

Mr Taylor is to be issued 20 million listed MPJOA options in accordance with his employment contract. These options were approved at the General Meeting of members held on 9 September 2010. Based on the assumption that the resolution for Mr Taylor's share issue will be approved by members, the Economic Entity has accrued for the options that will vest immediately following Shareholder approval and subsequent issue.

Employment contracts of Directors and key management personnel

Mr Christopher Taylor was the only Director under contract as at 30 June 2010.

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

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

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

Mr Bryan Frost
Executive Chairman

Dated: The 29th day of September 2010

Auditor's Independence Declaration

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Mining Projects Group Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

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

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

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

J A Mooney
Partner
PKF

29 September 2010
Melbourne

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Consolidated Statement of Comprehensive Income

for the year ended 30 June 2010

	Note	2010 $	2009 $
Revenue	2	31,330	
Expenses			
Auditor fees	3a	(61,590)	(52,300)
Depreciation	3a	(18,530)	(25,262)
Tenement expenses	3a	-	(16,258)
Directors' and consultants' fees	3a	(584,106)	(437,496)
Net movement in financial assets	3b	(627,334)	(8,886,126)
Impairment of tenement assets	3a	(116,241)	(2,865,678)
Travel and marketing	3a	(207,467)	(59,009)
Administration	3a	(164,424)	(66,654)
Professional fees	3a	(472,878)	(371,374)
Other expenses	3a	(239,436)	(252,159)
Loss before income tax		**(2,417,225)**	**(13,000,986)**
Income tax benefit	4a	-	-
Loss for the year		**(2,417,225)**	**(13,000,986)**
Other comprehensive income for the period, net of income tax		**-**	**-**
Total comprehensive loss for the year		**(2,417,225)**	**(13,000,986)**
Loss attributable to:			
- owners of Mining Projects Group Ltd		(2,415,380)	(13,000,986)
- Non-controlling interests		(1,845)	-
		(2,417,225)	**(13,000,986)**
Total comprehensive income attributable to:			
- owners of Mining Projects Group Ltd		(2,415,380)	(13,000,986)
- Non-controlling interests		(1,845)	-
		(2,417,225)	**(13,000,986)**
Basic loss per share(cents per share)	7	(0.07)	(0.71)
Diluted loss per share(cents per share)	7	(0.07)	(0.71)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2010

	Note	2010 $	2009 $
Assets			
Current assets			
Cash and cash equivalents	8	571,530	185,704
Trade and other receivables	9	205,704	66,555
Other financial assets	10	2,480,488	3,258,003
Other		5,875	16,077
Total current assets		3,263,597	3,526,339
Non-current assets			
Other financial assets	10	1,475,846	1,062,605
Property, plant and equipment	12	29,120	43,077
Exploration and evaluation costs	13	700,190	53,759
Total non-current assets		2,205,156	1,159,441
Total assets		**5,468,753**	**4,685,780**
Liabilities			
Current liabilities			
Trade and other payables	14	176,961	172,264
Provisions	15	1,794	-
Total current liabilities		178,755	172,264
Total liabilities		**178,755**	**172,264**
Net assets		**5,289,998**	**4,513,516**
Equity			
Issued capital	16	30,776,276	27,584,674
Accumulated losses		(25,486,538)	(23,071,158)
Parent interests		5,289,738	4,513,516
Non-controlling interests		260	-
Total equity		**5,289,998**	**4,513,516**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2010

	Issued capital $	Accumulated losses $	Total Parent interests $	Non-controlling interests $	Total $
Balance at 30 June 2008	**27,594,552**	**(10,070,172)**	**17,524,380**	**-**	**17,524,380**
Total comprehensive income for the period	**(13,000,986)**	**(13,000,986)**	**-**	**(13,000,986)**	
Transactions with owners in their capacity as owners:					
Options exercised net of costs	(9,878)	-	(9,878)	-	(9,878)
Balance at 30 June 2009	**27,584,674**	**(23,071,158)**	**4,513,516**	**-**	**4,513,516**
Total comprehensive income for the period	**(2,415,380)**	**(2,415,380)**	**(1,845)**	**(2,417,225)**	
Non-controlling interest in subsidiaries acquired	-	-	2,105	2,105	
Transactions with owners in their capacity as owners:					
Shares issued net of costs	3,108,187	-	3,108,187	-	3,108,187
Options exercised net of costs	4,881	-	4,881	-	4,881
Options issued	48,934	-	48,934	-	48,934
Options to be issued	29,600	-	29,600	-	29,600
Balance at 30 June 2010	**30,776,276**	**(25,486,538)**	**5,289,738**	**260**	**5,289,998**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2010

	Note	2010 $	2009 $
Cash flows related to operating activities			
Receipts from customers		43,632	-
Payments to suppliers and directors		(1,970,877)	(1,697,786)
Interest received		34,962	31,049
Net cash flow used in operating activities	19	**(1,892,283)**	**(1,666,737)**
Cash flows related to investing activities			
Payment for purchases of plant and equipment		(4,573)	(28,128)
Proceeds from sales of equity investments		6,183,400	2,637,758
Payment for purchases of equity investments		(6,400,876)	(2,048,266)
Loans to other entities		(100,000)	(50,000)
Payment for tenement and exploration		(89,805)	(871,738)
Acquisition of subsidiaries, net of cash acquired	23	21,219	-
Net cash flows used in investing activities		**(390,635)**	**(360,374)**
Cash flows related to financing activities			
Proceeds from issues of securities		2,903,355	788
Capital raising costs		(234,611)	(10,666)
Net cash flows from/(used in) financing activities		**2,668,744**	**(9,878)**
Net increase/(decrease) in cash and cash equivalents		**385,826**	**(2,036,989)**
Cash and cash equivalents at the beginning of the year		185,704	2,222,692
Cash and cash equivalents at the end of the year	8	**571,530**	**185,704**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
for the year ended 30 June 2010

NOTE 1: BASIS OF PREPARATION

Corporate information

The financial report of Mining Projects Group Ltd (the Economic Entity) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Directors on 29 September 2010.

