



Appendix 4D Interim Financial Report

for the half year ended
31 December 2006

(previous corresponding period: half year ended 31 December 2005)

To be read in conjunction with the 30 June 2006 Annual Report.
In compliance with Listing Rule 4.2A

DIRECTORS REPORT

Your directors present their report on the consolidated entity consisting of Mining Projects Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2006.

Directors

The following persons were directors of Mining Projects Group Limited during the whole of the half-year and up to the date of this report:

Bryan Frost	Executive Chairman
Richard Revelins	Executive Director
Jim Babbage	Non-Executive Director

Review Of Operations

During the period under review the company completed a shallow reconnaissance aircore / light RC program at both the Duesenberg gold prospect and the Cord polymetallic VMS prospect. The programs intersected potentially economic gold grades at the Duesenberg Prospect and multiple zones of massive sulphide and semi massive sulphide over widths of up to 48m with anomalous precious metals and base metals at the Cord Prospect.

Mining Project Group's investments in such companies as Atlas Iron, Eleckra Mines, Mintails and other prospective mining companies have performed well over the period and represent substantial value in the company's investment portfolio. As at 31 December the combined value of these investments totalled approximately \$9m with a further \$1.7m in cash and cash equivalents.

Talga Peak Project

("MPJ" earning 51% with rights to go to 80%)

Current Exploration Programme

During the December quarter a shallow reconnaissance aircore / light RC drilling program was completed at both the Duesenberg gold prospect and the Cord polymetallic VMS prospect. The gossans previously reported from the Cord prospect have been interpreted to represent oxidized massive and / or disseminated VMS ("Volcanogenic Massive Sulphide") style gold, base metal mineralisation.

Summary of shallow drilling statistics:

Prospect	Drilled meters	Holes Drilled	Ave. depth (m)
Cord	5105	128	40
Duesenberg	2672	49	55
Total Drilling	7777	177	44

Following completion of this program, the company took advantage of the availability of a large capacity RC drill rig to test, at a deeper depth, some of the mineralized zones outlined by the shallow aircore drilling. This work was completed just prior to Christmas and consequently most of the assay results are still pending. The company is anticipating that these results should be available for release within the next few weeks.

Summary of RC Drilling:

Prospect	Drilled meters	Holes Drilled	Ave. depth (m)
Cord	3379	26	130
Duesenberg	468	3	156
Total Drilling	3847	29	133

Additionally a reconnaissance rock-chip sampling program was also completed along strike of the previously identified Cord mineralized position. Several gossanous zones were identified extending the known strike length of the known anomalous surface VMS style mineralisation from 8km to 13.5km.

DRILLING HIGHLIGHTS

- **Duesenberg**
 - Potentially economic gold grades have been discovered within structurally controlled zones located within and adjacent to a major chert unit. These results include:
 - Hole TPAC079 averaged 16m @ 1.99g/t Au
 - Hole TPAC080 averaged 5m @ 2.22 g/t Au
 - Hole TPAC088 averaged 13m @ 1.78 g/t Au
 - Three RC drill holes have been completed to provide an initial test of these zones at depth however the results are pending.
- **Cord**
 - Recently completed RC drilling returned multiple zones of massive and semi massive sulphides over widths of up to 48m (hole TRC018, 48 – 96m) with anomalous precious metal and base metals. Most assays are still outstanding but some significant assays returned include;
 - Hole TPRC021 averaged 63g/t Ag, 0.55% Cu, 0.98% Pb and 0.22% Zn over 3m from 67m followed by 7m averaging 28g/t Ag, 0.13% Cu, 0.07% Pb and 0.06% Zn from 76m
 - Hole TPRC024 averaged 35g/t Ag, 0.24% Cu, 0.08% Pb and 0.03% Zn over 5m from 157m. This included 2m averaging 64g/t Ag, 0.45% Cu, 0.09% Pb and 0.06% Zn from 158m.
 - Approximately 1.8kms of the known 13.5km of mineralised horizon has currently been drill tested to shallow depths.
 - Reconnaissance prospecting extends known strike of mineralized horizon by 4.5kms to 13.5 kms and locates two new prospects, Packard and Excalibur.
 - At Packard rock chips returned up to 9.31g/t Au together with anomalous Ag, Cu and Sb
 - At Excalibur rock chips returned up to 2.0% Cu and 6.6 g/t Ag together with anomalous Au and Sb.

Cord – VMS prospect

The Cord prospect consists of a series of interpreted “Volcanogenic Massive Sulphide” (VMS) related gossans located towards the top of the Warrawoona Group in the Pilbara. Previous work programs have identified polymetallic gossanous exposures and anomalous soils along a strike length of 8kms extending to the west of Cord. However, recent reconnaissance rockchip sampling (see below) has extended the known strike length of the Cord mineralized horizon to at least 13.5kms.

