

# APPENDIX 4D

## For the Half Year Ended 31 December 2012

### Results for Announcement to the Market

Current Reporting Period - Half year ended 31 December 2012

Previous Reporting Period - Half year ended 31 December 2011

Revenues	Down	44.33%	to	\$8,210
Loss after tax attributable to members	Up	16.24%	to	(\$1,985,812)
Net loss for the period attributable to members	Up	16.24%	to	(\$1,985,812)

Dividends (Distribution)	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a
<b><u>Net Tangible Asset per Security (cents per security)</u></b>		
As at 31 December 2012	0.45	
As at 31 December 2011	1.92	
Record date for determining entitlements to dividend	n/a	
<b><u>Explanation of the above information:</u></b>		
Refer to the Directors' Report - Review of Operations.		

**2. Details of entities over which control has been gained or lost during the period**

None

**3. Details of individual and total dividends**

None

**4. Details of dividend reinvestment plans in operation.**

None

**5. Details of Associates and Joint Ventures**

None

**6. These accounts have been subject to review and there has been no qualification or dispute.**

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**MINING**  
PROJECTS GROUP

ABN: 84 006 189 331

## **Appendix 4D - Interim Financial Report**

### **For the Half Year Ended December 2012**



To be read in conjunction with the 30 June 2012 Annual Report

In compliance with Listing Rule 4.2A

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# Directors' Report

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The Directors of Mining Projects Group Limited ("MPJ" or "the Company") provide the following Report in relation to the Company for the half year ended 31 December 2012.

## **Directors**

The following persons were Directors of the Company during the whole of the half-year and up to the date of this report:

Mr Bryan Frost	Executive Chairman
Mr Richard Revelins	Executive Director
Mr Phillip Hains	Executive Director
Mr James Babbage	Independent Non-Executive Director

## **Results**

The Company reported a loss for the half-year of \$1,985,812 (2011 Loss: 1,708,294).

## **Review of Operations**

During the reporting period, the Company completed two Nickel sulphide focussed transactions providing exposure to a second commodity within the Company's project portfolio. The collective tenement package which was acquired provides the Company with a strong land position in a commodity which is currently receiving strong market support.

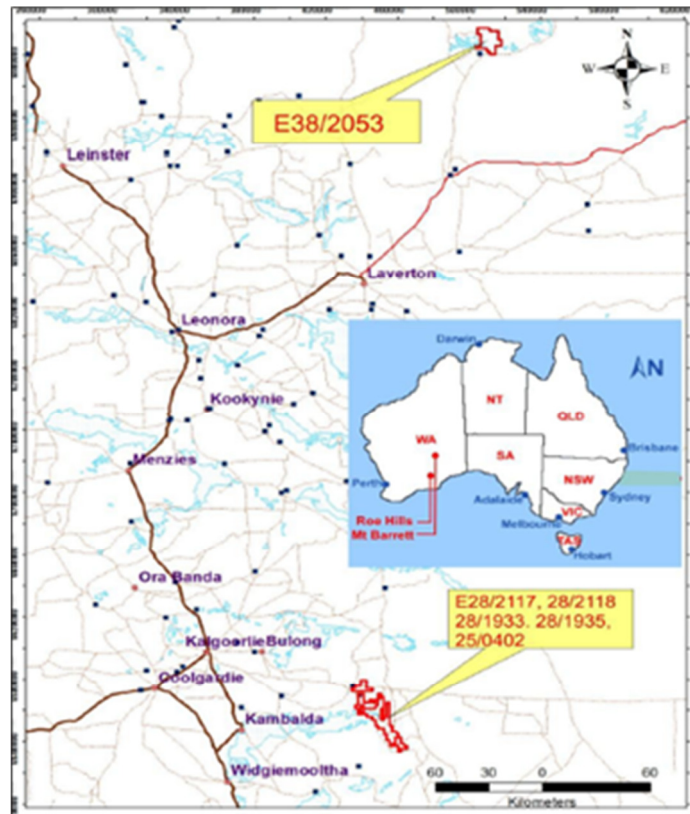
In addition to these acquisitions the Company continued to work closely with the Department of Employment, Economic Development and Innovation ("DEDDI") in Queensland to achieve granting of its EPC applications for its prospective Delcarmen Coal Project, which was received on 30 January 2013.

## **Nickel Projects**

### **Oroya Mining Limited Joint Venture – Kambalda nickel region, Western Australia**

On 21<sup>st</sup> December 2012, MPJ executed a binding Heads of Agreement ("HoA") to establish two separate joint ventures with Oroya Mining Limited (ASX: ORO) ("Oroya"). The primary focus will be the prospective for Nickel tenement package at Talc Lake. Talc Lake is located in the Kambalda Nickel region and provides further expansion to the Company's existing nickel portfolio which is located within the Fraser Range.

As part of the agreement MPJ will also joint venture the Mt Barrett Project ("Mt Barrett"). The Mt Barrett Project is located in the Lake Wells Region and is an underexplored greenstone belt prospective for Gold (see Figure 1).