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

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

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

Basis of preparation

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

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

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

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

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

Going concern

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

At 30 June 2010 the Economic Entity had cash and cash equivalents of $571,530 (2009: $185,704), cash outflows relating to operating activities of $1,892,283 (2009: $1,666,737) and a loss of $2,417,225 (2009: $13,000,986) for the financial year ended 30 June 2010, factors that give rise to a material uncertainty regarding going concern. The loss is inclusive of non-cash expenses amounting to $743,575 ($11,751,804) relating to fair value adjustments and impairment to financial assets and the impairment of exploration and evaluation assets. The directors have assessed the current cash balances available to the Economic Entity, along with other current financial assets, and the expenditure plans and obligations expected to arise over the next 12 months. Based on this assessment the directors are satisfied that there are sufficient resources available to the Economic Entity to meet its financial obligations as and when they become due over the next 12 months.

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

Statement of compliance

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

NOTE 1: BASIS OF PREPARATION continued

Amendments to Australian Accounting Standards

The accounting policies adopted are consistent with the 2009 Annual Report except as follows:

Title	Summary	Impact on Group financial report
AASB 3		
Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into - to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	This standard has only applied to the subsidiaries acquired after 1 July 2009. The subsidiaries acquired post 1 July 2009 do not have significant non-controlling interests and there is no affect on the Economic Entity financial statements other than disclosure related.
AASB 8		
Operating Segments and consequential amendments to other Australian Accounting Standards	The Economic Entity has adopted the new standard AASB 8 replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting.	AASB 8 is a disclosure standard and as such this interpretation, as expected, has had no impact on the amounts included in the Economic Entity's financial statements.
AASB 101		
Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduction of a Statement of Comprehensive Income. Other revisions include impacts on the presentation of items in the Statement of Changes in Equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements. These amendments are only expected to affect the presentation of the Economic Entity's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report.	The Economic Entity has elected to present a single Statement of Comprehensive Income rather than two separate statements due to the minimum number of items classified as Other Comprehensive Income.
AASB 127		
Consolidated and Separate Financial Statements	The revised standard requires changes in ownership interest of a subsidiary without a change in control to be accounted for as a transaction with owners in their capacity as owners. It also changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary.	This standard change has had minimal impact on the Economic Entity.

Title	Summary	Impact on Group financial report
AASB 2008-7		
Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	This standard has not affected the Economic Entity in the current year.
AASB 2009-2		
Amendments to Australian Accounting Standards - Improving Disclosures about Financial Statements	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: • quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); • inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and • inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	These amendments have not affected the results or the value of the assets and liabilities of the Economic Entity. There is enhanced disclosure in note 21 relating to the methods used to value financial assets and liabilities carried at fair value.
AASB 2009-7		
Amendments to Australian Accounting Standards	These comprised editorial amendments.	These amendments have not had a direct impact on the measurement and recognition of amounts disclosed in the financial report.

NOTE 1: BASIS OF PREPARATION continued

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and therefore have not been adopted by the Economic Entity for the annual reporting period ended 30 June 2010.

Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9				
Financial Instruments	The revised standard addresses the classification and measurement of financial assets. The most significant changes introduced through AASB 9 include: two categories for financial assets being amortised cost or fair value; strict requirements to determine which financial assets can be classified as amortised cost or fair value; and the removal of the requirement to separate embedded derivatives in financial assets.	1 January 2013	The impact of the standard has yet to be fully assessed but it is expected to impact future transactions.	1 July 2013
AASB 2009-5				
Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	1 January 2010	Minimal	1 July 2010
AASB 2009-12				
Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)	1 January 2011	Minimal	1 July 2011
Interpretation 19	*This has been issued by the IASB and IFRIC but have not yet been issued by the AASB.*			
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.	1 July 2010	No transactions identified to date as being affected however it could affect future transactions.	1 July 2010

Accounting policies

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

a) Principles of consolidation

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

A list of controlled entities is contained in Note 11 to the financial statements. All Australian controlled entities have a June financial year-end. The South African controlled entities have a February year-end however, it is anticipated that the year-end dates will be changed to June to align with the rest of the group in the near future.

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

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

b) Income tax

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

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

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

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

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

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

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

NOTE 1: BASIS OF PREPARATION continued

c) Plant and equipment

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

Plant and equipment

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

Depreciation

The depreciable amount of all 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 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 profit and loss.

d) Exploration and development expenditure

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

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

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

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

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

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

e) Financial assets

Recognition and initial measurement

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

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

Classification and subsequent measurement

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

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

De-recognition

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

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

NOTE 1: BASIS OF PREPARATION continued

Fair value

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

Impairment

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

f) Impairment of assets

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

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

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

g) Foreign currency transactions and balances

Functional and presentation currency

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

Transaction and balances

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

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

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

h) Cash and cash equivalents

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

i) Revenue

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

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

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

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

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

j) Trade and other receivables

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

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

k) Trade and other payables

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

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

l) Share capital

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

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

m) Earnings per share

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

n) Goods and services tax (GST)

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

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

o) Interests in joint ventures

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

p) Investment in subsidiaries

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

NOTE 2: REVENUE

	2010 $	2009 $
Operating revenue		
Interest revenue - other persons/corporations	33,462	31,330
Other	41,319	-
Total operating revenue	**74,781**	**31,330**

NOTE 3: (LOSS) FOR THE YEAR

a) Expenditure

Auditor fees		
Audit fees	45,590	43,100
Taxation fees	16,000	9,200
Auditor fees	**61,590**	**52,300**
Depreciation	**18,530**	**25,262**
Directors' and consultants' fees		
Bryan Frost	249,996	249,996
Richard Revelins	180,000	140,000
Jim Babbage	40,000	40,000
Chris Taylor	79,512	-
Consultants	34,598	7,500
Directors' and consultants' fees	**584,106**	**437,496**
Tenement expenses		
Tenement expenses	-	16,258
	-	**16,258**
Professional fees		
Legal fees	17,091	65,238
Other	455,787	306,136
Professional fees	**472,878**	**371,374**
Net movement in financial assets		
Sale proceeds	(6,187,561)	(2,574,472)
Cost of shares sold	7,089,688	1,874,579
Brokerage	31,332	9,274
Foreign exchange	1,303	(63)
Changes in fair value	(307,428)	9,576,808
Net movement in financial assets	**627,334**	**8,886,126**

