



MINERALS CORPORATION LIMITED

ABN 51 002 529 160

HALF-YEAR FINANCIAL REPORT

31 December 2014

CORPORATE DIRECTORY

Directors

(Nicholas) Chen Chik Ong
Non-executive Director

Andrew Tunks
Non-executive Director

Matthew Foy
Non-executive Director

Company Secretary

Samuel Edis

Registered Office

Office J, Level 2, 1139 Hay Street
West Perth Western Australia 6005
Telephone: 08 9486 4036

Share Registry

Computershare Investor Services Pty Limited
Level 2 / 45 St Georges Terrace
Perth Western Australia 6000
Telephone: 1300 850 505
Overseas: +61 3 9415 4000
Facsimile: +61 8 9323 2033

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco Western Australia 6008
Telephone: 08 6382 4600

Stock Exchange Listing

Minerals Corporations Limited shares are listed on the Australian Securities Exchange, home branch, Perth
Code: MSC

Website

<http://mineralscorp.com.au/>

DIRECTORS' REPORT

Your directors submit the financial report of Minerals Corporation Limited ("The Company" or "MSC") for the half-year ended 31 December 2014.

DIRECTORS

The name of each person who has been a director during the half-year and continues in office at the date of this report are:

Andrew Tunks

(Nicholas) Chen Chik Ong

Matthew Foy appointed on 16 January 2015

Daniel Smith resigned on 16 January 2015

COMPANY SECRETARY

Samuel Edis appointed on 16 January 2015

(Nicholas) Chen Chik Ong resigned on 16 January 2015

PRINCIPAL ACTIVITIES

The principal continuing activities of the Company are mineral exploration and the development of mineral projects.

REVIEW OF OPERATIONS

RIWAKA NI-CU-PGE PROJECT

During the reporting period, the Company announced that it had entered into an option agreement with NZA Commodities Pty Ltd (**NZA**) which grants MSC the option to acquire 100% of the highly prospective Riwaka Ni-Cu-PGE project near Nelson, New Zealand (**Riwaka**). Riwaka comprises three leases (two granted, one application) covering ~95km² of the mineralised Riwaka Complex, an elongate mafic-ultramafic intrusive body.

The Riwaka Ni-Cu-PGE Project comprises 3 leases (PP 55350, EP55544 and PPA 57025) targeting massive sulphide Nickel-Copper-PGE mineralisation in New Zealand. The project is well serviced by proximity to power, port and a residential local workforce. New Zealand has also recently (2013) amended its Mining Legislation to become more "mining friendly", resulting in the 2013 Fraser Institute Mining Survey ranking of 14th in the world (above Queensland, NSW, British Columbia and Ontario, as well as a number of other established mining jurisdictions).

The Riwaka Project provides an opportunity to explore a large mineralised layered intrusion which was last drilled in the mid-1970s and has never had modern techniques applied in the exploration for massive Nickel-Copper-PGE mineralisation.