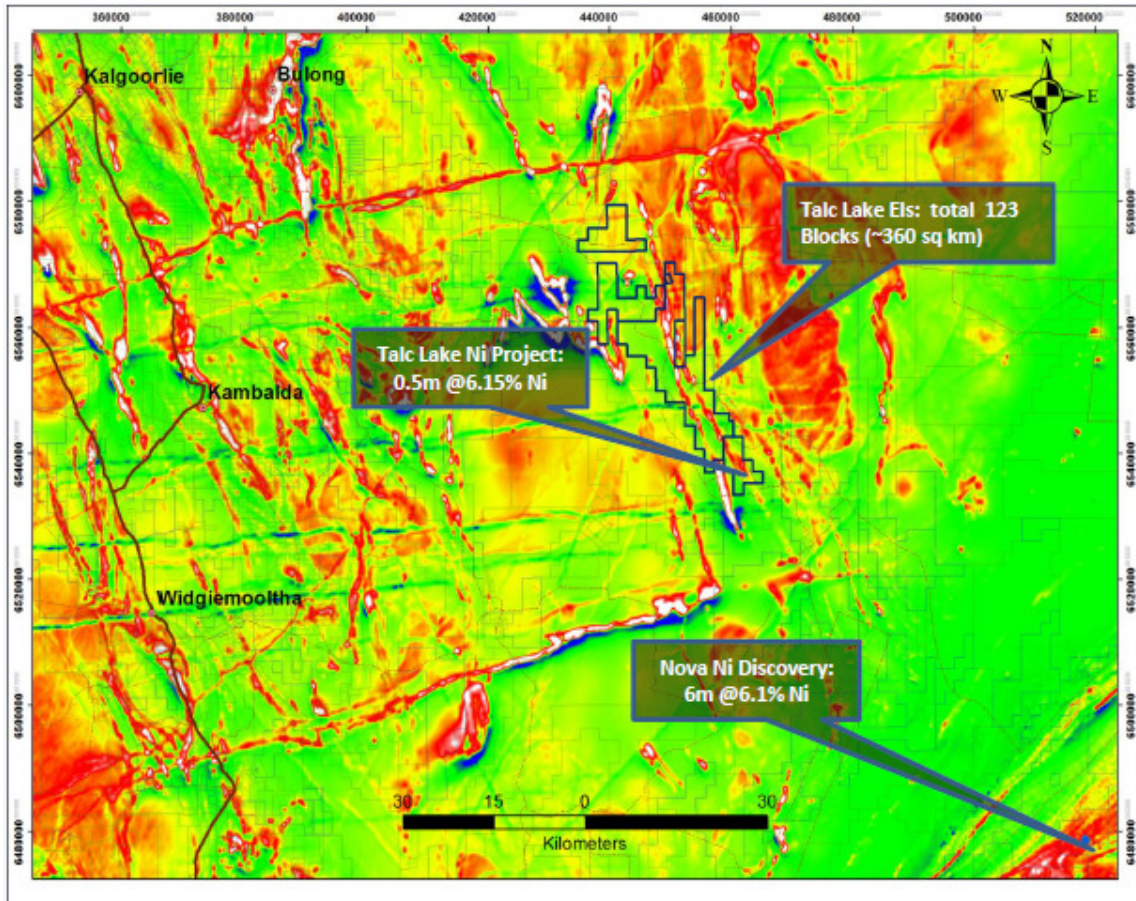


**Figure 1:** Locality Map highlighting Talc Lake and Mt Barrett

### Talc Lake

The Talc Lake nickel project covers a 30km belt of ultramafic rocks, 85 kms east of the Kambalda nickel mining centre in Western Australia (Figure 2). Oroya holds 5 exploration licences covering the Talc Lake ultramafic sequences. Previous work includes regional geochemistry, air core, RC and diamond drill testing, electromagnetic geophysical surveys and IP (Induced Polarisation) surveys. Gossans, geochemistry, geophysics, petrology and known nickel sulphide positions suggest strong potential for Kambalda-type komatiite nickel deposits. Previous drill intersections include 0.5 metres of 6.15% nickel and 0.38% copper from 155 metres hole depth in diamond drill hole ROE 114 at Talc Lake.

The mineralisation conforms to the Kambalda style where nickel sulphides are characteristically located in embayments or troughs under the channel flow facies' of the host komatiite. A review of the project data has identified numerous nickel targets to be evaluated.



**Figure 2:** Locality of high grade results at Talc Lake

*Mt Barrett*

The Mt Barrett Project is located in the Lake Wells Region and is a highly prospective greenstone belt with minimal previous exploration. Recent drilling on the immediately adjacent tenement (Goldphyre Limited's -Axford Prospect) returned several high grade gold intercepts. Further south on the belt significant JORC resources have been discovered by Gold Road Resources Limited.

*Joint Venture Agreement*

The HoA provides for the establishment of the joint venture conditional upon:

- each party successfully completing due diligence programs by 31 March 2013;
- \$1.6 million being raised through CPS Securities Ltd and Melbourne Capital Ltd
- the Company obtaining all necessary shareholder and regulatory approvals; and
- both parties entering into formal joint venture agreements no later than 31 March 2012.

Subject to satisfactory completion of due diligence and the Company obtaining all necessary shareholder and regulatory approvals, the HoA provides for the establishment of a joint venture for Talc Lake and Mt Barrett Projects.

The key terms are as summarised in the Company's ASX release made on 21 December 2012.



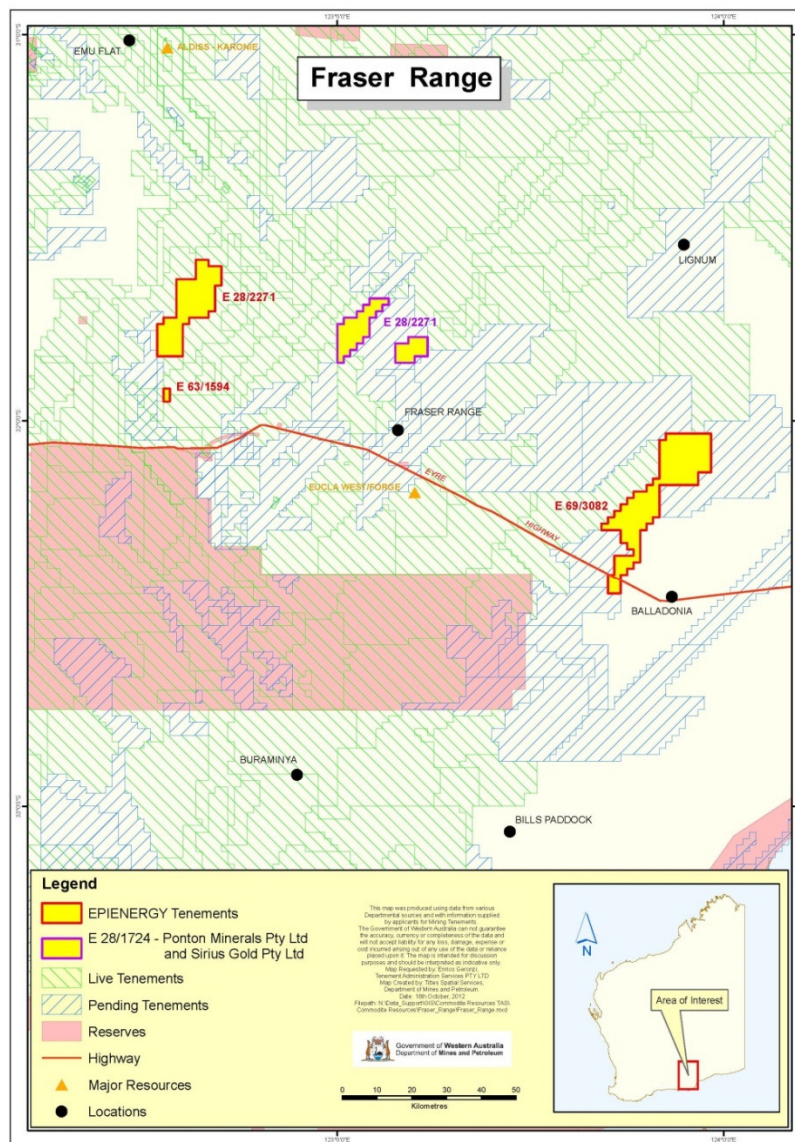
## Epi Energy Pty Ltd Option Agreement - Fraser Range, Western Australia

