



Minerals 260

MINERALS 260 LIMITED

ACN 650 766 911

Prospectus

For the pro-rata priority offer of a minimum of 30,000,000 and up to 60,000,000 fully paid ordinary shares in Minerals 260 Limited (Shares) at an issue price of \$0.50 per Share to raise a minimum of \$15,000,000 and up to \$30,000,000 (before costs) to eligible shareholders of Liontown Resources Limited (ASX: LTR) registered on 23 August 2021 (Priority Offer). Any Shares not taken up under the Priority Offer will be offered to new investors and eligible shareholders of Liontown Resources Limited as part of a shortfall offer (Shortfall Offer).

The Priority Offer is subject to a number of conditions precedent as outlined in Section 1.2 of this Prospectus.

It is proposed that the Priority Offer will close at 5.00pm (WST) on 22 September 2021 and that the Shortfall Offer will close

on 29 September 2021. The Directors reserve the right to close the Priority Offer early or to extend these dates without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Shares.



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Important Information

The Offer

This Prospectus is issued by Minerals 260 Limited (ACN 650 766 911) for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The offer contained in this Prospectus is a pro-rata priority offer to Eligible Liantown Shareholders to acquire fully paid ordinary shares in the Company.

Any Shares not taken up pursuant to the Priority Offer will form the Shortfall Offer. New investors and Eligible Liantown Shareholders may apply for Shares under the Shortfall Offer in addition to their entitlement under the Priority Offer, subject to such Applications being received by the Shortfall Closing Date. The Priority Offer and Shortfall Offer are together referred to as the Offer.

Prospectus

This Prospectus is dated, and was lodged with ASIC on, 19 August 2021. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offer.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Bell Potter Securities Limited (ACN 006 390 772) has acted as Lead Manager to the Offer. To the maximum extent permitted by law, the Lead Manager and each of its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of this Prospectus (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the

Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Conditional Offer

The Offer contained in this Prospectus is conditional on certain events occurring. If these events do not occur, the Offer will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 1.2 for further details on the conditions attaching to the Offer.

Electronic Prospectus and Application Forms

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available from www.minerals260.com.au only to persons in Australia and New Zealand. Application Forms will not be made available until after the Exposure Period has expired.

The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia or, subject to the provisions outlined at Section 1.13, New Zealand.

The Prospectus is not available to persons in other jurisdictions in which it may not be lawful to make such an invitation or offer to apply for Securities. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory.

Applications under the Priority Offer will only be accepted on the personalised Application Form provided to Eligible Liantown Shareholders attached to, or accompanying, this Prospectus. The Application Form will include an option to subscribe for additional Shares under the Shortfall Offer.

Eligible Liantown Shareholders wishing to subscribe for Shares under the Offer should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Offers outside Australia

No action has been taken to register or qualify the Securities the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia. Subject to the provisions outlined at Section 1.13, certain wholesale investors in New Zealand are eligible to participate in the Offer. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. In particular, this Prospectus may not be distributed in the United States nor may the Shares be offered or sold to persons in the United States. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not

constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Speculative Investment

The Shares offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Shares.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in

charts, diagrams, graphs and tables is based on information available at the date of this Prospectus.

Competent Persons Statements

The information in this Prospectus that relates to technical assessment of the exploration targets and exploration results is based on, and fairly represents, information and supporting documentation prepared by Jason Froud, a Competent Person who is a member of the Australian Institute of Geoscientists. Jason Froud is a Principal of Optiro Pty Ltd, an independent consulting company. Jason Froud has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Jason Froud consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to '\$' or 'A\$' are references to Australian dollars.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 10.

Corporate Directory

Directors

Anthony Cipriano
David Richards
Timothy Goyder
Craig Williams

Non-Executive Chair
Managing Director
Non-Executive Director
Non-Executive Director

Company Secretary

Clinton McGhie

Registered and Principal Office

Minerals 260 Limited
Level 2, 1292 Hay Street
West Perth WA 6005
Email: info@minerals260.com.au
Website: www.minerals260.com.au

Share Registry*

Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth, Western Australia 6000

Australian Lawyers

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

Lead Manager

Bell Potter Securities Limited
Exchange Plaza
Level 37, 2 The Esplanade
Perth WA 6000

Auditor & Investigating Accountant

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Tax Advisor

Deloitte Tax Services Pty Ltd
447 Collins Street
Melbourne VIC 3000

Independent Geologist

Optiro Pty Ltd
Level 1, 16 Ord Street
West Perth WA 6005

Proposed Stock Exchange Listing*

Australian Securities Exchange (**ASX**)
Proposed ASX Code: MI6

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Chairman's Letter

Dear Investor

On behalf of the board of Minerals 260 Limited (ACN 650 766 911) (**Company** or **Minerals 260**), it gives me great pleasure to invite you to become a shareholder of the Company.

The Company was incorporated as a wholly-owned subsidiary of Liontown Resources Limited (ASX: LTR) (**Liontown**) in June 2021 for the purpose of spinning-out certain assets held by Liontown, including 100% of the Moora Gold-PGE-Nickel-Copper Project (**Moora Project**), an option to earn a 51% of the Koojan Gold-PGE-Nickel-Copper Project (**Koojan JV Project**), the Dingo Rocks tenement (**Dingo Rocks Project**) and tenement applications at Yalwest.

The Moora Project is located in south-west Western Australia and comprises three granted Exploration Licences. Liontown owns 100% of the Moora Project through its wholly-owned subsidiary, ERL (Aust) Pty Ltd (**ERL**).

On 27 January 2021, Liontown announced that it had entered into a binding terms sheet with Lachlan Star Limited (ASX: LSA) (**Lachlan Star**) setting out the terms on which ERL has the ability to earn a 51% interest in the Koojan JV Project. Pursuant to the binding terms sheet, ERL has entered into a formal farm-in and joint venture agreement with Coobaloo Minerals Pty Ltd which supersedes the binding terms sheet and governs ERL's farm-in to the Koojan JV Project. The Koojan JV Project is 100% owned by Coobaloo Minerals Pty Ltd, which is owned 50% by Lachlan Star and 50% by a private entity known as Wavetime Nominees Pty Ltd. It comprises six granted Exploration Licences and one pending Prospecting Licence. The Koojan Exploration Licences are contiguous with the western boundary of the Moora Project.

On 3 June 2021, Liontown announced a proposal to demerge the Projects into the Company by way of a pro rata in-specie distribution of Shares to Eligible Liontown Shareholders (**Demerger**). In conjunction with the Demerger, the Company will acquire 100% of the issued share capital in ERL from Liontown and in exchange, the Company will issue 159,999,000 Shares to Liontown, which will be distributed in-specie to Eligible Liontown Shareholders on the basis of 1 Share for every 11.91¹ fully paid ordinary shares in Liontown (**In-specie Distribution**). The In-specie Distribution will comprise a capital component, equal to the reduction of Liontown's share capital account as a result of the In-specie Distribution (**Capital Reduction**) and a dividend component (**Demerger Dividend**).²

Liontown is currently developing its Kathleen Valley Project and this remains the company's primary focus. The board of Liontown made a strategic decision to demerge the Moora and Koojan JV Projects, together with the Dingo Rocks Project and the Yalwest tenement applications, to enable Minerals 260 to focus on the exploration and development of these assets as a newly incorporated, standalone company. Minerals 260 has a specific commodity and management focus and the Board believes that it will have sufficient resources to further develop these assets and optimise their potential value. The Demerger will deliver a structure that allows the Company to dedicate resources towards the advancement of the Projects.

The meeting of Liontown Shareholders to seek approval of the In-specie Distribution by way of the Capital Reduction and Demerger Dividend is scheduled to occur on 22 September 2021. The

¹ If the number of Liontown Shares increases prior to the In-specie Distribution Record Date, the ratio of Shares received for every Liontown Share held will be reduced.

² The Demerger Dividend is a component of the In-specie Distribution recognised for accounting and tax purposes. It will be broadly equal to the difference between the value of the In-specie Distribution and the value of the Capital Reduction. There is no cash component payable to Eligible Liontown Shareholders under the In-specie Distribution (all that Eligible Liontown Shareholders will receive under the In-specie Distribution is their proportionate quantity of Company Shares).

Company's acquisition of ERL is conditional on the Demerger being approved. If the Demerger is approved, ERL will become a wholly-owned subsidiary of the Company and the Company will own 100% of its interest in the Moora, Koojan JV and Dingo Rocks Projects, and the Yalwest tenement applications.

Under this Prospectus, the Company is seeking to raise a minimum of \$15,000,000 and up to \$30,000,000 (before costs) by the issue of a minimum of 30,000,000 Shares and a maximum of 60,000,000 Shares under a pro-rata priority offer to Eligible Liantown Shareholders. Any Shares not taken up pursuant to the Priority Offer will form the Shortfall Offer. Eligible Liantown Shareholders, together with new investors, will have the opportunity to subscribe for any Shares that are not subscribed for under the Priority Offer pursuant to the Shortfall Offer under this Prospectus.

The proceeds of the Offer will be utilised to:

- enable the Company to systematically explore across the Projects and fund potential development of the Projects;
- consider and if thought appropriate acquire further early or advanced exploration projects;
- increase the general working capital for the ongoing business of the Company; and
- pay for the costs of the Offer.

Bell Potter Securities Limited (**Bell Potter**) is the Lead Manager to the Offer (see Section 7.4 for further details).

This Prospectus contains detailed information about the Offer and the proposed operations of the Company (including the Projects), as well as the risks pertaining to an investment in the Company. I urge you to read this Prospectus in its entirety (including the risks detailed in Section 3) and seek professional advice if required.

On behalf of the Board, we look forward to welcoming you as a Shareholder and participating in the exciting future ahead for the Company.

Yours faithfully



Anthony Cipriano
Non-Executive Chair

Key Offer Details

Key details of the Offer ¹	Shares	Options
Existing Securities on issue	1,000	Nil
Shares to be distributed under In-specie Distribution to Eligible Liantown Shareholders	160,000,000 ²	Nil
Maximum number of Shares offered under the Offer (at an Offer Price of \$0.50 per Share)	60,000,000	Nil
Options to be issued prior to Admission	Nil	9,750,000 ³
Total Securities on issue on completion of the Offer and implementation of the Demerger (assuming the Offer is fully subscribed)	220,000,000	9,750,000
Implied Market Capitalisation on completion of the Offer and implementation of the Demerger (assuming the Offer is fully subscribed)	\$110,000,000	N/A

Notes:

- Please refer to Section 2.2 for further details relating to the proposed capital structure of the Company.
- The 160,000,000 Shares to be transferred to Eligible Liantown Shareholders under the In-specie Distribution consists of 1,000 existing Shares on issue and 159,999,000 Shares to be issued by Minerals 260 to Liantown under the Share Sale Agreement. Please refer to Section 7.3(b) for a summary of the terms and conditions of the Share Sale Agreement.
- The Directors and the Company Secretary will be issued 7,250,000 Options which forms part of their remuneration. 1,250,000 Options will also be issued to each of Messrs Tony Ottaviano and Steven Chadwick, directors of Liantown, in consideration of the work undertaken by these directors on the development of the Projects. Please refer to Sections 6.5 and 8.2 for further information on the Options.

Indicative Timetable

Event	Date
Lodgement of this Prospectus with ASIC	19 August 2021
Priority Offer Record Date	23 August 2021
Opening Date for the Offer	27 August 2021
Meeting of Liontown Shareholders to approve Demerger	22 September 2021
Closing Date for the Priority Offer	22 September 2021
In-specie Distribution Record Date	28 September 2021
Closing Date for the Shortfall Offer	29 September 2021
Completion of the acquisition of Projects	1 October 2021
In-specie Distribution followed by Issue Date of Shares under Offer and despatch of holding statements	4 October 2021
Expected date for admission of the Company to the Official List of the ASX	11 October 2021

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Dates without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company.

Investment Overview

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
Introduction		
<p>Who is the Company and what does it do?</p>	<p>Minerals 260 Limited (ACN 650 766 911) was incorporated as an Australian public company on 4 June 2021 for the purpose of spinning out the Moora Project and the Koojan JV Project, as well as other minor projects including the Dingo Rocks Project and Yalwest tenement applications from Liontown Resources Limited (ASX: LTR) (Liontown).</p> <p>Liontown currently owns 100% of the Moora Project and is party to a farm-in and joint venture agreement, pursuant to which it has the right to acquire a 51% interest in the Koojan JV Project through its wholly-owned subsidiary, ERL (Aust) Pty Ltd (ERL) (Koojan JVA).</p> <p>The Company has entered into a Share Sale Agreement with Liontown under which it will acquire 100% of the share capital in ERL from Liontown in conjunction with the Demerger, subject to satisfaction or waiver of certain conditions precedent, including satisfaction of the conditions precedent under the Demerger Implementation Agreement. It is a condition of the Demerger that the Liontown Shareholders approve the In-specie Distribution by way of the pro-rata Capital Reduction and Demerger Dividend. Therefore, the acquisition of ERL will not proceed unless shareholders of Liontown approve the Demerger.</p> <p>Assuming that the Demerger is implemented, the Company proposes to undertake exploration across the Projects, with the intention of following up a number of targets identified by previous sampling and drilling programs completed by Liontown.</p>	<p>Section 2.1</p>
<p>What are the Company's projects?</p>	<p>Assuming that the Demerger is implemented, the Company's primary projects will be the Moora Project and the Koojan JV Project.</p> <p><u>Moora Project</u></p> <p>The Moora Project is located ~140km north-east of Perth, Western Australia. The Moora Project covers a contiguous area of ~468km² and comprises 3 granted Exploration Licences (E70/5217, E70/5286 and E70/5287) (Moora Tenements).</p> <p>All Exploration Licences are held by ERL.</p>	<p>Section 2.5, the Solicitor's Report in Annexure B and the Independent Technical Assessment Report in Annexure C</p> <p>See Section 7.1 for a summary of the Koojan JVA</p>

Topic	Summary	More information
	<p>The Moora Project is largely underlain by freehold properties used for broad acre cropping and livestock rearing. ERL has negotiated access agreements over the larger properties which cover the main geophysical anomalies and is in discussions with other landowners as at the date of this Prospectus. It has also signed Noongar Standard Heritage Agreements with the South West Aboriginal Land and Sea Council who act on behalf of the Yued Agreement Group in respect of the Moora Tenements.</p> <p>Geochemical exploration has defined strong Au-PGE-Ni-Cu anomalism coincident with geophysical features interpreted to be indicative of mafic-ultramafic intrusions similar to the unit that hosts the world-class Julimar discovery by Chalice Mining Ltd (Chalice), which is located ~95km to the south of the Moora Project. The maiden drilling program at Moora was completed in the first quarter of 2021, with 264 air-core holes drilled for 10,349m and 14 Reverse Circulation holes drilled for 1,946m. Three significant zones of bedrock mineralisation were defined which warrant further drilling.</p> <p><u>Koojan JV Project</u></p> <p>On 27 January 2021, Liontown announced that it had entered into a binding terms sheet with Lachlan Star (Koojan BTS) setting out the terms on which ERL could earn up to a 51% interest in the Koojan JV Project. Pursuant to the Koojan BTS, as announced by Liontown on 10 August 2021, ERL has entered into the Koojan JVA which supersedes the Koojan BTS and governs ERL's farm-in to the Koojan JV Project.</p> <p>The Koojan JV Project is located in the New Norcia region of Western Australia. The Koojan JV Project covers a largely contiguous area of ~600km² and comprises six granted Exploration Licences (E70/5337, E70/5312, E70/5429, E70/5450, E70/5515 and E70/5516) and one pending application for a Prospecting Licence (P70/1743) (Koojan Tenements).</p> <p>All tenements are 100% owned by Coobaloo Minerals Pty Ltd (Coobaloo), which is 50% owned by Midlands Minerals Pty Ltd (Midland) (a subsidiary of Lachlan Star) and 50% owned by Wavetime Nominees Pty Ltd (Wavetime).</p> <p>Access agreements have been negotiated with key landowners and are in progress with a number of other parties. Coobaloo has signed Noongar Alternative Heritage Agreements with the South West Aboriginal Land and Sea Council who act on behalf of the Yued Agreement Group in respect of a number of the Koojan Tenements.</p> <p>First pass geochemical surveys have defined a number of gold and PGE anomalies which warrant infill sampling followed by drill testing.</p>	

Topic	Summary	More information
	<p><u>Dingo Rocks Project</u></p> <p>The Dingo Rocks Project is an early-stage exploration project, focused on precious and base metals, within the Esperance region of Western Australia. The project comprises a single Exploration Licence (E63/2070) covering an area of approximately 271km². The project is located 600km east-southeast of Perth and 45km east of the small town of Salmon Gums.</p> <p><u>Yalwest Project</u></p> <p>The Yalwest Project is an early stage exploration project, focused on precious and base metals, within the Murchison region of Western Australia. The project comprises two adjoining Exploration Licence applications (ELA59/2541 and ELA59/2604) covering an area of 311 km². The project is located 400km north of Perth, 70km east of Geraldton and 40km west of Yalgoo.</p>	
<p>What is the Company's financial position?</p>	<p>The Company was incorporated on 4 June 2021. Given the Company is a mineral exploration company, it has not earned any revenue from its activities.</p> <p>An Independent Limited Assurance Report prepared by HLB Mann Judd is included in Annexure A which contains financial information about the Company.</p> <p>The Board is satisfied that upon completion of the Offer and Demerger, the Company will have adequate working capital to meet its stated objectives.</p>	<p>Section 4 and Annexure A</p>
<p>What is the proposed capital structure of the Company?</p>	<p>Following completion of the Offer under this Prospectus, the proposed capital structure of the Company will be as set out in Section 2.2.</p>	<p>Section 2.2</p>
<p>What is the proposed use of funds raised under the Offer?</p>	<p>The Company proposes to use the funds raised from the Offer for exploration on the Projects, to assess further early or advanced exploration projects as further projects, as general working capital, and for the expenses of the Offer.</p>	<p>Section 1.3</p>
<p>What is the Company's strategy?</p>	<p>Following Admission, the Company intends to undertake exploration activities on the Projects. The Company will also evaluate and pursue other prospective early or advanced exploration projects in the resource sector.</p>	<p>Section 2.6</p>
<p>Summary of key risks</p>		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an</p>		

Topic	Summary	More information
investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks.		
Limited history	<p>The Company was incorporated on 4 June 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty.</p> <p>The Projects are at early stages of exploration. There can be no assurance that future exploration of the Projects or any projects acquired by the Company in the future will result in the discovery of an economic resource. Even if a resource is identified, there is no guarantee that it can be economically exploited. Therefore, no assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.</p>	Section 3.1(a)
Conditionality of Offer	<p>The obligation of the Company to issue the Shares under the Offer is conditional on a number of factors, including:</p> <ul style="list-style-type: none"> (a) ASX granting approval for Admission to the Official List; (b) the Company raising the Minimum Subscription of \$15,000,000 under the Offer; and (c) the successful implementation of the Demerger. <p>If these conditions are not satisfied, the Company will not proceed with the Offer. Failure to complete the Offer may have a material adverse effect on the Company's financial position.</p>	Sections 1.2 and 3.1(b)
Future capital requirements	<p>The ongoing funding requirements for the Company and the Projects will depend on numerous factors. If the Company is unable to obtain additional financing, or funding on favourable terms as and when needed, it may be required to reduce the scale of, or cease its operations.</p> <p>In particular, under the terms of the Koojan JVA, ERL must contribute at least \$4,000,000 over 5 years in exploration costs in order to obtain an equity interest of 51% in the Koojan JV Project. There is a risk that the Company may not be able to obtain additional funding or financing to meet its obligations under the Koojan JVA and therefore may not acquire a controlling interest in the Koojan JV Project.</p>	Section 3.1(f)

Topic	Summary	More information
Title and grant risk	<p>As at the date of this Prospectus, ERL, a wholly-owned subsidiary of Liontown, has a 100% registered legal and beneficial interest in the tenements comprising the Moora and Dingo Rocks Projects and is the 100% registered applicant for Yalwest tenements ELA59/2541 and ELA59/2604 (Pending Tenements).</p> <p>The tenements comprising the Koojan JV Project are held by Coobaloo, which is owned 50% by Midland (a subsidiary of Lachlan Star) and 50% by Wavetime. Pursuant to the Koojan JVA, the Company, through ERL, has a right to farm-in to acquire either a 30% or a 51% legal and beneficial interest in the Koojan Tenements (through a 2-stage farm-in).</p> <p>The Pending Tenements have not yet been granted. Accordingly, there is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to the Company or that such grant will be delayed. Further, Pending Tenement ELA59/2541 is subject to a Mining Act objection and in the event the objection is not withdrawn, the grant of ELA59/2541 will likely be delayed.</p>	Section 3.2(a) and the Solicitor's Report in Annexure B
Exploration and development risks	<p>Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration projects that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it will be able to be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.</p>	Section 3.2(b)
Land access risks	<p>Land access is critical for exploration and/or exploitation to succeed. Both access to the mineral rights and access to the surface rights is required. Mineral rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary access or licences to conduct exploration or evaluation activities outside of the mineral tenements.</p>	Section 3.1(d)
Native title risk	<p>The Company is aware that the tenements comprising the Moora Project and Koojan JV Project are all affected by the Yued native title claim and that the Dingo Rocks Project and Yalwest tenement applications are subject to two registered native title claims (in the names of Mullewa Wadjari Community and Wajarri Yamatji #1) and three registered</p>	Section 3.2(j) and the Solicitor's Report in Annexure B

Topic	Summary	More information
	<p>native title determinations (in the names of Yamatji Nation, The Esperance Nyungars and Ngadju).</p> <p>The Moora Project and Koojan JV Project Tenements are also subject to the Yued Indigenous Land Use Agreement (ILUA), E63/2070 is subject to the Esperance Nyungar Government ILUA and Pending Tenement ELA59/2541 is subject to the Yamatji Nation Agreement ILUA.</p> <p>It is possible that, in relation to tenements in which the Company has an interest or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal people exist.</p> <p>The existence of native title claims over the area covered by those tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the registered holder of the tenements provided the tenements have been validly granted in accordance with the <i>Native Title Act 1993</i> (Cth) (Native Title Act). If any of the Company's tenements were not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities.</p> <p>The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has an interest (including the Tenements set out in Section 2.5).</p>	
Aboriginal heritage risk	<p>The Company is aware that there are five registered Aboriginal heritage sites and seventeen applications for 'other' Aboriginal heritage places within tenements E70/5217, E70/5450, E70/5515, E70/5287, E70/5312, E70/5286, E63/2070 and ELA59/2541.</p> <p>There remains a risk that additional Aboriginal heritage sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.</p>	Section 3.2(k) and the Solicitor's Report in Annexure B
Third party risks	<p>Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.</p> <p>The Tenements overlap File Notation Areas. In respect to the File Notation Areas, third party tenure and access rights may be granted in the future.</p> <p>Pending Tenements ELA59/2541 and ELA59/2604 overlap pastoral leases and E63/2070 and Pending Tenement ELA59/2541 overlap mining tenements held by third parties.</p> <p>All of the tenements comprising the Moora Project and Koojan JV Project overlap private freehold land.</p>	Section 3.2(l) and the Solicitor's Report in Annexure B

Topic	Summary	More information
	<p>Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.</p>	
<p>Environmental risk</p>	<p>The Moora Tenements and Koojan Tenements E70/5337, E70/5450 and E70/5516 encroach on sites which have been gazetted as "rare flora" under the <i>Wildlife Conservation Act 1950</i> (WA). Tenements E70/5217, E70/5312, E70/5450, E70/5429, E70/5515, E70/5337, E70/5286 and PLA70/1743 encroach on areas which are dieback risk zones.</p> <p>The land the subject of tenements E70/5217, E70/5312, E70/5450, E70/5515, E70/5516, E63/2070 and PLA70/1743 overlap several Crown Reserves. Prior to conducting activities on the reserves, the Company will be required to seek certain consents and approvals.</p> <p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.</p>	<p>Section 3.2(m) and the Solicitor's Report in Annexure B</p>
<p>Earn-in risk</p>	<p>Minerals 260 will hold certain rights in projects under the Koojan JVA with respect to the Koojan JV Project. These rights are contractual rights under which Minerals 260 will hold certain rights to access and explore tenements as part of the earn-in. Minerals 260's rights in respect of these projects will be derived from the rights conferred on the tenement holder. While Minerals 260 will have certain rights and protections in place under its earn-in agreement, there is a risk that if the tenement holder defaults on its obligations as a tenement holder, the tenements may be forfeited.</p>	<p>Section 3.1(c)</p>
<p>Infectious diseases</p>	<p>The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.</p> <p>The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations</p>	<p>Section 3.3(l)</p>

Topic	Summary	More information
	and may interrupt the Company's ability to carry out its contractual obligations or cause disruptions to supply chains.	
Directors, Related Party Interest and Substantial Holders		
Who are the Directors?	<p>The Board of the Company comprises:</p> <ul style="list-style-type: none"> (a) Mr Anthony Cipriano - Non-Executive Chair; (b) Mr David Richards - Managing Director; (c) Mr Timothy Goyder - Non-Executive Director; and (d) Mr Craig Williams - Non-Executive Director. <p>Information about the experience, background, personal interests and independence of each Director is set out in Section 6.2.</p>	"Corporate Directory" and Sections 6.1 and 6.2
What benefits are being paid to the Directors?	<p>The Company has agreed to pay:</p> <ul style="list-style-type: none"> (a) Mr Cipriano \$50,000 per annum for his role as Chair and Non-Executive Director; (b) Mr Richards \$296,804 per annum (excluding statutory superannuation) for services provided to the Company as Managing Director; (c) Mr Goyder \$40,000 per annum for his role as Non-Executive Director; and (d) Mr Williams \$40,000 per annum for his role as Non-Executive Director. <p>In addition to the fees above, each Director will receive fees of \$5,000 per annum for their role as a member of a Board Committee. The Directors will also be issued Options as part of their remuneration. See Section 8.2 for a summary of the terms of the Director Options.</p>	Sections 6.5, 6.6 and 6.7
What interests do Directors have in the Securities of the Company?	<p>In conjunction with the Offer, Lontown intends to complete an In-specie Distribution of the Company's Shares to Eligible Lontown Shareholders on the basis of 1 Share for every 11.91³ Lontown Shares.</p> <p>Each of the Directors currently holds direct and indirect interest in securities in Lontown. Under the Demerger, the Directors will receive a proportional direct and indirect interest</p>	Sections 6.4 and 6.5

³ If the number of Lontown Shares increases prior to the In-specie Distribution Record Date, the ratio of Shares received for every Lontown Share held will be reduced.