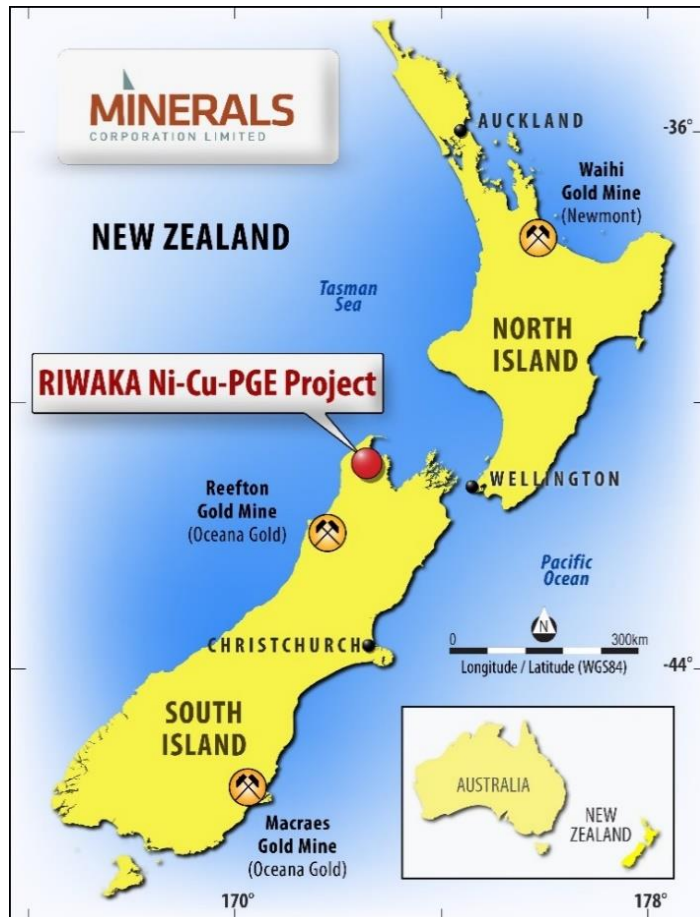


Figure 1 – Riwaka Project Location

Heli-Borne Electro Magnetic Survey

Due to the presence of massive sulphides in the mineralisation discovered previously, together with the limited and shallow nature of existing drilling, a Heliborne Versatile Time Domain Electro Magnetic (VTEM) survey (596 line km) was undertaken during the period to test the most prospective units at the Project for electrical conductors (possible massive sulphides) (see Figure 3 below).

Geotech Airborne (**Geotech**) commenced the VTEM Survey at Riwaka on 2 December 2014. Geotech has recently been engaged extensively throughout the Western Australian Fraser Range belt with VTEM assisting in the identification of Ni-Cu sulphide bodies. Geotech's proprietary VTEM is the leading time-domain electromagnetic system and has flown over 2 million line kilometres worldwide.



Figure 2 – Geotech Airborne VTEM system on site at Riwaka, New Zealand

The VTEM survey was finished on 12 December 2014, with completion occurring upon the delivery of the data collected from the VTEM survey being delivered to the Company’s geophysical consultants, Newexco, subsequent to the reporting period on 5 February 2015. Newexco are now reviewing the data to highlight features associated with potential massive sulphide accumulations and, based on Newexco’s review, the Company will make a decision as to whether to exercise the Riwaka option prior to its expiry in early April. Newexco have an enviable record of being the consultants of choice for numerous companies with Nickel-Copper exploration projects, with active involvement in the following discoveries:

- **Silver Swan Deeps** (Kalgoorlie, WA) for Outokumpu-MPI JV
- **Savannah Deeps** (East Kimberley, WA) for Panoramic Resources
- **Deakin – Lanfranchi** (Yilgarn, WA) for Panoramic Resources
- **Nova Massive Nickel Sulphide deposit** (Fraser Range, WA)
- **Spotted Quoll Nickel Deposit** (Forrestania), for Western Areas NL
- **Flying Fox T-0 to T-7 Deposits** (Forrestania), for Western Areas NL