On 5 November 2012, MPJ announced its first step into exploring for nickel sulphides. The Company entered an option agreement with Epi Energy Pty Ltd to acquire a 70% interest in three exploration lease applications located in the Fraser Range, Western Australia (see figure 4). The exploration lease applications, identified by application numbers EL28/2271, EL69/1594 and EL69/3082, cover approximately 566km<sup>2</sup> in this prospective nickel-copper and gold province in south-east Western Australia.

The areas of interest occur along the south-east margin of the Archean Yilgarn Craton within the Albany-Fraser Province.

Recent nickel discoveries, including the Nova discovery, have been made in the Fraser Range through drilling programs following up on prospective targets identified from extensive geo-physics and soil geochemistry. This will be the process used for identifying prospective drilling targets within the Epi exploration lease applications. E28/2271 and E63/1594 are located 60 kilometres SE of Kambalda.

E69/3082 60 is located in the heart of the Fraser Range Orogeny and will be assessed also for nickel, copper and gold mineralisation potentially under sedimentary cover.



**Figure 4:** Fraser Range, Western Australia.



### Terms Of the Option

- An upfront payment to Epi (or its nominee/s) was made through the issue of 15,000,000 ordinary fully paid MPJ shares which were issued at 1 cent each.
- The option allows MPJ to complete due diligence, including exploration works, for a period of not less than 6 months to determine prospectivity of the exploration leases.
- Exploration work is planned to include an aeromagnetic survey as well as mapping and soil sampling programs.

Although these leases are currently under application, initial limited exploration programs are able to be undertaken prior to their grant.

The terms of acquisition upon exercise of the option are available in the ASX release made by the Company on 5 November 2012.

### Capital Raising

As part of the Oroya Joint Venture transaction the Company is undertaking a capital raising, which has been approved by shareholders, for up to \$1,600,000 via a private placement of 200,000,000 fully paid ordinary shares in MPJ at 0.8 cents per share (\$0.008) to professional and sophisticated investors of CPS Securities and Melbourne Capital Limited.

The purpose of the issue is to undertake initial exploration programs at Talc Lake and Mt Barrett as well as the Fraser Range tenements and also for working capital requirements. A free attaching option will be issued for every two shares subscribed in the placement, each attaching option having an exercise price of 1 cent (\$0.01) and an expiry date of 30 June 2016.

### Coal Projects

#### Delcarmen – Post Balance Date

On 30 January 2013, MPJ announced exploration for coal permit ("EPC") 2527 had been granted. EPC 2527 and EPC 2528 are collectively referred to as the Delcarmen Coal Project ("Delcarmen"). EPC 2528 remains in the process of being granted but the Company does not anticipate any impediments to its grant. Delcarmen holds two prospective EPCs north and east of Kingaroy, Queensland, which are located approximately 170kms west of Brisbane and cover a combined area of 1,030 km<sup>2</sup>.

In addition to the granting of EPC 2527 an independent geological report assessing the prospectivity of Delcarmen has established an exploration target range of between 30 and 140<sup>1</sup> million tonnes of which up to 60 million tonnes has been identified as potentially semi soft coking coal.

The report identified the project area as demonstrating potential for coal deposits of potentially high energy thermal or a semi-soft coking coal product, located within the Triassic-age Esk and Gayndah Formations, and suggests previous exploration 35 years ago was neither extensive nor intensive enough to discount the existence of economic coal and further exploration is warranted.

The tenures underlie formations in the Triassic Esk Basin or Esk Trough and the Tarong Basin. The prospective coal-bearing units, in descending stratigraphic order, are the:

- Main Range Volcanics (lignite);
- Tarong Beds;
- Gayndah Formation; and
- Esk Formation.

## Directors' Report *Continued...*

Based on exploration drilling conducted by New Hope Collieries and Mobil Energy, and coal intersections encountered in registered water bores, Exploration Targets<sup>1</sup> (Table 1) for the three main coal target formations have been calculated using conservative values for coal thickness and density.