A geochemical stream sediment-sampling program was completed on the South-Eastern portion of the Project along strike from both the Cord and Duesenberg prospects in late December. Results should be available in the first quarter of the 2007.

Shallow Drilling Program

The shallow aircore / light RC program was designed to test the continuity of the gossanous expression. The prospect has been tested by shallow (average 40m hole depth) drill lines that are generally spaced at intervals of from 80m to 160m along strike.

This shallow aircore program returned large widths of gossanous material in numerous drill holes (a selection of these results are shown in the attached table). Widths of gossanous material ranged up to 40m with geochemically significant values (defined as values in excess of 0.5g/t gold equivalence, "0.5g/t Aue") being returned over widths of up to 26m based on the 1m resplit samples. These samples returned values up to 0.88g/t Au (over 5m), 22g/t Ag (over 2m), or 17g/t Ag (over 10m), 2.47%Cu, 0.19% Pb and 0.03%Zn. Additionally these gossanous intervals were significantly anomalous in other metals including Bi, Sn, Sb and As.

Subsequent Deeper Drilling Program

Subsequent to this program a larger capacity RC drill rig became available and a short program was undertaken immediately prior to Christmas to test these gossans at a deeper level. Most results are still outstanding but significant quantities (layers) of massive and semi massive sulphides were intersected over widths of up to 48m. A selection of results received to date are shown below with further details included at the end of this report.

WEIGHTED AVERAGES >10.0g/t Ag based on 1m resplit samples

Hole ID	From	To	Int. (m)	Au (ppb)	Ag g/t	Cu (ppm)	Pb (ppm)	Zn (ppm)
TPRC021	67	70	3	67	63	5480	9800	2165
&	76	83	7	56	28	1310	690	590
TPRC024	157	162	5	51	35	2370	810	300
incls	158	160	2	66	64	4470	870	550
&	163	164	1	80	13	450	250	90
TPRC025	91	92	1	71	27	2840	60	130
&	155	157	2	102	40	1820	2210	220

The massive and semi massive sulphides intersected to date contain significant levels of base metals (Cu, Pb & Zn) together with high silver levels. This, together with the geology indicates a volcanogenic massive sulphide (VMS) style environment capable of hosting good grade base metal deposits that may contain significant precious metal credits.

Given a mineralized strike length of 13.5kms has been identified through a combination of geological mapping, prospecting, rock chip sampling and soil geochemistry. Only 1.8kms has been tested to shallow depth, suggesting this discovery has significant exploration potential.

Rock Chip Sampling Program

A recent prospecting and rock chip sampling program has located and confirmed a 4.5km western extension of the known mineralized horizon at Cord. Two zones of mineralized outcrop and float (named Packard and Excalibur) were identified 1km and 4.5km west of the Viagra prospect. An apparent shallow transported cover obscures the area between these two new prospects. Geochemical results ranging up to 9.3g/t Au, 6.6g/t Ag and 2% Cu have been returned from the samples collected and submitted for assay. Some examples are shown in the table below;

	Au ppb	Au g/t	Ag g/t	Cu ppm	Sb ppm	Prospect
TRK341	9310	9.31	1.5	377	1.6	Packard
TRK342	4540	4.54	0.3	821	4.8	"
TRK343	3440	3.44	1.8	1090	1.5	"
TRK345	630	0.63	0.6	320	8.1	"
TRK347	343	0.34	4.6	20100	2.1	Excalibur
TRK348	253	0.25	6.6	824	13.7	"
TRK349	206	0.21	1.5	9800	3.7	"

At Packard the initial interpretation is of a 700m long zone of float and sparse outcrop that hosts two mineralized structures that may correlate stratigraphically with the Northern gossan at the main Cord prospect. The observed structures are up to 8m in width and up to 20m apart. Limited reconnaissance rock chip samples returned up to 9.3g/t Au with anomalous copper.

At Excalibur, located 3kms west of Packard there is a poorly outcropping chert horizon. This chert is gossanous and weakly brecciated with sulphide and malachite being observed in hand specimen. Limited reconnaissance rock chip samples returned up to 2% Cu together with anomalous gold (up 0.3 g/t) and silver (up to 6 g/t).

The apparently shallow scree cover that exists between these two geochemically anomalous zones contains a high proportion of ferruginous or possibly gossanous material and will require detailed geochemical sampling (probably soils) prior to drill testing.