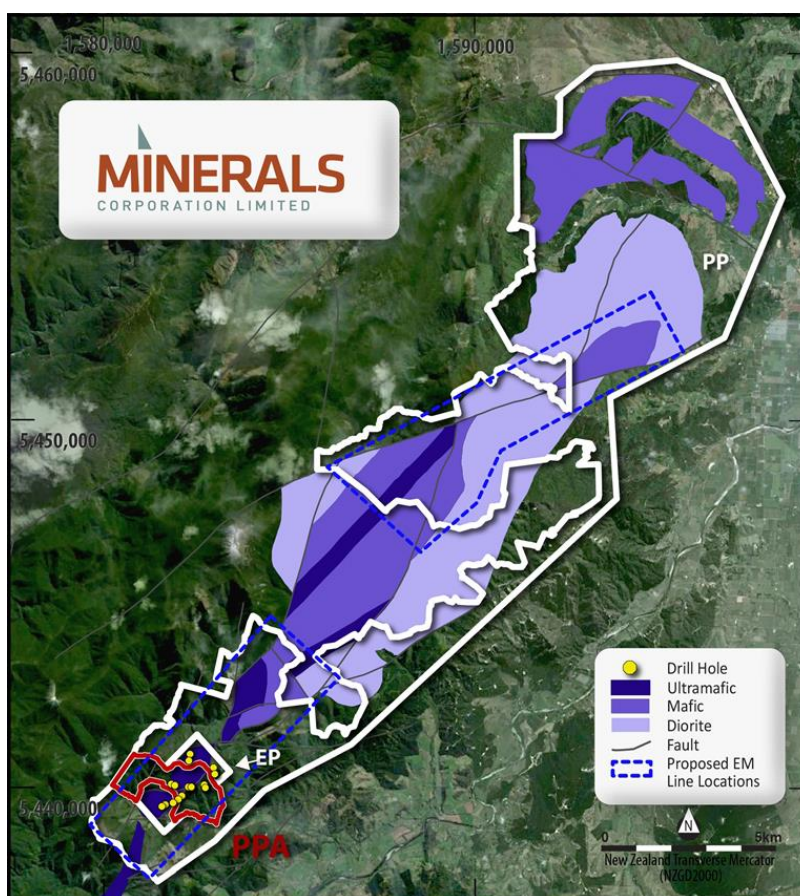


Figure 3 –VTEM survey over simplified geology

Commercial Terms

The material terms and conditions of the Riwaka option are as follows:

1. MSC has an option over 100% of the issued capital of NZA;
2. As part of a technical due diligence, MSC agreed to fund up to \$250,000 towards an airborne geophysical survey over the prospective areas;
3. Within 60 days of completion of the survey (defined as the delivery of VTEM data to Newexco), MSC must elect to exercise the option or not;
4. If MSC elects to exercise the option it will issue 4.5M MSC shares to the vendors; and

5. If MSC incurs more than \$2,000,000 at the Riwaka Project it will issue the vendors an additional 1.5M MSC shares.

Appointment of Peter Smith as Consultant

Peter Smith is a geophysicist with 25 years' experience in mineral exploration, and was the Managing Director of Pilbara Commodities which was acquired by Volta in January 2014. Peter has previously worked for Normandy, Pasminco, BHP Billiton, and Cliffs Natural Resources as well as being a founder of Intierra. Peter has held exploration management positions in MM Mining, NGM Resources and Cliffs Natural Resources.

SKARDON KAOLIN PROJECT

During the reporting period, the Company provided a number of updates on its activities in relation to the Skardon Kaolin Project in Cape York Peninsula, Queensland (**Skardon**).

The Company appointed geological consultants, Geos Mining, to assist the Company with a review of the historical exploration work at Skardon. The Principal of Geos Mining, Susan Border, has considerable experience with kaolin projects and was previously exploration manager at Skardon River back in 1994-97.

The Company engaged Geos Mining to oversee a drilling program at Skardon to follow up on the priority target areas determined by the 2012 drilling. The limited drilling was undertaken using a sonic rig which produces better, less contaminated samples than the air core rigs traditionally used for exploration in this environment. Due to timing constraints with access to the rig, the Company drilled a total of three holes at EPM4068 (see **Figure 4**) at the highest priority targets within Skardon. Based on visual interpretation, hole SKMC03 intercepted potentially good quality kaolin; the Company will undertake assaying of the samples to further determine the quality of the kaolin.