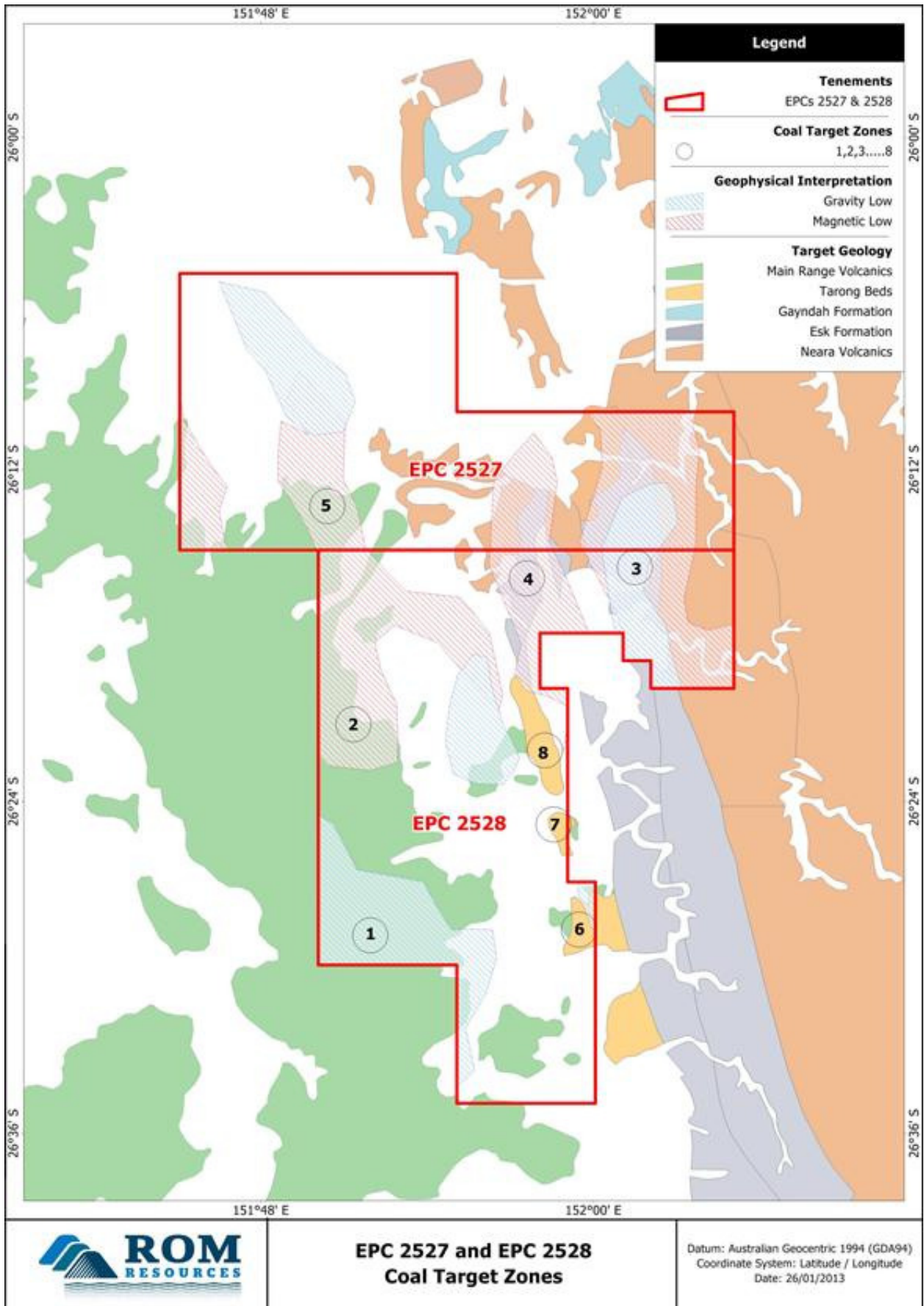
The objective of a follow up drill program will be to add confidence to the exploration target to establish a JORC category resource over the deposit over the project area. However before initial exploration programs are undertaken the Company will wait for EPC 2528 to be granted thus allowing for an inclusive program over the entire project area. The Company is in consultation with the department in order to help facilitate its granting.

The Delcarmen Coal Project now has an exploration target of up to 140mt of high energy thermal coal. With confirmation of the prospectivity at Delcarmen given it is located only 170kms from Brisbane, historical rail infrastructure exists within its tenements, several major deposits sit in close proximity and 85kms south within the Tarong Basin lies the major Meandu mine and the Tarong and Tarong North Power stations.

Formation	Area (km <sup>2</sup> )	Thickness (m)	Unexpected Geological Loss (% vol)	Size (Mt) <sup>1, 2</sup>	Washed Product (@ CF 1.60)	Calorific Value (Kcal/kg)	Crucible Swell Number
Tarong Beds	12.0	3.0	15	15-60	Thermal	5,000	0
Esk Formation	48.0	0.9	20	10-60	Semi-soft coking	5,700	1-3
Gayndah Formation	5.0	2.0	15	5-20	Thermal	5,200	0.5
Total				30-140			

**Table 1:** EPC 2527 and 2528 Exploration Targets

<sup>1</sup> A relative density of 1.40 g/cc has been assumed from historical coal quality analyses. Allowance made for unexpected geological loss due to seam discontinuity and unexpected structure.



**Figure 5:** Coal Target Zones

## Directors' Report *Continued...*

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### **Auditor's 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.



Mr Bryan Frost  
**Executive Chairman**

Melbourne, Australia

Dated this the 15<sup>th</sup> Day of March 2013.

# Auditor's Independence Declaration



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## DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF MINING PROJECTS GROUP LIMITED

As lead auditor of Mining Projects Group Limited for the year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in blue ink that reads 'David Garvey'. The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

David Garvey

Partner

BDO East Coast Partnership

Melbourne, 15 March 2013

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# Consolidated Profit or Loss and Other Comprehensive Income