	Note	2010 $	2009 $
Other expenses			
Impairment of tenement assets	13	116,241	2,865,678
Travel & marketing		207,467	59,009
Administration		164,424	66,654
Other expenses		239,436	252,159
Total other expenses		**727,568**	**3,243,500**
Total expenses		**2,492,006**	**13,032,316**

b) Significant revenue and expenses

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

Net decrease in financial assets held for trading	405,111	8,287,895
Impairment of financial assets held for sale	222,223	598,231
	627,334	**8,886,126**

The net movement in fair value of financial assets held for trading represents the increment/decrement in the fair value of assets held for trading at balance date and purchases and disposals during the reporting period.

NOTE 4: INCOME TAX EXPENSES

(a) The components of tax benefit comprise:		
Current income tax benefit	616,109	342,368
Deferred tax (expense)/income relating to the originating and reversal of temporary differences	151,865	2,733,771
Tax losses not recognised	(767,974)	(3,076,139)
	-	-
b) The prima facie tax on profit/(loss) from continuing activities before tax is reconciled to the income expense as follows:		
Prima facie tax receivable on loss from continuing activities before income tax at 30% (2009: 30%)		
- economic entity	725,168	3,900,296
	725,168	**3,900,296**
Add: Tax effect of non-deductible items:		
- Section 40/880 deduction	50,679	35,963
- entertainment	(7,498)	(2,791)
- exploration impairment	-	(859,703)
- foreign exchange	(375)	2,374
	767,974	**3,076,139**
Tax effect of current period losses not recognised as deferred tax assets	(767,974)	(3,076,139)
Income tax benefit/(expense) attributable	-	-

NOTE 4: INCOME TAX EXPENSES continued

	2010 $	2009 $
c) Unrecognised deferred tax balances		
Deferred tax liabilities		
Deferred exploration & evaluation costs	373,741	53,759
Other	16,354	-
	390,095	**53,759**
Tax effect @ 30%	**117,028**	**16,128**
Deferred tax assets		
Investments	(8,253,815)	8,016,332
Other	1,847	97,721
Tax losses	7,419,094	5,349,546
	15,674,756	13,463,599
Tax effect @ 30%	**4,702,427**	**4,039,080**
Net deferred tax asset not recognised	4,585,390	4,022,951

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

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

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

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

iv) no changes in tax legislation adversely affect the Economic Entity in realising the benefit from the deductions for the losses.

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

d) Tax-consolidation group

Mining Projects Group Limited and one of its wholly-owned subsidiaries AMN Nominees Pty Ltd, formed a tax consolidated group with effect from 1 July 2002. Mining Projects Group Limited is the head entity in the tax consolidated group. No other subsidiaries owned by Mining Projects Group Limited are part of the tax consolidated group.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

a) Key Management Personnel compensation

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

	2010 $	2009 $
Short-term employee benefits	544,260	418,436
Post-employment benefits	17,032	11,560
	561,292	**429,996**

b) Options and rights holdings

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

	Balance at start of the year	Received as compensation	Options exercised	Net change other[1]	Balance at end of the year[2]
2010					
Bryan Frost	195,062,022	-	-	101,234,464	296,296,486
Richard Revelins	63,917,570	-	-	51,231,969	115,149,539
Jim Babbage	5,000,000	-	-	1,250,000	6,250,000
Chris Taylor	-	-	-	20,000,000	20,000,000
	263,979,592	**-**	**-**	**173,716,433**	**437,696,025**
2009					
Bryan Frost	195,062,022	-	-	-	195,062,022
Richard Revelins	63,917,570	-	-	-	63,917,570
Jim Babbage	5,000,000	-	-	-	5,000,000
	263,979,592	-	-	-	**263,979,592**

1 The net change column above includes those options that have been forfeited by Directors as well as options issued during the year for Directors' participation in any placements.

2 Mr Taylor is to be issued 20 million listed MPJOA options in accordance with his employment contract. These options were approved by shareholders at the General Meeting of members held in September 2010.

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

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION continued

c) Shareholdings

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

There were no shares granted during the period as compensation.

	Balance at start of the year	Received as compensation	Options exercised	Net change other[1]	Balance at end of the year
2010					
Bryan Frost	235,493,608	-	-	228,010,610	463,504,218
Richard Revelins	127,075,012	-	-	88,817,333	215,892,345
Jim Babbage	5,000,000	-	-	2,500,000	7,500,000
Chris Taylor	-	-	-	-	-
	367,568,620	**-**	**-**	**319,327,943**	**686,896,563**
2009					
Bryan Frost	235,493,608	-	-	-	235,493,608
Richard Revelins	127,075,012	-	-	-	127,075,012
Jim Babbage	5,000,000	-	-	-	5,000,000
	367,568,620	-	-	-	**367,568,620**

1 The net change column above includes those shares purchased by Directors as well as shares issued during the year under review for Directors' participation in any placements.

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

d) Loans to Directors and Other Key Management Personnel

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

e) Other transactions with Key Management Personnel

There were no further transactions with Key Management Personnel not disclosed above or in Note 20.

NOTE 6: AUDITOR'S REMUNERATION

	2010 $	2009 $
Remuneration of the auditor of the parent entity for:		
Audit fees	45,590	43,100
Taxation services	16,000	9,200
	61,590	**52,300**

NOTE 7: EARNINGS PER SHARE

	2010 cents	2009 cents
Basic (loss) per share	(0.07)	(0.71)
Diluted (loss) per share	(0.07)	(0.71)

	$	$
a) Reconciliation of earnings to net (loss)		
(Loss) used in the calculation of basic and dilutive loss per share	(2,415,380)	(13,000,986)

	No.	No.
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive loss per share	3,253,832,302	1,833,555,223

As at 30 June the Company has issued options over the unissued capital (see Note 16). As the exercise of these options would decrease basic loss per share, these options are not considered dilutive.