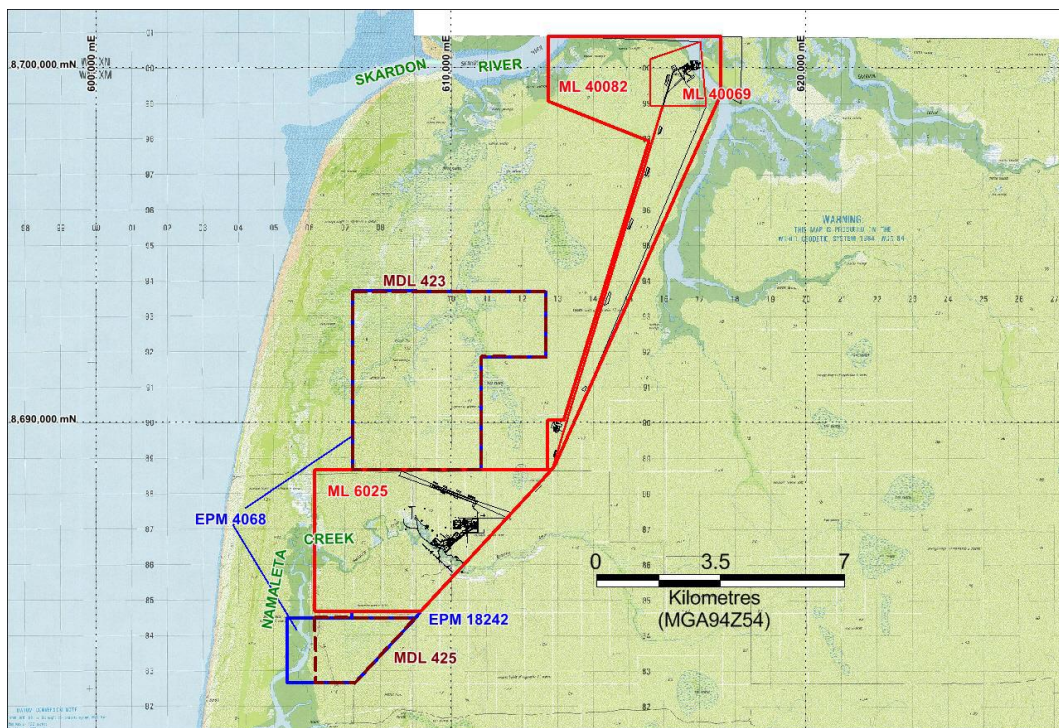


Figure 4: Skardon Project - Location Plan

EPM 4068 has been the main focus of the Company's exploration within Skardon to date. Works previously undertaken include an air core drilling program, 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 program referred to above, please refer to MSC's ASX announcement dated 2 November 2012.

Drilling

In August 2014 MSC completed three sonic drill holes on EPM 4068. This drilling was carried out in conjunction with Gulf Alumina's bauxite sonic drilling at Skardon between 5th and 28th August 2014. Geological supervision was provided by Geos Mining. The drilling aimed to provide samples of sufficient quality and quantity in areas where potential existed for the development of economic kaolin outside the known resource areas on the adjacent MLs.



Photo 1: Photo of the sonic drill rig set up



Photo 2: Photo of the rig in operation

Field exploration consisted of three holes for 32.15m completed along a north to south seismic line in the north portion of EPM 4068 (approx. 609500E – AGD84). The three holes sampled both bauxite and kaolin intervals. Bauxitic clays and silts were intersected with thicknesses varying from 0.25 – 2m. No significant intervals of good quality bauxite were encountered. Several thin intervals (<1m) of kaolin bearing clays were intersected in SK761 and SK763 while SK762 was dominated by clay rich sands.

Drilling results

Drilling of the three holes took place on the 22nd and 23rd of August 2014. The three holes totalled 32.15m and sampled both bauxite and potential kaolin material (**Table 1**). Bauxitic material from the upper 3 - 4 metres of each hole was sampled for later analysis by Gulf Alumina. Below the bauxite/laterite a total of 27 samples were taken from kaolin bearing and non-kaolin lithologies.

Hole ID	Easting (AGD84_Z54)	Northing (AGD84_Z54)	RL (m)	Total Depth (m)	Dip	Azi-muth	Comments
SK761	609492	8691684	8.102	11.25	-90°	0°	Minor bauxite intersected; Interbedded ferruginous clays and potential kaolin beds 5.15 - 8.5m (up to 0.5m thick). Water at 2.8m.
SK762	609483	8690502	8.335	10.25	-90°	0°	Intersected mostly clayey sands. Potential kaolin in the clay fraction however. Water at 4.8m depth. Converted to water monitoring bore G-MB01
SK763	609474	8689430	10.058	10.65	-90°	0°	Minor bauxite intersected; Few potential kaolin units; best at 5.05 -5.6m (0.55m).

Table 1 Summary of drilling on EPM 4068 in 2014

Contamination by iron stained material on the surface of the core and in drilling induced fractures were noted on several occasions. Bauxitic clays and silts were intersected with thicknesses varying from 0.25 – 2m. No significant intervals of good quality bauxite were encountered. Kaolin bearing clays were encountered in SK761 and SK763 while SK762 was dominated by clay rich sands. The level of cementation within the bauxite layers was generally weak with some moderately cemented clay matrix encountered in SK762. Bauxitic laterite was variably cemented between 1.25 – 2.75m in SK761. Full lithological logs were provided in the announcement dated 23 September 2014.

Follow up work

All 27 samples from the kaolin holes were brought back to Sydney by plane with the site geologist. Further inspection of the quality and potential for good kaolin in the samples took place. Fifteen of the 27 samples were considered suitable for further analysis (**Table 2**). The best sample from each hole has been denoted as priority 1 with the remaining prospective samples as priority 2.