## For the Half Year Ended 31 December 2012

	Note	31 December 2012 \$	31 December 2011 \$
<b>REVENUE</b>			
Interest Revenue from external parties		8,210	7,632
Other		-	7,116
<b>TOTAL REVENUE</b>		<b>8,210</b>	<b>14,748</b>
<b>EXPENSES</b>			
Audit fees		(38,550)	(23,213)
Depreciation		(6,881)	(12,389)
Tenement expenses		(55,652)	-
Directors' & Consultants' fees		(198,499)	(266,857)
Net movement in fair value of financial assets held for trading		(219,106)	(962,563)
Impairment of available for sale financial assets		(246,331)	(112,279)
Impairment of exploration assets		(1,025,451)	-
Travel & marketing		(11,378)	(17,421)
Administration		(25,527)	(57,877)
Professional fees		(182,575)	(159,335)
Rent		(15,375)	(45,336)
Other expenses		(30,385)	(65,772)
Receipt of previously written off bad debt		61,688	-
<b>Loss before income tax</b>		<b>(1,985,812)</b>	<b>(1,708,294)</b>
Income tax expense		-	-
<b>Loss for the year after income tax</b>		<b>(1,985,812)</b>	<b>(1,708,294)</b>
<b>Other comprehensive (expense):</b>			
Foreign exchange translation		28,819	(85,858)
<b>Other comprehensive (expense) for the year, net of tax</b>		<b>28,819</b>	<b>(85,858)</b>
<b>Total comprehensive (expense) for the year</b>		<b>(1,956,993)</b>	<b>(1,794,152)</b>
<b>Loss attributable to:</b>			
Owners of Mining Projects Group Ltd		(1,971,902)	(1,704,792)
Non-controlling interests		(13,910)	(3,502)
		<b>(1,985,812)</b>	<b>(1,708,294)</b>
<b>Total comprehensive income /(expense) attributable to:</b>			
Owners of Mining Projects Group Ltd		(1,943,150)	(1,790,650)
Non-controlling interests		(13,843)	(3,502)
		<b>(1,956,993)</b>	<b>(1,794,152)</b>
Basic (loss) per share (cents per share)	8	(0.87)	(2.16)
Diluted (loss) per share (cents per share)	8	(0.87)	(2.16)

The accompanying notes form part of these financial statements.



# Consolidated Statement of Financial Position

## As at 31 December 2012

	Note	31 December 2012 \$	30 June 2012 \$
<b>ASSETS</b>			
<b><i>Current assets</i></b>			
Cash and cash equivalents		428,936	202,682
Trade and other receivables		75,364	69,126
Other financial assets	6	493,901	645,733
Deposit funds		100,000	100,000
Other assets		14,814	20,673
<b>Total Current Assets</b>		<b>1,113,015</b>	<b>1,038,214</b>
<b><i>Non-Current Assets</i></b>			
Trade and other receivables		327	-
Rehabilitation loan guarantees (SA)		49,708	57,343
Other financial assets	6	134,732	381,063
Property, plant and equipment		28,007	34,888
Exploration and evaluation costs	7	227,739	1,037,890
<b>Total Non-Current Assets</b>		<b>440,513</b>	<b>1,511,184</b>
<b>TOTAL ASSETS</b>		<b>1,553,528</b>	<b>2,549,398</b>
<b>LIABILITIES</b>			
<b><i>Current Liabilities</i></b>			
Trade and other payables		167,452	339,086
Provisions		3,397	9,013
<b>Total Current Liabilities</b>		<b>170,849</b>	<b>348,099</b>
<b>TOTAL LIABILITIES</b>		<b>170,849</b>	<b>348,099</b>
<b>NET ASSETS</b>		<b>1,382,679</b>	<b>2,201,299</b>
<b>EQUITY</b>			
Issued capital	5	33,397,637	32,259,264
Foreign currency translation reserve		(70,395)	(99,147)
Accumulated losses		(31,921,223)	(29,949,321)
<b>Parent interests</b>		<b>1,406,019</b>	<b>2,210,796</b>
Non-controlling interests		(23,340)	(9,497)
<b>TOTAL EQUITY</b>		<b>1,382,679</b>	<b>2,201,299</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

## For the Half Year Ended 31 December 2012

Consolidated Entity	Issued Capital	Reserve	Accumulative losses	Non-controlling interests	Total
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2011</b>	<b>31,219,145</b>	<b>14,402</b>	<b>(26,980,614)</b>	<b>(7,073)</b>	<b>4,245,860</b>
<b>Total comprehensive expense for the period</b>	-	(85,858)	(1,704,792)	(3,502)	(1,794,152)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued (net of costs)	889,957	-	-	-	889,957
Options exercised	-	-	-	-	-
FX reserve movements	-	-	-	-	-
<b>Balance at 31 December 2011</b>	<b>32,109,102</b>	<b>(71,456)</b>	<b>(28,685,406)</b>	<b>(10,575)</b>	<b>3,341,665</b>
<b>Total comprehensive expense for the period</b>	-	(113,549)	(2,968,707)	(2,424)	(3,084,680)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued (net of costs)	1,004,719	-	-	-	1,004,719
Options exercised	400	-	-	-	400
Options Issued	35,000	-	-	-	35,000
FX reserve movements	-	-	-	-	-
<b>Balance at 30 June 2012</b>	<b>32,259,264</b>	<b>(99,147)</b>	<b>(29,949,321)</b>	<b>(9,497)</b>	<b>2,201,299</b>
<b>Total comprehensive expense for the period</b>	-	28,752	(1,971,902)	(13,843)	(1,956,993)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued (net of costs)	1,138,278	-	-	-	1,138,278
Options exercised	95	-	-	-	95
FX reserve movements	-	-	-	-	-
<b>Balance at 31 December 2012</b>	<b>33,397,637</b>	<b>(70,395)</b>	<b>(31,921,223)</b>	<b>(23,340)</b>	<b>1,382,679</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