Topic	Summary	More information																				
	<p>in the Company's Shares and any additional Shares should they elect to participate in the Offer.</p> <p>The Directors will also be issued Options in the Company as part of their remuneration. See Section 8.2 for a summary of the Director Options, including the vesting conditions.</p> <p>Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, the Directors and their related entities will have the following interests in Securities on completion of the Offer and implementation of the Demerger (assuming the Minimum Subscription).</p> <table border="1" data-bbox="440 638 1114 1149"> <thead> <tr> <th>Director</th> <th>Shares¹</th> <th>%²</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Anthony Cipriano</td> <td>1,656,420</td> <td>0.87%</td> <td>1,500,000</td> </tr> <tr> <td>Timothy Goyder</td> <td>28,091,553</td> <td>14.79%</td> <td>1,500,000</td> </tr> <tr> <td>Craig Williams</td> <td>2,600,130</td> <td>1.37%</td> <td>1,500,000</td> </tr> <tr> <td>David Richards</td> <td>1,921,381</td> <td>1.01%</td> <td>2,000,000</td> </tr> </tbody> </table> <p>Notes:</p> <p>1. Each of the Directors intends to subscribe for part of their entitlement under the Priority Offer.</p> <p>2. Assuming Minimum Subscription under the Offer.</p> <p>See Section 6.5 for further details of the Directors' current and anticipated Security holdings.</p>	Director	Shares ¹	% ²	Options	Anthony Cipriano	1,656,420	0.87%	1,500,000	Timothy Goyder	28,091,553	14.79%	1,500,000	Craig Williams	2,600,130	1.37%	1,500,000	David Richards	1,921,381	1.01%	2,000,000	
Director	Shares ¹	% ²	Options																			
Anthony Cipriano	1,656,420	0.87%	1,500,000																			
Timothy Goyder	28,091,553	14.79%	1,500,000																			
Craig Williams	2,600,130	1.37%	1,500,000																			
David Richards	1,921,381	1.01%	2,000,000																			
<p>What important contracts with related parties is the Company a party to?</p>	<p>The Company has entered into the following related party transactions on arms' length terms:</p> <ul style="list-style-type: none"> (a) letters of appointment with each of its Directors on standard terms (refer to Section 6.6 for details); (b) an Executive Services Agreement with Mr David Richards as Managing Director (refer to Section 6.7 for details); (c) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.8 for details); and (d) a Demerger Implementation Deed and Share Sale Agreement with its holding Company, Liontown (refer to Section 7.3 for details). 	<p>Section 6.6, 6.7, 6.8 and 7.3</p>																				

Topic	Summary	More information														
<p>Who will be the substantial holders of the Company?</p>	<p>The Company is currently a wholly-owned subsidiary of Liontown and therefore its only shareholder is Liontown.</p> <p>Based on the information known as at the date of this Prospectus, on Admission and following implementation of the Demerger, the following persons will have an interest in 5% or more of the Shares on issue:</p> <table border="1" data-bbox="403 645 1145 913"> <thead> <tr> <th data-bbox="403 645 544 741" rowspan="2">Name</th> <th colspan="2" data-bbox="544 645 735 741">Minimum Subscription</th> <th colspan="2" data-bbox="735 645 1145 741">Maximum Subscription</th> </tr> <tr> <th data-bbox="544 741 735 813">Shares</th> <th data-bbox="735 741 850 813">%</th> <th data-bbox="735 741 850 813">Shares</th> <th data-bbox="850 741 1145 813">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="403 813 544 913">Timothy Goyder</td> <td data-bbox="544 813 735 913">28,091,553</td> <td data-bbox="735 813 850 913">14.79</td> <td data-bbox="735 813 850 913">28,091,553</td> <td data-bbox="850 813 1145 913">12.77</td> </tr> </tbody> </table> <p>Note: As at the date of this Prospectus, Timothy Goyder intends to subscribe for 500,000 Shares under the Priority Offer in addition to the 27,591,553 Shares he will be distributed pursuant to the In-specie Distribution.</p>	Name	Minimum Subscription		Maximum Subscription		Shares	%	Shares	%	Timothy Goyder	28,091,553	14.79	28,091,553	12.77	<p>Section 8.4</p>
Name	Minimum Subscription		Maximum Subscription													
	Shares	%	Shares	%												
Timothy Goyder	28,091,553	14.79	28,091,553	12.77												
<p>What fees are payable to the Lead Manager?</p>	<p>The Lead Manager fees comprise:</p> <p>(a) a cash fee equal to 2.5% of gross funds raised under the Offer; and</p> <p>(b) a cash fee equal to 2.5% of the funds raised from investors introduced to the Company by the Lead Manager.</p> <p>Assuming that the Offer is fully subscribed, the Lead Manager will receive a cash fee of \$750,000 (plus GST) and an additional 2.5% of the funds raised from investors introduced to the Company by the Lead Manager.</p>	<p>Sections 1.4 and 7.4</p>														
<p>What is the Lead Manager's interests in the Securities of the Company?</p>	<p>Neither the Lead Manager nor its associates have a Relevant Interest in the Company's Securities as at the date of this Prospectus.</p> <p>Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Lead Manager and its related bodies corporate in relation to the Offer, neither the Lead Manager nor its related bodies corporate intend to take up Shares under the Offer. Eligible Liontown Shareholders who are officers or employees of the Lead Manager will be eligible to participate in the Offer on the same terms and conditions as other Eligible Liontown Shareholders.</p>	<p>Section 1.4(b)</p>														
<p>What is the Offer under this Prospectus?</p>																

Topic	Summary	More information
What is the Priority Offer under this Prospectus?	<p>The Priority Offer is the pro-rata priority offer to Eligible Liontown Shareholders for the issue of a minimum of 30,000,000 Shares and up to 60,000,000 Shares at an issue price of \$0.50 per Share to raise a minimum of \$15,000,000 and up to \$30,000,000.</p> <p>An application will be made for admission to quotation on the Official List of the Australian Securities Exchange (ASX) under the ASX code "MI6".</p>	Section 1.1
What is the Shortfall Offer under this Prospectus?	<p>Any Shares not taken up pursuant to the Priority Offer will form the Shortfall Offer.</p> <p>Eligible Liontown Shareholders may apply for Shares under the Shortfall Offer together with new investors subject to such Applications being received by the Shortfall Closing Date.</p> <p>The issue price for each new Share to be issued under the Shortfall Offer shall be \$0.50, being the price at which new Shares are being offered under the Priority Offer.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.1(d). There is no guarantee that Eligible Liontown Shareholders will receive new Shares applied for under the Shortfall Offer.</p>	Section 1.1
What is the Offer Price?	\$0.50 per Share.	Section 1.1
What is the minimum subscription amount under the Offer?	<p>The Offer is conditional on the Company raising at least \$15,000,000 (Minimum Subscription). If the Company fails to raise the Minimum Subscription within four months after the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).</p>	Section 1.1(b)
Will the Shares be quoted?	<p>The Company will apply to the ASX for admission to the Official List and quotation of Shares on the ASX (expected to be under the code "MI6") within seven days of the date of this Prospectus.</p>	"Corporate Directory" and Section 1.8
What is the purpose of the Offer?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> (a) raise a minimum amount of \$15,000,000 and up to \$30,000,000 pursuant to the Offer; (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission to the Official List; and 	Section 1.1(c)

Topic	Summary	More information
	(c) position the Company to seek to achieve the objectives detailed in Section 2.	
What are the conditions of the Offer?	<p>The Offer under this Prospectus is conditional upon:</p> <ul style="list-style-type: none"> (a) the Company raising not less than the Minimum Subscription of \$15,000,000 (before costs); (b) the ASX granting in-principle approval to admit the Company to the Official List; and (c) the successful implementation of the Demerger. <p>If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies received under the Offer in accordance with the Corporations Act.</p>	Section 1.2
Are there any escrow arrangements?	<p>None of the Shares issued pursuant to the Offer are expected to be restricted securities.</p> <p>The Company has received in-principle advice from ASX in respect of Listing Rule 9.1(c), confirming that ASX would be likely to grant a waiver to allow the issue of Shares under the In-specie Distribution to Eligible Liantown Shareholders, without being subject to the escrow restrictions set out in Appendix 9B to the Listing Rules. Further information is set out in Section 1.14.</p>	Section 1.14
What is the Offer period?	An indicative timetable for the Offer is set out on page viii of this Prospectus.	"Indicative Timetable"
Is the Offer underwritten?	The Offer is not underwritten.	Section 1.15
Additional information		
Will the Company be adequately funded after completion of the Offer?	The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.	Section 1.3
What rights and liabilities attach to the Securities on issue?	<p>All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 8.1.</p> <p>The terms and conditions of the Director Options and Liantown Director Options are set out in Section 8.2.</p>	Sections 8.1 and 8.2
Who is eligible to participate in the Offer?	The Offer is open to all investors with a registered address in Australia and New Zealand.	Sections 1.12 and 1.13

Topic	Summary	More information
How do I apply for Shares under the Offer?	Applications for Shares under the Priority Offer can only be made using the personalised Application Form provided to Eligible Lontown Shareholders accompanying this Prospectus. The Application Form will include an option to apply for additional Shares under the Shortfall Offer. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form.	Section 1.6
What is the allocation policy under the Shortfall Offer?	<p>The Directors, in conjunction with the Lead Manager, will allocate Shares under the Shortfall Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements).</p> <p>The Board will give priority to Eligible Lontown Shareholders who, after the allocation of their Shares under the Priority Offer, would not hold a marketable parcel of Shares without being allocated a sufficient number of Shortfall Shares under the Shortfall Offer.</p> <p>There is no assurance that any Applicant under the Shortfall Offer will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shortfall Shares than those applied for. Where the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Shortfall Closing Date.</p> <p>Subject to the satisfaction of the conditions to the Offer outlined in Section 1.2, Shares under the Shortfall Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation under the Shortfall Offer prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.</p>	Section 1.1(d)
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be sent to Eligible Lontown Shareholders and successful applicants under the Shortfall Offer on or about 4 October 2021.	"Indicative Timetable"
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions.	Section 2.8
What are the tax implications of investing in the Shares?	Summaries of certain Australian income tax, GST and stamp duty consequences of participating in the Offer and investing in Shares are set out in Section 5. The tax and duty consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 5

Topic	Summary	More information
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 1.17
How can I find out more about the Prospectus or the Offer?	Questions relating to the Offer and the completion of an Application Form can be directed to the Company Secretary by email at info@minerals260.com.au .	Section 1.21

1. Details of Offer

1.1 The Offer

(a) General

This Prospectus invites Eligible Liantown Shareholders to apply for up to 60,000,000 Shares at an issue price of \$0.50 per Share to raise up to \$30,000,000 (before costs).

The Shares to be issued pursuant to the Priority Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 8.1.

Applications for Shares under the Priority Offer must be made on the personalised Application Form provided to Eligible Liantown Shareholders accompanying this Prospectus and received by the Company on or before the Priority Offer Closing Date. Persons wishing to apply for Shares under the Priority Offer should refer to Section 1.6 for further details and instructions.

(b) Minimum Subscription

The Minimum Subscription under the Offer is \$15,000,000 (before costs) (being 30,000,000 Shares).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus to extend the Offer and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

(c) Purpose of the Offer

The purpose of this Prospectus is to:

- (i) raise up to \$30,000,000 pursuant to the Offer (before associated costs);
- (ii) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; and
- (iii) position the Company to seek to achieve the objectives detailed in Section 2.

(d) Shortfall Offer

Shares not taken up by Eligible Liantown Shareholders pursuant to the Priority Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price of any Shortfall Shares will be \$0.50 per Share, which is the issue price at which Shares have been offered to Eligible Liantown Shareholders under the Priority Offer.

Shortfall Shares will only be issued if the Priority Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

Applications by Eligible Liantown Shareholders and new investors for Shortfall Shares are to be made by making payment using BPAY® or Electronic Funds Transfer. The Shortfall Offer will remain open until the Shortfall Closing Date (or such shorter period as determined by the Directors).

Shares not subscribed for under the Priority Offer may be allocated to Eligible Liantown Shareholders or new investors who subscribe for Shortfall Shares under the Shortfall Offer. The Board may elect to cap the number of Shortfall Shares that are allotted to Eligible Shortfall Offer Participants and issue the balance of the Shortfall to new investors, having regard to:

- (i) the number of Shares that an Eligible Shortfall Offer Participant is entitled to subscribe for pursuant to its allocation under the Priority Offer relative to the number of Shortfall Shares that it has applied for;
- (ii) the total number of Shortfall Shares available for subscription; and
- (iii) the number of Shares held by an Eligible Shortfall Offer Participant after the completion of the Priority Offer.

The Board will give priority to Eligible Liantown Shareholders who, after the allocation of their Shares under the Priority Offer, would not hold a marketable parcel of Shares without being allocated a sufficient number of Shortfall Shares under the Shortfall Offer. Otherwise, should the Company receive applications for Shortfall Shares in excess of the number of Shares available for subscription under the Shortfall Offer, the Lead Manager and the Board will allocate the Shortfall Shares at their full discretion. In any event:

- (i) the number of Shortfall Shares available under the Shortfall Offer will not exceed the shortfall in subscriptions under the Priority Offer;
- (ii) no Shortfall Shares will be issued to an Eligible Shortfall Offer Participant which would, if issued, result in them increasing their voting power in the Company above 20%; and
- (iii) no Shortfall Shares will be issued if their issue would contravene any law or Listing Rule.

For the avoidance of doubt, the Board reserves the discretion to cap the Shortfall allocated to Eligible Shortfall Offer Participants and issue the balance of the Shortfall to new investors during the period following the Priority Offer Closing Date until the Shortfall Offer Closing Date. In exercising this discretion, the Board will take into account a number of factors including recommendations of the Lead Manager to place the Shortfall, ensuring the Company has an appropriate and optimal Shareholder base, which may be achieved through strategic investors increasing their interests, or by the introduction of new investors. There is no guarantee of any allocation of Shortfall Shares, or that applications for Shortfall Shares will be satisfied in full. Excess Application Monies for the Shortfall Offer will be refunded without interest.

It is a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Shares in accordance with the allocation policy described above, the Applicant will be bound to accept such lesser number allocated to them.

Subject to the above, Directors reserve the right to issue the Shortfall at their discretion.

New Shares issued under the Shortfall Offer will be issued as fully paid ordinary shares and will rank equally in all respects with Shares to be issued under the Priority Offer. A summary of the rights and liabilities attaching to the Shares offered under the Shortfall Offer is in Section 8.1.

1.2 **Conditional Offer**

The Offer under this Prospectus is conditional upon the following events occurring:

- (a) the successful implementation of the Demerger;
- (b) the Company raising the Minimum Subscription, being \$15,000,000 (before costs), under the Offer (refer to Section 1.1(b)); and
- (c) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.

If these conditions are not satisfied then the Offer will not proceed and the Company will repay (without interest) all Application Monies received under the Offer in accordance with the Corporations Act.

1.3 **Proposed use of Funds**

Following the Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	Subscription \$
Existing cash as at the date of this Prospectus	Nil
Proceeds from Offer (assuming Maximum Subscription is raised)	\$30,000,000
Total funds available	\$30,000,000

The following table shows the intended use of funds in the two year period following Admission:

Use of funds - Year 1	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Exploration expenditure (Moora, Koojan & Dingo Rocks Projects) ¹	3,881,375	25.9%	6,744,250	22.5%
Directors' fees ²	176,200	1.2%	176,200	0.6%
General administration fees and working capital ³	1,396,000	9.3%	1,396,000	4.7%
Future acquisition costs ⁴	500,000	3.3%	2,000,000	6.7%
Estimated expenses of the Offer ⁵	1,450,000	9.7%	2,220,000	7.4%
Total Funds allocated - Year 1	7,403,575	49.4%	12,536,450	41.8%
Use of funds - Year 2	Minimum Subscription		Maximum Subscription	
	\$	%		
Exploration expenditure (Moora, Koojan JV & Dingo Rocks Projects) ¹	4,273,750	28.5%	7,601,000	25.3%
Directors' fees ²	177,000	1.2%	177,000	0.6%
General administration fees and working capital ³	2,645,675	17.6%	7,685,550	25.6%
Future acquisition costs ⁴	1,000,000	3.3%	2,000,000	6.7%
Total Funds allocated - Year 2	7,596,425	50.6%	17,463,550	58.2%
TOTAL FUNDS ALLOCATED	15,000,000	100.0%	30,000,000	100.0%

Notes:

1. See Section 2.7 for further information on the Company's exploration budget.
2. See Sections 6.6 and 6.7 for further details of the Directors' remuneration.
3. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds. The Directors will allocate surplus funds at their discretion in the event the Company raises more than the Minimum Subscription under the Offer.
4. Future acquisition costs include costs required for the identification of new projects and opportunistic acquisitions. The Company notes that:

- (a) the Company will continue to assess suitable new business opportunities in the resource sector over time which complement its business and existing mineral portfolio;
- (b) the timing of any such transactions is not yet known; and
- (c) if no suitable acquisition opportunity arises, and subject to the outcomes of exploration activities, the Company may elect to allocate some or all of these funds to exploration on the Moora, Koojan JV, and Dingo Rocks Projects and on the Yalwest tenements (once granted).

5. Expenses paid or payable by the Company in relation to the Offer are set out in Section 8.7.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 3), and actual expenditure levels may differ significantly from the above estimates.

Although the Company's immediate focus will be on the Projects, as with most exploration entities, it will pursue and assess new business opportunities in the resource sector over time that complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amount raised pursuant to the Offer will provide the Company sufficient funding for approximately 2 years' operations. As the Company has no operating revenue, the Company will require further financing in the future.

See Section 3.1(f) for further details about the risks associated with the Company's future capital requirements.

1.4 **Lead Manager**

Bell Potter Securities Limited (**Bell Potter**) (also referred to in this Prospectus as the **Lead Manager**) has been appointed as lead manager to the Offer. Bell Potter is party to the Lead Manager Mandate which is summarised in Section 7.4.

(a) **Fees payable to Lead Manager**

The Company has or will pay to Bell Potter the following fees in connection with the Offer:

- (i) a cash fee equal to 2.5% of gross funds raised under the Offer; and
- (ii) a cash fee equal to 2.5% of the funds raised from investors introduced by the Lead Manager,

in accordance with the Lead Manager Mandate summarised in Section 7.4.

(b) **Lead Manager's interests in Securities**

As at the date of this Prospectus, neither the Lead Manager nor its associates have a Relevant Interest in any Securities.

Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Lead Manager and its related bodies corporate in relation to the Offer, neither the Lead Manager nor its related bodies corporate intend to take up Shares under the Offer. Eligible Liantown Shareholders who are officers or employees of the Lead Manager will be eligible to participate in the Offer on the same terms and conditions as other Eligible Liantown Shareholders.

(c) **Lead Manager's participation in previous placements**

The Lead Manager has not participated in a placement of Securities by the Company in the 2 years preceding lodgement of this Prospectus.

1.5 **Forecasts**

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 (Prospective financial information) and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Sections 2.1 and 2.6 for further information in respect to the Company's proposed activities.

1.6 **Applications**

(a) **General**

The Company will make this Prospectus available, together with a personalised Application Form, to all Eligible Liantown Shareholders by letter or email.

Should you wish to acquire new Shares as part of the Offer, you may either:

- (i) take up all of your entitlement under the Priority Offer;
- (ii) take up part of your entitlement under the Priority Offer; or
- (iii) take up all of your entitlement under the Priority Offer and also apply for Shortfall Shares under the Shortfall Offer.

Applications for Shares under the Offer can be made using the Application Form. The Application Form must be completed in accordance with the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.

(b) Option 1: Submit an online Application Form and pay with BPAY®

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (CRN) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- (i) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (ii) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- (iii) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (iv) select which account payment is to be made from;
- (v) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (vi) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at <https://investor.automic.com.au/#/ipo/minerals260priority> and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

(c) Option 2: Submit an Application Form and pay via Electronic Funds Transfer "EFT"

Investors can apply online with payment made electronically via EFT. Investors applying online will be directed to use an online Application Form and will be given a payment reference number unique to the online Application once the online Application Form has been completed.

EFT payments must be received in Australian dollars (\$AUD). Using EFT payment details, Applicants must:

- (i) use the unique payment reference number that corresponds to the online Application Form;
- (ii) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (iii) select which account payment is to be made from;

- (iv) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (v) record and retain the EFT receipt number and date paid.

Applicants should confirm with their Australian financial institution whether there are any limits on the Applicant's account that may limit the amount of any EFT payment and the cut off time for the funds transfer.

(d) **Application terms and conditions**

An original, completed and lodged Application Form together with confirmation of BPAY® or EFT payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final; however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the BPAY® or EFT for the Application Monies.

It is the responsibility of Applicants outside of Australia and New Zealand to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (i) has represented and warranted that they are an Eligible Lioneo Shareholder, if your Application is in respect of the Priority Offer;
- (ii) agrees to be bound by the terms of the relevant Offer;
- (iii) declares that all details and statements in the Application Form are complete and accurate;
- (iv) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (v) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (vi) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- (vii) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the Shares may not be offered, sold or otherwise transferred

except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

(e) **Offer**

Under the Priority Offer, Eligible Liantown Shareholders will be entitled to apply for any number of Shares up to their full pro-rata entitlement. Applications under the Shortfall Offer must be for a minimum of 5,000 Shares (\$2,500).

Applications for Shares under the Offer must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 1.6(a) and the relevant Application Form for further details and instructions.

1.7 **CHESS and issuer sponsorship**

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.8 **ASX Listing and Official Quotation**

Within seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

1.9 **Application Monies to be held in trust**

Application Monies will be held in trust for Applicants until the allotment of the Shares. Any interest that accrues will be retained by the Company.

1.10 **Issue of Shares**

The Directors, in conjunction with the Lead Manager, will allocate Shortfall Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.

There is no assurance that any Applicant under the Shortfall Offer will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shortfall Shares than those applied for. Where the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Shortfall Closing Date.

Subject to the matters in Section 1.8, Shares under the Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.11 **Risks**

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other professional adviser.

1.12 **Overseas Applicants**

No action has been taken to register or qualify the Securities, or the Offer, or otherwise to permit the offering of the Securities, in any jurisdiction outside of Australia or, to the extent permitted at Section 1.13 below, New Zealand.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should observe any such

restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

1.13 **New Zealand**

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

1.14 **Escrow arrangements**

The Company has received in-principle advice from ASX in respect of Listing Rule 9.1(c), confirming that ASX would be likely to grant a waiver to allow the Company's Shares to be distributed in-specie to Liantown Shareholders, without being subject to the escrow restrictions set out in Appendix 9B to the Listing Rules.

As such, on receipt of a formal application to the ASX by the Company and grant of the waiver by ASX, the Shares transferred under the In-specie Distribution will be freely tradeable upon the listing of the Company on ASX.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

1.15 **Underwriting**

The Offer is not underwritten.

1.16 **Lead Manager**

Bell Potter has been appointed as Lead Manager to the Offer on the terms and conditions summarised in Section 7.4 of this Prospectus.

1.17 **Brokerage, commission and stamp duty**

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares pursuant to the Offer.

1.18 **Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

1.19 **Privacy disclosure**

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.20 **Paper copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary on info@minerals260.com.au.

1.21 **Enquiries**

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offer and the completion of an Application Form can be directed to the Company Secretary by email at info@minerals260.com.au.

2. Company Overview

2.1 Company and business overview

The Company was incorporated as an Australian public company on 4 June 2021 for the purpose of spinning out the Projects from Liontown.

Liontown currently owns 100% of the Moora Project and is party to the Koojan JVA, pursuant to which it has an opportunity to acquire a 51% interest in the Koojan JV Project (discussed below) through its wholly-owned subsidiary, ERL. ERL also holds 100% of the Dingo Rocks Project and the Yalwest tenement applications, as detailed in Section 2.5(a). On 18 August 2021, the Company entered into a Share Sale Agreement and Demerger Implementation Deed under which it will acquire 100% of the share capital in ERL from Liontown, subject to the satisfaction or waiver of certain conditions precedent. In particular, it is a condition of the Demerger that Liontown's shareholders approve the In-specie Distribution of the Company's shares to Eligible Liontown Shareholders, which comprises a capital component, being a reduction of issued share capital (**Capital Reduction**), and an income component, being a dividend (**Demerger Dividend**).⁴ It is proposed that Eligible Liontown Shareholders will receive 1 Share for every 11.91⁵ Liontown Shares held by them on the In-specie Distribution Record Date.

Assuming that the Demerger is implemented, the Company proposes to undertake exploration across the Projects, with the intention of following up a number of targets identified by previous sampling and drilling programs completed by Liontown.

The Company's Board comprises Messrs Anthony Cipriano (Non-Executive Chair), Timothy Goyder (Non-Executive Director), Craig Williams (Non-Executive Director) and David Richards (Managing Director). The Company Secretary is Clinton McGhie. Further information on the Board is set out in Section 6.

⁴ The Demerger Dividend is by way of the distribution of Shares in the Company only. There is no additional cash component payable to Eligible Liontown Shareholders on distribution.

⁵ If the number of Liontown Shares increases prior to the In-specie Distribution Record Date, the ratio of Shares received for every Liontown Share held will be reduced.

2.2 Capital structure of the Company

As at the date of this Prospectus, Liontown owns 100% of the issued share capital of the Company. The capital structure of the Company is set out in the table below.

Shareholder	Shares	Options
Securities on issue as at the date of this Prospectus	1,000	Nil

Following implementation of the Demerger and Admission of the Company to the Official List of the ASX, the Company's capital structure will be as follows:

Security	Number of Shares (Minimum Subscription)	Number of Shares (Maximum Subscription)	Options
Securities on issue as at the date of this Prospectus	1,000	1,000	Nil
Options to be issued prior to admission	N/A	N/A	9,750,000 ¹
Shares issued under the Offer	30,000,000	60,000,000	N/A
Shares to be distributed under In-specie Distribution to Eligible Liontown Shareholders ²	160,000,000	160,000,000	N/A
Total Securities on issue	190,000,000	220,000,000	9,750,000
Implied Market Capitalisation	\$95,000,000	\$110,000,000	N/A

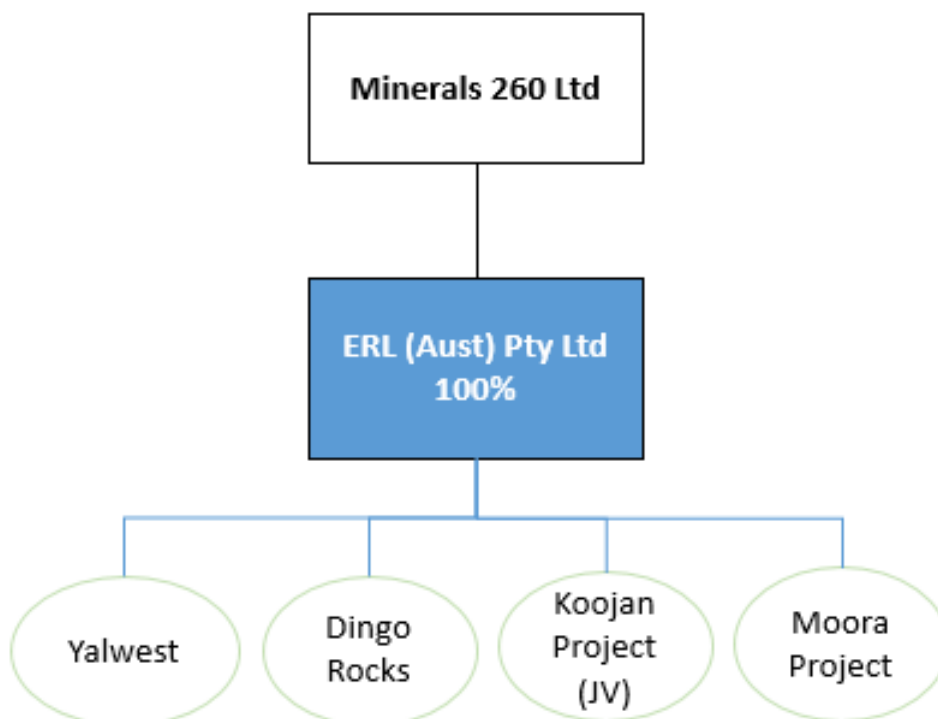
Notes:

- The Directors and the Company Secretary will be issued 7,250,000 Options which forms part of their remuneration. 1,250,000 Options will also be issued to each of Messrs Tony Ottaviano and Steven Chadwick, directors of Liontown, in consideration of the work undertaken by these directors on the development of the Projects (**Liontown Director Options**). See Sections 6.6 and 8.2 for further information on the Director Options and Liontown Director Options.
- The 160,000,000 Shares to be transferred to Eligible Liontown Shareholders under the In-specie Distribution consist of 1,000 existing Shares on issue and 159,999,000 Shares to be issued by Minerals 260 to Liontown under the Share Sale Agreement. Please refer to Section 7.3(b) for a summary of the terms and conditions of the Share Sale Agreement.

The Company's free float at the time of Admission will be not less than 20%.

2.3 **Corporate structure**

Upon the Company's Admission to the Official List and following implementation of the Demerger, the Company's corporate structure will be as set out in the following diagram:



2.4 **Company status and financial year**

The Company will be subject to tax at the Australian corporate tax rate. The Company's financial year for taxation purposes ends on 30 June. The Company may form an Australian income tax consolidated group with effect from on or around completion of the Offer. A full assessment of the income tax consolidation implications will be completed following completion of the Offer and the Company will make a choice at that time whether it is in the best interests of the Company to form an income tax consolidated group.

2.5 Overview of the Projects & Exploration Undertaken

(a) Tenements

A comprehensive summary of the status of the Tenements can be found in the Solicitor's Report in Annexure B.

A comprehensive summary of regional and local geology and exploration work pertaining to the Tenements is contained in the Independent Technical Assessment Report in Annexure C.

The Projects are located in Western Australia as shown in Figure 1.



Figure 1: Project location map

The Tenements cover a total area of 1,647km² with key details tabled below:

Licence	Registered Holder (100%)	Status	Area (km ²)	Application Date	Grant Date	Expiry Date
Moora Project						
E70/5217	ERL (Aust) Pty Ltd	Live	206.4	26/09/2018	08/05/2019	07/05/2024
E70/5286	ERL (Aust) Pty Ltd	Live	141.5	03/09/2019	08/11/2019	07/11/2024
E70/5287	ERL (Aust) Pty Ltd	Live	118.2	03/09/2019	13/11/2019	12/11/2024
Koojan JV Project						
E70/5312	Coobaloo Minerals Pty Ltd	Live	117.9	17/10/2019	09/06/2020	08/06/2025
E70/5337	Coobaloo Minerals Pty Ltd	Live	117.9	10/01/2020	29/04/2020	28/04/2025
E70/5429	Coobaloo Minerals Pty Ltd	Live	17.7	24/04/2020	16/07/2020	15/07/2025
E70/5450	Coobaloo Minerals Pty Ltd	Live	20.6	08/05/2020	21/01/2021	20/01/2026
E70/5515	Coobaloo Minerals Pty Ltd	Live	165.5	19/06/2020	03/03/2021	02/03/2026
E70/5516	Coobaloo Minerals Pty Ltd	Live	157.5	19/06/2020	24/02/2021	23/02/2026
P70/1743	Coobaloo Minerals Pty Ltd	Pending	1.7	11/05/2020	N/A	N/A
Dingo Rocks						
E63/2070	ERL (Aust) Pty Ltd	Live	270.6	3/12/2020	23/07/2021	22/07/2026
Yalwest						
ELA59/254	ERL (Aust) Pty Ltd	Pending	181.3	23/4/2021	N/A	N/A
ELA59/260	ERL (Aust) Pty Ltd	Pending	129.9	21/7/21	N/A	N/A

(b) **Moora Project**

Liontown secured the Moora Project in 2018 and 2019 as part of its exploration strategy for battery metals, after recognising the potential of the region. Moora is located ~140km north-east of Perth, Western Australia in an emerging precious and base metal mineral province. It is in the same geological terrain as the Julimar Ni-PGE-Cu-Au discovery by Chalice Mines Limited which is located ~95km to the south (Figure 2).