Geos Mining has recommended sample test work as follows:

- 1) Wet screening, plus/minus 45 µm, retain minus 45 µm.
- 2) XRF chemistry on minus 45 µm
- 3) XRD mineralogy on minus 45 µm
- 4) Particle size distribution, 1 – 45 µm

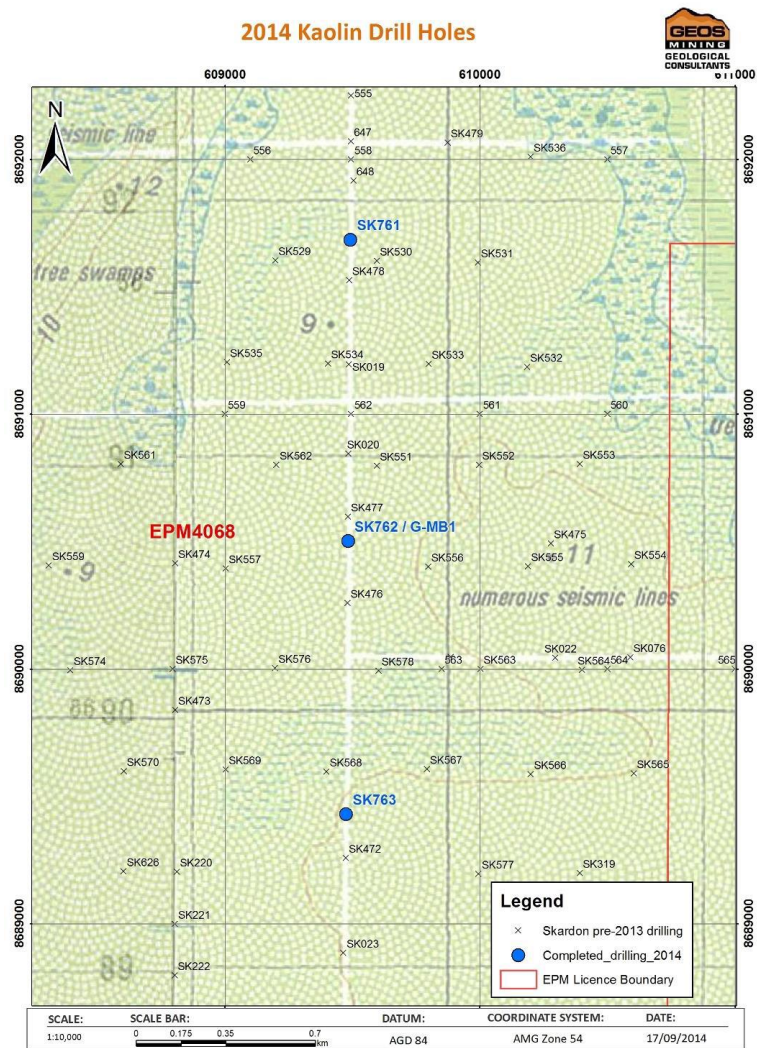


Figure 5 – Drill hole locations

Hole ID	From (m)	To (m)	Int	Lith Major	Lith Minor	Minor%	Colour	Sample ID	Sand		Munsell	Priority for Testing
									Grainsize	%		
SK761	5.15	5.7	0.55	CY	KL	30	WH	MC03-03	VF	5	5YR 8/1	2
SK761	6.5	7.4	0.9	CY	KL	15	RD	MC03-05			10YR 8/1	2
SK761	7.6	8	0.4	KL	CY	40	WH	MC03-07			5Y 8.5/1	1
SK761	8	8.4	0.4	CY	KL	20	WH	MC03-08	VF	10	5Y 8/1	2
SK761	9.15	9.75	0.6	CY	KL	10	WH	MC03-10	VF	5	10YR 8/1	2
SK761	10.9	11.25	0.35	CY			WH	MC03-12	VF	5	2.5Y 8/2	2
SK762	4.6	5.15	0.55	CY	SL	20	WH	MC02-01	VF	25	2.5Y 8.5/1	2
SK762	5.55	7.15	1.6	SN	CY	20	WH	MC02-03	M-F	80	10YR 8/1	2
SK762	7.15	9.9	2.75	SN	CY	30	WH	MC02-04	M	70	2.5Y 8.5/1	1
SK762	9.9	10.25	0.35	CY			WH	MC02-05	F	15	7.5YR 8/1	2
SK763	2.5	3.65	1.15	CY	IR	15	RD	MC04-01			2.5YR 8/2	2
SK763	3.65	4.5	0.25	CY	IR	5	WH	MC04-02	VF	10	2.5Y 8.5/2	1
SK763	4.5	5.05	0.55	CY			GY	MC04-03	VF	20	2.5Y 8/1	2
SK763	5.05	5.6	0.55	KL	CY		WH	MC04-04	VF	5	5YR 8/1	2
SK763	6.45	7.1	0.65	CY	SN	2	WH	MC04-06	VF	25	2.5Y 8/1	2

Table 2: Summary of the 15 samples with kaolin potential recommended for further test work

Competent Person Statements

Information in this report relating to exploration results at Skardon 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.