	2010		2009	
	No. of options exercised	$	No. of options exercised	$
c) Subsequent to balance date, the following equity was issued/exercised which could have potentially had a significant impact on the quantity of shares and options on issue if they had been issued prior to balance date and used in the calculation of basic and dilutive loss per share.				
Ordinary shares - fully paid	30	0.06	1,164,029,836	581,125
Options exercised	(30)	(0.06)	1,565,030,602	(50,000)

NOTE 8: CASH AND CASH EQUIVALENTS

	2010 $	2009 $
Cash at bank and in hand	513,518	185,704
Term deposits	58,012	-
	571,530	**185,704**
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	571,530	185,704
	571,530	**185,704**

NOTE 9: TRADE AND OTHER RECEIVABLES

	2010 $	2009 $
Current		
Trade receivables	34,644	-
Good and services tax refund due	20	16,274
Amounts receivable from related entities	121,040	50,281
Amounts receivable from unrelated entities	50,000	-
	205,704	**66,555**

NOTE 10: OTHER FINANCIAL ASSETS

	2010 $	2009 $
Current		
Financial assets (held for trading) at fair value through profit or loss	2,480,488	3,258,003
	2,480,488	**3,258,003**
Non-current		
Financial assets (available for sale) at cost	2,280,836	1,660,836
Accumulated Impairment	(804,990)	(598,231)
	1,475,846	**1,062,605**
Comprising:		
Listed investments, at fair value		
Shares in listed corporations (current)	2,480,488	3,258,003
	2,480,488	**3,258,003**
Unlisted investments:		
- shares in unlisted corporations at cost less accumulated impairment unrelated (non-current)	598,069	387,605
- shares in unlisted corporations at cost less accumulated impairment director related (non-current)	777,777	675,000
- convertible notes	100,000	-
	1,475,846	1,062,605
Total financial assets	**3,956,334**	**4,320,608**

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

NOTE 11: CONTROLLED ENTITIES

	Country of incorporation	Percentage owned (%)*	
Parent Entity		2010	2009
Mining Projects Group Limited	Australia		
Subsidiaries of Mining Projects Group Limited			
AMN Nominees Pty Ltd	Australia	100.00	100.00
Xplor Pty Ltd	Australia	100.00	0.00
Enoch's Point Pty Ltd	Australia	96.86	0.00
Horizon Energy Pty Ltd	Australia	96.86	0.00
Golden Mount Pty Ltd	Australia	96.86	0.00
Stylestar Prop 176 (Pty) Ltd	South Africa	74.00	0.00
Scribaspace Investments (Pty) Ltd	South Africa	70.00	0.00
Scribamax Inv (Pty) Ltd	South Africa	70.00	0.00

* Percentage of voting power is in proportion to ownership.

NOTE 12: PLANT AND EQUIPMENT

	2010 $	2009 $
Plant and equipment		
At cost	143,257	138,684
Accumulated depreciation	(114,137)	(95,607)
Total plant and equipment	**29,120**	**43,077**
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	43,077	40,212
Additions	4,573	28,126
Depreciation expense	(18,530)	(25,261)
Carrying amount at the end of year	**29,120**	**43,077**

NOTE 13: EXPLORATION AND EVALUATION ASSETS

	2010 $	2009 $
Non-current		
Exploration and tenement expenditure		
Talga Peak joint venture (80%)		
Balance at the start of the year	53,759	2,071,777
Exploration expenditure	62,482	847,660
Capitalised exploration costs written down	(116,241)	(2,865,678)
	-	**53,759**
Egerton WA project (100%)		
Balance of project acquired	360,976	-
Exploration expenditure	12,856	-
Capitalised exploration costs written down	-	-
	373,832	**-**
Mt Tarrengower project (98.86%)		
Balance of project acquired	167,338	-
Exploration expenditure	3,948	-
Capitalised exploration costs written down	-	-
	171,286	**-**
Golden Mountain project (98.86%)		
Balance of project acquired	140,592	-
Exploration expenditure	14,466	-
Capitalised exploration costs written down	-	-
	155,058	**-**
CyferKUIL project (70%)		
Balance of project acquired	5	-
Exploration expenditure	-	-
Capitalised exploration costs written down	-	-
	5	**-**
Zuinpingslaagte project (70%)		
Balance of project acquired	5	-
Exploration expenditure	-	-
Capitalised exploration costs written down	-	-
	5	**-**
Spitz Kop project (74%)		
Balance of project acquired	4	-
Exploration expenditure	-	-
Capitalised exploration costs written down	-	-
	4	**-**
Total capitalised exploration expenditure	**700,190**	**53,759**

At reporting date the Group owned:

- 80% of the Talga Peak joint venture
- 100% of the Egerton WA project
- 98.86% of the Mt Tarrengower project
- 96.86% of the Golden Mountain project
- 70% of the CyferKUIL project
- 70% of the Zuinpingslaagte project
- 74% of the Spitz Kop project.

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

NOTE 14: TRADE AND OTHER PAYABLES

	2010 $	2009 $
Trade payables	70,465	36,174
Sundry payables and accrued expenses	106,496	136,090
	176,961	**172,264**