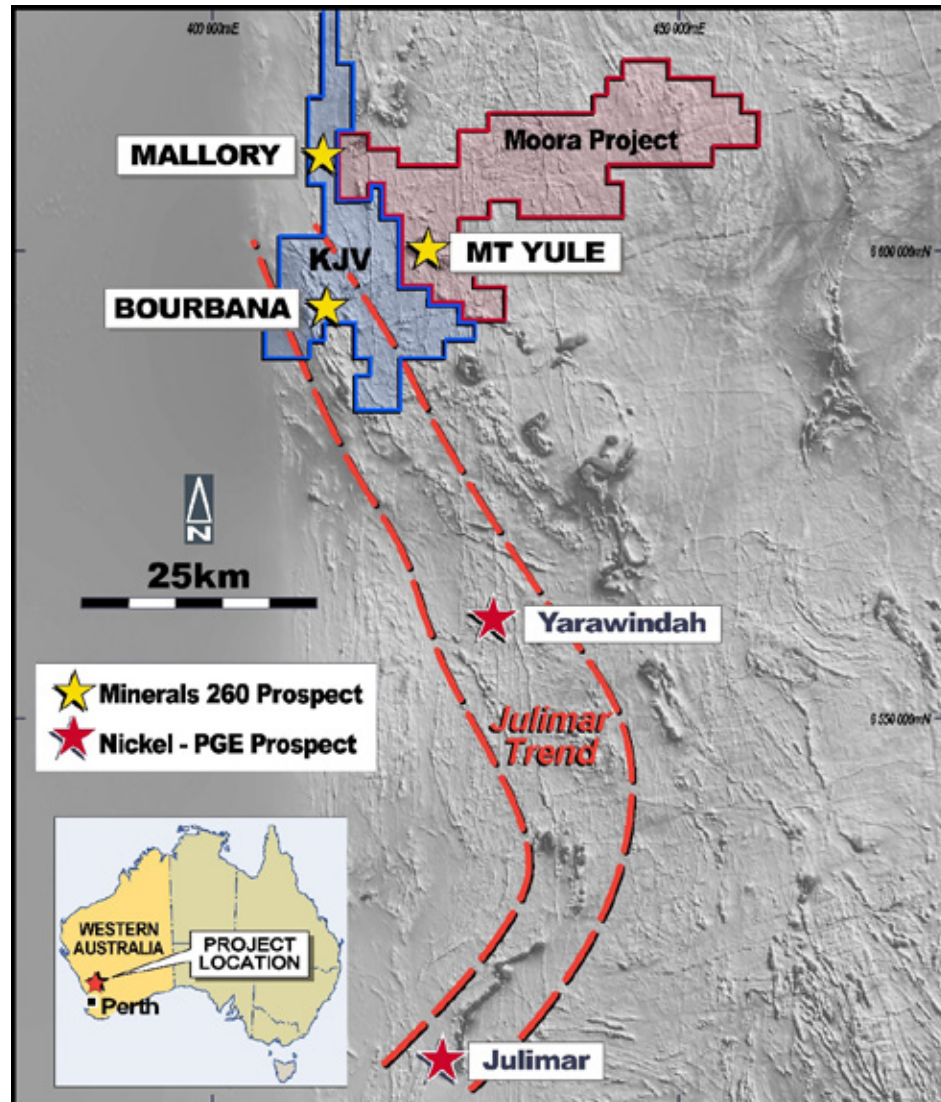


Figure 2: Regional magnetic image showing Moora and Koojan JV Projects relative to Julimar Discovery

Since Chalice’s discovery at Julimar, the region has become one of most highly sought-after exploration areas in Australia with numerous ASX-listed companies actively targeting Ni-PGE-Cu-Au deposits (Figure 3).

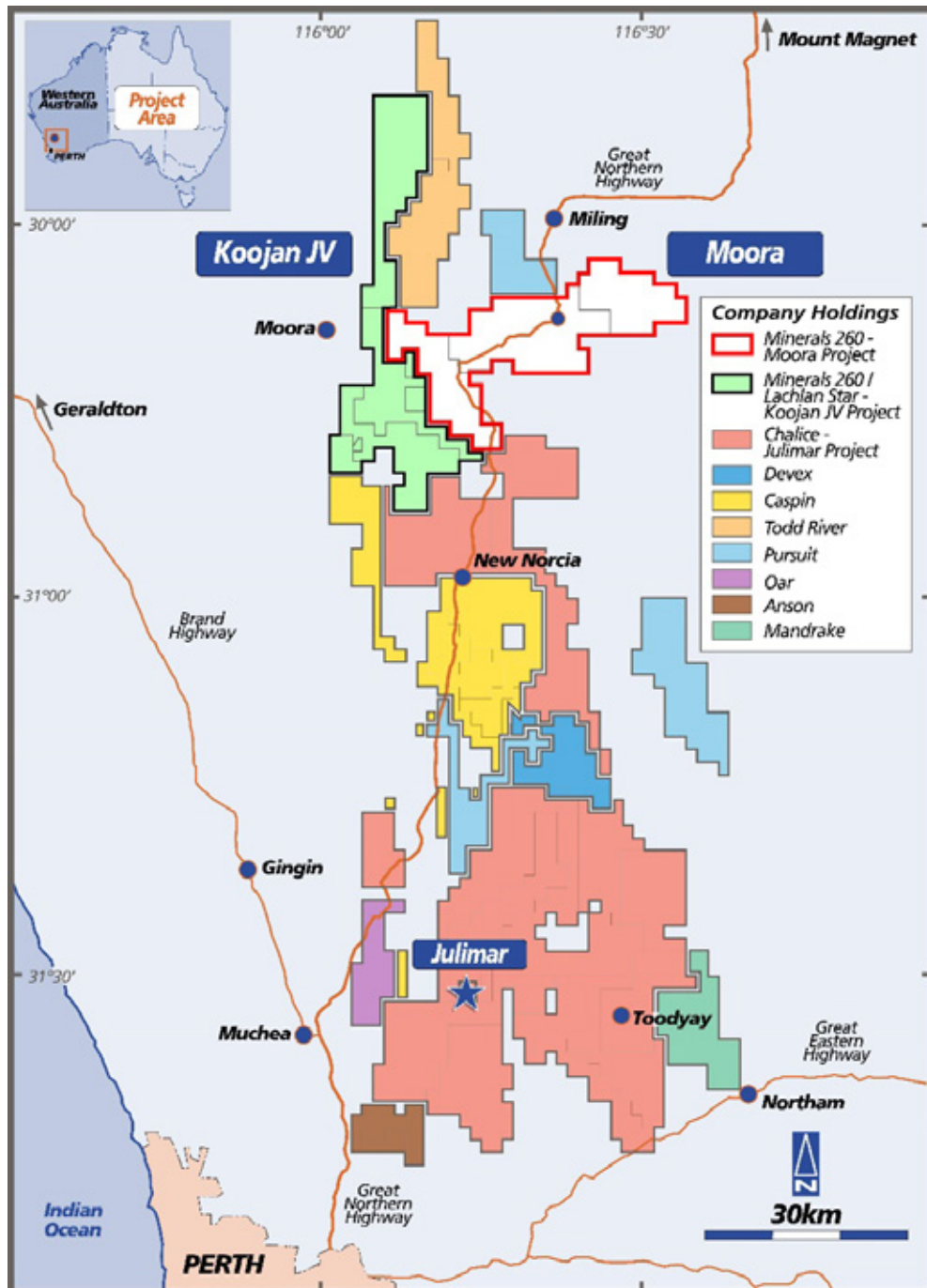


Figure 3: Moora Project and Koojan JV Project location and third-party tenure held by other active ASX listed explorers

The Moora Project is largely underlain by freehold properties used for broadacre cropping and livestock rearing. ERL has negotiated access agreements over the larger properties which cover the main geophysical anomalies and is in discussions with other landowners as at the date of this Prospectus. It has also signed Noongar Standard Heritage Agreements with the South West Aboriginal Land and Sea Council who act on behalf of the Yued Agreement Group in respect of the Moora Tenements.

Geochemical exploration by ERL has defined strong Au-PGE-Ni-Cu anomalism coincident with geophysical features interpreted to be indicative of mafic-ultramafic intrusions similar to the unit that hosts the Julimar discovery.

The maiden drilling program at Moora was completed in the March 2021 quarter, with 264 air-core holes drilled for 10,349m and 14 Reverse Circulation holes drilled for 1,946m.

Three significant zones of mineralisation were intersected by the drilling, all coincident with the Mt Yule magnetic anomaly (Figure 4):

- a. **Angepena Zone (Au):** a 900m long bedrock gold zone open along strike and at depth. Up to 43m at 1.8g/t Au has been intersected in drilling;
- b. **Northern Zone (Cu-Au):** a plus 2,000m long copper-gold zone with multiple ore grade intersections that are open in all directions. Up to 9m at 2.1% Cu and 7m at 1.03g/t Au has been intersected in drilling; and
- c. **South Eastern Zone (SEZ) (Au/Cu):** defined by a single drill hole which intersected up to 17m at 0.4g/t Au and 12m at 0.2% Cu.

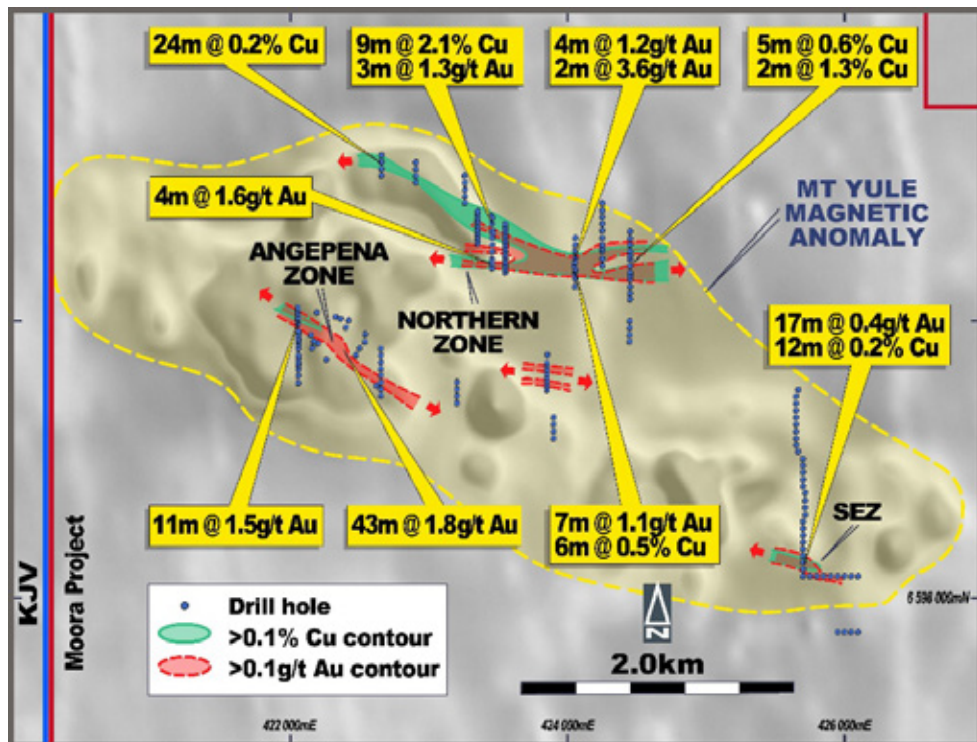


Figure 4: Mt Yule Magnetic Anomaly. Refer to Figure 2 for location

Proposed follow-up work at Moora will include reverse circulation drilling, diamond core drilling, review of pathfinder geochemistry, ground electromagnetic surveys and a detailed aeromagnetic survey to allow modelling and targeted drill testing.

(c) **Koojan JV Project**

Liontown, through its wholly-owned subsidiary ERL, announced on 27 January 2021 that it had acquired the right to earn 51% interest in the Koojan JV Project, which abuts the western boundary of its 100%-owned Moora Project, by entering into a

binding term sheet with Lachlan Star. The Koojan JV Project was effectively unexplored with no prior geochemical sampling or drilling.

The Koojan JV Project is located in the same geological terrain as the Moora Project and covers a largely contiguous area of ~600km². The Project comprises six granted Exploration Licenses E70/5337, E70/5312, E70/5429, E70/5450, E70/5515 and E70/5516) and one pending application for a Prospecting Licence (PL 70/1743).

All tenements are 100% owned by Coobaloo, which is owned 50% by Midland (a subsidiary of Lachlan Star) and 50% by Wavetime.

Access agreements have been negotiated with key landowners and are in progress with a number of other parties. Coobaloo has signed Noongar Alternative Heritage Agreements with the South West Aboriginal Land and Sea Council who act on behalf of the Yued Agreement Group in respect of a number of the Koojan Tenements.

ERL has completed two phases of geochemical exploration comprising 2,214 and 1,649 samples respectively. Results have defined a number of high order PGE and/or gold anomalies with the priority targets being the Mallory and Bourbana prospects (Figures 5A and 5B).

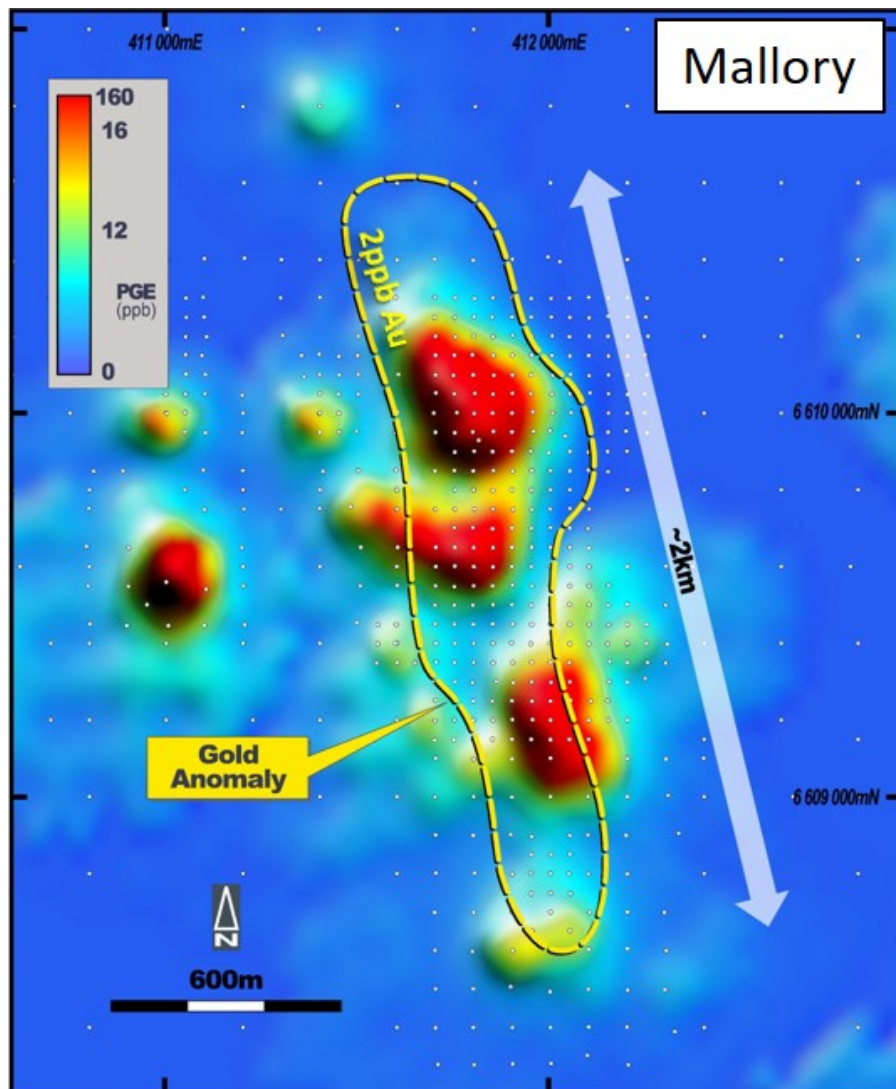


Figure 5A: Mallory Prospect – image of auger results showing PGE anomalism and contour of coincident gold anomaly. Refer to Figure 2 for location

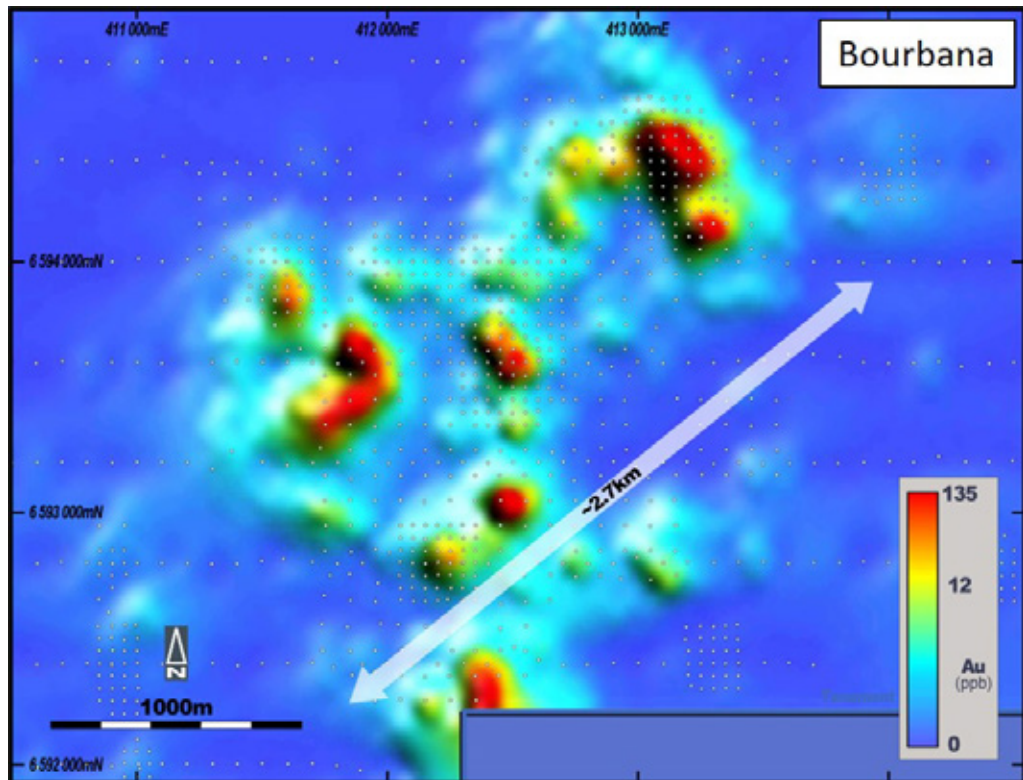


Figure 5B: Bourbana Prospect – image of auger results showing gold anomalism. Refer to Figure 2 for location

The Mallory PGE-gold anomaly (Figure 5A) has been defined over a strike length of 2km with PGE values greater than 100ppb (0.1g/t) recorded coincident with a strongly anomalous NNW/SSE trending, coherent gold trend. Government geological mapping indicates that the underlying bedrock geology comprises poorly exposed mafic, metasedimentary and gneissic rock units.

The Bourbana gold anomaly (Figure 5B) is a large, irregular shaped feature with multiple plus 50ppb Au peaks. The bedrock geology is obscured by shallow lateritic cover; however, the anomaly is coincident with linear magnetic highs, suggestive of the presence of iron-rich mafic units. The northern extension of the Julimar trend, which is defined by regional magnetic data, is interpreted to run through the Bourbana anomaly.

Proposed work on the Koojan JV Project includes follow-up geophysical programs including ground electromagnetic and induced polarisation surveys and detailed aeromagnetics designed to define bedrock targets for drill testing.

(d) **Dingo Rocks Project**

The Dingo Rocks Project is an early-stage exploration project, focused on precious and base metals, within the Esperance region of Western Australia. The project comprises a single Exploration Licence (E63/2070) covering 271.6km². The project is located 600km east-southeast of Perth and 45km east of the small town of Salmon Gums. Access to the Dingo Rocks Project is via the sealed Coolgardie-Esperance Highway and then via unsealed secondary roads (see Figure 6).

The Company is yet to compile all of the previous exploration data but historical auger geochemical sampling and aircore drilling which have been completed over part of the project have defined low level gold anomalism. The Company will further review and reprocess the available geophysical and sampling data prior to carrying out initial ground reconnaissance.

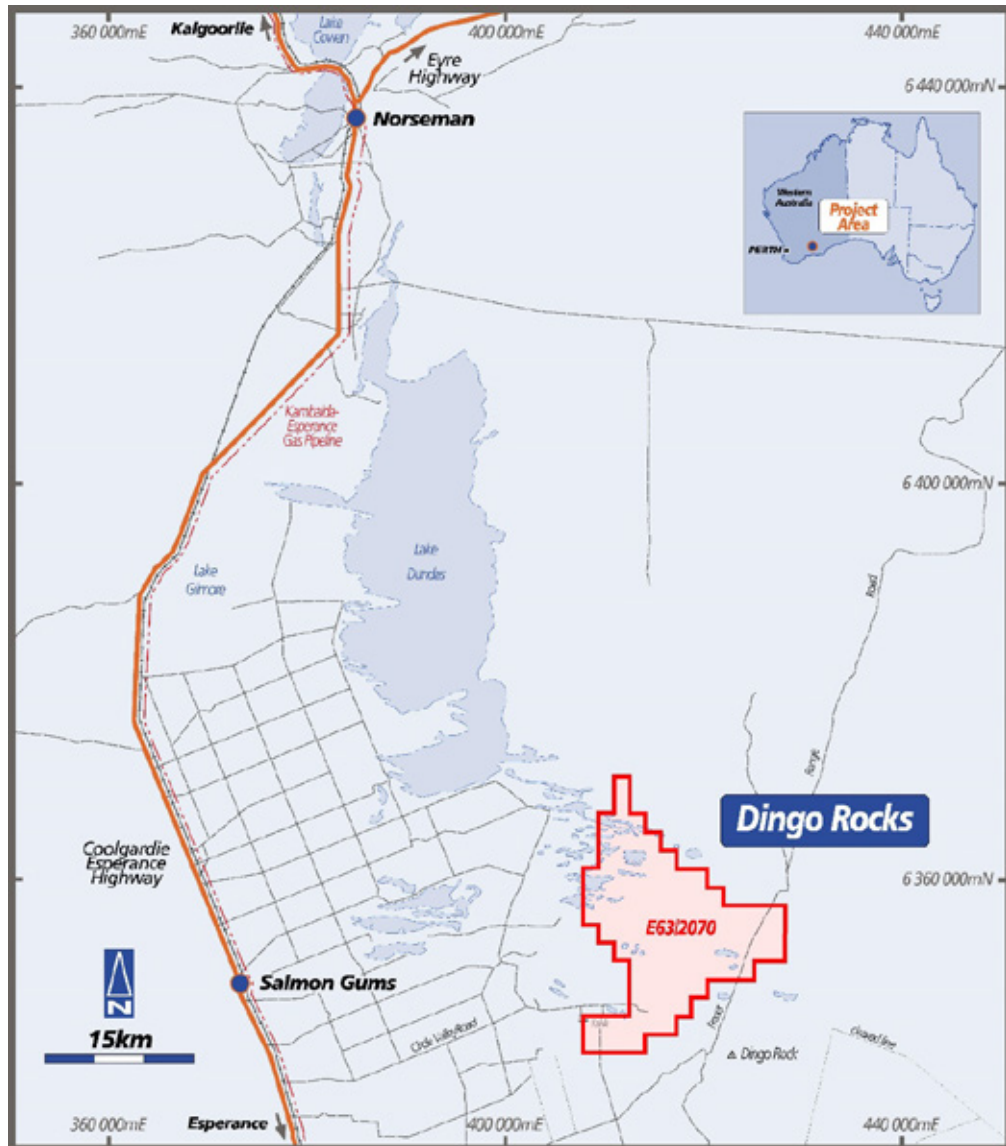


Figure 6: Dingo Rocks Project location

(e) **Yalwest Project**

The Yalwest Project is an early stage exploration project, focused on precious and base metals, within the Murchison region of Western Australia. The project comprises two adjoining Exploration Licence applications (ELA59/2541 and ELA59/2604) covering an area of 311 km². The project is located 400km north of Perth, 70km east of Geraldton and 40km west of Yalgoo. Access to the Yalwest Project is via the sealed Geraldton-Mount Magnet Road which passes through the southern portion of ELA59/2541 and then via station and fence-line tracks (see Figure 7).

The project is in an area where there has been no previous recorded exploration and has geophysical anomalies which may reflect untested greenstones prospective for precious and base metals.

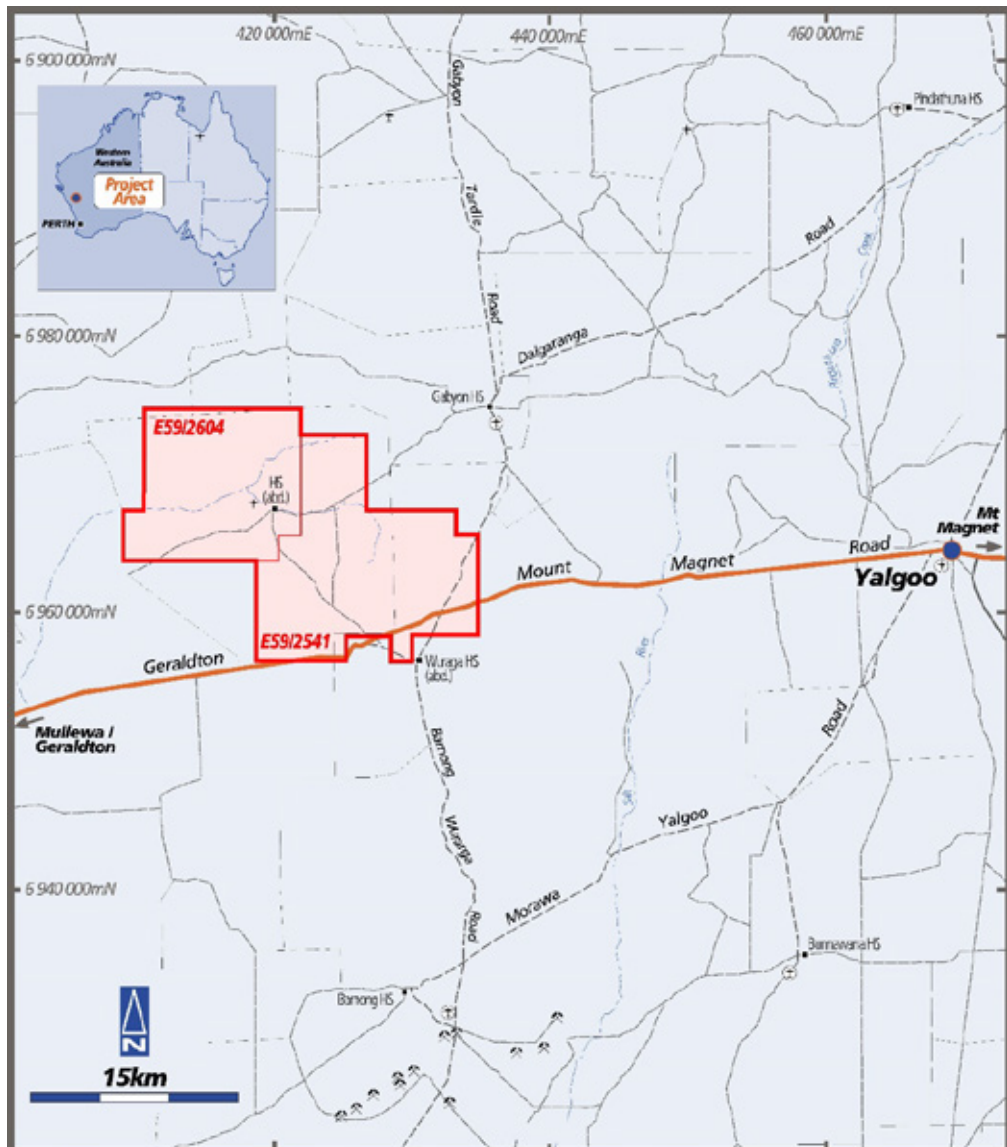


Figure 7: Yalwest Project location

2.6 Business strategy and objectives of the Company

Following listing and implementation of the Demerger, the Company's primary focus will be to explore the Projects using a variety of geochemical, geophysical and drilling techniques to create value for Shareholders through the discovery and development of mineral deposits.