The information in this Announcement that relates to exploration results at Riwaka is based on information compiled by Peter Smith, who is a Member of The Australian Institute of Geoscientists (AIG). Mr Smith is a consultant to Minerals Corporation. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the Announcement of matters based on his information in the form and context it appears.

CORPORATE

Rights Issue

During the reporting period, MSC raised approximately \$580,965 (before costs) via a 1 for 1 non-renounceable entitlement issue at \$0.04 per share with a free attaching 10c option (**Rights Issue**), to coincide with the Riwaka transaction, and to continue to fund exploration activities at Skardon and to fund the planned geophysical survey at Riwaka (capped at \$250,000).

The Rights Issue was partially underwritten in the amount of \$250,000, however holders of shares who exercised their rights could also apply for additional securities in the Rights Issue if and to the extent that other shareholders did not exercise their rights. Applications from existing shareholders for the Rights Issue Shortfall were oversubscribed.

Placement

During the period, the Company completed a placement of 7,262,073 shares at a price of \$0.04 per share to nominees of the underwriter of the Rights Issue and a number of other sophisticated and professional investors to raise approximately \$290,483. Free attaching 10c options were issued to all subscribers under the Placement subsequent to shareholder approval at a general meeting on 21 January 2015.

Termination of PRM Transaction

Early in the reporting period, the Company advised that the proposed vendors of PRM Cloud Solutions Ltd had issued a notice of termination to the Company in relation to the share sale agreements (**SSA**). The SSA consequently terminated and the Directors withdrew the public offer made under the prospectus issued prior to the reporting period. All application money received in relation to the public offer was returned to applicants.

OPERATING RESULT

The loss for the half year was \$184,638 (31 December 2013: Loss \$1,340,477).

AFTER REPORTING DATE EVENTS

Board Changes

On 16 January 2015, MSC announced the appointment of Mr Matthew Foy as a Non-executive Director of the Company. Mr Foy is an active member of the WA State Governance Council of the Governance Institute of Australia (GIA) and spent four years at the ASX facilitating the listing and compliance of companies. Mr Foy is currently Non-executive Director of Auroch Minerals NL and SWW Energy Ltd.

The Company further advised that Mr Samuel Edis replaced Mr Nicholas Ong as the Company Secretary of MSC. Mr Edis trained at the College of Law in Bloomsbury, London and is currently Company Secretary of Taruga Gold Limited and Fraser Range Metals Group Limited.

The Company also advised of the resignation of Mr Daniel Smith as a Director and Executive of the Company due to an increasing number of other commitments. The Board thanks Mr Smith for his contribution to the Company and wishes him well in his current and future endeavours.

Claims

On 13 January 2015, the Company advised that lawyers acting for the Company's former Managing Director, Murray Ward, had filed proceedings in the Magistrates Court of Western Australia in relation to certain alleged entitlements under his contract of employment that are disputed by MSC. The total amount claimed is \$75,915.60.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporation Act 2001 is set out on page 12 for the half-year ended 31 December 2014 and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.

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

Matthew Foy
Director
Perth
11 March 2015

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MINERALS CORPORATION LIMITED