NOTE 15: PROVISIONS

Current		
Provision for annual leave	1,794	-
	1,794	**-**

NOTED 16: ISSUED CAPITAL

	Note	2010 $	2009 $
Ordinary shares fully paid	16(a)	30,697,742	27,584,674
Options over ordinary shares	16(b)	78,534	-
		30,776,276	**27,584,674**

a) Ordinary Shares

	Note	2010		2009	
		No.	$	No.	$
At the beginning of reporting period		1,833,641,562	27,584,674	1,833,554,002	27,594,552
Shares issued during year					
- Rights issue	(i)	634,630,521	1,269,261		
- Placement	(ii)	1,028,818,190	2,057,638		
- Exercise of options	(iii)	581,125	4,881	87,560	788
Transaction costs relating to share issues		-	(218,712)		(10,666)
At reporting date		**3,497,671,398**	**30,697,742**	**1,833,641,562**	**27,584,674**

i)	Details	Note	Number	Issue price $	Total $
2010					
10 Jul 2009	Exercise of options	(iii)	12,500	0.009	113
21 Jul 2009	Issue to investors - 2009 June Prospectus	(ii)	282,190,050	0.002	564,380
28 Jul 2009	Exercise of options	(iii)	268,625	0.009	2,418
30 Jul 2009	Shortfall for Rights Issue - 2009 June Prospectus	(i)	634,630,521	0.002	1,269,261
05 Aug 2009	Exercise of options	(iii)	250,000	0.009	2,250
14 Aug 2009	Exercise of options	(iii)	50,000	0.002	100
11 Sep 2009	Issue to Vendors of Xplor - 2009 August Prospectus	(ii)	244,359,390	0.002	488,719
17 Sep 2009	Issue to Vendors of Xplor - 2009 August Prospectus	(ii)	2,268,750	0.002	4,539
30 Sep 2009	Placement	(ii)	500,000,000	0.002	1,000,000
			1,664,029,836		**3,331,780**
2009					
04 Mar 2009	Exercise of options	(ii)	60	0.009	1
25 Jun 2009	Exercise of options	(ii)	87,500	0.009	787
			87,560		**788**

b) Options

	Note	2010 No.	2010 $	2009 No.	2009 $
At the beginning of reporting period		1,023,048,913	-	1,023,136,473	-
Options movements during year					
- Rights Issue	(i)	634,630,521	-	-	-
- Placement	(i)	1,430,450,081	64,833	-	-
- Exercise of Options	(ii)	(581,125)	-	(87,560)	-
- Expiry of Options		(1,022,517,788)	-		
- Options granted to director in lieu of payment		20,000,000	29,600		
Transaction costs relating to share issues			(15,899)	-	-
At reporting date		**2,085,030,602**	**78,534**	**1,023,048,913**	**-**

(i)	Details	ASX Code	Number	Issue Price $	Total $
2010					
10 Jul 2009	Exercise of Options	MPJO	(12,500)	-	-
21 Jul 2009	Free attaching 1:1 option as per June 2009 Prospectus	MPJO	282,190,050	-	-
28 Jul 2009	Exercise of Options	MPJOA	(268,625)	-	-
30 Jul 2009	Shortfall for Rights Issue - June Prospectus	MPJO	634,630,521	-	-
31 Jul 2009	Expiry of Options	MPJOA	(1,022,517,788)	-	-
05 Aug 2009	Exercise of Options	MPJO	(250,000)	-	-
14 Aug 2009	Exercise of Options	MPJO	(50,000)	-	-
11 Sep 2009	1:1 Placement - 2009 August Option Prospectus	MPJO	498,824,125	0.0001	49,882
18 Sep 2009	1:1 Placement - 2009 August Option Prospectus	MPJOA	149,435,906	0.0001	14,951
30 Sep 2009	Free 1:1 attaching option for Placement	MPJOA	500,000,000	-	-
			1,041,981,689		**64,833**

(ii)					
2009					
04 Mar 2009	Exercise of options	MPJO	(60)	0.009	-
25 Jun 2009	Exercise of options	MPJO	(87,500)	0.009	-
			(87,560)		**-**

NOTE 17: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Mabo decision

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

The Company and controlled entities hold tenements in Western Australia. Some of these tenements may be subject to native title claims. Because of the uncertainties described above, the granting of exploration rights and ultimately mining from those tenements will depend on the outcome of the Native Title Claims and/or current negotiations by the Company.

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

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

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

NOTE 18: OPERATING SEGMENTS

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

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

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

Operating segments

- Investments: The consolidated entity invests in a portfolio of listed investments for short term gains and liquidity purposes, and in unlisted equities for the purpose of long-term results.
- Exploration: The consolidated entity invests in exploration activities in areas of interest in order to identify mineral deposits for exploitation through sale of rights or mining activities.
- Corporate: The Corporate business segment consists of the Board of Directors and the costs of the consolidated entity communications and reporting.

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

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

30 June 2010	Exploration and Mining $	Investments $	Corporate $	Total $
Revenue				
Interest	-	-	33,462	33,462
Other	-	-	41,319	41,319
Total revenue	**-**	**-**	**74,781**	**74,781**
Result				
Expenses	(116,241)	627,334	(3,003,099)	(2,492,006)
Income tax expense	-	-	-	-
Profit attributed to minority interest	-	-	1,845	1,845
Net result	**(116,241)**	**627,334**	**(2,926,473)**	**(2,415,380)**
Assets				
Segment assets	700,190	3,956,334	812,229	5,468,753
Total assets	**700,190**	**3,956,334**	**812,229**	**5,468,753**
Liabilities				
Segment liabilities	(1,794)	-	(176,961)	(178,755)
Total liabilities	**(1,794)**	**-**	**(176,961)**	**(178,755)**

30 June 2009				
Revenue				
Interest	-	-	31,330	31,330
Other	-	-	-	-
Total revenue	**-**	**-**	**31,330**	**31,330**
Result				
Expenses	(2,881,936)	(8,886,126)	(1,264,254)	(13,032,316)
Income tax expense	-	-	-	-
Profit attributed to minority interest	-	-	-	-
Net result	**(2,881,936)**	**(8,886,126)**	**(1,232,924)**	**(13,000,986)**
Assets				
Segment assets	53,759	4,320,608	311,413	4,685,780
Total assets	**53,759**	**4,320,608**	**311,413**	**4,685,780**
Liabilities				
Segment liabilities	-	-	(172,264)	(172,264)
Total liabilities	**-**	**-**	**(172,264)**	**(172,264)**