## For the Half Year Ended 31 December 2012

	Note	31 December 2012 \$	31 December 2011 \$
<b><i>Cash flows from operating activities</i></b>			
Payments to suppliers and employees		(486,005)	(413,279)
Interest received		6,974	7,632
<b>Net cash flows used in operating activities</b>		<b>(479,031)</b>	<b>(405,647)</b>
<b><i>Cash flows related to investing activities</i></b>			
Payment for purchases of plant and equipment		-	(617)
Proceeds from sales of equity investments		35,561	187,340
Payment for purchases of equity investments		(103,077)	(126,464)
Loans from/(to) other entities		(28,709)	-
Loans repaid by other entities		-	(1,362)
Payment for tenement and exploration		(156,114)	(24,873)
<b>Net cash flows from/ (used in) investing activities</b>		<b>(252,339)</b>	<b>34,024</b>
<b><i>Cash flows related to financing activities</i></b>			
Proceeds from issues of securities		1,052,986	992,732
Capital raising costs		(94,614)	(102,775)
<b>Net cash flows from financing activities</b>		<b>958,372</b>	<b>889,957</b>
<b>Net increase in cash and cash equivalents</b>		<b>227,002</b>	<b>518,334</b>
Cash and cash equivalents at the beginning of the period		202,682	317,609
Effects of exchange rate changes on cash and cash equivalents		(748)	(9,974)
<b>Cash and cash equivalents at the end of the period</b>		<b>428,936</b>	<b>825,969</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

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## Note 1 - Basis of Preparation

The general purpose financial report for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year financial report does not include all notes of the type normally included in an Annual Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the Annual Report.

Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2012 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.

### Accounting Policies

All amended Accounting Standards have been adopted from 1 July 2012. The adoption of these Standards did not have any material effect on the financial position or performance of the Company. All other accounting policies adopted by the Company are consistent with the most recent Annual Report for the year ended 30 June 2012.

### Going Concern

The consolidated entity incurred a net loss after income tax of \$1,985,812 for the half-year period ended 31 December 2012 and had net cash outflows from operating and investing activities of \$731,370. These conditions indicate a material uncertainty over the consolidated entity's ability to continue as a going concern.

This financial report has been prepared on a going concern basis which assumes the realisation of assets and discharge of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- At 31 December 2012, the consolidated entity had cash and cash equivalents of \$428,936 and had working capital, being current assets less current liabilities, of \$942,166.
- The budgets and forecasts reviewed by the Directors for a period of 12 months from the date of signing the financial report anticipate the business will hold cash and cash equivalents to fund its operations and exploration commitments.  
Pursuant to Resolution 1 of the Company's General Meeting which was approved by members on 1<sup>st</sup> March 2013, the Company will seek to raise \$1.6 million, which the Director's believe is highly achievable;
- The Company has the ability to raise cash funds from the disposal of its investment portfolio.
- Management of the consolidated entity will actively manage the current level of discretionary expenditures in line with the funds available to the consolidated entity.
- Expenditures on the current exploration program and working capital requirements will also be actively managed.
- Should additional funding be required the consolidated entity may attempt future equity capital raising initiatives, however, it should be noted that while this source of funding has been used in the past, any future capital raising would be dependent on financial market conditions at the time that any additional equity funds are being sought.

Based on the above successfully occurring, the Directors are satisfied adequate plans are in place and that the consolidated entity will have sufficient sources of funding to meet its obligations and anticipated expenditure through to 31 March 2014 (12 months from date of this report). On this basis the financial report has been prepared on the going concern basis.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

## Note 2 - Dividends

No dividends have been declared for the period ended 31 December 2012.

# Notes to the Financial Statements *Continued...*

## Note 3 - Segment Information

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

The operating segments are identified by the management team 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 Company 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 Company invests in exploration activities of areas of interest in order to identify mineral deposits for exploration through sale of rights or mining activities.
- Corporate - The corporate business segment consists of the Board of Directors, and the expenditures of the Company communications, consultants, and reporting.

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

31 December 2012	Exploration & Mining	Investments	Corporate	Total
	\$	\$	\$	\$
<b>Revenue</b>				
Interest revenue	-	-	8,210	8,210
Net movement in fair value of financial assets held for trading	-	-	-	-
Unallocated revenue	-	-	-	-
<b>Total Revenue</b>	-	-	<b>8,210</b>	<b>8,210</b>
<b>Expenses</b>				
Segment Expenses	(438,168)	(155,344)	(935,073)	(1,528,585)
Net movement in fair value of financial assets held for trading	-	(219,106)	-	(219,106)
Impairment of available for sale financial assets	-	(246,331)	-	(246,331)
Unallocated Expenses	-	-	-	-
<b>Total Expense</b>	<b>(438,168)</b>	<b>(620,781)</b>	<b>(935,073)</b>	<b>(1,994,022)</b>
Income Tax Expense	-	-	-	-
<b>Net Result</b>	<b>(438,168)</b>	<b>(620,781)</b>	<b>(926,863)</b>	<b>(1,985,812)</b>
<b>Assets</b>				
Segment assets	227,739	628,633	697,156	1,553,528
<b>Total Assets</b>	<b>227,739</b>	<b>628,633</b>	<b>697,156</b>	<b>1,553,528</b>
<b>Liabilities</b>				
Segment liabilities	23,215	-	147,634	170,849
<b>Total Liabilities</b>	<b>23,215</b>	-	<b>147,634</b>	<b>170,849</b>

# Notes to the Financial Statements *Continued...*

31 December 2011	Exploration & Mining	Investments	Corporate	Total
	\$	\$	\$	\$
<b>Revenue</b>				
Interest revenue	-	-	7,632	7,632
Net movement in fair value of financial assets held for trading	-	-	-	-
Profit on sale of mining tenement	-	-	-	-
Other unallocated revenue	-	-	7,116	7,116
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>14,748</b>	<b>14,748</b>
<b>Expenses</b>				
Segment Expenses	(54,633)	(28,416)	(565,151)	(648,200)
Net movement in fair value of financial assets held for trading	-	(962,563)	-	(962,563)
Impairment of available for sale financial assets	-	(112,279)	-	(112,279)
Unallocated Expenses	-	-	-	-
<b>Total Expense</b>	<b>(54,633)</b>	<b>(1,103,258)</b>	<b>(565,151)</b>	<b>(1,723,042)</b>
Income Tax Expense	-	-	-	-
<b>Net Result</b>	<b>(54,633)</b>	<b>(1,103,258)</b>	<b>(550,403)</b>	<b>(1,708,294)</b>
<b>Assets</b>				
Segment assets	958,635	1,564,200	1,027,196	3,550,031
<b>Total Assets</b>	<b>958,635</b>	<b>1,564,200</b>	<b>1,027,196</b>	<b>3,550,031</b>
<b>Liabilities</b>				
Segment liabilities	30,945	-	177,421	208,366
<b>Total Liabilities</b>	<b>30,945</b>	<b>-</b>	<b>177,421</b>	<b>208,366</b>

