

30 July 2014

## Company Update

The Directors of Minerals Corporation Limited (**MSC** or the **Company**) are pleased to provide an update of the Company's activities. MSC is currently in ongoing discussions with the ASX regarding satisfaction of certain reinstatement conditions and expects that its securities will be reinstated for quotation on the ASX in early August.

### Activities Update

The Company provides the following update on its planned activities in relation to the Skardon Kaolin Project in Cape York Peninsula, Queensland (the **Project**).

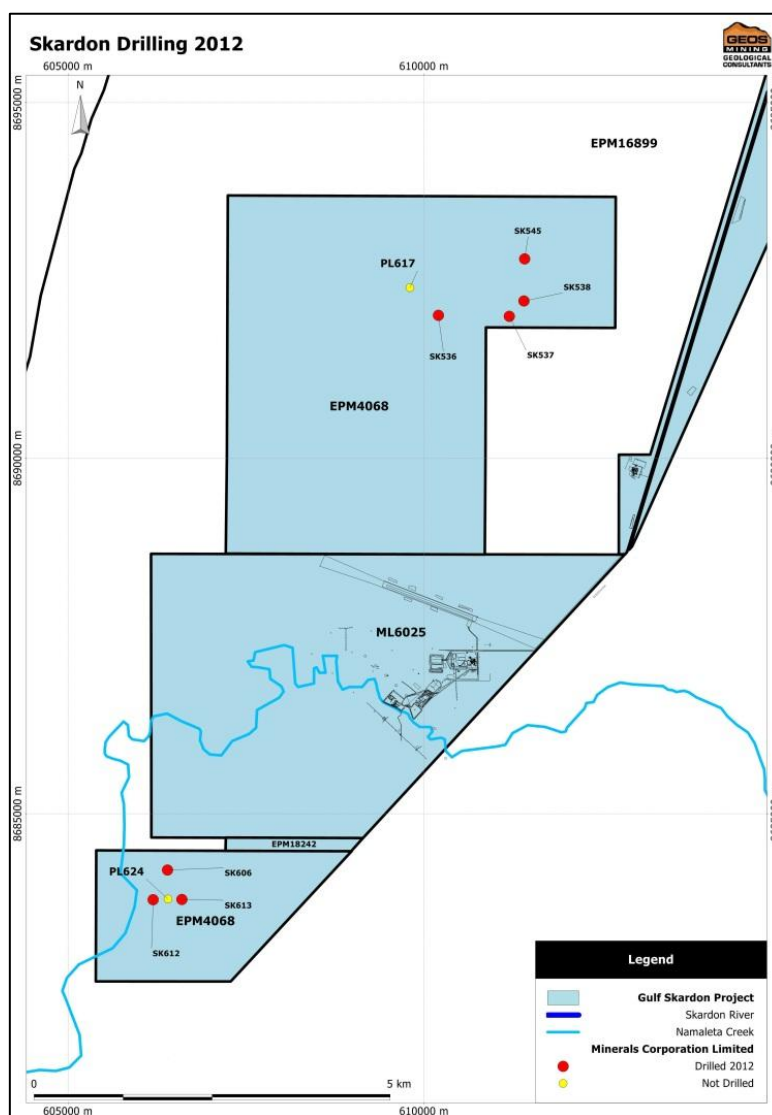


Figure 1 – Skardon Project Drilling Programme (as announced 2 November 2012)

The Project comprises a granted exploration permit (EPM4068, 20% MSC), an exploration permit application (EPM18,242, 5% MSC) as well as two mineral development licence applications (MDL423 & MDL425, 5% MSC). The Company is currently in the process of reviewing the data from previous exploration programmes with a view to determining the most appropriate way to develop the Project further in conjunction with its joint venture partner, Gulf Alumina Limited.

EPM 4068 has been the main focus of the Company's exploration within the Project to date. Works previously undertaken include an air core drilling programme, which was designed to test the potential for further kaolin outside of the known resource areas. A total of seven holes for 116.5 metres were previously drilled at two areas within the tenement. For full results in relation to the drill programme referred to above, please refer to MSC's ASX announcement dated 2 November 2012.



Figure 2: Samples from 2012 drilling programme

Sample Number	Hole ID	Sample From	Depth (m) To	Priority
255508	SK537	3.5	4	1
255514	SK537	6.5	7	1
255526	SK537	12	12.5	2
255527	SK537	12.5	13	2
260891-2	SK612	8	9	1

Table 1 - Samples recommended for further analysis

The Company has begun the process of analysing the results obtained from this programme. Samples previously selected for assay were selected to represent the best quality kaolin. Of the fifteen samples that were previously selected for initial assay, including one composite sample, the Company has identified a number of samples which appear to be suitable for further brightness testing, mineralogy and further particle size testing based on their colour and chemistry. Some of these samples have a low estimated kaolin value and have a majority quartz value, indicating wet refining would be required to give an acceptable industrial product. The holes and depths that each sample is from can be found in Table 1. The location of their corresponding holes can be found in Figure 3.