The early drill success at Moora indicates the potential for the discovery of an economic mineral deposit. The Company aims to progress from an explorer, subject to the results of its exploration activities, technical studies and availability of appropriate funding, into development and ultimately into a producer. The Company will achieve this by:

- (a) undertaking systematic exploration activities on its mineral projects, with the aim of discovering an economic mineral deposit;
- (b) undertaking economic and technical assessments of the projects in line with industry standards (for example, the completion of a scoping study, then a prefeasibility study, followed by a definitive feasibility study);
- (c) undertaking project development and construction; and
- (d) commencing mining operations.

Although the Company's immediate focus will be on the Projects, as with most exploration entities, it will also assess new business opportunities in the resource sector that complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation, all of which would complement the Company's existing mineral portfolio. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects with reference to the objectives of the Company. There are uncertainties in the process of identifying and acquiring new and suitable projects.

2.7 Proposed exploration budgets

The Company proposes to fund its intended activities as outlined in the table below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration. This will involve an ongoing assessment of the Company's Projects and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budget takes into account the proposed expenses over the next 2 years to complete initial exploration of the Tenements. As budgeted below, the Company's exploration expenditure will exceed the statutory requirements for each of the Tenements (see 0 for further details):

Expenditure	Minimum Subscription			Maximum Subscription		
	Year 1 (\$)	Year 2 (\$)	Total (\$)	Year 1 (\$)	Year 2 (\$)	Total (\$)
Moora Project and Koojan JV Project						
Geochemistry, geophysics and mapping	639,205	88,650	727,855	808,465	169,520	977,985
Drilling and assaying	3,148,170	3,721,730	6,869,900	5,841,785	6,968,110	12,809,895
Metallurgical and scoping studies	0	369,370	369,370	0	369,370	369,370
Sub-total for Moora Project and Koojan JV Project	3,787,375	4,179,750	7,967,125	6,650,250	7,507,000	14,157,250

Expenditure	Minimum Subscription			Maximum Subscription		
	Year 1 (\$)	Year 2 (\$)	Total (\$)	Year 1 (\$)	Year 2 (\$)	Total (\$)
Dingo Rocks Project						
Geochemistry, geophysics and mapping	94,000	94,000	188,000	94,000	94,000	188,000
Sub-total for Dingo Rocks Project	94,000	94,000	188,000	94,000	94,000	188,000
Total	3,881,375	4,273,750	8,155,125	6,744,250	7,601,000	14,345,250

2.8 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing businesses.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits or conduit foreign income.

3. Risk Factors

As with any share investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

Any investment in the Company under this Prospectus should be considered highly speculative.

3.1 Risks specific to the Company

(a) Limited history

The Company was incorporated on 4 June 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.

(b) Conditionality of Offer

The obligation of the Company to issue the Shares under the Offer is conditional on ASX granting approval for Admission to the Official List. If this condition is not satisfied, the Company will not proceed with the Offer. Failure to complete the Offer may have a material adverse effect on the Company's financial position.

The Offer is also conditional on the successful implementation of the Demerger. The Company proposes to acquire 100% of the issued share capital in ERL, which owns 100% of the interest in the Moora Project, Dingo Rocks Project, and the Yalwest tenement applications and has the right to acquire up to a 51% interest in the Koojan JV Project under the terms of the Koojan JVA. To implement the Demerger, Liontown will conduct the In-specie Distribution to Eligible Liontown Shareholders (by way of the Capital Reduction and the Demerger Dividend) on the basis of 1 Share for every 11.91⁶ Liontown Shares.

Accordingly, Liontown is required to obtain shareholder approval for the In-specie Distribution including the Capital Reduction and Demerger Dividend under sections 256B and 256C of the Corporations Act which requires more than 50% of Liontown Shareholders to vote in favour of the Demerger. There is a risk that shareholders of Liontown do not approve the Demerger and if that occurs, the Company will not be able to acquire the Projects and the Offer will not proceed. The Demerger is also subject to a number of other conditions precedent which are described in Section 7.3. If any one of these conditions precedent are not satisfied or waived, the Demerger will not proceed and the Company will not proceed with the Offer.

⁶ If the number of Liontown Shares increases prior to the In-specie Distribution Record Date, the ratio of Shares received for every Liontown Share held will be reduced.

(c) **Title in Koojan JV Project**

As at the date of this Prospectus, ERL (which will become the wholly-owned subsidiary of the Company on implementation of the Demerger) is not the registered holder of the tenements comprising the Koojan JV Project. Rather, the Koojan Tenements are held by Coobaloo, which is owned 50% by Midland (a subsidiary of Lachlan Star) and 50% by Wavetime. ERL's entitlement under the Koojan JVA is limited to a contractual right to acquire an interest in the Koojan Tenements on the terms of the JVA.

Under the terms of the Koojan JVA, the Company, via ERL, will have the right to acquire an initial 30% interest in the Koojan JV Project by spending \$1,500,000 on exploration within 5 years, with a minimum expenditure commitment of \$500,000 before having the right to withdraw. ERL will have the right to increase its interest to 51% in the Koojan JV Project by spending a total of \$4,000,000 on exploration within 5 years.

ERL's rights in respect of the Koojan Tenements will be derived from the rights conferred on the tenement holder. While ERL has certain rights and protections in place under the JVA, there is a risk that Coobaloo defaults on its obligations in its capacity as tenement holder, and that consequently the tenements may be forfeited. Further, there is a risk that if required, the Company will not be able to obtain additional capital or funding in order to meet the minimum expenditure commitments under the Koojan JVA. See Section 7.1 for a summary of the Koojan JVA.

(d) **Tenure and land access risk**

Land access is critical for exploration and/or exploitation to succeed. Access to both the mineral rights and surface rights is required. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements.

As at the date of the Prospectus, ERL has negotiated access agreements with 14 different land owners, some of whom have multiple holdings, which has given ERL access to 30-40% of the land the subject of the tenements comprising the Moora Project and the Koojan JV Project. Exploration has focussed on the areas the subject of these access agreements, as these areas are considered most prospective, but the Company expects to extend coverage in the future. The Company expects to negotiate access agreements with another 15 – 25 land owners to allow access to the entire area the subject of the tenements comprising the Moora Project and Koojan JV Project (~1,000km²).

As the Company's rights in certain tenements are subject to contracts with third parties, including the access agreements, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Company may lose its rights to exclusive use of, and access to any, or all, of the Tenements. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts.

Additionally, the Company may not be able to access the Tenements due to natural disasters or adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

(e) **New projects and acquisitions**

Although the Company's immediate focus will be on the Projects, as with most exploration entities, it will pursue and assess new business opportunities in the resource sector over time that complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If a proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time the funding allocated to current Projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(f) **Future capital requirements**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the market price (or Offer Price) at that time, or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales

of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(g) **Contractual risk**

The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of their obligations under certain agreements (details in Section 7). If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly. If the Company enters into agreements with third parties for the acquisition or divestment of equity interests in mineral exploration and mining projects there are no guarantees that any such contractual obligations will be satisfied in part or in full.

(h) **Taxation losses**

The Company and its subsidiaries will have nil carry forward tax losses immediately following completion of the Offer. Carry forward tax losses will remain with the Liontown income tax consolidated group.

The ability of the Company to obtain the benefit of future carry forward tax losses will depend on future tax profitability and may be adversely affected by changes in business activities, levels of taxable income, profitability relating to the use of the tax losses, and major changes in ownership. Changes in taxation laws (or their interpretation) in Australia could materially affect the Company's financial performance and impact on its ability to obtain the benefit of future carry forward tax losses.

The quantum and availability of future carry forward tax losses for post-Offer periods will be determined by the Company on a go-forward basis in compliance with relevant tax laws.

3.2 **Mining industry risks**

(a) **Title and grant risk**

As at the date of this Prospectus, ERL, a wholly-owned subsidiary of the Company, has a 100% registered legal and beneficial interest in the tenements comprising the Moora Project and E63/2070 and is the 100% registered applicant for Pending Tenements ELA59/2541 and ELA59/2604.

The tenements comprising the Koojan JV Project are held by Coobaloo, which is owned 50% by Midland (a subsidiary of Lachlan Star) and 50% by Wavetime. Pursuant to the Koojan JVA, the Company, through ERL, has a right to farm-in to acquire either a 30% or a 51% legal and beneficial interest in the Koojan Tenements (through a 2-stage farm-in). The Company's entitlement to an interest in the Koojan Tenements is limited to a contractual right to acquire the interest on the terms of the Koojan JVA.

The Pending Tenements have not yet been granted. Accordingly, there is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to the Company or that such grant will be delayed. Further, Pending Tenement ELA59/2541 is subject to a Mining Act objection and in the event the objection is not withdrawn, the grant of ELA59/2541 will likely be delayed.

Interests in all tenements in Western Australia are governed by state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could be exposed to additional costs, have its ability to explore or mine the Tenements reduced or lose title to or its interest in the Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

(b) **Exploration and development risks**

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration projects that may be acquired in the future will result in the discovery of an economic resource.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk. Other than data generated by ERL in respect of the Projects, the reliability of the data otherwise used to produce the Independent Technical Assessment Report in this regard is limited as it is historical in nature and could not be independently verified by the Independent Geologist.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, land access issues, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, obtaining all required approvals for its activities, and being able to maintain title to the Moora Project and increase its interest in the Koojan JV Project through meeting the minimum expenditure commitments under the Koojan JVA. In the event that exploration programs are unsuccessful, this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company or a possible relinquishment of part or all of its Projects.

(c) **Operating risk**

There are significant risks in developing a mine and there is no guarantee that the Company will be able to achieve economic production from any of the Tenements. In addition, the operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects. Unless and until the

Company is able to realise value from the Projects, it is likely to incur ongoing operating losses.

(d) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(e) **Resource estimation risks**

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. The calculation and interpretation of resource estimates are by their nature expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may in turn adversely affect the Company's operations.

(f) **Access to services**

Given the high levels of activity in the resources industry currently, the Company may potentially face delays in procuring services to undertake exploration and related activities at its key projects. These services include but are not limited to access to drill rigs and drilling crew.

(g) **Payment obligations**

Pursuant to the licences comprising the Projects, the Company will become subject to payment and other obligations. In particular, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the Tenements subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, this could result in dilution or forfeiture of the Company's interest in the Projects in addition to any other remedies that may be available to other parties. Further details of these conditions and obligations are set out in section 7 of the Solicitor's Report.

(h) **Minerals and currency price volatility**

The Company's ability to proceed with the development of its Projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for minerals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks.

Minerals are principally sold throughout the world in US dollars. The income and expenses of the Company will be taken into account in Australian currency. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(i) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(j) **Native title risks**

The Company is aware that the tenements comprising the Moora Project and Koojan JV Project are all affected by the Yued native title claims and that the Dingo Rocks Tenement and Yalwest tenement applications are subject to two registered native title claims (in the names of Mullewa Wadjari Community and Wajarri Yamatji #1) and three registered native title determinations (in the names of Yamatji Nation, The Esperance Nyungars and Ngadju). Refer to section 8.9 of the Solicitor's Report at Annexure B for further details.

The Moora Project and Koojan JV Project tenements are also subject to the Yued Indigenous Land Use Agreement (**Yued ILUA**) which falls into the area of the South West Native Title Settlement (**Settlement**).

Under the Yued ILUA, the native title rights and interests in respect to the Yued claim are surrendered to the State of Western Australia in relation to the Settlement area, such that the native title rights and interests of the Yued claim are extinguished and

consent is given to 'future acts' over the Settlement area. Refer to sections 8.6(c), 8.10 and 9.6 of the Solicitor's Report at Annexure B for further details.

Tenement E63/2070 is partially subject to the Esperance Nyungar Government ILUA and Pending Tenement ELA59/2541 is partially subject to the Yamatji Nation Agreement ILUA. Similar to the Yued ILUA, the future act process does not apply to these areas. Refer to sections 8.6(c) and 8.10 of the Solicitor's Report at Annexure B for further details.

There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity.

The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the registered holder of the Tenements provided the Tenements have been validly granted in accordance with the *Native Title Act 1993 (Cth)* (**Native Title Act**).

However, if any of the Tenements were not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

(k) **Aboriginal heritage risk**

The Company is aware that there are five registered Aboriginal heritage sites and seventeen applications for 'other' Aboriginal heritage places, within tenements E70/5217, E70/5450, E70/5515, E70/5287, E70/5312 E70/5286, E63/2070 and ELA59/2541. Refer to sections 9.5 and 9.6 of the Solicitor's Report at Annexure B for further details.

There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

(l) **Third party risks**

The Tenements overlap File Notation Areas. In respect to the File Notation Areas, third party tenure and access rights may be granted in the future. Refer to section 10.1 of the Solicitor's Report at Annexure B for further details.

Pending Tenements ELA59/2541 and ELA59/2604 overlap pastoral leases. Refer to section 10.3 of the Solicitor's Report at Annexure B for further details.

Tenement E63/2070 and Pending Tenement ELA59/2541 overlap mining tenements held by third parties. For further information on the overlaps, refer to Refer to section 10.5 of the Solicitor's Report at Annexure B.

Several of the tenements comprising the Moora Project and Koojan JV Project (specifically being E70/5217, E70/5286, E70/5312, E70/5337, E70/5429 and E70/5450) overlap private freehold land. These tenements have been granted with endorsements approving the grant of the tenements to include the affected parcels of

private land, to a depth of 30 metres from the natural surface of the land. Access and compensation agreements have been negotiated with key landowners. Refer to section 10.4 of the Solicitor's Report at Annexure B for further details.

Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including pastoral leases, private landowners, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.

Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(m) **Environmental risk**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Company is aware that the Moora Tenements and Koojan Tenements E70/5337, E70/5450 and E70/5516 encroach on sites which have been gazetted as "rare flora" under the *Wildlife Conservation Act 1950* (WA). These tenements are subject to endorsements which place the onus on the tenement holder to contact the Department of Biodiversity Conservation and Attractions to receive the population details and information on the management of the rare flora present within the tenement. Refer to section 10.7 of the Solicitor's Report at Annexure B for further details.

Tenements E70/5217, E70/5312, E70/5450, E70/5429, E70/5515, E70/5337, E70/5286 and PLA70/1743 encroach on areas which are dieback risk zones. Prior to commencing exploration activities on these tenements, a dieback management plan must be provided to the Department for assessment and approval. Refer to section 10.8 of the Solicitor's Report at Annexure B for further details.

The land the subject of tenements E70/5217, E70/5312, E70/5450, E70/5515, E70/5516, E63/2070 and PLA70/1743 overlap several Crown Reserves. Prior to conducting activities on the reserves, the Company will be required to seek certain consents and approvals. Refer to section 10.9 of the Solicitor's Report at Annexure B for further details.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(n) **Licences, permits and approvals**

Subject to the completion of the farm-in under the Koojan JVA in respect of the tenements comprising the Koojan JV Project, the Company holds all material authorisations required to undertake the exploration programs described in this Prospectus. However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(o) **Heritage and sociological risk**

Some of the tenements which the Company proposes to mine may be of significance from a heritage or sociological perspective, including native title issues. Some sites of significance may be identified within the Tenements and the Company may be hindered by legal and cultural restrictions on mining those Tenements. The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

(p) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(q) Conflicts of interest

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. These Directors are aware of their fiduciary duties in respect of situations that may arise in which they would have obligations to, or interests in, the Company which may conflict with their obligations to, or interests in, such other companies. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in the first instance. In the event that an actual or potential conflict of interest were to arise, any conflicted Director will ensure they comply with their duties as a director of the Company, including disclosure of any perceived or actual conflict to the Board. The Board will then follow procedures and protocols appropriate for a transaction involving a conflict of interest.

3.3 General risks**(a) Economic risks**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economic conditions are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) Market conditions

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Force majeure**

The Company's Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, subversive activities or sabotage, fires, floods, explosions, pandemics or other catastrophes.

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect the Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its Projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, land access disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Taxation in respect of Securities (including Shares)**

The acquisition and disposal of Securities (including Shares) will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities (including Shares) from a taxation and duty point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation and duty consequences of applying for Shares under this Prospectus.

(h) **Application of and changes in taxation law**

The application of and changes in relevant taxation laws (including income tax, goods and services taxes (or equivalent) and stamp duties), or changes in the way taxation laws are interpreted, may impact the Company's and/or its subsidiaries' tax / duty liabilities and financial performance or the tax / duty treatment of a shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax / duty paid or payable by the Company or its subsidiaries. Both the level and basis of tax may change. Any changes to the current rate of company income tax (in Australia or overseas) and / or any changes in tax rules and tax arrangements (again in Australia or overseas) may have an adverse impact on the Company's financial performance, may increase the amount of tax paid or payable by the Company or its subsidiaries, may also impact shareholder returns and could also have an adverse impact on the level of dividend franking / conduit foreign income and shareholder returns.

(i) **Inability to pay dividends or make other distributions or potential for dividend not to be franked or attached conduit foreign income**

There is no guarantee that dividends will be paid on Shares in the future, as this is a matter to be determined by the Board in its discretion and the Board's decision will have regard to, amongst other things, the financial performance and position of the Company, relative to its capital expenditure and other liabilities.

Moreover, to the extent that the Company pays any dividends, the Company may not have sufficient franking credits in the future to frank dividends or sufficient conduit foreign income in the future to declare an unfranked dividend (or the unfranked portion of a partially franked dividend) to be conduit foreign income.

Alternatively, the franking system and/or the conduit foreign income system may be subject to review or reform.

The extent to which a dividend can be franked will depend on the Company's franking account balance (which is expected to be nil immediately following completion of the Offer) and its level of distributable profits. The Company's franking account balance is contingent on the Company making Australian taxable profits and will depend on the amount of Australian income tax paid by the Company on those Australian taxable profits. The Company's Australian taxable profits may fluctuate, making the payment of franked dividends unpredictable.

The extent to which an unfranked or partially franked dividend can be declared to be conduit foreign income will depend on the Company's conduit foreign income balance (which will be nil immediately following completion of the Offer) and its level of distributable profits. The Company's conduit foreign income balance will depend on whether the Company expands overseas and the level of non-Australian income tax paid by the Company on those operations. It is noted that, based on present activities, future unfranked dividends paid by the Company are unlikely to be declared to be conduit foreign income on the basis the group's operations are wholly within Australia.

The value and / or availability of franking credits and conduit foreign income to a shareholder will differ depending on the shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each shareholder. No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking or conduit foreign income on any such dividend.

(j) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(k) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly relevant to the Company and its Projects include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(l) **Infectious diseases**

The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

3.4 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4. Financial Information

4.1 Introduction

The financial information contained in this Section 4 includes:

(a) summary statutory audited historical Statements of Financial Position as at 30 June 2019, 30 June 2020 and 30 June 2021 and statutory audited historical Statements of Profit or Loss and Other Comprehensive Income of ERL (Aust) Pty Ltd ('ERL') for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;

(b) the reviewed historical Statement of Financial Position as at 30 June 2021 and reviewed historical Statement of Profit or Loss and Other Comprehensive Income of Minerals 260 Limited ('Minerals 260' or the 'Company') for the period then ended;

(together referred to as the **Historical Financial Information**); together with

(c) the consolidated pro forma Statement of Financial Position of the Company as at 30 June 2021 and supporting notes which include the acquisition of ERL and other pro forma adjustments (**Pro Forma Financial Information**);

(together referred to as the **Financial Information**).

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus. HLB Mann Judd has prepared an Independent Limited Assurance Report in respect of the Financial Information, as set out in Annexure A. Investors should note the scope and limitations of the Independent Limited Assurance Report.

References to "the Group" relate to the consolidated entity of Minerals 260 and ERL once the acquisition of ERL is completed.

All amounts disclosed in this Section are presented in Australian dollars.

4.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information included in this Section 4 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001. Significant accounting policies applied to the Historical Financial Information are set out in Section 4.9 under the heading 'Significant Accounting Policies'.

The Historical Financial Information has been prepared for the purpose of the Offer

4.3 Basis of preparation of the Pro Forma Financial Information

The Pro Forma Financial Information included in this Section 4 has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Financial Information is based on the reviewed consolidated Statement of Financial Position of the Group as at 30 June 2021 and adjusting for the impacts of the Offer and other pro forma adjustments.

The Pro Forma Financial Information does not reflect the actual financial results of the Group for the period indicated. The directors of the Group believe that it provides useful information as it illustrates to investors the financial position of the Group immediately after the Offer is completed and related pro forma adjustments are made.

The information set out in this Section 4 and the Company's selected financial information should be read together with:

- (a) the Risk Factors described in Section 3;
- (b) the Use of Funds described in Section 1.3;
- (c) the Indicative Capital Structure described in Section 2.2;
- (d) the Independent Limited Assurance Report on the Historical Financial Information set out in Annexure A; and
- (e) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

4.4 Historical Statements of Profit or Loss

- (a) ERL (Aust) Pty Ltd

The table below presents the Historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2019, 2020 and 2021.

	Year ended 30 June 2019	Year ended 30 June 2020	Year ended 30 June 2021
	Audited	Audited	Audited
	\$	\$	\$
Continuing operations			
Revenue	-	-	-
Exploration and evaluation expenditure	(17,857)	(308,306)	(1,690,745)
Corporate administrative expenses	(263)	(285)	(61,075)
(Loss) before income tax	(18,120)	(308,591)	(1,751,820)
Income tax (expense) / benefit	-	-	-
(Loss) from continuing operations	(18,120)	(308,591)	(1,751,820)
Other comprehensive (loss) for the year	-	-	-
Total comprehensive (loss) for the year			
Attributable to owners of the company	(18,120)	(308,591)	(1,751,820)

(b) Minerals 260 Limited

The table below presents the Historical Statement of Profit or Loss and Other Comprehensive Income for the period from incorporation to 30 June 2021.

	Period from incorporation to 30 June 2021
	Reviewed
	\$
Continuing operations	
Administrative expenses	-
(Loss) before income tax	-
Income tax (expense) / benefit	-
(Loss) from continuing operations	-
Other comprehensive (loss) for the year	-
Total comprehensive (loss) for the year	
Attributable to owners of the company	-

4.5 Historical Statements of Cash Flows

(a) ERL (Aust) Pty Ltd

There have been no cash flow movements in ERL (Aust) Pty Ltd due to all transactions being settled on ERL's behalf by Liontown through an intercompany loan. Accordingly, no cashflow statement has been prepared for the years ended 30 June 2019, 30 June 2020 and 30 June 2021.

(b) Minerals 260 Limited

There have been no cash flow movements in Minerals 260 due to all transactions being settled on Minerals 260's behalf by Liontown through an intercompany loan. Accordingly, no cashflow statement has been prepared for the period from incorporation to 30 June 2021.

4.6 Historical Statements of Financial Position
(a) ERL (Aust) Pty Ltd

The Table below presents the Historical Statements of Financial Position as at 30 June 2019, 2020 and 2021.

	As at 30 June 2019	As at 30 June 2020	As at 30 June 2021
	Audited \$	Audited \$	Audited \$
Current liabilities			
Trade and other payables	(2,179)	(28,536)	(47,043)
Borrowings	(17,203)	(299,437)	(2,032,750)
Total current liabilities	(19,382)	(327,973)	(2,079,793)
Total liabilities	(19,382)	(327,973)	(2,079,793)
Net liabilities	(19,382)	(327,973)	(2,079,793)
Equity			
Share capital	1	1	1
Accumulated losses	(19,383)	(327,974)	(2,079,794)
Total deficiency	(19,382)	(327,973)	(2,079,793)

(b) Minerals 260 Limited

The table below presents the Historical Statement of Financial Position at 30 June 2021.

	As at 30 June 2021
	Reviewed \$
Current assets	
Trade receivables	1,000
Total current assets	1,000
Current liabilities	
Borrowings	(1,124)
Total current liabilities	(1,124)
Total liabilities	(1,124)
Net liabilities	(124)
Equity	
Share capital	1,000
Share issue costs	(1,124)
Accumulated losses	-
Total deficiency	(124)

4.7 Pro Forma Consolidated Statement of Financial Position

The table below sets out the pro forma adjustments that have been incorporated into the Pro Forma Consolidated Statement of Financial Position as at 30 June 2021. The pro forma adjustments reflect the financial impact of the Offer, acquisition of ERL and other transactions as if they had occurred at 30 June 2021.

The Pro Forma Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as necessarily indicative of the Company's view of the Group's financial position.

Consolidated	Section reference	Minerals 260	Pro forma	Pro forma	Pro forma	Pro forma
		at 30 June 2021	Adjustments – Minimum Subscription	Adjustments – Maximum Subscription	30 June 2021 – Minimum Subscription	30 June 2021 – Maximum Subscription
		\$	\$	\$	\$	\$
CURRENT ASSETS						
Cash and cash equivalents	4.10	-	13,550,000	27,780,000	13,550,000	27,780,000
Trade and other receivables		1,000	(1,000)	(1,000)	-	-
TOTAL CURRENT ASSETS		1,000	13,549,000	27,779,000	13,550,000	27,780,000
TOTAL ASSETS		1,000	13,549,000	27,779,000	13,550,000	27,780,000
CURRENT LIABILITIES						
Trade and other payables		-	(47,043)	(47,043)	(47,043)	(47,043)
Non-interest-bearing loans		(1,124)	1,124	1,124	-	-
TOTAL CURRENT LIABILITIES		(1,124)	(45,919)	(45,919)	(47,043)	(47,043)
TOTAL LIABILITIES		(1,124)	(45,919)	(45,919)	(47,043)	(47,043)
NET ASSETS		(124)	13,503,081	27,733,081	13,502,957	27,732,957
EQUITY						
Issued capital	4.11	(124)	93,549,500	107,779,500	93,549,376	107,779,376
Reserves	4.13	-	2,644,969	2,644,969	2,644,969	2,644,969
Accumulated losses	4.12	-	(82,691,388)	(82,691,388)	(82,691,388)	(82,691,388)
TOTAL EQUITY		(124)	13,503,081	27,733,081	13,502,957	27,732,957

4.8 Pro forma adjustments

- (a) The issue by the Company of 159,999,000 shares with a fair value of \$0.50 per share to acquire 100% of the issued capital of ERL from Liantown, totalling \$79,999,500. The total assumed fair value for the transaction includes the value of ERL liabilities deemed assumed of \$47,043 with a total deemed consideration value of \$80,045,543. Refer to Section 4.11 and 4.12.
- (b) The offer by the Company of 30,000,000 ordinary fully paid shares issued at \$0.50 each raising \$15,000,000 (before the expenses of the Offer) in a minimum raise under the Priority and Shortfall Offers. Refer to Section 4.10 and 4.11.
- (c) The offer by the Company of up to 60,000,000 ordinary fully paid shares issued at \$0.50 each raising \$30,000,000 (before the expenses of the Offer) in a maximum raise under the Priority and Shortfall Offers. Refer to Section 4.10 and 4.11.
- (d) The recognition against issued capital of the estimated cash expenses of the Offer of \$1,450,000 based on the minimum capital raising, or \$2,220,000 based upon on the maximum capital raising. Refer to Section 4.10 and 4.11.
- (e) The recognition against accumulated losses of the value of 9,750,000 Options, with an exercise price of \$0.72 and expiring in 36 months from the issue date, to be issued to Directors and Management. The fair value of these options is \$2,644,969. Refer to Section 4.13.

4.9 Significant Accounting Policies

(a) Basis of preparation

The Financial Information has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The Financial Information has also been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting

policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Any non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(c) **Income tax**

Income tax in the consolidated statement of profit and loss and comprehensive income comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

(d) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents is considered to approximate fair value.

(e) **Exploration and evaluation expenditure**

Costs incurred in the exploration and evaluation stages of specific areas are expensed in the consolidated statement of profit or loss and other comprehensive income as incurred. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs, project generation and drilling costs, are expensed as incurred.

In addition, costs associated with acquiring interests in new exploration licences and study related costs are also expensed.

Once the technical feasibility and commercial viability of extracting a mineral resource is demonstrable in respect to an area of interest, development expenditure is capitalised to the consolidated statement of financial position.

(f) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at the amounts considered recoverable. Trade receivables are generally due for settlement within periods ranging from 30 to 60 days.

(g) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office ('ATO') is included as a current asset or liability in the consolidated statement of financial position. Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Issued capital

Issued share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised, net of tax, directly in equity as a reduction of the share proceeds received. Ordinary shares entitle the holder to participate in dividends in proportion to the number of and amounts paid on the shares held.

(j) Share-based payments

The cost of equity-settled transactions with employees and Directors is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the number of awards that, in the opinion of the Directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance

conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options and rights is reflected as additional share dilution in the computation of earnings per share.

(k) **Acquisition accounting**

The acquisition of ERL by the Company is outside the scope of AASB 3 *Business Combinations* as the acquiree does not constitute a business as defined by this Standard. Accordingly, the acquisition is accounted for as an asset acquisition under AASB 2 *Share-based Payment*.