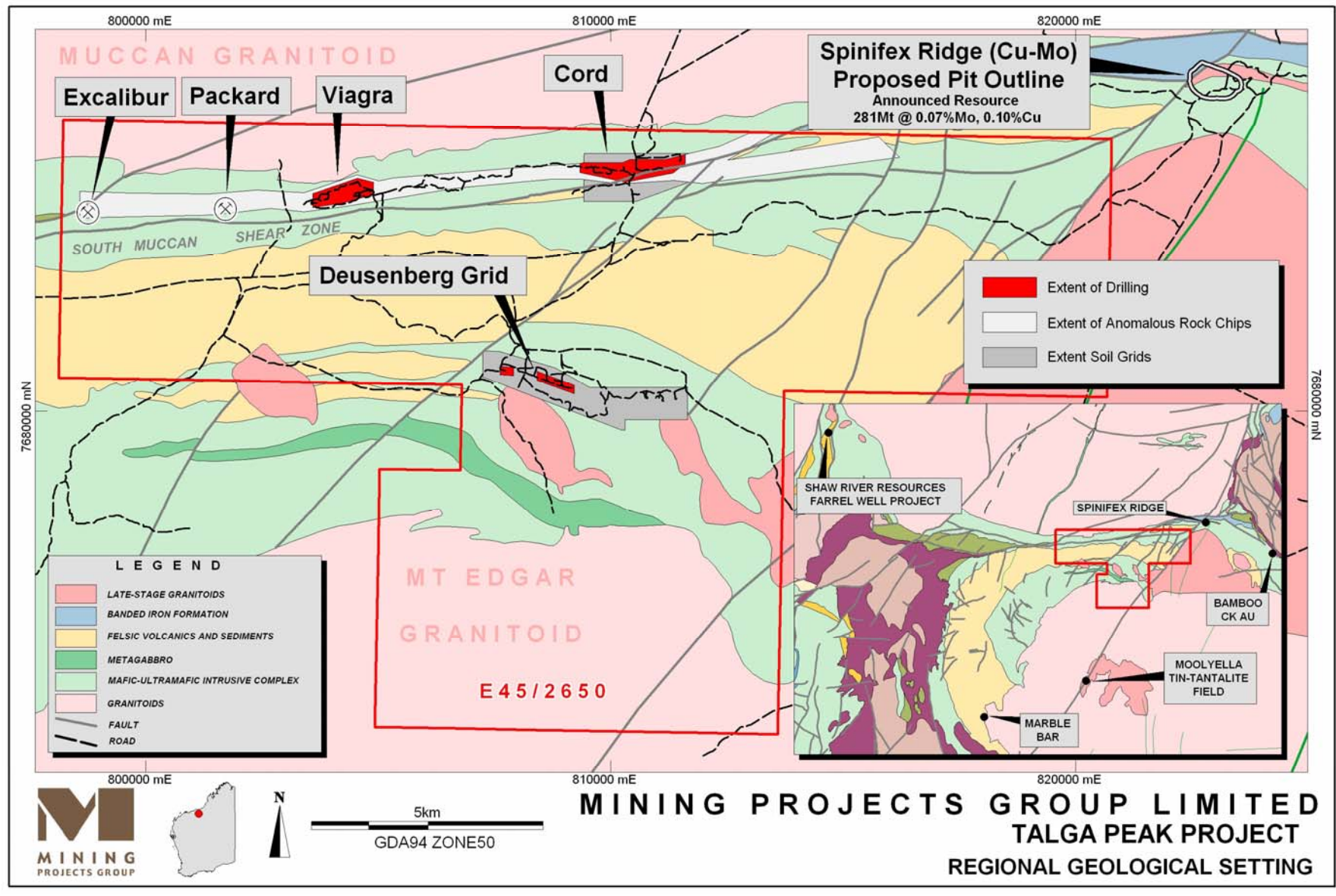
Duesenberg – Au prospect

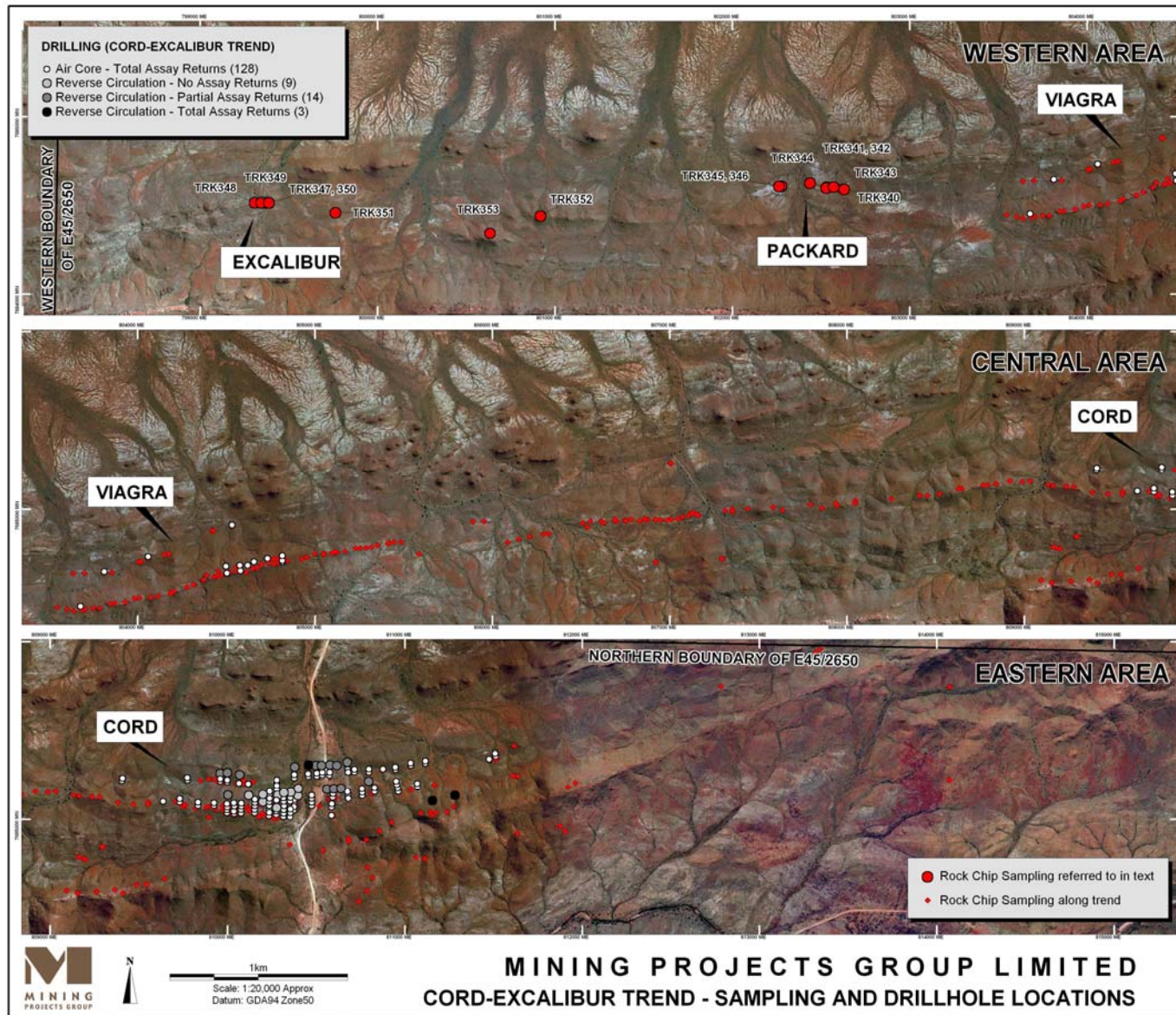
As previously reported by the Company, the Duesenberg prospect, consists of a number (at least 6) of apparently structurally controlled gold in soil anomalies situated either within or adjacent to a major chert unit located within the Warrawoona Group.