## Note 4 - Contingent Liabilities and Assets

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

## Note 5 - Contributed Equity

	Note	31 December 2012	30 June 2012
		\$	\$
Ordinary shares fully paid	5a	33,291,378	32,153,005
Options over ordinary shares	5b	106,259	106,259
		<b>33,397,637</b>	<b>32,259,264</b>



# Notes to the Financial Statements *Continued...*

		31 December 2012		30 June 2012		
		Note	No.	\$	No.	\$
<b>5a)</b>	<b>Ordinary Shares</b>					
	At the beginning of reporting period		131,611,470	32,153,005	74,454,882	31,147,886
	<u>Shares issued during year</u>					
	- Issue of shares	(i)	120,289,176	1,202,892	49,636,588	992,731
	- Issue of shares to consultants	(i)	5,716,200	42,000	7,500,000	135,000
	- Exercise of Options	(i)	6,308	95	20,000	400
	Transaction costs relating to share issues		-	(106,614)	-	(123,012)
	<b>At reporting date</b>		<b>257,623,154</b>	<b>33,291,378</b>	<b>131,611,470</b>	<b>32,153,005</b>

*During the Half Year ended 31 December 2012, the Company issued the following securities:*

(i)	31-Dec-12	Details	Note	Number	Issue Price \$	Total \$
	3 Aug 2012	Non-Renounceable Rights Issue		105,289,176	0.010	1,052,892
	13 Aug 2012	Non-Renounceable Rights Issue - Payment to Aloisia Lechthaler		1,358,100	-	6,000
	13 Aug 2012	Non-Renounceable Rights Issue - Payment to Syracuse Capital		1,358,100	-	6,000
	13 Aug 2012	Non-Renounceable Rights Issue - Payment to Bridun		3,000,000	-	30,000
	9 Nov 2012	Interest in Fraser Range Tenements		15,000,000	0.010	150,000
	9 Nov 2012	Exercise of Options		6,308	0.015	95
				<b>126,011,684</b>		<b>1,244,987</b>

		31 December 2012		30 June 2012		
		Note	No.	\$	No.	\$
<b>5b)</b>	<b>Options</b>					
	At the beginning of reporting period		102,335,763	106,259	42,699,175	71,259
	<u>Options movements during year</u>					
	- Issue of options	(i)	105,289,176	-	49,656,588	-
	- Exercise of options	(i)	(6,308)	-	(20,000)	-
	- Issue of options to consultants		-	-	10,000,000	35,000
	<b>At reporting date</b>		<b>207,618,631</b>	<b>106,259</b>	<b>102,335,763</b>	<b>106,259</b>

# Notes to the Financial Statements *Continued...*

*During the Half Year ended 31 December 2012, the Company issued the following securities:*

(i)	31-Dec-12	Details	Class	Number	Issue Price \$	Total \$
	3 Aug 2012	Non-Renounceable Rights Issue	MPJO	105,289,176	-	-
	9 Nov 2012	Exercise of Options	MPJO	(6,308)	-	-
				<b>105,282,868</b>	-	-

## Note 6 – Other Financial Assets

		31 December 2012 \$	30 June 2012 \$
<b>Current</b>			
Financial assets (held for trading) at fair value through profit or loss	-	493,901	645,733
		<b>493,901</b>	<b>645,733</b>
<b>Non-Current</b>			
Financial assets (available for sale)	-	1,281,865	1,337,748
Accumulated Impairment		(1,147,133)	(956,685)
		<b>134,732</b>	<b>381,063</b>
<u>Comprising of:</u>			
<u>Listed investments held at fair value</u>			
- Shares held in listed corporations (current)	-	493,901	645,733
		<b>493,901</b>	<b>645,733</b>
<u>Unlisted investments held</u>			
- Shares held in unlisted corporations at cost less accumulated impairment - unrelated (non-current)	-	134,732	381,063
- Convertible notes		-	-
		<b>134,732</b>	<b>381,063</b>
<b>Total financial assets</b>		<b>628,633</b>	<b>1,026,796</b>

# Notes to the Financial Statements *Continued...*

## Note 7 – Exploration and Tenement Expenditures

	31 December 2012	30 June 2012
	\$	\$
<b>Non-Current</b>		
<b>Exploration and tenement expenditure:</b>		
<i>Talga Peak joint venture (80%)</i>		
Balance at the start of the year	20,072	8,412
Exploration expenditure capitalised	1,869	11,660
Capitalised exploration costs written down	(21,941)	-
	-	<b>20,072</b>
<i>Egerton WA project (100%)**</i>		
Balance at the start of the year	-	-
Balance of project acquired	-	-
Exploration expenditure capitalised	-	-
Disposal of mining tenement	-	-
	-	-
<i>Mt Tarrenpower project (98.86%)</i>		
Balance at the start of the year	194,236	185,576
Balance of project acquired	-	-
Exploration expenditure capitalised	1,590	8,660
Capitalised exploration costs written down	(195,826)	-
	-	<b>194,236</b>
<i>Golden Mountain project (98.86%)</i>		
Balance at the start of the year	203,427	190,600
Balance of project acquired	-	-
Exploration expenditure capitalised	4,695	12,827
Capitalised exploration costs written down	(208,122)	-
	-	<b>203,427</b>
<i>CyferKUIL project(70%)</i>		
Balance at the start of the year	1,986	818
Balance of project acquired	-	-
Exploration expenditure capitalised	-	1,323
Capitalised exploration costs written down	(1,903)	-
Foreign currency adjustment	(83)	(155)
	-	<b>1,986</b>
<i>Zuinpingslaagte project (70%)</i>		
Balance at the start of the year	1,304	973
Balance of project acquired	-	-
Exploration expenditure capitalised	-	507
Capitalised exploration costs written down	(1,244)	-
Foreign currency adjustment	(60)	(176)
	-	<b>1,304</b>
<i>Spitz Kop project (74%)</i>		
Balance at the start of the year	2,944	1,236
Balance of project acquired	-	-
Exploration expenditure capitalised	-	1,919
Capitalised exploration costs written down	(2,801)	-
Foreign currency adjustment	(143)	(211)
	-	<b>2,944</b>