NOTE 19: CASH FLOW INFORMATION

	2010 $	2009 $
Reconciliation of cash flow from operations with result after income tax		
(Loss) for the period	(2,417,225)	(13,000,986)
Add back depreciation expense	18,530	25,262
Add back interest on other loans	(1,040)	(281)
Add back equity settled expense	29,600	-
Add back (gain)/loss on revaluation of assets	(399,426)	9,576,527
Add back (gain)/loss on sales of equity investments	923,449	(690,401)
Add back provisions	1,794	-
Add back exploration costs written down	116,241	2,865,678
(Increases)/Decreases in accounts receivable	(34,745)	58,438
(Increases)/Decreases in other current assets	6,552	(6,928)
Increases/(Decreases) in accounts payable	(136,013)	(494,046)
Cash flow from operations	**(1,892,283)**	**(1,666,737)**

NOTE 20: RELATED PARTY TRANSACTIONS

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

The Directors of the Company during the financial year were:

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

a) Other related parties transactions

	2010 $	2009 $
Director related entities		
Placement, Management and Underwriting fees paid to Peregrine Corporate Limited for capital raising assistance*	154,238	-
Investments		
The fair value of consideration paid for shares issued by the related party, and the fair value of the shares held at 30 June are disclosed.		
During the year Mining Projects Group Limited held investments the following related parties.		
Entermo Limited, a company in which Richard Revelins is an Executive Director (appointed 12 December 2008) and Bryan Frost and Richard Revelins hold ownership interests.		
Opening balance at fair value	375,000	-
Purchases	200,000	375,000
Recognised in profit and loss	-	-
Holding at 30 June at fair value	**575,000**	**375,000**
Casey Gardens, a joint venture in which Bryan Frost and Richard Revelins hold an ownership interest.		
Opening balance at fair value	-	-
Purchases	125,000	-
Recognised in profit and loss	-	-
Holding at 30 June at fair value	**125,000**	**-**
Raptor Minerals (Pty) Ltd, a company in which Bryan Frost and Richard Revelins hold an ownership interest.		
Opening balance at fair value	300,000	-
Purchases	45	300,000
Recognised in profit and loss	(222,223)	-
Holding at 30 June at fair value	**77,822**	**300,000**
Receivables		
Loan to Entermo	101,040	50,281
Loan to Raptor 2 (related to Rapto Minerals (Pty) Ltd)	20,000	-
	121,040	**50,281**

* Mr Bryan Frost and Mr Richard Revelins are Directors of Peregrine Corporate Limited.

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments

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

	2010 $	2009 $
Cash and cash equivalents	571,530	185,704
Trade and other receivables	205,704	66,555
Other financial assets held for trading	2,480,488	3,258,003
Other financial assets available for sale	1,475,846	1,062,605
Trade and other payables	176,961	172,264

The Economic Entity does not have any derivative instruments at 30 June 2010.

b) Risk management policy

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

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

c) Significant accounting policy

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

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

d) Capital risk management

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

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

e) Financial risk management

Interest rate risk

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

Cash at bank balances of $571,530 (2009: 185,704) are subject to interest rate risk, being held in accounts with floating interest rates. There is no other exposure to interest rate risk.

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

	2010 $	2009 $
+4% (2009: +4%)	22,861	7,428
- 2% (2009: - 2%)	(11,431)	(3,714)

Foreign currency risk

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

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

Cash and cash equivalents (AUD/CAD)	659	11,717
Trade and other payables (AUD/ZAR)	31,822	-
Financial Assets held for sale (AUD/CAD)	232,560	374,242
Financial Assets held for sale (AUD/GPB)	-	275,084

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

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

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

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

	2010 $	2009 $
AUD/CAD +6% (2009: +8%)	41	937
AUD/CAD - 7% (2009: - 8%)	(48)	(937)
AUD/CAD +6% (2009: +8%)	(14,494)	(29,939)
AUD/CAD - 7% (2009: - 8%)	(16,766)	(29,939)
AUD/GPB - (2009: +6%)	-	(16,505)
AUD/GPB - (2009: - 6%)	-	16,505

The variation in CAD of +6%/- 7% is reflective of the average movement of the foreign exchange over the past financial year.

Credit risk

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

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

2010	0-30 days	30-60 days	Total
Trade and other receivables			
- ATO refund	34,102	562	34,664
- Loans to related entities	50,000	51,040	101,040
- Loans to unrelated entities	70,000		70,000
	154,102	**51,602**	**205,704**

2009			
Trade and other receivables			
- ATO refund	16,274	-	16,274
- Loans to related entities	-	50,281	50,281
	16,274	**50,281**	**66,555**

Liquidity risk

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

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

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

2009				
- Trade and other payables (AUD)	36,174	-	-	36,174
- Trade and other payables (ZAR)	-	-	-	-
- Accrued expenses	136,090	-	-	136,090
	172,264	**-**	**-**	**172,264**

f) Net fair value

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

	2010		2009	
Economic Entity	Carrying amount $	Net fair value $	Carrying amount $	Net fair value $
Financial assets				
Cash and cash equivalents	571,530	571,530	185,704	185,704
Trade and other receivables	205,704	205,704	66,555	66,555
Other financial assets held for trading	2,480,488	2,480,488	3,258,003	3,258,003
Other financial assets available for sale	1,475,846	1,475,846	1,062,605	1,062,605
	4,733,568	**4,733,568**	**4,572,867**	**4,572,867**
Financial liabilities				
Trade and other payables	176,961	176,961	172,264	172,264
	176,961	**176,961**	**172,264**	**172,264**

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

g) Market risk

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

The Economic Entity has conducted a sensitivity analysis of the Economic Entity's exposure to market price risk. The variation disclosure of +10% and -5% (2009: +5% and -10%) are reflective of the economic entity's assumptions based on the current market climate. The Directors seek to mitigate this risk by monitoring market movements and maintaining a portfolio of diverse investments in various market sectors.