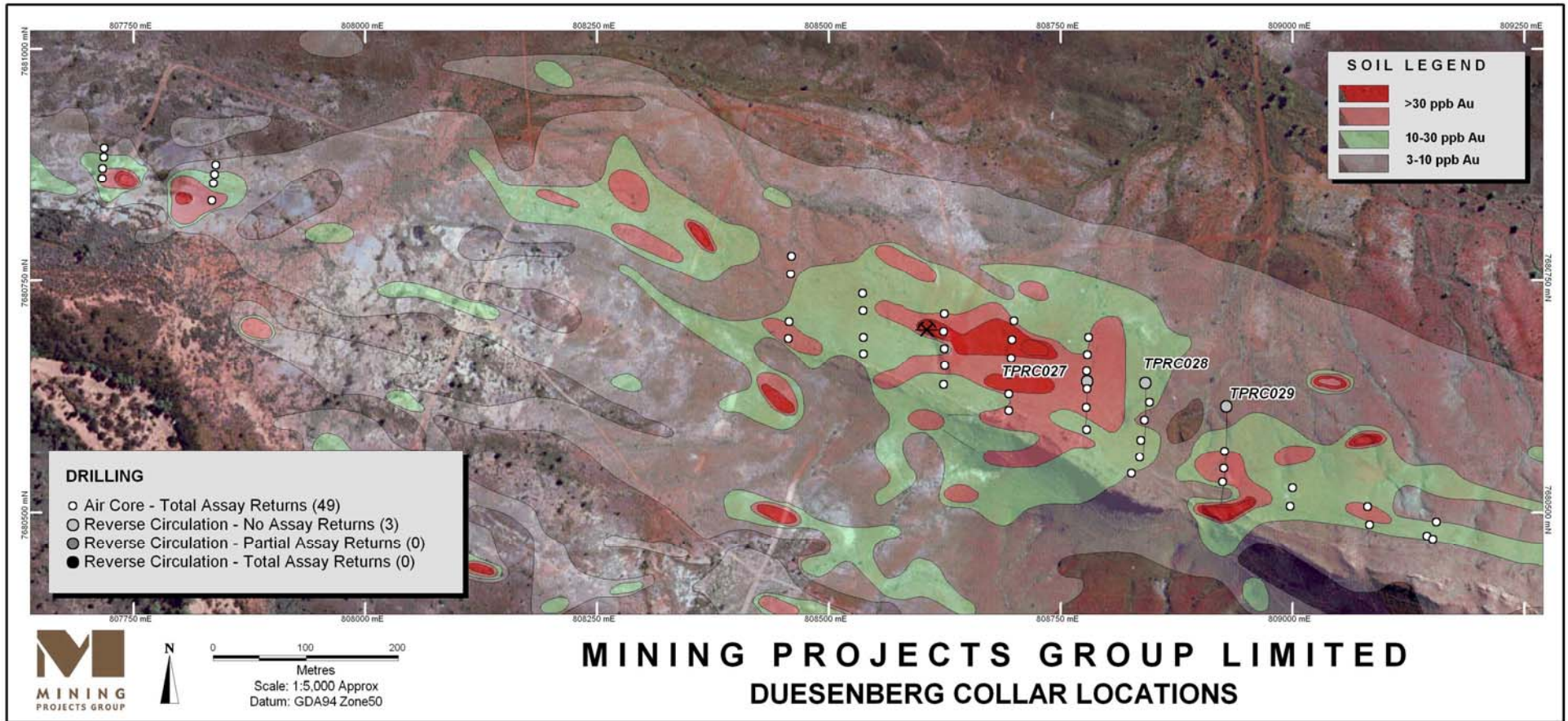
A shallow drilling program was designed to test the sub-surface extensions of some of the more obvious gold in soil anomalies (investigating their potential grades and widths) with a view of more extensive exploration later. This program was successful in identifying some potential economic gold grades within structurally controlled zones within and adjacent to a major chert unit. These results included:

- 16m @ 1.99g/t Au from surface in hole TPAC079
- 5m @ 2.23g/t Au from 24m followed by 8m @ 1.57g/t Au from 50 in hole TPAC 080 with the hole finishing in mineralisation
- 13m @ 1.79g/t Au from 42m in hole TPAC088
- 4m @ 4.69g/t Au from 4m in hole TPAC 097
- 2m @ 6.23g/t Au from 28m in hole TPAC101
- 5m @ 1.63g/t Au from 2m in hole TPAC102

Three RC holes were completed for a total of 468m to test the down dip potential of this wide gold bearing material, beneath the capacity of the smaller drill rig, on a 80m line spacing. The program was successful in identifying several structurally controlled zones of alteration being variably brecciated cherts, silicious / or sulphidic zones. All assay information for the Duesenberg Prospect RC program is still pending.







Atlas Iron Limited (ASX : AGO)

On 25th January Atlas Iron Limited (Atlas) reported two significant achievements. Firstly Atlas announced a resource and reserve statement increasing the current resource by 3.3 million tonnes. The Company's resource now stands at 10.5Mt at 57.1%Fe of Direct Shipping Ore (DSO). Within that resource statement Atlas has now estimated its first reserves of 4.4Mt at 57.3% Fe for the Pardoo Project. The reserves estimated are based on the indicated resources and as such the reserves are of the Probable Reserve category.

Atlas announced on the 25th January it had completed its Pre-Feasibility study on the Pardoo Iron Ore Project. The key outcomes from the study relate to the upgrade in resources, the initial reserve estimate, the project using entirely contracted mining, crushing, screening and haulage operations, a start-up capacity of 1Mt pa in March 2008, mine infrastructure and project costs of \$8.3 million, a strip ratio of 1.8:1, operating margins of between \$10 and \$18 per tonne and strong potential for additional resources and reserves.

Managing Director David Flanagan was quoted as saying, "To make the initial discoveries, define resources, estimate reserves, commence the approval process and progress detailed engineering studies within 18 months is a terrific achievement. We now look forward to making more discoveries and putting ore on ships by March 2008".

Atlas also announced on the 10th January the Company had completed ground truthing field work at the 100% owned Abydos Project. Atlas geologists have identified cumulative strike length of 8kms of geology considered to have a conceptual exploration target in the order of 15 to 20Mt of mineralisation grading 58% to 61%Fe.

In late January 2007 the WA State Government committed to fund development of the expanded public access berth facilities at Port Hedland. The proposed extension is scheduled to be up to 15mt pa from late 2008.