4.10 **Cash and cash equivalents**

The reviewed pro forma cash and cash equivalents is set out below:

	Note	\$ - Minimum Subscription	\$ - Maximum Subscription
Reviewed cash and cash equivalents as at 30 June 2021		-	-
<i>Pro forma adjustments:</i>			
Proceeds from shares issued under the Offer	4.8 (b) & 4.8 (c)	15,000,000	30,000,000
Cash costs payable as a result of the Offer	4.8(d)	(1,450,000)	(2,220,000)
Total pro forma adjustments		13,550,000	27,780,000
Pro forma cash and cash equivalents		13,550,000	27,780,000

4.11 Issued Capital

The reviewed pro forma issued capital is set out below:

	Note	Number of shares - Minimum Subscription	\$ - Minimum Subscription	Number of shares – Maximum Subscription	\$ - Maximum Subscription
Issued capital		1,000	1,000	1,000	1,000
Less: share issue costs		-	(1,124)	-	(1,124)
Reviewed issued capital as at 30 June 2021		1,000	(124)	1,000	(124)
<i>Pro forma adjustments:</i>					
Issue of shares to acquire ERL	4.8 (a)	159,999,000	79,999,500	159,999,000	79,999,500
Issue of shares under the Offer	4.8 (b) & 4.8 (c)	30,000,000	15,000,000	60,000,000	30,000,000
Costs associated with the Offer	4.8 (d)	-	(1,450,000)	-	(2,220,000)
Total pro forma adjustments		189,999,000	93,549,500	219,999,000	107,779,500
Total issued capital		190,000,000	93,549,376	220,000,000	107,779,376

4.12 Accumulated Losses

The reviewed pro forma accumulated losses is set out below:

	Note	\$ - Minimum Subscription	\$ - Maximum Subscription
Reviewed accumulated losses as at 30 June 2021		-	-
<i>Pro forma adjustments:</i>			
Acquisition of ERL	4.8(a)	(80,046,543)	(80,046,543)
Net Loan forgiveness from Liontown		124	124
Issue of options to Directors and management	4.8(e)	(2,644,969)	(2,644,969)
Total pro forma adjustments		(82,691,388)	(82,691,388)
Pro forma accumulated losses		(82,691,388)	(82,691,388)

The acquisition of ERL by the Company is outside the scope of AASB 3 *Business Combinations* as the acquiree does not constitute a business as defined by this Standard.

Accordingly, the acquisition has been accounted for as an asset acquisition for equity consideration under AASB 2 *Share-Based Payment*. Under AASB 2, the transaction is measured at the fair value of ERL rather than by reference to the equity instruments issued. As such the deemed fair value of the acquisition is 159,999,000 ordinary shares multiplied by the fair value of the shares being the IPO price.

Under the Company's accounting policy (refer Section 4.9) costs associated with acquiring interests in new exploration licences and project generation are expensed through the consolidated statement of profit or loss and other comprehensive income.

4.13 Reserves

The reviewed pro forma issued capital is set out below:

	Note	\$ - Minimum Subscription	\$ - Maximum Subscription
Reviewed reserves as at 30 June 2021		-	-
<i>Pro forma adjustments:</i>			
Issue of options to Directors and management	4.8(e)	2,644,969	2,644,969
Total pro forma adjustments		2,644,969	2,644,969
Pro forma reserves		2,644,969	2,644,969

The options to be issued to the Directors are defined as share-based payments. The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Valuation of Options issued to Directors and Management

The grant of 9,750,000 Options, with an exercise price of \$0.72 and expiring 36 months from the date of issue to Directors and management has been determined to have a total fair value of \$2,644,969. Refer to Section 8.2 for further details regarding the Director Options. See below for the option valuation assumptions.

<i>The following assumptions were used to value the Director and management Options</i>	
Exercise Price	\$0.72
Expected volatility	100%
Implied option life	3 years
Risk free rate	0.195%
Expected dividend yield	Nil

5. Australian tax considerations

This Section provides a general overview of the Australian tax consequences for investors who acquire Shares through the Offer. The comments in this Section are based on the Australian taxation laws (including established interpretations of those laws) as at the Prospectus Date, which may change.

This Section is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws. It should be noted that the Australian taxation laws are complex and the investor's own circumstances will affect the taxation outcomes of making an investment in Shares through the Offer. It is therefore recommended that investors seek independent professional advice, having regard to their own specific circumstances, in considering an investment in Shares through the Offer.

The categories of investors considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships, each of whom holds their shares on capital account.

This summary does not consider the consequences for investors who are insurance companies, banks, investors that hold their shares (or entitlements) on revenue account or as traditional securities, carry on a business of trading in shares, investors who acquired shares in connection with an employee share scheme, or investors who are exempt from Australian tax. This summary also does not cover the consequences for investors who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the Taxation of Financial Arrangements or TOFA regime). Both resident and non-resident investors should seek professional advice to determine if Shares are held in this capacity (and the corresponding income tax implications should this apply). All Shareholders are advised to seek independent professional advice regarding the acquisition of their Shares, having regard to their own specific circumstances.

The below comments also do not consider the Junior Minerals Exploration Incentive (JMEI). It is not certain at the time of this Prospectus whether the Company will be eligible for, or in fact participate in, the JMEI. No assurances are given in relation to the Company's participation in the JMEI and the distribution of related tax credits to investors. All Shareholders are advised to seek independent professional advice regarding the JMEI, having regard to their own specific circumstances and the circumstances of the Company.

Deloitte Tax Services Pty Ltd, a registered tax agent, has provided the tax comments below. Deloitte Tax Services Pty Ltd is not licensed under Chapter 7 of the Corporations Act to provide financial product advice. Taxation issues, such as those covered by this Section, are only some of the matters you need to consider when making a decision about a financial product. You should consider taking advice from someone who holds an AFSL before making such a decision.

5.1 Entitlements under the Priority Offer

Having an entitlement to subscribe for Shares under the Priority Offer should not, in and of itself, generally result in any amount being included in assessable income.

Shareholders who take up their entitlement and acquire Shares under the Priority Offer will generally acquire those Shares with a cost base for CGT purposes equal to the Offer Price paid by them for those Shares plus any non-deductible incidental costs incurred in acquiring them. The Shares acquired under the Priority Offer should generally be taken to have been acquired on the day the entitlements were exercised for CGT purposes (exercise of the entitlement for CGT purposes should generally occur when a Shareholder makes an application under the Priority Offer).

Shareholders should not generally make a capital gain or loss, or derive assessable income, from taking up their entitlement to participate in the Priority Offer or subscribing for Shares.

Shareholders who do not take up all or part of their entitlement to participate in the Priority Offer generally should not make a capital gain or loss, or derive assessable income, from non-

participation in the Priority Offer as no separate consideration is to be received by them in this circumstance.

Certain Australian tax and stamp duty implications of acquiring and holding Shares are discussed in further detail in the following sections of Section 5.

5.2 Participating in the Shortfall Offer

Participating in the Shortfall Offer should not, in and of itself, generally result in any amount being included in assessable income.

Shareholders who acquire Shares under the Shortfall Offer will generally acquire them with a cost base for CGT purposes equal to the Offer Price paid by them for those Shares plus any non-deductible incidental costs incurred in acquiring them. The Shares acquired under the Shortfall Offer should generally be taken to have been acquired when the contract under the Shortfall Offer arises for CGT purposes (the contract for CGT purposes should generally arise when the Company accepts the application of the applicant under the Shortfall Offer).

Certain Australian tax and stamp duty implications of acquiring and holding Shares acquired under the Priority Offer are discussed in further detail in the following sections of Section 5.

5.3 Dividends on a Share – Australian tax residents

Dividends may be paid to Shareholders in respect of their Shares. “Franking credits” may be attached to such dividends. Franking credits broadly represent the extent to which a dividend is paid out of profits that have been subject to Australian income tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

Australian tax resident Shareholders will be required to include dividends in their assessable income in the income year in which the dividends are paid. To the extent that the dividends are franked, subject to the comments below, the associated franking credits should also be included in the Australian tax resident Shareholder’s assessable income (i.e. the dividends are required to be “grossed-up”). In such circumstances, Shareholders are subject to tax at their applicable rate of tax on the grossed-up dividends received (but may be entitled to a tax offset for the associated franking credits as discussed below).

To the extent that the dividends are unfranked, there is no gross-up (or tax offset) and Australian tax resident Shareholders are subject to tax at their applicable rate of tax on the unfranked dividends received.

The distribution statement for the dividends paid should advise of the franking status of the dividends.

(a) Australian resident individuals and complying superannuation entities

To the extent that the franking credits received by Shareholders that are Australian tax resident individuals or complying superannuation entities exceeds the amount of total income tax payable, those Shareholders should be entitled to a refund from the ATO of any excess franking credits over and above total income tax payable in an income year. Where the franking credits are less than the tax payable on the dividends, those Shareholders will need to pay an additional amount of tax.

(b) Trusts and partnerships

In relation to Shareholders that are trusts (other than trustees of complying superannuation entities or trusts treated as companies for tax purposes) or partnerships, such Shareholders should include any franking credits in determining the net income of the trust or partnership. The relevant beneficiary or partner may then be entitled to a corresponding tax offset, subject to certain requirements being satisfied.

In relation to trusts or partnerships, including limited partnerships, the rules surrounding the taxation of dividends are complex and advice should be sought to confirm the appropriate taxation considerations and treatment.

(c) **Corporate Shareholders**

Shareholders that are Australian tax resident companies (including those which are deemed to be companies) are also entitled to a tax offset equal to the amount of franking credits received, however unlike non-corporate Shareholders, they are unable to claim refunds for excess franking credits. Where excess franking credits exist, a corporate Shareholder should be entitled to have the surplus credits converted into carry forward tax losses.

Corporate Shareholders (including those which are deemed to be companies) should also be entitled to a franking credit in their franking accounts equal to the franking credits received in respect of the dividends. A corporate Shareholder may be able to then use the credits to make franked distributions to its Shareholders.

(d) **Qualified person rules**

There are certain limitations imposed by the Australian taxation law which may prevent a Shareholder from obtaining the benefit of any franking credits. In this regard, Shareholders seeking to claim tax offsets for franking credits must be “qualified persons” in respect of the relevant dividends.

In broad terms, Shareholders who have held their Shares “at risk” for at least 45 days (excluding the dates of acquisition and disposal) should be qualified persons and should be able to claim a tax offset for the amount of franking credits received.

Special rules apply to arrangements which involve the making of related payments to pass on the benefit of any dividends paid, or in the context of franked dividends received via trusts or partnerships. Under the related payment rule, a different testing period applies where an investor or an associate of the investor has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where an investor or their associate effectively passes on the benefit of the dividend to another person.

Individual Australian Shareholders whose total franking tax offsets (for all franked distributions received in the income year) do not exceed \$5,000 for the income year should generally be deemed to be qualified persons (provided also that no related payments are made with respect to the dividend).

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

(e) **Integrity rules**

A specific integrity rule prevents taxpayers from obtaining a tax benefit from franking credits where dividends are received as a result of “dividend washing”. Dividend washing is a practice through which taxpayers seek to claim two sets of franking credits by selling shares held on the ASX ex-dividend and then effectively re-purchasing a substantial equivalent parcel of shares cum-dividend on a special ASX trading market.

Shareholders should consider the impact of these provisions (and other dividend tax integrity provisions) having regard to their own personal circumstances.

5.4 **Dividends on a Share – non-Australian tax residents**

Generally, unfranked dividends paid to Shareholders that are non-Australian tax residents should be subject to dividend withholding tax. To the extent that distributions to non-residents include unfranked dividends (which are not declared to be conduit foreign income – see below), there is a requirement for the payer to withhold tax at the rate applicable to each non-Australian tax resident Shareholder. Australian dividend withholding tax is levied at a flat rate

of 30% on the gross amount of the dividends unless a Shareholder is a tax resident of a country that has an applicable double tax treaty with Australia. In these circumstances, the withholding tax may be reduced (usually to 15%), although in certain cases, depending on the Shareholder's country of residence and the size of their shareholding, the rate may be reduced further.

Fully franked dividends are not subject to Australian dividend withholding tax. No other Australian tax is applicable.

It is recommended that non-Australian tax resident Shareholders consider the tax implications of receiving dividends in respect of shares paid in Australia under their local tax regimes, including if a credit is available for any dividend withholding tax.

(a) **Conduit foreign income**

To the extent that unfranked dividends are declared in the distribution statement for the dividends to be conduit foreign income, the unfranked dividends paid to non-Australian tax resident Shareholders should not be subject to Australian dividend withholding tax. Conduit foreign income is broadly foreign income paid to the Australian company where that foreign income is exempt from Australian income tax, such as certain branch profits, dividends and interest from subsidiaries.

Unfranked dividends declared to be conduit foreign income should be subject to tax in the same manner as other unfranked dividends for Australian tax resident Shareholders.

It is noted that, based on present activities, future unfranked dividends paid by the Company are unlikely to be declared to be conduit foreign income on the basis the group's operations are wholly within Australia.

(b) **Dividend Reinvestment Plan (DRP)**

The comments in this Section do not consider the taxation implications of Shareholders participating in a DRP. If a DRP is activated at a future time, Shareholders are advised to seek advice prior to participating in the DRP.

5.5 **Taxation of Share disposals – Australian tax resident**

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the CGT provisions in respect of the disposal of their Shares.

Where the capital proceeds received on the disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will derive a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, amongst other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from the Company, such as returns of capital.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are aggregated. To the extent that a net gain exists, such Shareholders should be able to reduce the net gain by any amount of unapplied net capital losses or revenue losses carried forward from previous income years (provided the relevant loss recoupment tests are satisfied) or current year revenue or capital losses. Any remaining net gain (after the application of any carried forward tax losses or current year revenue losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to comments below in relation to the availability of the CGT discount concession) and taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the

loss should only be deductible against capital gains and are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is generally available where the Shares have been held for tax purposes for 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder (including generally where a flow through trust or partnership distributes to such shareholders), after offsetting any current or carried forward losses. The concession is not available to corporate Shareholders (including those deemed to be companies).

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

Australian tax resident investors who hold Shares on revenue account should seek separate independent professional advice.

5.6 Taxation of Share disposals – non-Australian tax residents

Non-Australian tax resident Shareholders who hold their Shares on capital account should not generally be subject to the Australian CGT regime upon disposal of their Shares except in limited circumstances, for example where the Shares relate to a business carried on by the foreign resident through a permanent establishment in Australia or where the Shares are “indirect Australian real property interests”. The Shares should be indirect Australian real property interests to the extent that, broadly, the following two requirements are satisfied:

- (a) the Company is considered “land rich” for Australian income tax purposes (i.e. greater than 50% of the market value of the Company’s underlying assets is principally derived from Australian real property or certain interests in relation to Australian minerals); and
- (b) the non-resident Shareholder has an associate-inclusive interest of at least 10% in the Company (either at the time of disposal or throughout a 12 month period that began no earlier than 24 months before the disposal). This is commonly referred to as a “non-portfolio” interest.

Relevant non-resident Shareholders will need to determine if the above requirements are met at the time of disposal of their Shares.

It is noted that it is likely that the Company is considered “land rich” for Australian income tax purposes as at the date of this Prospectus (i.e. 19 August 2021) (noting this analysis is required to be undertaken at the time of disposal). Therefore, it is likely that a Shareholder with a relevant “non-portfolio interest” will be subject to the Australian CGT regime upon disposal of their Shares. It is recommended that non-Australian tax resident Shareholders (particularly those with a relevant “non-portfolio” interest) seek appropriate taxation advice regarding the Australian CGT implications of the disposal of their Shares, including if the Company is considered “land rich” in respect of the disposal.

Non-Australian resident investors who hold Shares on revenue account should seek separate independent professional advice.

5.7 Non-resident CGT withholding

Rules can apply to the disposal of certain taxable Australian property, whereby a 12.5% non-final withholding tax may be applied. However, the rules should not apply to the disposal of a Share on the ASX (in accordance with a specific exemption).

5.8 Tax File Number (TFN) and Australian Business Number (ABN)

An Australian tax resident Shareholder is not obliged to quote a TFN, or where relevant, ABN, to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable, income tax is required to be deducted by the Company at the highest marginal rate (currently 45% plus Medicare levy of 2%) from certain dividends paid. Australian tax resident Shareholders may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns.

No withholding requirement applies in respect of fully franked dividends paid in respect of the Shares or to unfranked dividends paid to non-Australian tax residents (as described above, the dividend withholding tax regime should instead apply in this situation).

5.9 Stamp duty

No stamp duty should be payable by a Shareholder on the acquisition or disposal of Shares. Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided the Company remains listed on the ASX (and provided the acquisition is less than 90% of the Shares in the Company).

5.10 Goods and services tax (GST)

GST is not applicable to the acquisition or disposal of Shares. The ability of Shareholders to recover any GST incurred as an input tax credit in relation to costs associated with the Offer (such as costs relating to professional advice obtained by Shareholders regarding the Offer) would vary according to individual circumstances and as such this should be reviewed by Shareholders prior to making any claim.

No GST should be payable by Shareholders on receiving dividends (or other distributions) paid by the Company.

6. Board, Management and Corporate Governance

6.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Anthony Cipriano - Non-Executive Chair;
- (b) David Richards - Managing Director;⁷
- (c) Timothy Goyder - Non-Executive Director; and
- (d) Craig Williams - Non-Executive Director.

6.2 Directors' biographies

The names and details of the Directors in office as at the date of this Prospectus are:

(a) **Mr Anthony Cipriano – Non-Executive Chair (Independent)**

B.Bus, FCA, GAICD

Mr Cipriano is a Chartered Accountant with over 30 years' accounting, corporate and finance experience. Mr Cipriano was formerly a senior partner at Deloitte, National Tax Leader for Energy & Resources and leader of its Western Australian Tax Practice. Mr Cipriano has significant experience working in the resource sector and in particular dealing with the corporate, legal and financial aspects associated with operating in that sector. Mr Cipriano is currently a Non-Executive Director of Liontown.

Mr Cipriano was a Non-Executive Director of Lachlan Star when it went into voluntary administration in February 2015.

(b) **Mr David Richards – Managing Director⁷**

BSc (Hons), MAIG

Mr Richards has 40 years' experience in mineral exploration in Australia, S.E. Asia and Africa and his career includes exploration and resource definition for a variety deposit styles including gold, copper and battery metals. He led the teams that discovered globally significant Kathleen Valley Lithium-Tantalum deposit in Western Australia and the multi-million ounce, high grade Vera-Nancy gold deposits in North Queensland. He has held senior positions with Battle Mountain Australia Inc, Delta Gold Limited and AurionGold Limited and was Managing Director of ASX-listed Glengarry Resources Limited (ASX: GGY) from 2003 to 2009 and Liontown from 2010 to 2021. Mr Richards is currently a Director of Liontown and Woomera Mining Limited (ASX: WML).

(c) **Mr Timothy Goyder – Non-Executive Director**

Mr Goyder is an experienced mining executive and has over 40 years' experience in the resource industry. He has been involved in the formation and management of a

⁷ Mr Richards was appointed as a Director of the Company on 4 June 2021. His appointment as Managing Director is effective from receipt of conditional approval for admission to the Official List of the ASX.

number of publicly listed companies and is currently Chair of Chalice Mining Limited (ASX: CHN), Liontown and DevEx Resources Limited (ASX: DEV).

(d) **Mr Craig Williams - Non-Executive Director (Independent)**

BSc (Hons)

Mr Williams is a geologist with over 40 years' experience in mineral exploration and development. Mr Williams co-founded Equinox Minerals Limited in 1993 and was President, Chief Executive Officer and Director prior to Barrick Gold Corporation's takeover of Equinox. He has been directly involved in several significant discoveries, including the Ernest Henry Deposit in Queensland and a series of gold deposits in Western Australia. In addition to his technical capabilities, Mr Williams also has extensive corporate management and financing experience. He is currently Chair of OreCorp Limited (ASX: ORR) and Non-Executive Director of Liontown.

6.3 **Company Secretary**

Clinton McGhie

B.Com, CA, FGIA, FFin

Mr McGhie is an experienced Chartered Accountant and Company Secretary who commenced his career at Arthur Andersen and has since been involved with a number of ASX and AIM listed exploration and development companies operating in the resources sector including Liontown, Salt Lake Potash Limited (ASX: SO4), Berkeley Energia Limited (ASX: BKY) and Sovereign Metals Limited (ASX: SVM). Mr McGhie is a Fellow of the Governance Institute of Australia (Chartered Secretary), and a Fellow of the Financial Services Institute of Australasia.

6.4 **Interests of Directors**

No Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus and as follows.

6.5 Security holdings of Directors

Under the proposed Demerger, each Liantown Shareholder will receive a pro rata In-specie Distribution of 1 Share for every 11.91⁸ Liantown Shares held on the In-specie Distribution Record Date. Each of the Directors currently holds direct and indirect interests in securities in Liantown. Under the Demerger, the Directors will receive a proportional direct and indirect interest in the Company's Shares and any additional Shares, should they elect to participate in the Offer.

The Directors will also be issued Options as part of their remuneration. See Section 8.2 for a summary of the Director Options.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, the Directors and their related entities will have the following interests in Shares on Admission and implementation of the Demerger:

Director	Number of Shares each Director will receive under In-specie Distribution ¹	Number of Shares each Director intends to apply for under Offer ²	% of Shares at Minimum Subscription	% of Shares at Maximum Subscription	Options ³
Anthony Cipriano	1,556,420	100,000	0.87%	0.75%	1,500,000
Timothy Goyder	27,591,553	500,000	14.79%	12.77%	1,500,000
Craig Williams	2,500,130	100,000	1.37%	1.18%	1,500,000
David Richards	1,821,381	100,000	1.01%	0.87%	2,000,000
Total Shares / Options on issue	190,000,000 (min) 220,000,000 (max)				9,750,000⁴

Notes:

1. Assuming a 1 for 11.91 ratio for the In-specie Distribution for illustrative purposes only. If the number of Liantown Shares increases prior to the In-specie Distribution Record Date, the ratio of Shares received for every Liantown Share held will be reduced.

⁸ If the number of Liantown Shares increases prior to the In-specie Distribution Record Date, the ratio of Shares received for every Liantown Share held will be reduced.

2. Each of the Directors intends to subscribe for part of their entitlement under the Priority Offer as set out in the table above.
3. See Section 8.2 for a summary of the Director Options and Liontown Director Options.
4. In addition to the Options to be issued to the Directors set out in the table above, 1,250,000 Options will be issued to each of Messrs Tony Ottaviano and Steven Chadwick, directors of Liontown, in consideration of the work undertaken by these directors on the development of the Projects.

6.6 Non-Executive Director remuneration

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$400,000 per annum. This amount may be varied by ordinary resolution in general meeting. The remuneration of Executive Directors will be determined by the Board.

The Company has entered letters of appointment with Messrs Anthony Cipriano, Timothy Goyder and Craig Williams confirming the terms of their appointment and their roles and responsibilities. A Non-Executive Director may terminate their directorship at any time by advising the Board in writing. The appointment letters are otherwise on standard commercial terms.

The Company has agreed to pay Mr Cipriano \$50,000 per annum for his role as Chair and Non-Executive Director. The Company has agreed to pay Messrs Goyder and Williams \$40,000 per annum each for their role as a Non-Executive Director.

Each member of a Board Committee will receive an additional amount of \$5,000 per annum. The Chairs of the Board Committees are Messrs Craig Williams (Audit and Risk Committee) and Anthony Cipriano (Nomination and Remuneration Committee), as detailed in Sections 6.10(g) and 6.10(h) below. Directors may also be reimbursed for expenses properly incurred by them in dealing with the Company's business or in carrying out their duties as a Director.

In addition, as set out in Section 6.5, the Directors will be issued Options as part of their remuneration. See Section 8.2 for a summary of the terms of the Director Options.

6.7 Executive services agreement - David Richards

The Company has entered into an Executive Services Agreement with Mr Richards which sets out the terms of his employment, the key terms of which are summarised below.

Term	Description
Base salary	\$296,804 (excluding statutory superannuation)
Incentives	2,000,000 incentive options
Termination	3 months' notice

Mr Richards was appointed as a Director of the Company on 4 June 2021. His appointment as Managing Director is effective from receipt of conditional approval for Admission of the Company to the Official List of the ASX.

The agreement contains additional provisions considered standard for agreements of this nature.

6.8 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

6.9 Related party transactions

The Company has entered into the following related party transactions on arms' length terms:

- (a) letters of appointment with each of its Non-Executive Directors on standard terms (refer to Section 6.6 for details);
- (b) executive services agreement with the Managing Director on standard terms (refer to Section 6.7 for details);
- (c) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.8) for details); and
- (d) Demerger Implementation Deed dated 18 August 2021 with Liantown and ERL and the Share Sale Agreement dated 18 August 2021 with Liantown (refer to Section 7.3 for details).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

6.10 Corporate governance principles and recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity and to pursuing the true spirit of corporate governance in a manner commensurate with the Company's needs.

The Company has in place corporate governance practices which are formally embodied in corporate governance policies and codes adopted by the Board (**Policies**). The Company's corporate governance Policies are structured to comply with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th Edition) (**ASX Recommendations**).

In light of the Company's size and nature, the Board considers that its current structure provides for a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The following is a summary of the Policies. A copy of each of the Policies is available on the Company's website at www.minerals260.com.au.

(a) **Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists of a Managing Director and three Non-Executive Directors. Non-Executive Directors Mr Cipriano and Mr Williams are considered to be independent. Mr Goyder is not considered independent due to his proposed substantial shareholding interest in the Company after the implementation of the In-specie Distribution.

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

The Company has implemented a Risk Management Policy which sets out the primary objectives of the Company's risk management system. It also describes the framework under which the Board assesses corporate actions from a risk perspective, reviews the Company's risk profile and discloses of the outcome of those reviews.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards. The Company's Code of Conduct sets out the legal and ethical obligations and the standard of behaviour expected of individuals working for the Company.

(e) **Independent professional advice**

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) **Board Committees**

In order to better manage its responsibilities, the Board has established the Nomination and Remuneration Committee and the Audit and Risk Committee. Each Committee has adopted a charter approved by the Board which sets out its responsibilities. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, ASX requirements and other regulatory requirements and the skills and experience of individual Directors.

(g) **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee currently comprises:

- Anthony Cipriano (Chair);
- Timothy Goyder; and
- Craig Williams.

The role and responsibilities, composition, structure and membership requirements of the Nomination and Remuneration Committee are documented in the Nomination and Remuneration Committee Charter.

The primary role of the Nomination and Remuneration Committee includes:

- (i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders;

- (ii) fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- (iii) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- (iv) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- (v) ensuring that the Board comprises Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

The Nomination and Remuneration Committee Charter provides that the Committee should comprise at least three members, all of whom must be Non-Executive Directors and a majority of whom are independent Directors.

The chair of the committee should be an independent Director. Mr Cipriano satisfies this requirement. All of the current members of the Nomination and Remuneration Committee are independent Non-Executive Directors except for Mr Goyder.

(h) **Audit and Risk Committee**

The Audit and Risk Committee currently comprises:

- Craig Williams (Chair);
- Timothy Goyder; and
- Anthony Cipriano.

The role and responsibilities, composition and membership requirements of the Audit and Risk Committee are documented in the Audit and Risk Committee Charter. The Audit and Risk Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The purpose of the Audit and Risk Committee is to assist the Board with tasks such as:

- (i) overseeing the Company's discharge of its responsibilities with respect to the adequacy of the Company's corporate reporting processes and internal control framework;
- (ii) overseeing the Company's relationship with the external audit firm, including their appointment or removal, review of their performance and liaise with the external auditor regarding the nature and scope of the audit;
- (iii) determining the independence of the external audit firm;
- (iv) reviewing the Company's internal processes for managing risk, including the internal processes for determining and managing key risk areas, particularly non-compliance with laws, litigation and claims and relevant business risks other than those dealt with by specific Board Committees;
- (v) implementing and reviewing reports from internal audit on its reviews of the adequacy of the Company's processes for managing risks and making recommendations to the Board in relation to changes that should be made to the Company's risk management framework or the risk appetite set by the Board;

- (vi) monitoring the performance of management against the risk management framework, including whether it is operating within the risk management appetite set by the Board; and
- (vii) receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.

The Audit and Risk Committee Charter puts in place processes to monitor the Company's financial and risk management procedures. The Board currently considers these processes appropriate for the size and level of operations of the Company.

The chair of the Audit and Risk Committee should be an independent director who is not currently the Chair of the Board. Mr Williams satisfies this requirement.

All of the current members of the Audit and Risk Committee are Non-Executive Directors who have extensive executive leadership experience and are familiar with and able to read and understand financial statements. A majority of the members of the Audit and Risk Committee are independent.

(i) **Securities Trading Policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chair) must be obtained prior to trading.

(j) **Diversity Policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a Diversity Policy. This policy outlines the Company's diversity objectives. Diversity includes, but is not limited to, matters of gender, age, cultural background and ethnicity. Measurable objectives for achieving diversity may be set by the Board, and the Board will assess the Company's progress in achieving them.

(k) **Social Media Policy**

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

(l) **Whistleblower Policy**

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistleblowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

(m) **Anti-bribery and Anti-corruption Policy**

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

(n) **Shareholder Communication Policy**

The Board is committed to ensuring that the Company maintains direct, open, timely and effective communications with all Shareholders. Information will be communicated to Shareholders through announcements to ASX, the Company's annual report, annual general meetings and any other general meetings, half yearly financial reports, and the Company's website, www.minerals260.com.au.