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

	2010 $	2009 $
Increase/(Decrease) in financial assets held for trading		
+10% (2009: 10%)	248,049	325,800
-5% (2009: -5%)	(124,024)	(162,900)
Increase/(Decrease) in financial assets held for sale		
-5% (2009: -5%)	(73,792)	(53,130)

Listed investments

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

Unlisted investments

Where there is no organised financial market, the unlisted investments are carried at cost unless there is evidence of impairment down to fair value. The carrying value of unlisted investments is $1,250,846 (2009: $1,271,462).

h) Financial instruments measured at fair value

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

The fair value hierarchy consists of the following levels:

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

Level 3 is applied to available for sale financial assets that are considered to be impaired. The fair value of the group's investment in Raptor Minerals (Pty) Ltd has been calculated with reference to the value of the Group's proposed acquisition of Raptor Minerals (Pty) Ltd. Refer to Note 23 for further details of the valuation.

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

	2009			
	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets at fair value through the profit or loss:				
- investments (held for trading)	3,258,003	-	-	3,258,003
	3,258,003	-	-	**3,258,003**

NOTE 22. PARENT COMPANY INFORMATION

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

	2010 $	2009 $
Balance Sheet		
Assets		
Current assets	194,410	794,455
Non-current assets	5,271,787	3,891,113
Total assets	**5,466,197**	**4,685,568**
Liabilities		
Current liabilities	195,932	172,052
Total liabilities	195,932	172,052
Net assets	**5,270,265**	**4,513,516**
Equity		
Issued capital	30,776,276	27,584,674
Accumulated losses	(25,506,011)	(23,071,158)
Total equity	**5,270,265**	**4,513,516**
Income Statement		
Total profit	***(2,434,855)**	**7,822,254**

* Included in the total loss in an impairment expense of $2,159,668 relating to the net investment in AMN Nominees Pty Ltd by the Parent Entity, based on the carrying value of the assets of the subsidiary.

NOTE 23. ACQUISITIONS DURING THE YEAR

1. Acquisition of Xplor Ltd

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

Prior to the passing of the resolution the consolidated entity owned 2,650,000 shares in Xplor Ltd, representing 13.88% of the issued capital. (see (a) below)

On 17 September 2009, Mining Project Group Ltd issued 246,628,140 shares to Xplor Ltd shareholders, acquiring the balance of the Xplor Ltd group.

The estimated fair value of the assets and liabilities acquired by Mining Projects Ltd is as follows:

Purchase consideration[a]	$572,756
Fair value of net identifiable assets acquired[b]	$572,756
Goodwill	$0

a) Purchase consideration

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

Xplor shares acquired (No.)	16,441,876
Mining Project Group Ltd shares issued (No.)	246,628,140
Fair value of shares issued	$493,256
Fair value gain on shares already held by consolidated entity	$79,500
Total purchase consideration	**$572,756**

b) Assets and liabilities acquired

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

	Acquirer's carrying amount $	Fair Value $
Cash	21,219	21,219
Trade and other receivables	1,775	1,775
Other current assets	299	299
Exploration assets	342,456	668,905
Trade and other payables	(117,350)	(117,350)
Net assets	**248,399**	**574,848**
Non-controlling interest		(2,092)
Net identifiable assets acquired		**572,756**

NOTE 23. ACQUISITIONS DURING THE YEAR continued

2. Acquisition of subsidiaries of Raptor Minerals (Pty) Ltd

In anticipation of the Raptor Minerals (Pty) Ltd acquisition, the consolidated entity acquired a 70-74% interest in three South African subsidiaries, Stylestar Prop 176 (Pty) Ltd, Scribaspace Investments (Pty) Ltd and Scribamax Inv (Pty) Ltd during the 6 months ended 31 December 2009.

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

	AUD$
Purchase consideration[a]	45
Fair value of net identifiable assets acquired[b]	

a) Purchase consideration

Cash consideration (ZAR$300)	45
Costs associated with the acquisition	-
Total purchase consideration	**45**

b) Assets and liabilities acquired

	Acquiree's carrying amount ($AUD)	Fair Value ($AUD)
Assets		
Non-current		
Loans to shareholders	24	24
Exploration and evaluation costs	-	34
Other assets	14,979	-
	15,003	**58**
Total assets	**15,003**	**58**
Liabilities		
Non-current		
Loans from group companies	1,174	-
Loans from shareholders	14,957	-
Total liabilities	**16,131**	**-**
Net assets	**1,128**	**58**
Minority interest		13
Net identifiable assets acquired		**45**

NOTE 24: SUBSEQUENT EVENTS

1. Acquisition of Raptor Minerals (Pty) Ltd

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

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

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

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

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

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

	AUD$
Purchase consideration[a]	777,778
Fair value of net identifiable assets acquired[b]	777,778

a) Purchase consideration

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

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

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

AC = Additional Consideration to be paid to Raptor shareholders

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

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

NOTE 24: SUBSEQUENT EVENTS continued

b) Assets and liabilities acquired

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

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

2. Consolidation of share capital

On 9 September 2010 the company announced the results of a General Meeting that passed a resolution to consolidate the share capital of the Company on a 50 to 1 basis.

3. Option agreement with Minotaur Exploration Limited

On 17 September 2010 the Company announced that it had entered into an option arrangement whereby Minotaur Exploration Limited will expend a minimum of $200,000 on the Company's Mt Tarrengower and Golden Mountain gold prospects in Victoria. Minotaur is also granted the right to purchase the share capital of the Company's subsidiary Xplor Pty Ltd, which owns these gold prospects, outright for a total acquisition cost of $225,000 in cash and shares, as well as a 2% royalty on gold produced from Mt Tarrengower.

NOTE 25: COMPANY DETAILS

The registered office and principle place of business of the Company is:
Suite 2, 1233 High Street, Armadale, Victoria, Australia 3143

Directors' Declaration

The Directors of the Company declare that;

1. In the Directors' opinion the financial statements and notes and the Remuneration report in the Directors' Report set out on pages 15 to 17, are in accordance with the Corporations Act 2001, including:
   a. giving a true and fair view of the Economic Entity's financial position as at 30 June 2010 and of its performance, for the financial year ended on that date; and
   b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
2. the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in note 1; and
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial year ended 30 June 2010.