# Notes to the Financial Statements *Continued...*

	31 December 2012	30 June 2012
	\$	\$
<i>Schiet Kop project (74%)</i>		
Balance at the start of the year	180,930	206,767
Balance of project acquired	-	-
Exploration expenditure capitalised	-	2,872
Capitalised exploration costs written down	(198,018)	-
Foreign currency adjustment	17,088	(28,709)
	-	<b>180,930</b>
<i>Uitkyk project (74%)</i>		
Balance at the start of the year	181,764	207,148
Balance of project acquired	-	-
Exploration expenditure capitalised	-	3,350
Capitalised exploration costs written down	(198,814)	-
Foreign currency adjustment	17,050	(28,734)
	-	<b>181,764</b>
<i>Farm 45 (74%)</i>		
Balance at the start of the year	179,602	206,613
Balance of project acquired	-	-
Exploration expenditure capitalised	-	1,634
Capitalised exploration costs written down	(196,782)	-
Foreign currency adjustment	17,180	(28,645)
	-	<b>179,602</b>
<i>Etona Coal Project (100%)</i>		
Balance at the start of the year	71,625	-
Balance of project acquired	-	25,000
Exploration expenditure capitalised	714	46,625
Capitalised exploration costs written down	-	-
	<b>72,339</b>	<b>71,625</b>
<i>Fraser Range Project (70%)</i>		
Balance at the start of the year	-	-
Balance of project acquired	-	-
Exploration expenditure capitalised	155,400	-
Capitalised exploration costs written down	-	-
	<b>155,400</b>	-
<b>Total capitalised exploration expenditure</b>	<b>227,739</b>	<b>1,037,890</b>

## Notes to the Financial Statements *Continued...*

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### Note 8 – Loss per Share

	31 December 2012	31 December 2011
Basic (loss) per share (cents)	(0.87)	(2.16)
Diluted (loss) per share (cents)	(0.87)	(2.16)
a) Net profit / (loss) used in the calculation of basic and diluted loss per share	(\$1,971,902)	(\$1,704,792)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	226,551,210	78,929,993

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### Note 9 - Net Tangible Assets

	31 December 2012	31 December 2011
Net Tangible Assets	\$1,154,940	\$2,383,030
Shares (No.)	257,623,154	124,091,470
Net Tangible Assets (Cents)	0.45	1.92

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### **Note 10 - Events Subsequent to Reporting Date**

The follow events have taken place since 31 December 2012 all of which have been announced:

- 30 January 2013      The Company announced that it has been granted its first Delcarmen coal permit for EPC 2527. The grant for EPC 2528 remains in the process of being granted but the Company does not anticipate any impediments to its grant.
- 4 February 2013      The Company issued 12,500,000 securities to the vendors of Delcarmen Energy Pty Ltd following the granting of tenement EPC 2527. The issue was approved by shareholders at the Company's General Meeting on 18<sup>th</sup> May 2012.

Other than the events listed above, there have been no further matters or circumstances that have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.



# Director's Declaration

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The Directors' of the Company declare that;

1. the financial statements and notes, as set out on pages 10 to 22, are in accordance with the Corporations Act 2001; and
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
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.



Mr Bryan Frost  
**Executive Chairman**

Melbourne, Australia.

Dated this the 15<sup>th</sup> Day of March 2013.



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Australia

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mining Projects Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mining Projects Group Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### 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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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 Limited, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mining Projects Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



## 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 Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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*.

## Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 "Going Concern" in the financial report, which indicates that the consolidated entity incurred a net loss of \$1,956,993 for the half year, and had net cash outflows from operating activities of \$479,031. These conditions, along with other matters as set forth in Note 1, give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO East Coast Partnership

A handwritten signature in blue ink, appearing to read 'David Garvey'. Above the signature is a small, stylized logo consisting of the letters 'BDO'.

David Garvey

Partner

Melbourne, 15 March 2013

# Corporate Directory

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## DIRECTORS

Mr. Bryan Frost	Executive Chairman
Mr. Richard Revelins	Executive Director
Mr. Phillip Hains	Executive Director
Mr. James Babbage	Independent Non-Executive Director

## COMPANY SECRETARIES

Mr. Richard Revelins	Mr. Phillip Hains
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## COMPANY

Mining Projects Group Limited  
ABN 84 006 189 331

## WEBSITE

[www.miningprojectsgroup.com.au](http://www.miningprojectsgroup.com.au)

## PRINCIPAL PLACE OF BUSINESS

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

## REGISTERED OFFICE

Suite 2, 1233 High Street  
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Telephone: + 61 (0)3 9824 8166  
Facsimile: + 61 (0)3 9824 8161

## SHARE REGISTRY

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

## SOLICITORS

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

## AUDITORS

BDO East Coast Partnership  
Level 14, 140 William Street  
Melbourne, Victoria  
Australia. 3000

## BANKERS

National Australia Bank (NAB)  
330 Collins Street  
Melbourne, Victoria  
Australia. 3000

## SECURITIES QUOTED

*Australian Securities Exchange (ASX)*

- Ordinary Fully Paid Shares (ASX Code: MPJ)
- Listed Options over Ordinary Fully Paid Shares (ASX Code: MPJOA) exercisable at \$0.10 per option on or before 6<sup>th</sup> July 2014.
- Listed Options over Ordinary Fully Paid Shares (ASX Code: MPJOB) exercisable at \$0.015 per option on or before 30<sup>th</sup> November 2014.