(o) **Continuous Disclosure Policy**

The purpose of the Company's Continuous Disclosure Policy is to establish a process to ensure that information about the Company which may require disclosure is brought to the attention of the relevant person in a timely manner and is kept confidential. It also sets out obligations of Directors, officers, employees and contractors of the Company to ensure that the Company complies with its continuous disclosure obligations, and aims to raise awareness of the Company's obligations under the continuous disclosure regime.

(p) **Policy on Selection, Appointment and Rotation of External Auditors**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. The Company's Policy on Selection, Appointment and Rotation of External Auditors also sets out the requirements for rotation of the Company's external auditor (including any partner of an external auditor).

6.11 **Departures from the ASX Corporate Governance Recommendations**

Following admission to the Official List, the Company will be required to report any departures from the ASX Recommendations in its annual financial report.

The Company's compliance and departures from the ASX Recommendations as at the date of this Prospectus are detailed in the table below.

ASX Recommendation	Explanation for Departures
<p>Recommendation 1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p>	<p>The Company has a Diversity Policy, which outlines the way in which the Board may set Measurable Objectives (Objectives) that are appropriate for the Company to achieve gender diversity and to assess annually both the Objectives and the Company's progress in achieving them. Due to the current size of the Company, the Board has not set Objectives for achieving gender diversity. The Board does not consider that it is in a position to set out meaningful Objectives for achieving gender diversity</p>

ASX Recommendation	Explanation for Departures
<p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>given the current composition and size of the Company.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>Due to the size and scale of the Company's current activities, the Board does not consist of a majority of independent directors. However, although the Board does not follow Recommendation 2.4, to facilitate independent decision-making, the Board has agreed procedures for Directors to have access in appropriate circumstances to independent professional advice. As the Company grows, the Board will consider the appointment of additional independent Directors.</p>

7. Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section.

7.1 Koojan joint venture agreement (Koojan JVA)

On 27 January 2021, Liantown announced that it had entered into the Koojan BTS with Lachlan Star setting out the terms on which ERL could earn up to a 51% interest in the Koojan JV Project. The Koojan JV Project is 100% owned by Coobaloo, which is owned 50% by Midland (a subsidiary of Lachlan Star) and 50% by Wavetime. Pursuant to the Koojan BTS, as announced by Liantown on 10 August 2021, ERL has entered into the Koojan JVA which supersedes the Koojan BTS and governs ERL's farm-in to the Koojan JV Project. The Koojan JV Project comprises 6 granted Exploration Licences and 1 pending Prospecting Licence (see

Section 2.5(a) for a summary of the Tenements) (**Koojan Tenements**). The Koojan Exploration Licences are contiguous with the western boundary of the Moora Project.

The Koojan JVA contains industry standard terms for an agreement of its type. A summary of the key terms of the Koojan JVA is set out below:

- (a) (**Farm-In Period**): the period in which ERL may earn in up to a 51% interest in the Koojan Tenements is 60 months (5 years) from the execution date, unless ceased earlier at the sole election of ERL, at which time, the joint venture will be formed based on the respective percentage interest which has been earned-in to the Koojan Tenements.
- (b) (**Minimum Expenditure Commitment and Coobaloo funding**): once ERL has expended a minimum of \$500,000 (**Minimum Expenditure Commitment**) on the Koojan Tenements, Coobaloo must, during the Stage 1 Farm-in, fund 20% of all exploration expenditure up to the amount of \$250,000.
- (c) (**Stage 1 Farm-In**): ERL may earn a 30% interest in each of the Koojan Tenements by expending at least \$1,500,000 (including expenditure prior to the date of the Koojan JVA) (**Stage 1 Farm-In Expenditure**) on exploration commencing on the execution date until the date that the Stage 1 Farm-In interest has been earned by ERL (or such date as ERL otherwise withdraws from the Farm-in and JVA or on the expiry of the Farm-In Period). Upon completion of the Stage 1 Farm-in:
 - (i) ERL will have earned a 30% interest in each of the Koojan Tenements (with Coobaloo holding the remaining 70% interest); and
 - (ii) ERL may elect to end the Farm-in Period and form the joint venture based on the 30% / 70% interests or continue the Farm-In Period to complete the Stage 2 Farm-In.

ERL may on 30 days prior notice to Coobaloo, withdraw from the Koojan JVA at any time during the period of the Stage 1 Farm-In, provided it has expended the Minimum Expenditure Commitment or paid to Coobaloo the difference of the Minimum Expenditure Commitment and the amount of expenditure that it has actually incurred.

- (d) (**Stage 2 Farm-In**): subject to ERL completing the Stage 1 Farm-In and electing to proceed with the Stage 2 Farm-In, ERL may earn a further 21% interest in each of the Koojan Tenements by expending at least an additional \$2,500,000 (**Stage 2 Farm-in Expenditure**) on exploration within the remaining Farm-In Period, commencing from the end of the Stage 1 Farm-in period. If ERL elects to proceed with the Stage 2 Farm-in, Coobaloo must, during the Stage 2 Farm-in period, fund 23% of all exploration expenditure up to the amount of \$750,000.

Upon completion of the Stage 2 Farm-in ERL will have earned an additional 21% interest in each of the Koojan Tenements (being a total of a 51% interest, with Coobaloo holding the remaining 49% interest) and a joint venture will be formed.

Where ERL has not satisfied the Stage 2 Farm-in Expenditure and earned the additional 21% interest in each of the Koojan Tenements, ERL may elect at any time during the Stage 2 Farm-in period to end the Farm-in Period with immediate effect, in which case, a Joint Venture will be formed based on the 30% / 70% interests in the Koojan Tenements.

- (e) **(Joint Venture)**: the terms of the Joint Venture are dealt with in the Koojan JVA and are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a management committee, the functions, rights, powers and duty of the manager and that joint venture costs and activities will be conducted on a pro-rata basis in proportion to the respective percentage interest of ERL and Coobaloo in the Koojan Tenements.
- (f) **(Side Letter)**: ERL and the shareholders of Coobaloo (comprising of Midland and Wavetime) have entered into a letter deed which acknowledges that Coobaloo is an incorporated joint venture between Wavetime and Midland and deals with, (amongst other things):
- (i) the restrictions and obligations on Midland and Wavetime in relation to dealing with their shareholding in Coobaloo;
 - (ii) the pre-emptive rights granted by each of Midland and Wavetime to ERL in relation to the shareholdings of Midland and Wavetime in Coobaloo;
 - (iii) Wavetime's right to elect to convert its interest in Coobaloo to a 1% net smelter return royalty on delivery of a bankable feasibility study (in addition to its royalty rights discussed below); and
 - (iv) general payment obligations under the Koojan JVA.
- (g) **(Royalty)**: ERL will be required to assume the rights and obligations of the Wavetime Royalty (as defined below) according to its participating interests in the Koojan Tenements following the completion of the Stage 1 Farm-In and Stage 2 Farm-In, as the case may be.

In addition to the Koojan JVA, Wavetime and Coobaloo have entered into a royalty deed (**Wavetime Royalty Deed**) under which, Wavetime is entitled to receive a 1% net smelter return royalty payable in relation to all precious, industrial minerals and base metals produced, sold and proceeds received from the Koojan Tenements (**Wavetime Royalty**).

The royalty will become payable on the date on which the extraction and recovery of mineral products commences from the Koojan Tenements.

Upon completion of a bankable feasibility study under the Koojan JVA, Wavetime has a right to elect to convert all of its 25% interest in Coobaloo to a 1% net smelter return royalty. In the event that Wavetime exercises this right, the Wavetime Royalty Deed will be amended to increase the total percentage amount of the royalty in the Wavetime Royalty Deed to a 2% net smelter return royalty.

7.2 Moora Project Agreement with Mr Jacob Paggi

The Moora Project was acquired by applying for three Exploration Licences in the name of ERL (E70/5217, E70/5286, E70/5287). The opportunity to apply for these Exploration Licences was presented to Liantown by Mr Jacob Paggi. Liantown had previously entered an agreement with Mr Paggi (trading as 'Armada Exploration Services') dated 4 September 2018 (**Moora Project BTS**) for the purposes of identifying potential opportunities that Liantown may

be interested in within an area of interest east of Moora, Western Australia. The Moora Tenements were applied for in accordance with the terms of the Moora Project BTS.

If Liontown (or a related body corporate) makes a decision to mine on one of the Moora Tenements, it will be required to pay cash consideration of \$1,000,000 and grant a 0.5% net smelter return royalty to Mr Jacob Paggi.

Mr Paggi identified the opportunity to apply for these Exploration Licences but was not the owner. Other than as described above, no other consideration was paid or is payable to Mr Paggi in respect of the application for these Exploration Licences.

Mr Paggi is not a related party of Liontown or the Company.

The obligations of Liontown under the Moora Project BTS have been assigned to the Company, subject to completion of the acquisition of ERL by the Company.

7.3 Transaction documents to effect the Demerger

The Offer under this Prospectus is conditional upon successful implementation of the Demerger. On completion of the Demerger, the Company will own 100% of the issued shares in ERL and therefore its interest in the Moora and Koojan JV Projects and other minor projects. If the Demerger does not complete, the Offer under this Prospectus will not proceed. To demerge these Projects, the Company has entered into two primary transaction documents, being a share sale agreement dated 18 August 2021 (**Share Sale Agreement**) and demerger implementation deed dated 18 August 2021 (**Demerger Implementation Deed**).

The Share Sale Agreement between the Company and Liontown sets out the terms upon which Liontown will sell and the Company will acquire 100% of the issued capital of ERL. As consideration for the transfer of its shareholding in ERL, the Company will issue Liontown with 159,999,000 Shares (which will be distributed in specie to the Eligible Liontown Shareholders, as set out below).

The Company, Liontown and ERL have entered into the Demerger Implementation Deed which sets out the terms upon which the parties will facilitate the Demerger.

This Section 7.3 contains a summary of those transaction documents.

(a) Demerger Implementation Agreement

To give effect to the Demerger, Liontown, ERL, and the Company have entered into the Demerger Implementation Deed. The Demerger Implementation Deed sets out the terms upon which Liontown will conduct an equal capital reduction and in-specie distribution of 160,000,000 Shares to Eligible Liontown Shareholders in accordance with sections 256B and 256C of the Corporations Act.

The Demerger will only proceed if the conditions precedent to the Demerger Implementation Deed are satisfied or waived (together, the **Conditions Precedent**). The outstanding Conditions Precedent are summarised below:

- (i) the board of Liontown having resolved in writing to proceed with the Demerger on or before 5:00pm (AWST) on the Cut-Off Date;

- (ii) Liontown obtaining approval from its shareholders in accordance with section 256B and section 256C of the Corporations Act and for the purposes of Listing Rules 11.1.2 and 11.4. The meeting of Liontown Shareholders to approve the Demerger is scheduled to occur on 22 September 2021;
- (iii) Liontown having received confirmation in writing from ASX satisfactory to it (in its sole discretion) confirming that Liontown will not be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a result of the Demerger on or before 5:00pm (AWST) on the Cut-Off Date;
- (iv) the Company receiving valid Applications for not less than \$15,000,000 (before costs) under the Offer;
- (v) the Company having obtained a waiver from ASX in relation to the escrow restrictions set out in Appendix 9B of the ASX Listing Rules that may otherwise apply to the Shares distributed to the Eligible Liontown Shareholders under the In-specie Distribution;
- (vi) the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Directors, acting reasonably;
- (vii) Liontown and the Company having received all necessary third party consents pursuant to agreements to which ERL is a party including waivers of any applicable change of control or pre-emptive right provisions granted in favour of third parties, on or before 5:00pm (AWST) on the Cut-Off Date;
- (viii) Liontown receiving a favourable draft class ruling or other ATO confirmation (to the satisfaction of Liontown) before the date of completion of the Demerger; and
- (ix) the Company having received an advance determination confirming the transfer of ERL to the Company is exempt from Western Australian stamp duty, prior to the date of completion of the Demerger.

Pursuant to the Demerger Implementation Deed, Liontown has agreed to provide (or procure the provision of) transitional services to the Company for a period of 12 months after the date of implementation of the In-specie Distribution (unless terminated earlier). The services to be provided include accounting services, IT support services and payroll processing services. The Company has agreed to pay Liontown a fee of \$3,000 (plus GST) per month for the provision of such services, plus a reasonable allocation of rental costs for use of office space and an amount in receipt of the personnel time required to provide Technical, Company Secretarial and Chief Financial Officer services. The Company has also agreed to reimburse Liontown for any third party costs or expenses that it reasonably incurs in providing these services.

Either party may terminate the Demerger Implementation Deed prior to completion of the sale and purchase of the ERL shares in the following circumstances:

- (a) by mutual written agreement;
- (b) if the sale and purchase of the ERL shares is not effected by the Cut-Off Date; or
- (c) by giving no less than 10 business days to the other parties if one party commits a material breach of the terms of the Demerger Implementation Deed and fails to

remedy that breach within 20 Business Days after the giving of notice by any other party to remedy the breach.

The Demerger Implementation Deed otherwise contains terms and conditions (including standard representations, warranties and indemnities) considered standard for an agreement of this nature.

Assuming that the outstanding Conditions Precedent are satisfied, the In-specie Distribution will be effected by an equal reduction of Liontown's capital on a pro rata basis. Eligible Liontown Shareholders will thereby retain direct ownership of Liontown and will also receive direct ownership of the Company.

(b) **Share Sale Agreement**

The Company entered into the Share Sale Agreement with Liontown on 18 August 2021 under which the Company will acquire 100% of the issued share capital in ERL from Liontown in exchange for issuing 159,999,000 Shares to Liontown, to be distributed in-specie to Eligible Liontown Shareholders.

The Share Sale Agreement is conditional on each condition precedent to completion of the under the Demerger Implementation Deed and any other transaction document agreed by the parties being satisfied or waived. Effectively, the Share Sale Agreement and the Demerger Implementation Deed are inter-conditional so that if the conditions precedent under the Demerger Implementation Deed are not satisfied or waived, the acquisition of ERL will not proceed.

The Share Sale Agreement otherwise contains terms and conditions (including standard representations, warranties and indemnities) considered standard for an agreement of this nature.

7.4 **Lead Manager Mandate**

On 7 June 2021, the Company entered into a mandate agreement appointing Bell Potter Securities Limited to act as lead manager and broker in respect of the Offer (**Lead Manager Mandate**).

Under the agreement, the Lead Manager will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer. The Company will pay the following fees to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate, subject to the successful completion of the Offer:

- (a) a cash fee equal to 2.5% of gross funds raised under the Offer; and
- (b) a cash fee equal to 2.5% of the funds raised from investors introduced to the Company by the Lead Manager.

Assuming that the Offer is fully subscribed, the Lead Manager will receive a cash fee of \$750,000 (plus GST) and an additional 2.5% of the funds raised from investors introduced to the Company by the Lead Manager. The Lead Manager Mandate otherwise contains terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality, representations and warranties.

8. Additional information

8.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of shares):** At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) on a show of hands, every Shareholder has one vote; and
 - (iii) on a poll, every Shareholder has one vote for every Share held.
- (c) **(Dividend rights):** Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the Directors may declare a dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may from time to time pay to Shareholders any interim dividend that they may determine. Subject to the rights of any preference shareholders and to the rights of the holders of any shares credited or raised under any special arrangement as to the dividend, the dividend was declared shall be payable proportionately according to the amounts paid up or credited as paid up, on the Shares, and otherwise in accordance with Part 2H.5 of the Corporations Act. Interest may not be paid in respect of any dividend, whether final or interim.
- (d) **(Transfer of Shares):** Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.
- (e) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Company's constitution.
- (f) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

- (g) **(Rights on winding up):** If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other Securities in respect of which there is any liability.
- (h) **(Variation of Rights)** Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

- (i) **(Restricted Securities):** A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

8.2 Terms and conditions of Director Options

The following terms and conditions apply to each of the Director Options and Liontown Director Options proposed to be issued immediately prior to Admission (together referred to as the Options):

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Issue Price):** The Director Options and the Liontown Director Options will be issued for nil consideration.
- (c) **(Exercise Price):** The Options are exercisable at \$0.72 per Option.
- (d) **(Expiry Date):** Each Option will expire at 5:00pm (WST) on the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period):** The Options are exercisable at any time prior to the Expiry Date.
- (f) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of

Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (g) **(Timing of issue of Shares and quotation of Shares on exercise):** As soon as practicable after the valid exercise of an Option, the Company will:
- (i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (ii) issue a substitute holding statement for any remaining unexercised Options held by the holder;
 - (iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

- (h) **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (i) **(Cashless exercise of Options):** The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

- (j) **(Dividend and voting rights):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
- (k) **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company and subject to compliance with the Corporations Act.
- (l) **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.
- (m) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.

- (n) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

8.3 Summary of the Company's Employee Securities Incentive Plan

The Minerals 260 Limited Employee Securities Incentive Plan (**Plan**) was adopted by the Company on or about the date of this Prospectus. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below. It is intended that both the Executive and Non-Executive Directors will participate in the Plan.

- (a) **(Eligible Participant):** Eligible Participant means a person that:
 - (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Maximum allocation):** The Company must not make an offer of Securities under the Plan where the total number of Plan Shares that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.
- (c) **(Purpose):** The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

(i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

(l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share or Convertible Security is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (r) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date

or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

8.4 Substantial Shareholders

The Company is presently a wholly-owned subsidiary of Liantown and therefore Liantown holds 100% of the issued Share capital of the Company.

Based on the information known as at the date of this Prospectus, and assuming only the Minimum Subscription is achieved, upon Admission and successful implementation of the Demerger, the following persons will have an interest in 5% or more of the Shares on issue:

Name of Substantial Holder	Number of Shares	% of Shares (Minimum Subscription)	% of Shares (Maximum Subscription)
Timothy Goyder	28,091,553	14.79	12.77

Notes: As at the date of this Prospectus, Timothy Goyder intends to subscribe for 500,000 Minerals 260 Shares under the Priority Offer in addition to the 27,591,553 Minerals 260 Shares he will be distributed pursuant to the In-specie Distribution.

8.5 Interests of promoters, experts and advisers

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(b) **Share registry**

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) **Auditor**

HLB Mann Judd has been appointed to act as auditor to the Company. The Company estimates it will pay HLB Mann Judd a total of \$30,000 (excluding GST) for the 30 June 2021 and 2022 audit and the 31 December 2021 review.

During the 24 months preceding lodgement of this Prospectus with ASIC, HLB Mann Judd has not provided services to the Company other than as described above and in clause 8.5(f).

(d) **Lawyers**

HWL Ebsworth Lawyers (**HWLE**) has acted as the lawyers to the Company in relation to the Offer. The Company estimates it will pay HWLE \$160,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, HWLE has provided legal services to the Company, the total value of these services was \$129,337 (excluding GST). These services were in respect of the Offer and the Company's general corporate matters.

(e) **Independent Geologist**

Optiro Pty Ltd has acted as the Independent Geologist and has prepared the Independent Technical Assessment Report which is included in Annexure C of this Prospectus. The Company estimates it will pay \$23,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Optiro Pty Ltd has not provided any other services to the Company.

(f) **Investigating Accountant**

HLB Mann Judd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A of this Prospectus. The Company estimates it will pay HLB Mann Judd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, HLB Mann Judd has not provided services to the Company other than as described above and in clause 8.5(c).

(g) **Lead Manager**

Bell Potter Securities Limited has acted as the Lead Manager to the Offer. Details of the payments to be made to the Lead Manager are set out in Section 7.4. During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not provided services to the Company.

(h) **Taxation advisor**

Deloitte Tax Services Pty Ltd has acted as Australian taxation advisor in respect of the Offer, including preparation of the general Australian tax consideration comments in Section 5 of this Prospectus. The Company estimates it will pay Deloitte Tax Services Pty Ltd a total of \$108,750 (excluding GST) for these services.

8.6 Consents

- (a) Each of the parties referred to in this Section 8.6:
- (i) do not make the Offer;

- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) **Share Registry**

Automic Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) **Auditor**

HLB Mann Judd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

(d) **Lawyers**

HWLE has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the lawyers to the Company in the form and context in which it is named.

(e) **Independent Geologist**

Optiro Pty Ltd and Jason Froud have each given, and have not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Technical Assessment Report in the form and context in which it is included.

(f) **Investigating Accountant**

HLB Mann Judd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

(g) **Lead Manager**

Bell Potter Securities Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Lead Manager to the Offer in the form and context in which it is named.

(h) **Taxation advisor**

Deloitte Tax Services Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as taxation advisor to the Company in the form and context in which it is named.

8.7 Expenses of Offer

The total approximate expenses of the Offer (assuming Maximum Subscription) payable by the Company are:

	Fees² \$
ASX Quotation and ASIC lodgement fee	\$188,933
Legal fees	\$176,000
Investigating Accountant fees	\$11,000
Lead Manager fees ¹	\$1,537,500
Independent Geologist fees	\$25,795
Tax adviser fees	\$119,625
Accounts preparation and audit, insurance, printing, postage and administration fees	\$132,937
Miscellaneous	\$28,210
Total	\$2,220,000

Notes:

1. Refer to Section 7.4 for a summary of the Lead Manager Mandate.
2. Fees are inclusive of GST.

8.8 Continuous Disclosure Obligations

Following Admission, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.9 **Litigation**

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

8.10 **Electronic Prospectus**

Pursuant to Regulatory Guide 107 (Fundraising: facilitating electronic offers of securities), ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.11 **Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 8.6 of this Prospectus.

8.12 **Statement of Directors**

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Annexure A, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

9. Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Anthony Cipriano

Non-Executive Chair

Dated: 19 August 2021

10. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or A\$	means Australian dollars.
ABN	means Australian Business Number.
Admission	means admission of the Company to the Official List, following completion of the Offer.
AFSL	means Australian Financial Services License.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Shares pursuant to this Prospectus.
Application Form	means the application form attached to this Prospectus.
Application Monies	means application monies for Shares under the Offer received and banked by the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement	means ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Rules	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd ABN 49 008 504 532.
ATO	means the Australian Taxation Office.
Au-PGE-Ni-Cu	means Gold (Au), Platinum-group elements (PGE), Nickel (Ni), and Copper (Cu).
Board	means the board of Directors of the Company as at the date of this Prospectus.
Bell Potter or Lead Manager	means Bell Potter Securities Limited ACN 006 390 772.
Capital Reduction	means the capital component on the In-specie Distribution, equal to the reduction of Liontown's share capital account as a result of the In-specie Distribution.
CGT	means capital gains tax.
CHESSE	means the Clearing House Electronic Subregister System operated by ASX Settlement.

Company	means Minerals 260 Limited ACN 650 766 911.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time.
Cut-Off Date	means 1 December 2021 (or such other date agreed between Liontown and the Company).
Demerger	means the proposed transfer of 100% of the issued share capital in ERL to the Company and the In-specie Distribution to shareholders of Liontown in accordance with sections 256B and 256C of the Corporations Act.
Demerger Dividend	means the dividend component of the In-specie Distribution, being broadly equal to the difference between the value of the In-specie Distribution and the value of the Capital Reduction.
Demerger Implementation Deed or DID	means the Demerger Implementation Deed dated 18 August 2021 between the Company, ERL and Liontown to effect the Demerger, subject to satisfaction or waiver of certain conditions precedent.
Director Options	means the Options to be granted to the Directors as described in Section 6.5 and 8.2.
Directors	means the directors of the Company.
DRP	means Dividend Reinvestment Plan.
Electronic Prospectus	means the electronic copy of this Prospectus located at the Company's website at www.minerals260.com.au .
Eligible Liontown Shareholder	in respect of: <ul style="list-style-type: none"> (a) the right to receive Shares under the In-specie Distribution, means a person who holds Liontown Shares and is recorded in Liontown's share register of members as at the In-specie Distribution Record Date as having a registered address in Australia or New Zealand; and (b) in respect of the Priority Offer, means a person who holds Liontown Shares and is recorded in Liontown's share register of members as at the Priority Offer Record Date as having a registered address in Australia or New Zealand.
Eligible Shortfall Offer Participant	means an Eligible Liontown Shareholder that in making an Application for Shortfall Shares has also subscribed for its full entitlement under the Priority Offer.
ERL	means ERL (Aust) Pty Ltd ACN 612 667 106.
Exposure Period	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.

GST	means Goods and Services Tax.
In-specie Distribution	means the pro rata in-specie distribution of 1 Company Share for every 11.90638 Liontown Shares held on the In-specie Distribution Record Date and comprises a capital component (being a reduction of issued share capital) and an income component (being a dividend). If the number of Liontown Shares increases prior to the In-specie Distribution Record Date, the ratio of Shares received for every Liontown Share held will be reduced.
In-specie Distribution Record Date	means the record date for the In-specie Distribution, being 28 September 2021.
Independent Geologist	means Optiro Pty Ltd ACN 131 922 739.
Independent Limited Assurance Report	means the report contained in Annexure A.
Independent Technical Assessment Report	means the report contained in Annexure C.
Indicative Timetable	means the indicative timetable for the Offer on page viii of this Prospectus.
Ineligible Liontown Shareholder	means a person registered as the holder of Liontown Shares on the Priority Record Date whose registered address is not in Australia or New Zealand.
Investigating Accountant	means HLB Mann Judd ABN 22 193 232 714.
Issue Date	means the date, as determined by the Directors, on which the Shares under the In-specie Distribution are distributed to Liontown Shareholders followed by the Shares offered under this Prospectus being allotted, which is anticipated to be the date identified in the Indicative Timetable.
Koojan JV Project	means the Koojan Gold-PGE-Nickel-Copper Project located in the New Norcia region of Western Australia.
Lead Manager Mandate	means the mandate entered between the Company and the Lead Manager dated 7 June 2021 for the provision of corporate advisory services.
Liontown	means Liontown Resources Limited ACN 118 153 825.
Liontown Share	means a fully paid ordinary share in the capital of Liontown.
Liontown Shareholder	means a person who holds Liontown Shares and is recorded in Liontown's share register of members.

Listing Rules	means the listing rules of ASX.
Maximum Subscription	means the maximum raising of \$30,000,000 pursuant to the Offer.
Minimum Subscription	means the minimum raising of \$15,000,000 pursuant to the Offer.
Moora Project	means the Moora Gold-PGE-Nickel-Copper Project located approximately 150km north-east of Perth in south-west Western Australia.
Offer	means the Priority Offer and the Shortfall Offer.
Offer Price	means \$0.50 per Share under the Offer.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the date specified as the opening date in the Indicative Timetable.
Option	means an option to acquire a Share.
Paggi Terms Sheet	means the binding terms sheet between Liontown, Minerals 260 and Jacob Paggi (trading as Armada Exploration Services) dated 4 September 2018.
Priority Offer	means the pro rata priority offer by the Company, pursuant to this Prospectus, of a minimum of 30,000,000 and up to 60,000,000 Shares to raise a minimum of \$15,000,000 and a maximum of \$30,000,000 (before costs) to Eligible Liontown Shareholders.
Priority Offer Closing Date	means the date that the Priority Offer closes which is 5.00pm (WST) on 22 September 2021 or such other time and date as the Board determines.
Priority Offer Record Date	means the record date for the Priority Offer, being 23 August 2021.
Projects	means the assets held by ERL, and includes the Moora Project, Koojan JV Project, Dingo Rocks Project and Yalwest tenement applications.
Prospectus	means this prospectus dated 19 August 2021.
Relevant Interest	has the meaning given in the Corporations Act.
Section	means a section of this Prospectus.
Securities	means any securities, including Shares, Options or performance shares, issued or granted by the Company.

Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Automic Pty Ltd.
Shareholder	means a holder of one or more Shares.
Share Sale Agreement	means the Share Sale Agreement dated 18 August 2021 between the Company and the Liantown under which the Company will acquire 100% of the issued share capital in ERL, subject to satisfaction or waiver of certain conditions precedent.
Shortfall Offer	means the offer of the Shortfall under this Prospectus, which includes the offer in relation to the Shortfall Shares.
Shortfall Offer Closing Date	means the date that the Shortfall Offer closes which is 5.00pm (WST) on 29 September 2021 or such other time and date as the Board determines.
Shortfall Shares or Shortfall	means entitlements not subscribed for under the Maximum Subscription under the Priority Offer, or that would otherwise be offered to Ineligible Liantown Shareholders under the Priority Offer, if they had a registered address in Australia or New Zealand.
Solicitor's Report	means the report set out in Annexure B.
Tenements	means the tenements and the tenement applications set out in Section 2.5 and in the Solicitor's Report in Annexure B.
TFN	means Tax File Number.
WST	means Western Standard Time, being the time in Perth, Western Australia.