MPJ holds approximately 3.2m shares and 2.0m options in Atlas.

Independence Group Limited (ASX : IGO)

("IGO" earning 80%)

Independence Group Limited (Independence) who are earning into the Lake Lefroy Joint Venture have a signed a licence agreement with Anglo American to use its proprietary Low Temperature SQUID Sensor (SQUID) in parts of the Yilgarn Block. The SQUID sensor is able to detect conductors, possibly representing massive nickel sulphide mineralisation, beneath areas of conductive overburden far more effectively than competing systems.

The Joint Venture covers magnetic stratigraphy in two areas north and south of an interpreted dome located beneath the salt lake of Lake Lefroy 10km east of Kambalda. A SQUID TEM survey commenced on both areas during the quarter and at quarter's end the program was approximately 33% complete. A number of possible bedrock conductors have been identified. A detailed appraisal of the results will be undertaken once the survey is complete.

Eleckra Mines Limited (ASX : EKM)

Since listing on the 4 July 2006, Eleckra Mines Limited (Eleckra) has completed two drilling programs at the 100% owned Yamarna Project.

The first 2625m RC drilling program was completed in September 2006 to test extensions of the existing gold resource at Yamarna. This was successful at the Attila prospect with wide zones of gold mineralization (including 19m @ 1.44 g/t Au from 67m) outlined at depth below relatively shallow previous drilling. In addition both the Attila and Attila North ore bodies were extended along strike and higher grade intercepts have been recorded from step out or infill drilling including 4m @ 5.68 g/t Au from 37m and 6m @ 5.45 g/t Au from 53m at Attila, 3m @ 9.36 g/t Au from 68m at Attila North and 3m @ 4.58 g/t Au from 24m at Alaric.

Results from this RC program showed that there is considerable scope to increase the size of the gold deposit at Yamarna. The programme demonstrated strike and depth extensions at the Attila, Attila North and Alaric deposits. Over 90% of holes drilled in this RC program returned >1g/t Au intercepts showing consistent gold mineralization in the 13km long area which currently hosts Measured, Indicated and Inferred Mineral Resources of 740,000 ounces of gold (12.6mt @ 1.8 g/t Au).

The 7000m RAB and aircore geochemical drilling program completed in October was designed to provide early stage drill testing of 4 of the 15 regional targets. Eleckra reported several highly anomalous zones including 4m @ 6.56 g/t Au from 22m, 400m south along strike of the high grade Khan North prospect and 4m @ 2.04 g/t Au from 6m located 1800m north of Khan North.

In December 2006 Eleckra began a follow up RC program of 30 holes designed to test the most interesting results from the initial RC campaign at depth. Unfortunately after 5 holes the campaign had to be postponed due to mechanical failure of the drilling rig. Another suitable drill rig was available to restart the campaign late in the March quarter. Initial results of the five holes returned values of 2m @ 4.76 g/t from 44m and 9m @ 2.04 g/t from 74m.

The Company has also applied to for tenements in the Lake Rason drainage system to help compliment their Uranium portfolio at Thatcher Soak.

MPJ currently holds 4.65 million shares in Eleckra which represents approximately 8.0% of the company's issued capital. The Company received these shares as consideration for its 20% interest in the Yamarna Joint Venture.

Mintails Limited (ASX : MLI)

Since acquiring control of the West Rand Gold Project the company completed the refurbishment and commissioning of the Mogale Gold Plant 70 kms west of Johannesburg and announced its first commercial gold production in July 2006. In December 2006 Mintails completed the merger with Skeat Gold Mining ("SGM") one of the largest owners and operators of mining and earthmoving equipment in Africa. The merged entity now controls in excess of 330 million tonnes of gold tailing materials (145mt @ 0.42 gpt containing an estimated 1.9 million ounces of gold lies within a JORC resource).

As a result of the merger Mintails now also owns the Brakpan and East Dagga Gold Tailings Treatment plants which formerly comprised ERGO (East Rand Gold and Uranium Operations) which was previously owned by Anglo Ashanti and represented the largest tailings treatment facility in the world.

In December 06 Mintails raised \$50 million from large institutional investors to complete the acquisition of SGM and fund the upgrade and development of the West Rand Gold Initiative. The company is well positioned to capitalise on its large resource base and leverage upon the ownership of extensive plant and equipment and its mining fleet.

MPJ holds approximately 5.3 million shares in Mintails Limited.

Civil Proceedings

Subsequent to the end of the period the company received notice of civil proceedings in relation to certain announcements made in August 2005 concerning the Nuie Island Project. The company and the directors concerned deny the allegations and intend to defend this matter vigorously. The matter is the subject of civil proceedings and no orders or pecuniary damages are sought against the company.

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

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors.