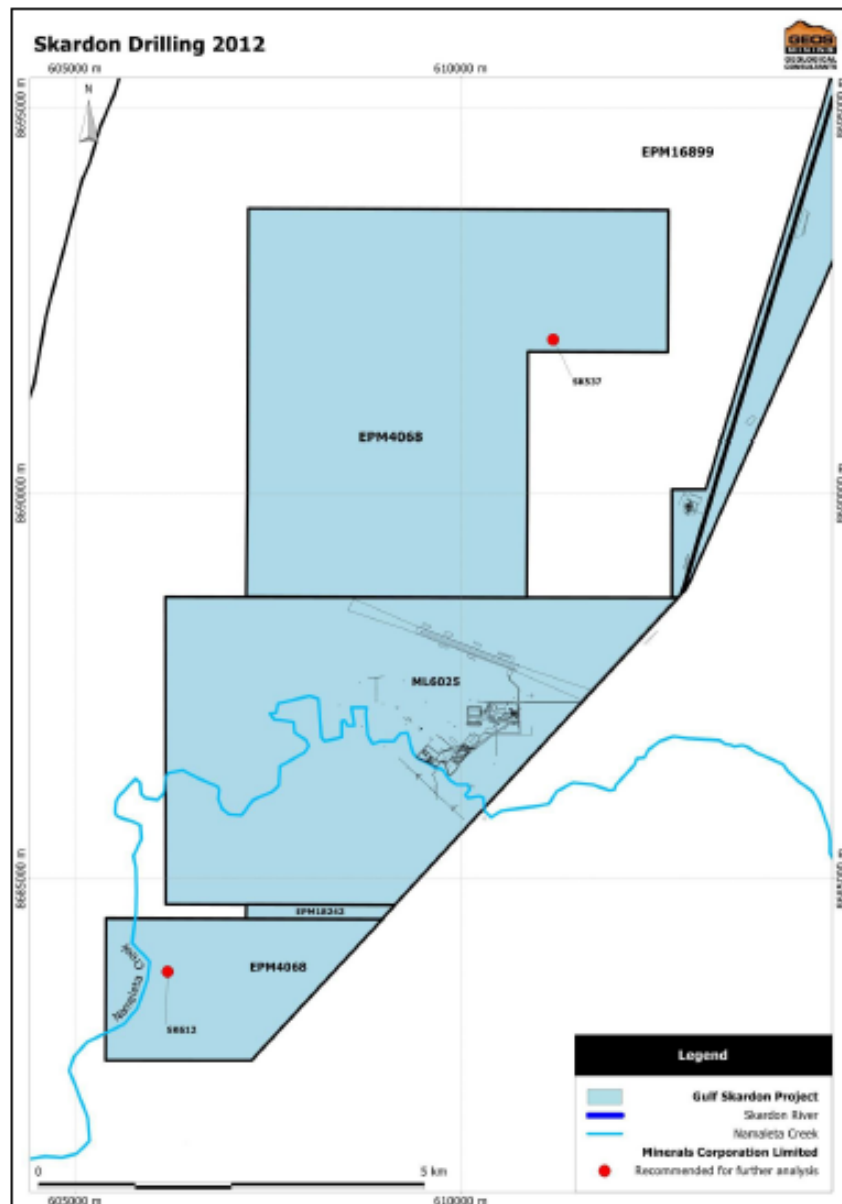


Figure 3 - Location of samples recommended for further analysis

Together with the activities being undertaken on the Project, the Company is also reviewing a number of investment opportunities. Should MSC identify a suitable transaction with the potential to create value for the Company and its shareholders then it will present the opportunity for the approval of the Company's shareholders as and when appropriate.

## Financial Position

As at the date of this announcement, the Company has a net cash position of approximately \$250,000. The Company will determine a suitable budget to progress the review of historical data at the Project and the assessment of alternative investment opportunities as outlined above. Once the current desktop review and further sampling analysis is completed the Company will seek to finalise an appropriate exploration strategy in order to maximise the potential value of the Project.

## Current Capital Structure

Ordinary Shares	14,751,420
Quoted Options exercisable at \$0.66 on or before 31 December 2015	4,351,291
Options exercisable at \$0.99 on or before 31 December 2015	757,587
Options exercisable at \$0.2244 on or before 31 December 2015	227,274
Options exercisable at \$0.30 on or before 30 June 2017	757,576

Yours faithfully,

**Nicholas Ong**  
Company Secretary

## Competent Person Statement

*Information in this report relating to exploration results is based on information compiled by Sue Border, who is a Fellow of the AusIMM and of AIG and is a consultant employed by Geos Mining. She has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC code). Sue Border consents to the inclusion in this report of this information in the form and context in which it appears.*