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

Mr Bryan Frost

Executive Chairman

Mining Projects Group Limited

Melbourne

Dated: 29th Day of September 2010

Independent Audit Report

PKF

Chartered Accountants
& Business Advisers

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

Report on the Financial Report

We have audited the accompanying financial report of Mining Projects Group Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 comprising Mining Projects Group Limited and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion:

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

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and its performance for the year ended on that date; and

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

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

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Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

PKF

Chartered Accountants
& Business Advisers

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 17 of the directors' report for the period ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Mining Projects Group Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

PKF

29 September 2010
Melbourne

J A Mooney
Partner

Shareholder Information As at 27 September 2010

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary shares

69,953,438 fully paid ordinary shares are held by 3,627 individual shareholders. All ordinary shares carry one vote per share.

Options

41,300,619 options exercisable at $0.10 on or before 14 July 2014, are held by 838 individual optionholders.

Options do not carry a right to vote. Voting rights will be attached to the unissued shares when the options have been exercised.

DISTRIBUTION OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES

	No. of shareholders
1 - 1,000	1,205
1,001 - 5,000	1,082
5,001 - 10,000	476
10,001 - 100,000	721
100,001 -	115
Total number of shareholders	**3,599**
Unmarketable parcels	2,769

	No. of optionholders
1 - 1,000	250
1,001 - 5,000	245
5,001 - 10,000	109
10,001 - 100,000	159
100,001 -	60
Total number of optionholders	**823**

TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

Fully paid ordinary securities

Shareholders		Number	%
1	QUEENSLAND M M PL*	5,489,318	7.85
2	ANZ NOM LTD	2,528,341	3.61
3	DARONTACK PL*	2,007,461	2.87
4	CRUMP ANDREW C + T C	1,640,000	2.34
5	ACTIONETTE PL	1,502,500	2.15
6	PEREGRINE CORP LTD	1,338,267	1.91
7	ELINORA INV PL*	1,150,000	1.64
8	DAVISON RODNEY KENNETH*	1,000,000	1.43
9	LAMPAM PL	964,156	1.38
10	COPPER OAK PL	720,000	1.03
11	NGM RES LTD	675,000	0.96
12	NAKHLE PAULUS SALEEM	669,084	0.96
13	SADARAJAK PL	600,000	0.86

Shareholders		Number	%
14	DARWELL HUGH	543,327	0.78
15	FARCAM PL	540,000	0.77
16	BLAKE GAVIN STUART	504,266	0.72
17	ELLIOTT HLDGS PL	500,000	0.71
18	ROBERTS CAMERON	440,000	0.63
19	PERSIA PETROLEUM SVCS PLC	436,500	0.62
20	REVELINS LISA	432,119	0.62
	TOTAL	**23,680,339**	**33.84**

* Denotes merged holder.

Listed options (MPJOA)

Optionholders		Number	%
1	QUEENSLAND M M PL*	2,851,589	6.90
2	ELINORA INV PL*	2,509,612	6.08
3	PROSKA PETER ANDREW	2,400,000	5.81
4	DARONTACK PL*	2,021,251	4.89
5	ACTIONETTE PL	1,524,375	3.69
6	ELINORA INV PL	1,500,000	3.63
7	SANOS MICHAEL LEE	1,480,000	3.58
8	MARTIN NICHOLAS KENT	1,205,000	2.92
9	DAVISON RODNEY KENNETH*	1,200,000	2.91
10	NEW AGE ENERGY PL*	1,200,000	2.91
11	JAMES MICHAEL DAVID	1,035,000	2.51
12	TALEX INV PL	1,000,000	2.42
13	LASF HLDGS PL	1,000,000	2.42
14	FROST BRYAN*	818,226	1.98
15	LAMPAM PL	725,000	1.76
16	HANNELL LOUISE PAMELA	650,000	1.57
17	SADARAJAK PL	600,000	1.45
18	ELLIOTT HLDGS PL	500,000	1.21
19	MELBOURNE CAP LTD	500,000	1.21
20	DARWELL HUGH	461,611	1.12
	TOTAL	**25,181,664**	**60.97**

* Denotes merged holder.

UNQUOTED EQUITY SECURITIES HOLDINGS GREATER THAN 20%

Nil

SUBSTANTIAL SHAREHOLDERS

There are no substantial Shareholders who have notified the Economic Entity in accordance with Section 671B of the Corporations Act.

SHAREHOLDER ENQUIRIES

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

Security Transfer Registrars
770 Canning Highway
Applecross, Western Australia 6153

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

CHANGE OF ADDRESS, CHANGE OF NAME, CONSOLIDATION OF SHAREHOLDINGS

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

REMOVAL FROM THE ANNUAL REPORT MAILING LIST

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

TAX FILE NUMBERS

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

CHESS (CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM)

Shareholders wishing to move to uncertificated holdings under the Australian Securities Exchange (ASX) CHESS system should contact their stockbroker.

Uncertificated Share Register

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

Corporate Directory

COMPANY

Mining Projects Group Limited
ABN 84 006 189 331

DIRECTORS

Mr Bryan Frost
Executive Chairman

Mr Richard Revelins
Executive Director

Mr James Babbage
Independent Non-Executive Director

Mr Christopher Taylor
Executive Director

COMPANY SECRETARY

Mr Richard Revelins

COMPANY WEBSITE

www.miningprojects.com.au

REGISTERED OFFICE

Suite 2, 1233 High Street
Armadale, Victoria
Australia 3143
Phone: +61 (0)3 9824 8166
Facsimile: +61 (0)3 9824 8161

SOLICITORS

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

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway
Applecross, Western Australia
Australia 6153
Telephone: +61 (0)8 9315 2333
Facsimile: +61 (0)8 9315 2233
Email: registrar@securitytransfer.com.au

AUDITORS

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

SECURITIES QUOTED

Australian Securities Exchange (ASX)
ASX Code:

MPJ	Ordinary Fully Paid Shares
MPJOA	Options expiring 6/07/2014 exercisable @ $0.10

BANKERS

National Australia Bank
Melbourne, Victoria
Australia 3000

MINING
PROJECTS GROUP

MINING PROJECTS GROUP LIMITED
ABN 84 006 189 331

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