For And On Behalf Of The Board



Richard Revelins
Director

Melbourne
Dated 16 March 2007

The information in this report in relation to the Talga Peak Project was been compiled by Geoff Blackburn. Geoff Blackburn has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results. In respect of the results reported there has been insufficient work to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. Geoff Blackburn consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

The information in this report in relation to the Lake Lefroy Project was provided by Independence Group Limited.

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

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



Chartered Accountants
& Business Advisers

16 March 2007

The Directors
Mining Projects Group Limited
Suite 2
1233 High Street
ARMADALE VIC 3143

Dear Directors

INDEPENDENCE DECLARATION

As lead engagement partner for the review of the half year financial report of Mining Projects Group Ltd for the period ended 31 December 2006 and in accordance with section 307C of the Corporations Act 2001, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

PKF
Chartered Accountants

D J Garvey
Partner

Appendix 4D for the Half Year Ended 31 December 2006

Results for announcement to the market

Current Reporting Period - Half year Ended 31 December 2006

Previous Reporting Period - Half year Ended 31 December 2005

Revenues	down	62.98%	to	\$743,932
Profit after tax attributable to members	down	80.81%	to	\$228,879
Net profit for the period attributable to members	down	80.81%	to	\$228,879

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a
Net Tangible Asset per Security (cents per security)		
As at 31 December 2006	0.81	
As at 31 December 2005	0.76	
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	n/a	
Explanation of the above information:		
Refer to the Directors' Report - Review of Operations.		

CONDENSED CONSOLIDATED INCOME STATEMENT

for the half year ended 31 December 2006

	Notes	31 December 2006	Economic Entity	31 December 2005
		\$		\$
Continuing Operations				
Revenue		743,932		2,009,749
Depreciation		(6,530)		(3,983)
Tenement expenses		(10,738)		(326,707)
Directors & Consultants fees		(218,498)		(177,233)
Other Expenses		(62,498)		(53,751)
Travel & Marketing		(5,717)		(96,376)
Administration		(53,564)		(29,763)
Professional fees		(157,508)		(128,951)
		228,879		1,192,985
PROFIT/(LOSS) BEFORE INCOME TAX		228,879		1,192,985
INCOME TAX EXPENSE		-		-
		-		-
PROFIT/(LOSS) FOR THE PERIOD AFTER TAX FROM CONTINUING OPERATIONS		228,879		1,192,985
		228,879		1,192,985
PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		228,879		1,192,985
		Cents		Cents
Profit/(Loss) per share for loss from attributable to the ordinary equity holders of the company:				
Basic Earnings per share		0.02		0.15
Diluted Earnings per share		0.02		0.15

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET as at 31 December 2006

	Note	31 December 2006 \$	Economic Entity 30 June 2006 \$
CURRENT ASSETS			
Cash and cash equivalents		1,661,677	384,081
Trade and other receivables		175,724	168,446
Other financial assets		9,033,463	6,618,349
Other Current Assets		11,987	204
TOTAL CURRENT ASSETS		10,882,851	7,171,080
NON-CURRENT ASSETS			
Property, plant and equipment		30,952	36,993
Exploration and Evaluation Costs		1,559,331	600,053
TOTAL NON-CURRENT ASSETS		1,590,283	637,046
TOTAL ASSETS		12,473,134	7,808,126
CURRENT LIABILITIES			
Trade and other payables		296,535	272,136
TOTAL CURRENT LIABILITIES		296,535	272,136
TOTAL LIABILITIES		296,535	272,136
NET ASSETS		12,176,599	7,535,990
EQUITY			
Issued capital		25,464,056	21,052,327
Accumulated Losses		(13,287,457)	(13,516,337)
Total parent entity interest in equity		12,176,599	7,535,990
TOTAL EQUITY		12,176,599	7,535,990

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2006

Economic Entity

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 30 June 2005	20,156,670	(15,992,160)	4,164,510
Shares issued net of costs	806,550	-	806,550
Net Profit/(Loss) for the period	-	1,192,985	1,192,985
Balance at 31 December 2005	20,963,220	(14,799,175)	6,164,045
Shares issued net of costs	89,107	-	89,107
Net Profit/(Loss) for the period	-	1,282,838	1,282,838
Balance at 30 June 2006	21,052,327	(13,516,337)	7,535,990
Shares issued net of costs	4,411,729	-	4,411,729
Net Profit/(Loss) for the period	-	228,879	228,879
Balance at 31 December 2006	25,464,056	(13,287,458)	12,176,598

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the half year ended 31 December 2006