As lead auditor for the review of Minerals Corporation Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 11 March 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 December 2014 \$	31 December 2013 \$
Interest income	3,177	1,542
Other revenue	-	1,770
Total revenue	<u>3,177</u>	<u>3,312</u>
Accounting fees	(10,055)	(26,590)
ASX fees	(14,588)	(14,355)
Audit fees	(12,042)	(14,497)
Company secretarial fees	(7,000)	(13,000)
Consulting fees	(15,410)	(20,890)
Directors fees	(25,000)	(26,000)
Employee benefits expense	(13,533)	(141,383)
Impairment - DRC	-	(960,210)
Rent expense	(3,000)	(37,939)
Share registry fees	(15,570)	(13,745)
Travelling expense	(9,646)	(15,750)
Other expenses	(61,971)	(59,430)
Loss before income tax	<u>(184,638)</u>	<u>(1,340,477)</u>
Income tax expense	-	-
Loss after income tax expense	<u>(184,638)</u>	<u>(1,340,477)</u>
Other comprehensive income	-	-
Other comprehensive income for the half-year net of tax	<u>-</u>	<u>-</u>
Total comprehensive loss for the half-year	<u>(184,638)</u>	<u>(1,340,477)</u>
Loss attributable to:		
Owners of Minerals Corporation Limited	(184,638)	(1,340,477)
Non-controlling interests	-	-
	<u>(184,638)</u>	<u>(1,340,477)</u>
Total comprehensive loss for the half-year attributable to:		
Owners of Minerals Corporation Limited	(184,638)	(1,340,477)
Non-controlling interests	-	-
	<u>(184,638)</u>	<u>(1,340,477)</u>
Basic loss per share	(0.82) cents	(0.26) cents
Diluted loss per share	n/a	n/a

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	31 Dec 2014	30 Jun 2014
CURRENT ASSETS			
Cash and cash equivalents		719,504	362,421
Trade and other receivables		80,046	93,797
Total current assets		799,550	456,218
NON-CURRENT ASSETS			
Property, plant and Equipment		355	540
Exploration and evaluation assets	3	462,154	246,062
Total non-current assets		462,509	246,602
TOTAL ASSETS		1,262,059	702,820
CURRENT LIABILITIES			
Trade and other payables		121,897	239,168
TOTAL CURRENT LIABILITIES		121,897	239,168
TOTAL LIABILITIES		121,897	239,168
NET ASSETS		1,140,162	463,652
EQUITY			
Issued capital	4	137,809,378	136,948,230
Reserves		88,917	88,917
Accumulated losses		(136,758,133)	(136,573,495)
TOTAL EQUITY		1,140,162	463,652

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Share Capital Ordinary	Accumulated Losses	Options Premium Reserve	Total
	\$	\$	\$	\$
Company				
Balance at 01.07.2014	136,948,230	(136,573,495)	88,917	463,652
Loss attributable to members of parent entity	-	(184,638)	-	(184,638)
Total comprehensive loss for the period	-	(184,638)	-	(184,638)
Transactions with owners in their capacity as owners:				
Issued Capital	871,425	-	-	871,425
Equity raising costs	(10,277)	-	-	(10,277)
Balance at 31.12.2014	137,809,378	(136,758,133)	88,917	1,140,162
Company				
Balance at 01.07.2013	135,496,661	(134,587,875)	1,000	909,786
Loss attributable to members of parent entity	-	(1,340,477)	-	(1,340,477)
Total comprehensive loss for the period	-	(1,340,477)	-	(1,340,477)
Transactions with owners in their capacity as owners:				
Issued Capital	767,562	-	-	767,562
Equity raising costs	(66,083)	-	-	(66,083)
Balance at 31.12.2013	136,198,140	(135,928,352)	1,000	270,788

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 December 2014	31 December 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(243,439)	(322,143)
Interest received	3,177	1,542
Interest paid	(420)	(1,817)
Net cash used in operating activities	<u>(240,682)</u>	<u>(322,418)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for exploration and evaluation	(203,015)	(464,925)
Net cash used in investing activities	<u>(203,015)</u>	<u>(464,925)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	814,448	656,374
Payment for equity raising costs	(13,750)	(52,403)
Proceeds from borrowings	-	100,000
Net cash provided by financing activities	<u>800,698</u>	<u>703,971</u>
Net increase/(decrease) in cash held	357,001	(83,372)
Cash at the beginning of the reporting period	362,421	277,679
Effect of exchange rates on cash held in foreign currency	82	1,770
Cash at the end of the reporting period	<u>719,504</u>	<u>196,077</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1 BASIS OF PREPARATION FOR THE HALF YEAR REPORT

Basis of Preparation

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Minerals Corporation Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

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

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

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Adoption of new and revised accounting standards

In the half-year ended 31 December 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

NOTE 2 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Company does not have any customers, and all the Company's assets and liabilities are located within Australia and New Zealand.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 3 EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2014	30 June 2014
Mineral assets under exploration and evaluation	462,154	246,062
	<u>462,154</u>	<u>246,062</u>
Reconciliation:		
Balance at the beginning of the period	246,062	724,370
Expenditure	216,092	292,113
Impairment – DRC Project	-	(770,421)
Balance at the end of the period	<u>462,154</u>	<u>246,062</u>

The ultimate recovery of the value of the entity's mineral tenements is primarily dependent on the success of future development, achievement of sales forecasts or alternatively, realisation by sale.