Annexure A

Independent Limited Assurance Report



18 August 2021

The Board of Directors
Minerals 260 Limited
Level 2, 1292 Hay Street
WEST PERTH WA 6005

Dear Board Members

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION OF MINERALS 260 LIMITED

Introduction

This Independent Limited Assurance Report (“Report”) has been prepared for inclusion in a prospectus to be dated on or around 18 August 2021 (“Prospectus”) and issued by Minerals 260 Limited (“Minerals 260” or the “Company”) in relation to the Company’s initial listing on the Australian Securities Exchange (“ASX”). The Prospectus comprises an offer of 30,000,000 shares at an issue price of \$0.50 to raise up to \$15 million before costs, with the ability to accept applications for a further \$15 million for a total maximum raise of \$30 million (“Offer”).

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of Minerals 260. All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. HLB Mann Judd (“HLB”) has not been requested to consider the prospects for Minerals 260, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so. HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report. Further declarations are set out in Section 7 of this Report.

Structure of Report

This Report has been divided into the following sections:

1. Scope of Report;
2. Directors’ Responsibility;
3. Our Responsibility;
4. Conclusions;
5. Restriction on Use;
6. Liability; and
7. Declarations.

1. Scope of Report

You have requested HLB to perform a limited assurance engagement and to report on the Financial

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Information as set out in Section 4 of the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in Section 4 of the Prospectus, comprises:

- the audited historical Statements of Financial Position as at 30 June 2019, 30 June 2020 and 30 June 2021 and statutory audited historical Statements of Profit or Loss and Other Comprehensive Income of ERL (Aust) Pty Ltd ('ERL') for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the reviewed historical Statement of Financial Position as at 30 June 2021 and reviewed historical Statement of Profit or Loss and Other Comprehensive Income of Minerals 260 Limited ('Minerals 260' or the 'Company') for the period then ended.

Pro Forma Financial Information

The Pro Forma Financial Information, as set out in Section 4 of the Prospectus, comprises:

- the pro forma Consolidated Statement of Financial Position of the Company as at 30 June 2021 and supporting notes which include the pro forma adjustments.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events or transactions to which the pro forma adjustments relate, as if those transactions or events had occurred as at 30 June 2021. Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position, financial performance or cash flows.

The Historical Financial Information and the Pro Forma Financial Information are presented in an abbreviated form insofar as they do not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the *Corporations Act 2001*.

This Report has been prepared for inclusion in the Prospectus. HLB disclaims any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purpose other than the purposes for which it was prepared. This Report should be read in conjunction with the Prospectus.

2. Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the pro forma adjustments set out in Section 4.8 of the Prospectus and the basis of preparation of the Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information that is free from material misstatement.

3. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and evidence we have obtained. Our engagement was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Standards on Assurance Engagements ASAE 3450 *Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information* and included such enquiries and procedures which we considered necessary for the purposes of this Report. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting

matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

The procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the Financial Information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed; and
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report.

4. Conclusions

Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company as set out in Section 4 of the Prospectus does not present fairly:

- a) the historical Statement of Financial Position of the Company as at 30 June 2021;
- b) the historical Statement of Profit or Loss and Other Comprehensive Income of the Company for the period ended 30 June 2021;
- c) the historical Statement of Financial Position of ERL (Aust) Pty Ltd as at 30 June 2019, 30 June 2020 and 30 June 2021;
- d) the historical Statement of Profit or Loss and Other Comprehensive Income of ERL (Aust) Pty Ltd for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Pro Forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information of the Company as set out in Section 4 of the Prospectus does not present fairly the Pro Forma Statement of Financial Position of the Company as at 30 June 2021, which incorporates the pro forma adjustments, as set out in Section 4.8 of the Prospectus.

5. Restriction on Use

Without modifying our conclusion, we draw attention to Section 4 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

6. Liability

The liability of HLB is limited to the inclusion of this Report in the Prospectus. HLB makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, the Prospectus.

7. Declarations

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the Financial Information, which is estimated to be \$10,000 plus GST;
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report;
- c) Neither HLB, nor any of its employees or associated persons has any interest in Minerals 260 or the promotion of the Company or any of its subsidiaries;
- d) HLB Mann Judd has been appointed as the Company's auditors;
- e) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus; and
- f) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.

Yours faithfully

HLB Mann Judd
Chartered Accountants



M R Ohm
Partner



Annexure B

Solicitor's Report



18 August 2021

The Directors
Minerals 260 Limited
Level 2, 1292 Hay Street
West Perth WA 6005

Dear Directors

Minerals 260 Limited
Solicitor's Report – Mining Tenements

This Report has been prepared for Minerals 260 Limited (ACN 650 766 911) (**Company**) for inclusion in the Company's prospectus (**Prospectus**) issued in connection with the Company's application for the admission of the ordinary shares of the Company to the Official List of the ASX.

1. Background

The Company is a wholly owned subsidiary of Liontown Resources Limited (ACN 118 153 825) (**Liontown**). Pursuant to a share sale agreement, the Company will acquire 100% of the shares in ERL (Aust) Pty Ltd (ACN 612 667 106) (**ERL**) (and therefore the Tenements, or interest in the Tenements) from Liontown. ERL is a wholly owned subsidiary of Liontown.

2. Scope

We have been requested to report on:

- (a) ten granted exploration licences (prefixed '**E**');
- (b) two pending applications for exploration licences (prefixed '**ELA**'); and
- (c) one pending application for a prospecting licence (prefixed '**PLA**').

(collectively referred to as the '**Tenements**') which are all located in Western Australia, and which:

- (d) in the case of Tenements E70/5217, E70/5286 and E70/5287 (**Moora Tenements**) and E63/2070, ELA59/2541 and ELA59/2604, are either held by ERL or have been applied for by ERL; and
- (e) in the case of Tenements E70/5312, E70/5337, E70/5429, E70/5450, E70/5515, E70/5516 and PLA70/1743 (**Koojan Tenements**) ERL has the

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right to earn up to a 51% interest in, pursuant to the Farm-in and JVA (defined below).

Key details of the Tenements are set out in Schedule 1 and the conditions imposed thereon are set out in Schedule 2) of this Report and must be read in conjunction with this Report.

3. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

- (a) searches of the tenements on the register maintained by the Department pursuant to the Mining Act on 22 July 2021 (**DMIRS Searches**);
- (b) quick appraisal user searches of the Tengraph system maintained by the Department on 2 July 2021 (in the case of ELA59/254 on 12 July 2021, in the case of ELA59/2604 on 23 July 2021 and in the case of E63/2070 on 28 July 2021) (**Tengraph Searches**);
- (c) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 2 July 2021 and in the case of ELA59/2541 and E63/2070 on 12 July 2021 (**NNTT Searches**); and
- (d) searches from the online Aboriginal Heritage Inquiry System (**AHIS Searches**) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the Tenements on 2 July 2021 and in the case of ELA59/2541 and E63/2070 on 12 July 2021.

4. Scope

The purpose of this Report is to determine and identify, as at the date of this Report:

- (a) the interests held by the Company in the Tenements;
- (b) any third party interests, including encumbrances, in relation to the Tenements;
- (c) any material issues existing in respect of the Tenements;
- (d) the good standing, or otherwise, of the Tenements; and
- (e) any concurrent interests in the land the subject of the Tenements, including other mining tenements, private land, pastoral leases, native title and Aboriginal heritage.

This Report is limited to the matters contained within and, for example, does not consider risks and issues (such as any additional approvals) that may arise in relation to the

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development of a mining project on the Tenements and any subsequent mining and processing of ore.

5. Summary of key items and overview of risk factors

5.1 Title

As at the date of this Report:

- (a) ERL has a 100% registered legal and beneficial interest in the Moora Tenements and E63/2070;
- (b) ERL is the 100% registered applicant for Pending Tenements ELA59/2541 and ELA59/2604; and
- (c) the Koojan Tenements are held by Coobaloo, which is owned 50% by Midland (a subsidiary of the listed entity Lachlan Star Limited) and 50% by private group Wavetime Nominees Pty Ltd (in its capacity as trustee for the A & T Nixon Family Trust). Pursuant to the Farm-in and JVA the Company, through ERL, has a right to farm-in to acquire either a 30% or a 51% legal and beneficial interest in the Koojan Tenements (through a 2-stage farm-in).

For further information, refer to section 11 of this Report.

5.2 Grant

The Pending Tenements have not yet been granted. There is a risk that:

- (a) the Pending Tenements may not be granted or there may be a delay to grant of the Pending Tenements; and/or
- (b) the Pending Tenements may be granted over a lesser area than applied for or the Pending Tenements may be granted subject to non-standard conditions.

In particular, Pending Tenement ELA59/2541 is subject to a Mining Act objection (**Objection**). For further information on the Objection, refer to section 10.6 below. In the event the Objection is not withdrawn, the grant of ELA59/2541 will likely be delayed.

5.3 Overlapping tenure

Our Searches indicate that some of the Tenements overlap with land that is the subject of other rights, including:

- (a) File Notation Areas (**FNA**), the details of which are set out in section 10.1 of this Report;
- (b) ELA59/2541 and ELA59/2604 overlap pastoral leases, (see section 10.3 for details);

- (c) E63/2070 and Pending Tenement ELA59/2541 overlap mining tenements held by third parties (see paragraph 10.5 for details); and
- (d) Tenements E70/5217, E70/5286, E70/5312, E70/5337, E70/5429 and E70/5450 overlap private freehold land and have been granted with endorsements, the subject of dealings which have been recorded against the Tenements approving the grant of the Tenements to include parcels of private land, to a depth of 30 metres from the natural surface of the land (see paragraph 10.4 for details).

Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. In particular, under the Mining Act, the Company will be required to pay compensation to the affected land owners and any occupiers of private land for all loss and damage suffered or likely to be suffered by the owner and occupier resulting or arising from the mining activities of the Company. For further information, please refer to section 10.

5.4 Environment

Tenements E70/5217, E70/5286, E70/5287, E70/5337, E70/5450 and E70/5516 encroach on sites which have been gazetted as "rare flora" under the *Wildlife Conservation Act 1950* (WA). For further information, please refer to paragraph 10.7.

Our Searches also indicate that Tenements E70/5217, E70/5312, E70/5450, E70/5429, E70/5515, E70/5337, E70/5286 and PLA70/1743 encroach on areas which are dieback risk zones. These tenements are subject to conditions whereby a dieback management plan must be provided to the Department for assessment and approval before exploration activities can commence. For further information, please refer to paragraph 10.8.

The existence of these environmentally sensitive areas and requirements for the Company to prepare necessary management plans and obtain additional approvals may impact or delay the Company's ability to carry out exploration or mining activities within the affected areas.

5.5 Native title

The existence of native title determinations or claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been or will be validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

For information on native title affecting the Tenements, please see paragraph 8.9 for details.

5.6 Aboriginal Heritage

The Searches indicate that there are five registered Aboriginal heritage sites and seventeen applications for 'other' Aboriginal heritage places, within Tenements E70/5217, E70/5450, E70/5515, E70/5287, E70/5312 E70/5286, E63/2070 and ELA59/2541. In respect to Pending Tenement ELA59/2604, which was only recently applied for, the Searches in respect to Aboriginal heritage sites and 'other' Aboriginal heritage places are unavailable.

However, there remains a risk that additional Aboriginal sites or places may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements or cause delays in the progression of the development of a mine.

See paragraph 9 below for further details.

6. Tenements

The following provides a description of the nature and key terms of the Tenements (including potential successor tenements) that may be granted under the Mining Act which are relevant to the Tenements the subject of this Report.

6.1 Exploration Licences

(a) Licence area and authority

The holder of an exploration licence is entitled to enter the land for the purposes of exploring for minerals with employees, contractors and such vehicles, machinery and equipment as may be necessary or expedient. An exploration licence will not be granted over land the subject of an existing mining tenement other than a miscellaneous licence.

(b) Term and extension

Exploration licences are granted for a term of 5 years. The Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

(c) Other conditions

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and observance of Aboriginal heritage, environmental protection and reporting requirements. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

(d) Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the

tenement area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

(e) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is approved, the minimum expenditure requirements are reduced in the year of grant and cease in future years, however, the Minister has the right to impose a programmed of works or require the holder to apply for a mining lease.

(f) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister. Exploration licences can otherwise be transferred without the requirement to obtain the consent of the Minister.

(g) Right to apply for mining lease

The holder of an exploration licence has priority to apply for a mining lease over any land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(h) Rent and expenditure requirements

Annual rent is payable for an exploration licence and the holder of an exploration licence must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the Minister. An exemption to the minimum expenditure conditions will only be granted on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless an exemption is granted, renders the exploration licence liable to forfeiture or the Minister imposing a monetary penalty as an alternative.

6.2 Prospecting Licences

(a) Rights

The holder of a prospecting licence is entitled to enter upon land for the purposes of prospecting for minerals with vehicles, machinery and equipment as may be necessary or expedient for that purpose.

(b) Term and transfer

A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted after 10 February 2006, the Minister may extend the term by 4 years and, if retention status is granted (see below), by further term or terms of 4 years. There is no restriction on transfer or other dealing in a prospecting licence.

(c) Retention status

The holder of a prospecting licence applied for and granted after 10 February 2006 may apply for approval of retention status for the prospecting licence. The Minister may approve retention status for the whole or any part of the land subject of a prospecting licence where there is an identified mineral resource within the prospecting licence but its impracticable to mine the resource for prescribed reasons. On the approval of the retention status the Minister may impose a condition requiring a holder to comply with a specific programme of works or require the holder to apply for a mining lease.

(d) Conditions

Prospecting licences are granted subject to various standard conditions including conditions relating to minimum expenditure, the payment of rent and observance of environmental protection and reporting requirements. These standard conditions are not detailed in this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the prospecting licence.

(e) Priority to apply for a mining lease

The holder of a prospecting licence has priority to apply for a mining lease over any of the land subject to the prospecting licence. An application for a mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

(f) Rent and expenditure requirements

Annual rent is payable for a prospecting licence and the holder of a licence must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the Minister. An exemption to the minimum expenditure conditions will only be granted on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless an exemption is granted, renders the prospecting licence liable to forfeiture or the Minister imposing a monetary penalty as an alternative.

6.3 Mining Leases

(a) Application

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- (i) Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.
- (ii) The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

(b) Rights

The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

(c) Term and transfer

A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant. The consent of the Minister is required to transfer a mining lease.

(d) Conditions

Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. For the purpose of this Report, we have only summarised key non-standard conditions and endorsements relating to the Tenements in Schedule 2.

(e) Royalty

A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the Mining Act. In Western Australia, there are two systems used to collect mineral royalties:

- (i) *specific rate* - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2015 and 30 June 2020 are 73 cents per tonne and 117 cents per tonne; and

(ii) *ad valorem* - calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad valorem royalty rate takes into account price fluctuations and material grades as follows:

- (A) bulk material (subject to limited treatment) - 7.5% of the royalty value;
- (B) concentrate material (subject to substantial enrichment through a concentration plant) - 5% of the royalty value; and
- (C) metal - 2.5% of the royalty value.

(f) Mining Rehabilitation Fund

The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013 (WA)*, are required to participate in the Mining Rehabilitation Fund. This is a pooled fund to which Western Australian mining operators contribute and the money is used to rehabilitate abandoned mine sites in Western Australia. Tenement holders with an annual rehabilitation liability of \$50,000 or less are not required to contribute.

7. Expenditure and Rent Compliance

A failure to comply with the minimum expenditure and rent conditions imposed on the grant of a tenement may result in a penalty or forfeiture being enforced in respect to the tenement.

Our Searches indicate that:

- (a) the rent has been paid in full in respect of all of the granted Tenements for the current reporting year; and
- (b) the Form 5 Operations Reports have been lodged for the most recent reporting year for all of the granted Tenements (with the exception of E70/5312 and E70/5429).

The minimum expenditure requirement for the most recent reporting year has been exceeded for all of the granted Tenements which have had a Form 5 lodged. In respect to Tenements E70/5312 and E70/5429, the Form 5 is due 60 days after the anniversary date of the commencement date of the Tenement (being on 7 August 2021 in respect to E70/5312 and on 13 September 2021 in respect to E70/5429). For further information, please refer to Schedule 1.

8. Native title

8.1 General

- (a) On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.
- (b) The law in Australia recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.
- (c) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (ie be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

8.2 Native title claims

- (a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the Register of Native Title Claims (**RNTC**). If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (**NNTR**).
- (b) If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a 'future act' is proposed. An example of a 'future act' is the grant of a mining tenement.
- (c) The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (ie are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The 'acts' can be a proposed activity or development on land and waters. A common example in Western Australia is the proposed grants of mining tenements by the Department.

8.3 'Past Acts' (ie grants of mining tenements): Prior to 1 January 1994

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain 'acts' which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA). It provides that all 'acts' (eg grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

8.4 'Future Acts' (ie proposed grants of mining tenements): After 1 January 1994

- (a) Generally, a 'future act' is an 'act' (eg grant of mining tenement) occurring after 1 January 1994 which affects native title. The Native Title Act sets out the circumstances in which, and procedures by which, 'future acts' will be valid should that 'act' affect native title.
- (b) Such circumstances include if the 'act' was done in certain circumstances between 1 January 1994 and 23 December 1996 (called 'Intermediate Period Acts'), or if the 'act' is permitted by an Indigenous Land Use Agreement (**ILUA**), or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR. Such procedures include the 'Right to Negotiate Procedure' and the 'Expedited Procedure'. The key elements of these processes are outlined below.

8.5 Right to Negotiate Procedure

- (a) Under the Right to Negotiate Procedure, the native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.
- (b) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.
- (c) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such an agreement may address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation.
- (d) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTR for a determination as to whether the future act may be done, and if so, on what conditions.

8.6 Expedited Procedure

- (a) If the proposed future act (ie grant of the tenement) is not likely to interfere with the activities or sites of significance of the registered native title party or involved major disturbances to land or waters, a simplified process may apply (known as the Expedited Procedure). A registered native title party

may object to this process and, if it does, the NNTT must determine the validity of the objection (which may result in the Expedited Process not being able to be followed).

- (b) Current Department policy is that it will process applications for exploration and prospecting licences through the Expedited Process once the applicant provides evidence by way of a statutory declaration / affidavit that a regional standard heritage agreement (**RSHA**) exists or has been signed by the proponent and sent to any affected registered Native Title Claimant (**NTC**) group (if any) or that an alternative heritage agreement exists between the NTC group and the explorer. If this cannot be demonstrated, the Right to Negotiate Procedure will apply.
- (c) In respect to tenements which fall within the boundaries of the South West Native Title Settlement (**Settlement**), other ILUAs entered into with a registered native title body corporate or prescribed body corporate or ILUAs which are 'area agreements' in respect to a certain area, native title may be extinguished and the future act process is no longer applicable. The Settlement was negotiated between six registered native title claims comprising of traditional Noongar people and the Western Australian State Government, primarily. In exchange for the extinguishment of native title over the Settlement area, a package of benefits (including economic, social and community benefits) was provided to the Noongar people. In respect to any mining tenements within the Settlement area, which are granted after the Settlement came into force, a condition is imposed on the tenement which requires the tenement holders to enter into an Aboriginal heritage agreement or a Noongar standard heritage agreement with the relevant native title agreement group before exercising any rights conferred by the grant of the tenement. A similar process applies to those tenements which fall within the Yamatji Nation Indigenous Land Use Agreement (**Yamatji Nation ILUA**) and the Esperance Nyungar Government Indigenous Land Use Agreement (**Esperance Nyungar Government ILUA**). The Moora Tenements and Koojan Tenements all fall within the Settlement, Pending Tenement ELA59/2541 is partially subject to the Yamatji Nation ILUA and E63/2070 is partially subject to the Esperance Nyungar Government ILUA (see paragraphs 8.10 and 9.6 below).

8.7 **ILUA**

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. An ILUA binds the parties to the ILUA and also all persons holding native title to the relevant area that may not be a party. If an ILUA provides that any particular mining tenement(s) may be granted, then the relevant mining tenement(s) may be granted as provided for by the ILUA, generally without following other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

8.8 **Compensation**

In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The Mining Act

provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined.

8.9 Native title claims affecting the Tenements

The NNTT Searches in respect of the Moora Tenements and Koojan Tenements indicate that the Tenements are wholly subject to the Yued claim (NNTT file number WC1997/071, Federal Court number WAD6192/1998) which was registered on 22 August 1997. These Tenements also wholly fall within the Single Noongar Claim (Area 1) (NNTT file number WC2003/006, Federal Court number WAD6006/2003), which has not been accepted for registration and is an active application.

The Yued claim and Single Noongar Claim form part of the Settlement, made up of six individual ILUAs which were executed by the WA Government and the six relevant agreement groups comprising of the Settlement (including the Yued claim) on 8 June 2015. The Settlement took full effect on 25 February 2021 and native title was resolved in the Settlement area on 13 April 2021. For further information on the ILUAs, please refer to section 8.10 below.

E63/2070 and the Pending Tenements lie within certain native title claims and determinations, as follows:

Tenement affected	Overlap (%)	NNTT File No.	Federal Court No.	Name	Date filed / Determined	Status
ELA59/2541	95.26%	WC1996/093	WAD21/2019	Mullewa Wadjari Community	Filed on 19 August 1996	Registered claim
	95.26%	WC2004/010	WAD28/2019	Wajarri Yamatji #1	Filed on 21 December 2004	Registered claim
	4.74%	WCD2020/001	WAD21/2019, WAD31/2019, WAD27/2019, WAD19/2019, WAD345/2019	Yamatji Nation	Determined on 7 February 2020	Registered determination
E63/2070	88.21%	WCD2014/002	WAD6097/1998	The Esperance Nyungars	Determined on 14 March 2014	Registered determination
	11.79%	WCD2014/004	WAD6020/1998	Ngadju	Determined on 21	Registered determination

Tenement affected	Overlap (%)	NNTT File No.	Federal Court No.	Name	Date filed / Determined	Status
					November 2014	
ELA59/2604	100%	WC1996/093	WAD21/2019	Mullewa Wadjari Community	Filed on 19 August 1996	Registered claim
	100%	WC2004/010	WAD28/2019	Wajarri Yamatji #1	Filed on 21 December 2004	Registered claim

The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted. However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

ELA59/2541 and ELA59/2604 are subject to two registered native title claims (Mullewa Wadjari Community and Wajarri Yamatji #1) which overlap one another and are yet to be determined.

8.10 Indigenous Land Use Agreements

Our searches indicate that the Moora Tenements and Koojan Tenements are wholly subject to the Yued Indigenous Land Use Agreement (WI2015/009) (**Yued ILUA**) which was registered on 17 October 2018.

The Yued ILUA (in conjunction with the remaining ILUAs forming part of the Settlement), prescribe that native title will be resolved in the Settlement area and that the future act process (including the native title expedited procedure process in respect to the grant of tenements) will no longer occur within the Settlement area. The Yued ILUA binds the parties including the State of Western Australia, which encompasses all State Government Departments and certain State Government agencies) in respect to processes dealing with Aboriginal heritage over the Settlement.

Pursuant to the Yued ILUA, the Yued claim surrenders all native title rights and interests in relation to the Settlement area comprising of the Yued claim to the State of Western Australia. This surrender is intended to extinguish the native title rights and interests of the Yued claim over the Settlement area and gives consent to 'future acts' over the Settlement area.

For further information on the effect of the Yued ILUA in respect to Aboriginal heritage in the Settlement area, please refer to paragraph 9.6.

E63/2070 and Pending Tenement ELA59/2541 are subject to ILUAs as follows:

- (a) E63/2070 is subject to the Esperance Nyungar Government ILUA (WI2014/006) by 10.46%. The ILUA is for the purposes of access, communication, community, government and mining and was registered on 21 November 2014.
- (b) ELA59/2541 is subject to the Yamatji Nation Agreement ILUA (WI2020/002) by 4.74%. The ILUA is for the purposes of access, co-management, community, development, government and tourism and was registered on 30 July 2020.

Similarly to the Yued ILUA, the future act process does not apply to these areas, and instead, existing ILUA obligations relating to the protection of Aboriginal heritage apply whereby a condition is imposed upon grant of the tenement which requires holders to enter into an Aboriginal heritage agreement or a regional standard heritage agreement with the relevant native title agreement group before exercising any rights conferred by the grant of the tenement. A condition to this effect has been imposed on E63/2070 in respect to the Esperance Nyungar Government ILUA which requires the Company to execute and enter into an appropriate Aboriginal heritage agreement with the Esperance Nyungar native title group and maintain such agreement for the term of E63/2070.

8.11 Compliance with the Validity of Tenements

With respect to the granted Tenements, we have assumed that, prior to grant, the Department was satisfied that the Native Title Act had been complied with. Provided that the Tenements are validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests.

8.12 Native Title status of Pending Tenements

The future act process does not apply to Pending Tenement PLA70/1743 and therefore, native title processing and advertising is not required, as it has been cleared due to the existence of the Yued ILUA. Instead, upon grant of PLA70/1743, the standard condition will be imposed requiring the NSHA to be entered in to before conducting any activities over the Tenements (for further information please refer to paragraph 9.6).

ELA59/2541 is subject to an Objection and once the Objection is resolved, will be processed to native title advertising. Given the recent application for ELA59/2604, there are no native title processing records available. However, once ELA59/2604 has passed the 35 day objection period (and subject to there being no Mining Act Objections lodged against ELA59/2604), the application will be referred to for native title advertising.

9. Aboriginal heritage

9.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

9.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities.

Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

9.3 Western Australian legislation

The provisions of the WA Heritage Act are endorsed on all tenements in Western Australia. The WA Heritage Act protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act.

It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

A holder of a Western Australian mining tenement has the legislative right to submit an application under the WA Heritage Act seeking approval to disturb or destroy an Aboriginal site.

9.4 Proposed Aboriginal Heritage Bill

On 2 September 2020, the WA State Government released the draft *Aboriginal Cultural Heritage Bill 2020 (ACH Bill)* which is intended to replace the current WA Heritage Act. The ACH Bill proposes that proponents of resources projects will (depending on the type of activity to be carried out on the tenements) need to apply for an Aboriginal Cultural Heritage Permit or obtain approval of an Aboriginal Cultural Heritage Management Plan.

The ACH Bill also establishes an Aboriginal Cultural Heritage Council, with broader functions, intended to replace the current Aboriginal Cultural Material Committee, introduces a 'tiered' approvals system and a 'continuous disclosure' obligation, gives broad ministerial powers to issue orders to stop activities, prohibit activities or enforce remediation, and imposes harsher penalties for carrying out activities which harm Aboriginal cultural heritage, failing to report on Aboriginal cultural heritage or non-compliance.

Public consultation on the ACH Bill closed on 9 October 2020 and around 157 submissions were received in relation to the ACH Bill, the vast majority of which did not support the ACH Bill. The WA State Government has not yet indicated a date on which the ACH Bill will be passed into law.

9.5 **Aboriginal sites and other heritage places on the Tenements**

The AHIS Searches of the Tenements identified five registered Aboriginal heritage sites within Tenements E70/5450, E70/5515, E70/5312 and E70/5286 as shown in the below table (see over page).

Registered Aboriginal Sites				
Tenement affected	Site ID	Site name	Status	Type
E70/5450	20008	Gingin Brook Waggy Site	Registered	Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Source
	20749	Moore River Waugal	Registered	Mythological
	21620	Chandala Brook	Registered	Mythological
E70/5515	20008	Gingin Brook Waggy Site	Registered	Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Source
	20749	Moore River Waugal	Registered	Mythological
	21620	Chandala Brook	Registered	Mythological
E70/5312	20008	Gingin Brook Waggy Site	Registered	Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Source
	20749	Moore River Waugal	Registered	Mythological
	21620	Chandala Brook	Registered	Mythological
E70/5286	5880	Moora	Registered	Man-Made Structure
	5881	Walebing	Registered	Skeletal Material / Burial
	20008	Gingin Brook Waggy Site	Registered	Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Source
	20749	Moore River Waugal	Registered	Mythological
	21620	Chandala Brook	Registered	Mythological

The AHIS Searches of the Tenements also identified seventeen 'other heritage places' which have been lodged within E70/5217, E70/5450, E70/5515, E70/5287, E70/5312, E70/5286, E63/2070 and ELA59/2541 as shown in the below table.