	31 December 2006 \$	Economic Entity 31 December 2005 \$
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
Receipts from customers	4,500	-
Payments to suppliers and employees	(533,184)	(810,373)
Interest received	51,626	23,585
	(477,058)	(786,788)
NET OPERATING CASH FLOWS		
CASH FLOWS RELATED TO INVESTING ACTIVITIES		
Payment for purchases of plant and equipment	(489)	(11,370)
Payment for purchases of equity investments	(3,722,589)	(1,889,949)
Proceeds from sale of equity investments	1,995,281	1,850,416
Loans to other entities	-	(120,166)
Loans repaid by other entities	30,000	-
Payment for the purchase of mining tenements	(959,278)	(63,731)
	(2,657,075)	(234,800)
NET INVESTING CASH FLOWS		
CASH FLOWS RELATED TO FINANCING ACTIVITIES		
Proceeds from issues of securities	4,759,640	849,000
Capital raising costs	(347,911)	(42,450)
	4,411,729	806,550
NET FINANCING CASH FLOWS		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	1,277,596	(215,038)
Cash and cash equivalents at the beginning of the half year	384,081	222,786
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR		
	1,661,677	7,748

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Basis of Preparation

The general purpose financial report for the interim half year reporting period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by Mining Projects Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of financial assets. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 3. Revenue

	31 December 2006 \$	Economic Entity	31 December 2005 \$
Interest Revenue - other persons	56,126		23,585
Net movement in fair value of financial assets held for trading	687,806		1,986,164
	743,932		2,009,749

Note 3. Dividends

The company resolved not to declare any dividends in the period ended 31 December 2006.

Note 4. Segment Information

Industrial Segments

The following is an analysis of the revenues and results for the period, analysed by business segment

31 December 2006	Exploration & Mining	Investments	Elimination	Total
<u>Revenue</u>				
External Sales	-	739,432	-	739,432
Unallocated Revenue	-	-	-	4,500
Total Revenue	-	739,432	-	743,932
<u>Result</u>				
Segment Result	(10,738)	739,432	-	728,694
Unallocated Revenue	-	-	-	4,500
Unallocated Expenses	-	-	-	(504,315)
Net Result	(10,738)	739,432	-	228,879

31 December 2005	Exploration & Mining	Investments	Elimination	Total
<u>Revenue</u>				
External Sales	-	2,009,749	-	2,009,749
Unallocated Revenue	-	-	-	-
Total Revenue	-	2,009,749	-	2,009,749
<u>Result</u>				
Segment Result	(326,707)	2,009,749	-	1,683,042
Unallocated Expenses	-	-	-	(490,057)
Net Loss	(326,707)	2,009,749	-	1,192,985

Note 5. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

Note 6. Issued Capital

	31 December 2006		No.	30 June 2006	
	No.	\$		\$	
<u>Issued and Paid Up Capital</u>					
Fully Paid Ordinary Shares	1,503,211,054	25,464,056	809,721,133	21,052,327	
Options over Fully Paid Ordinary Shares	693,372,421	-	-	-	
Total Issued Capital		25,464,056		21,052,327	

During the half year ended 31 December 2006, the following movements in equity occurred:

Shares

- * 4:1 Rights Issue of 202,430,283 ordinary shares to raise working capital of \$1.4 million after capital raising costs
- * Issue of 430,000,000 ordinary shares under a Prospectus to raise working capital of \$3.01 million after capital raising costs
- * Issue of 61,000,888 ordinary shares to raise working capital for mining commitments of \$0.4 million after capital raising costs
- * Issue of 58,750 ordinary shares as a result of the exercise of options

Options

- * Issue of 693,431,171 free attaching 1:1 listed options to ordinary shares issued as working capital above

Note 7. Events Subsequent to Reporting Date

Subsequent to the end of the period the company received notice of civil proceedings in relation to certain announcements made in August 2005 concerning the Nuie Island Project. The company and the directors deny the allegations and intend to defend this matter vigorously. The matter is subject of civil proceedings and no orders or pecuniary damages are sought against the company.

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

DIRECTORS' DECLARATION

The directors' of the company declare that:

1. The financial statements and notes, as set out on pages 14 to 20:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and

(b) give a true and fair view of the economic entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date.

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

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

A handwritten signature in black ink, appearing to read 'Richard Revelins', with a stylized flourish at the end.

Richard Revelins
Executive Director

Dated 16 March 2007



Chartered Accountants
& Business Advisers

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MINING PROJECTS GROUP LTD**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mining Projects Group Ltd and its controlled entities, which comprises the condensed consolidated balance sheet as at 31 December 2006, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Mining Projects Group Ltd and the entities it controlled at 31 December 2006 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of Mining Projects Group Ltd are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Mining Projects Group Ltd's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mining Projects Group Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mining Projects Group Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Mining Projects Group Ltd's consolidated financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PKF
Chartered Accountants

D J Garvey
Partner

16 March 2007
Melbourne

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