NOTE 4 ISSUED CAPITAL

	31 December 2014	30 June 2014
Share capital	\$	\$
Fully paid ordinary shares (a)	137,809,378	136,948,230
	<u>137,809,378</u>	<u>136,948,230</u>

(a) Movement in shares 2014

	2014	2014
	Shares	\$
(1) Fully paid ordinary shares		
Opening balance	14,751,420	136,948,230
Cancellation of Buy-back shares	(227,273)	(23)
Rights issue	14,524,147	580,965
Placement	7,262,073	290,483
	<u>36,310,367</u>	<u>137,819,655</u>
Equity raising costs	-	(10,277)
Closing balance 31 December 2014	<u>36,310,367</u>	<u>137,809,378</u>

(b) Movement in shares 2013

	2013	2013
	Shares	\$
(1) Fully paid ordinary shares		
Opening balance	403,503,279	135,496,661
Issued to corporate advisors *	3,630,000	10,890
Options exercised	10,465	104
Rights issue	252,189,247	756,568
	<u>659,332,991</u>	<u>136,198,140</u>
Equity raising costs	-	(66,083)
Closing balance 31 December 2013	<u>659,332,991</u>	<u>136,198,140</u>

* The company is unable to estimate the fair value of the services received. Accordingly the company have valued the shares using the share price as at the date of issue

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 5 FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Company does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short term nature, the carrying amount of current receivables, current trade and other payables and current interest-bearing liabilities is assumed to approximate their fair value.

NOTE 6 RELATED PARTIES

	2014	2013
	\$	\$
During the period the following related party transaction took place with director related entities:		
Rosemead Consulting Pty Ltd	(i) -	10,000
Tunks Geo Consulting	(ii) 13,000	9,000
Minerva Corporate	(iii) 35,927	-
	<u>48,927</u>	<u>19,000</u>

- i. Consulting fees have been paid Rosemead Consulting Pty Ltd, of which Murray Ward is a Director.*
- ii. Consulting fees have been paid to Tunks Geo Consulting, of which Andrew Tunks is a Director.*
- iii. Corporate consulting fees (including office accommodation) have been paid to Minerva Corporate Pty Ltd of which Nicholas Ong is a Director.*

NOTE 7 EVENTS SUBSEQUENT TO REPORTING DATE

On 16 January 2015, MSC announced the appointment of Mr Matthew Foy as a Non-executive Director of the Company. The Company further advised that Mr Samuel Edis replaced Mr Nicholas Ong as the Company Secretary of MSC and that Mr Daniel Smith had resigned as a Director and Executive of the Company due to an increasing number of other commitments.

On 13 January 2015, the Company advised that lawyers acting for the Company's former Managing Director, Murray Ward, had filed proceedings in the Magistrates Court of Western Australia in relation to certain alleged entitlements under his contract of employment that are disputed by MSC. The total amount claimed is \$75,915.60.

NOTE 8 CONTINGENT ASSETS AND LIABILITIES

On 13 January 2015, the Company advised that lawyers acting for the Company's former Managing Director, Murray Ward, had filed proceedings in the Magistrates Court of Western Australia in relation to certain alleged entitlements under his contract of employment that are disputed by MSC. The total amount claimed is \$75,915.60.

To the best of the knowledge of the current directors there are no other contingent liabilities or assets for the period ending 31 December 2014.

NOTE 9 COMMITMENTS FOR EXPENDITURE

Since the last annual reporting date, there have been no material changes in commitments.

NOTE 10 DIVIDENDS

There were no dividends paid or declared by the company during the period.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 13 to 19:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional requirements and the Corporations Regulations 2001; and

(b) give a true and fair view of the entity's financial position as at 31 December 2014 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.



Matthew Foy
Director
Perth
11 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Minerals Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Minerals Corporation Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 company's financial position as at 31 December 2014 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 Minerals Corporation 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 Minerals Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



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

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 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*.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 11 March 2015