Other Aboriginal Heritage Places				
Tenement affected	Site ID	Site name	Status	Type
E70/5217	5649	Gabalong (Pool?)	Lodged	Ceremonial, Camp
	20898	Bindi Bindi FS 1	Lodged	Artefacts / Scatter
	20899	Bindi Bindi FS2	Lodged	Modified Tree
	36739	Walebing Reserve	Lodged	N/A
	37674	Clovalley farm	Stored Data / Not a Site	Artefacts / Scatter, Engraving, Modified Tree, Skeletal Material / Burial, Water Source
E70/5450	19138	Wetlands & Watercourses Moore River to Bullsbrook	Stored Data / Not a Site	Mythological
	19183	Red Gully Creek	Stored Data / Not a Site	Mythological, Plant Resource
	20650	Lennard Brook	Lodged	Mythological, Natural Feature, Water Source, Other: Creek
	21616	Boonanarring Brook	Lodged	Mythological
	21617	Wallerling Brook	Lodged	Mythological
	21618	Nullilla Brook	Lodged	Mythological
	21619	Breera Brook	Lodged	Mythological
E70/5515	19138	Wetlands & Watercourses Moore River to Bullsbrook	Stored Data / Not a Site	Mythological
	19183	Red Gully Creek	Stored Data / Not a Site	Mythological, Plant Resource
	20650	Lennard Brook	Lodged	Mythological, Natural Feature, Water Source, Other: Creek
	21616	Boonanarring Brook	Lodged	Mythological
	21617	Wallerling Brook	Lodged	Mythological
	21618	Nullilla Brook	Lodged	Mythological
	21619	Breera Brook	Lodged	Mythological
E70/5287	5649	Gabalong (Pool?)	Lodged	Ceremonial, Camp
E70/5312	19138	Wetlands & Watercourses Moore River to Bullsbrook	Stored Data / Not a Site	Mythological
	19183	Red Gully Creek	Stored Data / Not a Site	Mythological, Plant Resource
	20650	Lennard Brook	Lodged	Mythological, Natural Feature, Water Source, Other: Creek

	21616	Boonanarring Brook	Lodged	Mythological
	21617	Wallering Brook	Lodged	Mythological
	21618	Nullilla Brook	Lodged	Mythological
	21619	Breera Brook	Lodged	Mythological
E70/5286	19138	Wetlands & Watercourses Moore River to Bullsbrook	Stored Data / Not a Site	Mythological
	19183	Red Gully Creek	Stored Data / Not a Site	Mythological, Plant Resource
	20650	Lennard Brook	Lodged	Mythological, Natural Feature, Water Source, Other: Creek
	21616	Boonanarring Brook	Lodged	Mythological
	21617	Wallering Brook	Lodged	Mythological
	21618	Nullilla Brook	Lodged	Mythological
	21619	Breera Brook	Lodged	Mythological
	22677	Muchea Scar Tree	Lodged	Modified Tree
	36739	Walebing Reserve	Lodged	N/A
	36967	Walebing Scarred Tree	Lodged	N/A
	37674	Clovalley farm	Stored Data / Not a Site	Artefacts / Scatter, Engraving, Modified Tree, Skeletal Material / Burial, Water Source
ELA59/2541	4497	Salt River and Burra Lakes	Stored Data / Not a Site	Mythological
	18906	Wangara Creek / Salt River (SC03)	Lodged	Mythological, Rockshelter, Named Place, Water Source
E63/2070	38682	Kepa Mirda Ngubar	Lodged	N/A

The other Aboriginal heritage places are either classified as 'lodged' or as 'stored data / not a site' and have not been registered. As of the date of this Report, it has not been assessed to determine whether these places meet the criteria to be registered as an Aboriginal site or heritage place.

In respect to Aboriginal heritage sites, the AHIS Search results do not mean that there are no other Aboriginal sites within the area of the Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date. Due to the recent application of Pending Tenement ELA59/2604, the Searches in respect to Aboriginal heritage sites and 'other' Aboriginal heritage places are unavailable at the date of this Report.

9.6 Aboriginal heritage agreements affecting the Tenements

As discussed above at section 8.6, Department policy provides that applications for exploration licences will generally not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered Native Title Claimant (**NTC**) (if any).

The Moora Tenements and Koojan Tenements fall within the Settlement. Therefore they are subject to the procedures in place for those tenements which fall within the Settlement in respect to Aboriginal heritage.

As a component of the Settlement, from 8 June 2015, it became a requirement for State Government land users (including tenement holders) to enter into a Noongar Standard Heritage Agreement (**NSHA**) (or as agreed by the parties, a Noongar Alternative Heritage Agreement (**Alternative Agreement**), which determines when an Aboriginal heritage survey is required. The requirement to enter into the NSHA or an Alternative Agreement is an obligation under the Yued ILUA. Further, the DMIRS is required to apply a heritage condition to all tenements which are granted on or after 8 June 2015 and that fall within the Settlement. The condition requires that tenement holders must enter into an NSHA or an Alternative Agreement with the relevant native title agreement group before any rights can be exercised on the tenement, in accordance with the ILUA (in the case of the Moora Tenements and Koojan Tenements, the Yued ILUA). The registered tenement holder must then provide a statutory declaration to DMIRS as evidence of compliance with that condition.

The NSHA provides a uniform and efficient approach to Aboriginal heritage surveys in the Settlement area in compliance with the WA Heritage Act when a planned use activity (such as mining or exploration) may adversely impact an Aboriginal site. The NSHA provides all parties with a clear, timetabled framework about their various Aboriginal heritage obligations. The NSHA also delivers a process for improving the quality of data on the Aboriginal Heritage Inquiry System, which in turn enhances the protection of Aboriginal heritage through identification of sites that are important to Noongar people. An Alternative Agreement is generally on substantially similar terms to a NSHA.

The Moora Tenements and Koojan Tenements (excluding Pending Tenements), were granted after 8 June 2015, and were all granted subject to the condition that the tenement holder must enter in to a NSHA before conducting any activities over the Tenements. The Company has advised that:

- (a) in respect to the Moora Tenements, the following NSHAs have been entered in to:
 - (i) NSHA dated 5 December 2018 between the South West Aboriginal Land and Sea Council (**SWALSC**), for and on behalf of the Yued claim and ERL in respect to E70/5217; and
 - (ii) NSHA dated 18 November 2019 between the SWALSC, for and on behalf of the Yued claim and ERL in respect to E70/5286 and E70/5287; and

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- (b) In respect to the Koojan Tenements, the following Alternative Agreements have been entered in to:
- (i) Alternative Agreement dated 17 December 2020 between the SWALSC, for and on behalf of the Yued claim and Coobaloo in respect to E70/5312;
 - (ii) Alternative Agreement dated 13 May 2020 between the SWALSC, for and on behalf of the Yued claim and Coobaloo in respect to E70/5337;
 - (iii) Alternative Agreement dated 10 August 2020 between the SWALSC, for and on behalf of the Yued claim and Coobaloo in respect to E70/5429;
 - (iv) Alternative Agreement dated 10 September 2020 between the SWALSC, for and on behalf of the Yued claim and Coobaloo in respect to E70/5450; and
 - (v) Alternative Agreement dated 10 November 2020 between the SWALSC, for and on behalf of the Yued claim and Coobaloo in respect to E70/5516.

10. Land access

10.1 File Notation Areas

File Notation Areas (**FNAs**) are generally an indication of areas:

- (a) where Government has proposed some change of land tenure that is being considered or endorsed by the Department for possible implementation; or
- (b) areas of some sensitivity to activities by the mineral resource industry that warrants the application of specific tenement conditions.

The existence of an FNA will not, of itself, prevent the grant of a tenement or preclude exploration or mining activities but it may delay or impact the Company's activities.

FNAs may relate to land in respect of which Ministerial approval is sought under section 16(3) of the Mining Act. Section 16(3) requires prior Ministerial approval be obtained for any Crown land that is in a mineral field to be leased, transferred in fee simple, or otherwise disposed of under the provisions of the *Land Administration Act 1997* (WA).

The Searches indicates that the following Tenements are overlapped by various FNA as further detailed in the table below.

FNA	Tenement (% overlap)	Description shown on Tengraph Search
10582	E70/5217 (1.57%) E70/5287 (1.27%)	File Notation Area Geotechnical Test Pitting (14 Sites) Section 16 (3) clearance apply conditions 534 & 535 to grant of all mining tenements and 536 to the grant of mining leases.
10973	E70/5217 (0.14%)	File Notation Area Road Widening Shire of Moora Section 172 and 173 of LAA.
13765	E70/5217 (0.03%) E70/5286 (0.11%)	File Notation Area Land Requirement for Road Purposes Great Northern Hwy - Walebing Section.
8869	E70/5217 (0.07%)	File Notation Area Proposed Change of Management of Class "A" Reserve 24132. Section 16(3) Clearance.
9132	E70/5450 (0.07%)	File Notation Area Proposed sale of Reserve 12463 Moora Section 16 (3) Clearance.
14073	E70/5516 (0.02%)	File Notation Area Proposed Cancellation of Reserve 26005, being Lot 29, for amalgamation into adjoining Freehold Lot 3123, Buntine - Marchagee Road, Marchagee Townsite, Shire of Coorow. Section 87 LAA. Section 16(3) Clearance.
10786	E70/5286 (0.2%)	File Notation Area Proposed Borrow Investigation Areas Great Northern Highway Section 16(3) Clearance.
14543	ELA59/2541 (4.74%)	File Notation Area Yamatji Nation Indigenous Land Use Agreement Area (formerly GASA) Geraldton Alternative Settlement Agreement.
15044	ELA59/2541 (2.86%)	File Notation Area Yamatji Nation - Proposed National Park, Class A Geraldton Alternative Settlement Agreement (GASA).
15089	ELA59/2541 (0.14%)	File Notation Area Yamatji Nation - Proposed Freehold Geraldton Alternative Settlement Agreement (GASA).
15092	ELA59/2541 (0.46%)	File Notation Area Yamatji Nation - Proposed LAA Part IV Reserve with power to lease for social, cultural and/or economic benefit with option to convert to Freehold Geraldton Alternative Settlement Agreement (GASA).
15330	ELA59/2541 (94.43%)	File Notation Area Gabyon Station Regeneration Project - ERF120883 Carbon Credits (Carbon

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FNA	Tenement (% overlap)	Description shown on Tengraph Search
	ELA59/2604 (98.92%)	Farming Initiative) Gabyon Station Regeneration Project.
15887	ELA59/2541 (0.26%)	File Notation Area Proposed Section 91 Licence, for 'Access for Construction, Operation and Maintenance', over portions of various land parcels for the Northern Goldfields Interconnect Pipeline, City of Greater Geraldton, Shires of Leonora, Mount Magnet, Sandstone and Yalgoo.
15888	ELA59/2541 (0.03%)	File Notation Area Proposed Easement for 'Ongoing Operation, Maintenance and Repair' over portions of various land parcels for the Northern Goldfields Interconnect Pipeline, City of Greater Geraldton, Shires of Leonora, Mount Magnet, Sandstone and Yalgoo. Section 16(3) Clearance.
13989	E63/2070 (0.03%)	File Notation Area - Proposed creation of reserve and management order, to DPIRD, for extension of the State Barrier Fence, Shires of Esperance and Ravensthorpe. Section 41 and 46 LAA Section 16(3) Clearance.

10.2 Heritage Site

E70/5286 overlaps WA Heritage Site Walebing (ID number 03268) at 0.09%. the Tenement has been granted with a condition noting the encroachment on the site. Depending on the location of the site, any proposed activities on the area of E70/5286 may be delayed or impacted.

10.3 Pastoral Leases

ELA59/2541 and ELA59/2604 overlap the Gabyon pastoral lease (PL N050549), at 94.43% and 98.92%, respectively. ELA59/2604 also overlaps the Talling pastoral lease (PL N050667) at 1.08%.

The Mining Act:

- (a) generally prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and

- (c) provides that a holder of a mining tenement must pay compensation to an occupier of Crown land (i.e. the pastoral lease holder) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the lessee as a result of, or arising from, any exploration or mining activities.

Compensation payable to a pastoral lease holder can be, and usually is, determined by agreement with the pastoral lease holder or by the Warden's Court if no agreement can be reached.

10.4 Private Land

Tenements E70/5217, E70/5286, E70/5312, E70/5337, E70/5429 and E70/5450 overlap private freehold land and have been granted with endorsements, the subject of dealings which have been recorded against the Tenements approving the grant of the Tenements to include parcels of private land, to a depth of 30 metres from the natural surface of the land.

Pursuant to the provisions of the Mining Act, a mining tenement can only be granted to within a depth of 30 metres of the lowest part of the natural surface of the land in respect of private land with the written consent of the owner and the occupier of the land, in respect of private land which is:

- (a) in bona fide and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation;
- (b) the site of a cemetery or burial ground;
- (c) the site of a dam, bore, well or spring;
- (d) land on which there is erected a 'substantial improvement';
- (e) within 100 metres of any private land referred to above; or
- (f) a separate parcel of land having an area of 2,000 square metres or less.

If the holder of a mining tenement holds surface rights, the holder is not permitted to commence any mining on the natural surface or within a depth of 30 metres from the lowest part of the natural surface of any private land unless and until the tenement holder has:

- (g) paid or tendered to the owner and the occupier thereof the amount of compensation, if any, that is required to be paid under or ascertained in accordance with the Mining Act; or
- (h) made an agreement with the owner and occupier as to the amount, times and mode of the compensation, if any.

Under the Mining Act, the Company will be required to pay compensation to the affected land owners and any occupiers of private land for all loss and damage suffered or likely to be suffered by the owner and occupier resulting or arising from

the mining activities of the Company. Compensation payable to the owner and occupier of private land can be, and usually is, determined by agreement with the owner and occupier of private land or by the Warden's Court if no agreement can be reached.

In respect to these Tenements, the Company has advised that the following land access and compensation agreements (**LACA**) have been entered in to with the affected landholders in respect to its activities over the land. The table below sets out the applicable LACAs which have been entered into in respect to the Tenements (see over page).

Moora Tenements			
Tenement(s)	Parties to the LACA	Date of LACA	Term
E70/5217	ERL and Barrie Nominees Pty Ltd (owner)	4 February 2020	For the term of the applicable Tenement.
E70/5217	ERL and Boolardy Pastoral Co Pty Limited	29 May 2020	The LACA will terminate on the date that is 5 years from the execution date.
E70/5286	ERL and Felton Pastoral WA Pty Ltd	30 October 2020	The LACA will terminate on the date that is 5 years from the execution date.
E70/5217	ERL, Cecil John Tierney and Francis Vincent Tierney	8 December 2020	For the term of the applicable Tenement.
E70/5286	ERL Graham Leonard Popplewell and Rebecca Faye Popplewell (owners)	10 December 2020	For the term of the applicable Tenement.
E70/5217	ERL and Generation AG Pty Ltd	4 February 2020	For the term of the applicable Tenement.
E70/5286	ERL, Angepena Pastoral Company Pty Limited and Kingstripe Pty Ltd	18 August 2021	For the term of the applicable Tenement.
E70/5286	ERL, Ross Adams and Diana Bruce Adams	23 March 2020	For the term of the applicable Tenement.
E70/5286	ERL Ross Adams, Diana Bruce Adams and Samuel Peter Adams	29 May 2020	For the term of the applicable Tenement.
E70/5286	ERL and Felton Pastoral WA Pty Ltd	26 May 2020	The LACA will terminate on the date that is 5 years from the execution date
Koojan Tenements			
Tenement	Parties to the LACA	Date of LACA	Term
E70/5312, E70/5337 and E70/5429	Coobaloo and Felton Pastoral WA Pty Ltd (owner)	Not dated, 2021.	For the term of the applicable Tenements.
E70/5312 and E70/5337	Coobaloo and Jaden Owen Cocking (owner)	10 March 2021	For the term of the applicable Tenements.
E70/5312, E70/5337 and E70/5450	Coobaloo and Junex Nominees Pty Ltd (owner)	10 March 2021	For the term of the applicable Tenements.
E70/5312, E70/5337 and E70/5450	Coobaloo, Stuart Paul Kelly and Andrea Louise Kelly (owners)	Not dated, 2021.	For the term of the applicable Tenements.
E70/5312 and E70/5337	Coobaloo, Clinton Keith McPherson and Erin Marie McPherson (owners)	10 March 2021	For the term of the applicable Tenements.
E70/5312 and E70/5429	Coobaloo, Graham Leonard Popplewell and Rebecca Faye Popplewell (owners)	Not dated, 2020.	For the term of the applicable Tenements.

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E70/5312	Coobaloo and Kingstripe Pty Ltd (owner)	Not dated, 2021.	The LACA will terminate on the date that is 8 years from the execution date.
E70/5312	Coobaloo, Martinus Wyert Van Beek, Karen Gail Van Beek, Brendan Neil Van Beek (owners) and Bradley Martin Van Beek (occupier)	Not dated, 2021.	For the term of the applicable Tenement.
E70/5312	Coobaloo and Balarang Pty Ltd	Not dated, 2021.	For the term of the applicable Tenement.
E70/5312	Coobaloo and Jetlight Holdings Pty Ltd	Not dated, 2021.	For the term of the applicable Tenement.
E70/5312, E70/5337 and E70/5450	Coobaloo and Martin Van Beek (owner) and Brendan Van Beek (occupier)	Not dated, 2021	Not provided.

The LACAs are on terms generally consistent with those found in the industry and set out the:

- (a) consultation, access, and notification requirements prior to accessing the private land and conducting exploration activities;
- (b) compensation rates for physical damage to the private land and in respect of the activities undertaken under the agreements;
- (c) end of exploration program requirements in respect to the land;
- (d) the consent of the private land owner to the grant of surface access to the top 30 metres of the private land;
- (e) restrictions on what can be brought on to the private land (such as no firearms and dogs); and
- (f) restrictions on any exploration activities taking place during total fire bans.

The LACAs also contain an indemnity given by the relevant holder of the Tenement to the private land owner in respect to its activities on the Tenements affecting the private land.

10.5 Overlapping tenure

Our searches indicate that:

- (a) ELA59/2541 overlaps first in time pending miscellaneous licence L59/180 applied for by FI Joint Venture Pty Ltd at 0.07%. The miscellaneous licence and ELA59/2541 will coexist on the land. FI Joint Venture Pty Ltd has lodged the Objection against the application for ELA59/2541. For further information, please refer to section 10.6 below.
- (b) E63/2070 overlaps second in time applications for exploration licences ELA63/2125 applied for by Mount Ridley Mines Limited at 1.06% and ELA63/2127 applied for by Salmon Gums Minerals Pty Ltd at 1.06%. As

E63/2070 is the first in time tenement (and is granted), upon the grant of ELA63/2125 and ELA63/2127, the portion of those applications which overlaps E63/2070 will fall away, such that the overlaps will no longer exist.

- (c) PLA70/1743 overlaps a granted exploration licences E70/5337 and E70/5450 held by Coobaloo. Upon the grant of PLA70/1743, the portion that overlaps with licences E70/5337 (9.85%) and E70/5450 (1.01%) will be excised from PLA70/1743, reducing the area of PLA70/1743 by close to 11%.

10.6 Objections

Pending Tenement ELA59/2604, having been applied for on 21 July 2021 is subject to a 35 day objection period whereby any person is able to lodge an objection under the Mining Act. This period closes on 25 August 2021. As at the date of this Report, no Mining Act Objections have been lodged against ELA59/2604.

Pending Tenement ELA59/2541 is subject to Mining Act Objection 623426 lodged by FI Joint Venture Pty Ltd. The matter is listed for a first mention hearing in the Mt Magnet Warden’s Court (sitting in Cue) on 22 July 2021.

If the parties cannot reach an agreement for the withdrawal of the Objection, then the matter may progress to a hearing before the Warden where the Warden will determine the Objection and make a recommendation to the Minister for grant or refusal of the application for ELA59/2541. In these circumstances, the grant of ELA59/2541 will be delayed, or may be refused. Following the withdrawal of the Objection, ELA59/2541 will be subject to a four month native title advertising period.

10.7 Rare Flora

The Searches indicate that Tenements E70/5217, E70/5286, E70/5287, E70/5337, E70/5450 and E70/5516 encroach on several sites which have been gazetted as “rare flora” under the *Wildlife Conservation Act 1950* (WA). These are sensitive sites and details are not generally released to the public and are not displayed on Tengraph. These Tenements are subject to endorsements which place the onus on the tenement holder to contact the DBCA to receive the population details and information on the management of the rare flora present within the tenement area.

10.8 Dieback Risk Zones

Tenements E70/5217, E70/5312, E70/5450, E70/5429, E70/5515, E70/5337, E70/5286 and PLA70/1743 encroach on areas which are dieback risk zones, as shown in the below table.

Tenement	Dieback Risk Zone encroachment (%)
E70/5217	14.92%

E70/5312	100%
E70/5450	100%
E70/5429	100%
E70/5515	100%
E70/5337	100%
E70/5286	92.03%
PLA70/1743	100%

These tenements are subject to conditions whereby prior to commencing exploration activities, a dieback management plan must be provided to the Department for assessment and approval. Once the dieback management plan is approved, all exploration activities must comply with the dieback management plan. Our Searches indicate that E70/5286 has a condition imposed requiring compliance with a programme of work titled "LTR Exploration Procedure Dieback Management" (Registration ID 88673). The Company has advised that this programme of work applies to E70/5217 and E70/5286 and has been accepted by the DMIRS. The dieback management plan in respect to E70/5312, E70/5450, E70/5429, E70/5515, E70/5337 and PLA70/1743 has been lodged and is awaiting approval from the DMIRS.

10.9 Crown Reserves

Our Searches indicate that the land the subject of Tenements E70/5217, E70/5312, E70/5450, E70/5515, E70/5516, E63/2070 and PLA70/1743 overlap several Crown Reserves, as shown in the below table.

ID	Tenement (% overlap)	Description shown on Tengraph Search
R 10039	E70/5217 (<0.01%)	"C" Class Reserve Historic Site-School
R 24132	E70/5217 (0.07%)	"A" Class Reserve Water Supply & Picnic Ground.
R 46905	E70/5312 (<0.01%)	"C" Class Reserve Parking and Rest Area.
R 22213	E70/5450 (0.57%)	"C" Class Reserve Park.
R 45337	E70/5450 (<0.01%)	"C" Class Reserve Conservation of Flora & Fauna.

R 18762	E70/5516 (<0.01%)	"C" Class Reserve Public Utility.
R 22477	E70/5516 (0.38%)	"C" Class Reserve Camping & Water.
R 23601	E70/5516 (3.66%)	"C" Class Reserve Conservation of Flora & Fauna.
R 23732	E70/5516 (<0.01%)	"C" Class Reserve Recreation.
R 24325	E70/5516 (0.01%)	"C" Class Reserve Seed Orchard.
R 27680	E70/5516 (0.01%)	"C" Class Reserve Rubbish Disposal Site.
R 27978	E70/5516 (0.03%)	"C" Class Reserve Cemetery Site.
R 15317	E70/5515 (0.01%)	"C" Class Reserve Water.
R 2735	E70/5515 (0.35%)	"A" Class Reserve Camping & Stopping Place.
R 31873	E70/5515 (0.01%)	"C" Class Reserve Gravel.
R 20615	E63/2070 (0.4%)	"C" Class Reserve Water Tank Site.
R 45337	PLA70/1743 (89.15%)	"C" Class Reserve Conservation of Flora & Fauna.

A crown reserve refers to land set aside or "reserved" for a designated purpose (ie for parks, recreation, drainage or church sites) and is managed by the State of Western Australia or designated management authority/agency.

There are three different categories of crown reserves, with class A having the highest form of protection, class B having a medium form of protection and class C, which forms the vast majority of reserves, having a lower level of protection.

The existence of a crown reserve may require additional consents, approvals or plans to be implemented by the Company in order to progress with exploration activities on E70/5217, E70/5312, E70/5450, E70/5515, E70/5516 and E63/2070. In respect to Pending Tenement PLA70/1743, it is possible that the Tenement may become subject to future tenement conditions in respect to managed lands, reserves or conservation parks which may require additional approvals and / or consents to be obtained prior to commencing any ground disturbing activities on the Tenement.

11. Material Agreements

11.1 Farm-in and JVA

On 25 January 2021, Lachlan, Midland and ERL entered in to a binding terms sheet setting out the terms on which ERL could earn an interest in the Koojan Tenements.

Pursuant to the terms sheet, ERL has entered into a formal farm-in and joint venture agreement with Coobaloo (**Farm-in and JVA**).

The Farm-in and JVA provides ERL with the right to earn up to a 51% legal and beneficial interest in the Koojan Tenements, following which a joint venture will be formed between ERL and Coobaloo on industry standard joint venture terms, as set out in the Farm-in and JVA. A summary of the key terms of the Farm-in and JVA are set out below:

- (a) **(Farm-In Period)**: the period in which ERL may earn in up to a 51% interest in the Koojan Tenements is 60 months (5 years) from the execution date, unless ceased earlier at the sole election of ERL, at which time, the joint venture will be formed based on the respective percentage interest which has been earned-in to the Koojan Tenements.
- (b) **(Minimum Expenditure Commitment and Coobaloo funding)**: Once ERL has expended a minimum of \$500,000 (**Minimum Expenditure Commitment**) on the Koojan Tenements, Coobaloo must, during the Stage 1 Farm-in, fund 20% of all exploration expenditure up to the amount of \$250,000.
- (c) **(Stage 1 Farm-In)**: ERL may earn a 30% interest in each of the Koojan Tenements by expending at least \$1,500,000 (**Stage 1 Farm-In Expenditure**) on exploration commencing on the execution date until the date that the Stage 1 Farm-In interest has been earned by ERL (or such date as ERL otherwise withdraws from the Farm-in and JVA or on the expiry of the Farm-In Period). Upon completion of the Stage 1 Farm-in, ERL may elect to end the Farm-in Period and form the Joint Venture based on the 30% / 70% interests or continue the Farm-In Period to complete the Stage 2 Farm-In.

ERL may on 30 days prior notice to Coobaloo, withdraw from Farm-in and JVA at any time during the period of the Stage 1 Farm-In, provided it has expended the Minimum Expenditure Commitment or paid to Coobaloo the difference of the Minimum Expenditure Commitment and the amount of expenditure that it has actually incurred.

- (d) **(Stage 2 Farm-In)**: subject to ERL completing the Stage 1 Farm-In and electing to proceed with the Stage 2 Farm-In, ERL may earn a further 21% interest in each of the Koojan Tenements by expending at least \$2,500,000 (**Stage 2 Farm-in Expenditure**) on exploration within the remaining Farm-In Period, commencing from the end of the Stage 1 Farm-in period. If ERL elects to proceed with the Stage 2 Farm-in, Coobaloo must, during the Stage 2 Farm-in period, fund 23% of all exploration expenditure up to the amount of \$750,000.

Upon completion of the Stage 2 Farm-in ERL will have earned an additional 21% interest in each of the Koojan Tenements (being a total of a 51% interest, with Coobaloo holding the remaining 49% interest) and a Joint Venture will be formed.

- (e) **(Joint Venture)**: the terms of the Joint Venture are dealt with in the Farm-in and JVA and are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a management committee, the functions, rights, powers and duty of the

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manager and that joint venture costs and activities will be conducted on a pro-rata basis in proportion to the respective percentage interest of ERL and Coobaloo in the Koojan Tenements.

- (f) **(Side Letter)**: ERL and the shareholders of Coobaloo (comprising of Midland and Wavetime) have entered into a letter deed which acknowledges that Coobaloo is an incorporated joint venture between Wavetime and Midland and deals with, (amongst other things):
- (i) the restrictions and obligations on Midland and Wavetime in relation to dealing with their shareholding in Coobaloo;
 - (ii) the pre-emptive rights granted by each of Midland and Wavetime to ERL in relation to the shareholdings of Midland and Wavetime in Coobaloo;
 - (iii) Wavetime's right to elect to convert its interest in Coobaloo to a 1% net smelter return royalty on delivery of a bankable feasibility study (in addition to its royalty rights discussed below); and
 - (iv) the general payment obligations under the Farm-in and JVA.
- (g) **(Royalty)**: ERL will be required to assume the rights and obligations of the Wavetime Royalty (as discussed below) according to its participating interests in the Koojan Tenements following the completion of the Stage 1 Farm-In and Stage 2 Farm-In, as the case may be.

11.2 Paggi Agreement

On 4 September 2018, Liontown entered into a binding terms sheet with Jacob Paggi (trading as Armada Exploration Services) (**Paggi Agreement**). Pursuant to the Paggi Agreement, Liontown was introduced to potential opportunities to apply for tenements in a certain area of interest (either in its own name or in the name of a related body corporate). As a result, the Moora Tenements were applied for by ERL in accordance with the Paggi Agreement.

In the event that ERL makes a decision to mine in respect of the Moora Tenements, it will be required to pay cash consideration of \$1,000,000 and grant a 0.5% net smelter royalty to Paggi. This obligation will be assigned to the Company as part of the demerger.

The royalty granted to Paggi applies to any minerals extracted, produced and sold from the Moora Tenements and will be payable on a quarterly basis from the commencement of commercial production (excluding any testing or trial mining).

12. Royalties

Wavetime and Coobaloo have entered into a royalty deed (**Wavetime Royalty Deed**) under which Wavetime is entitled to receive a 1% net smelter return royalty payable in relation to all precious, industrial minerals and base metals produced, sold and proceeds received from the Koojan Tenements.

The royalty will become payable on the date on which the extraction and recovery of mineral products commences from the Koojan Tenements.

Upon completion of a bankable feasibility study under the Farm-In and JVA, Wavetime has a right to elect to convert all of its 25% interest in Coobaloo to a 1% net smelter return royalty. In the event that Wavetime exercises this right, the Wavetime Royalty Deed will be amended to increase the total percentage amount of the royalty in the Wavetime Royalty Deed to a 2% net smelter return royalty.

13. Definitions

In this Report:

ACH Bill means the *Aboriginal Cultural Heritage Bill 2020*.

AHIS Searches has the meaning given in section 3(d).

ASX means the ASX Limited (ABN 98 008 624 691).

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

Company means Minerals 260 Limited (ACN 650 766 911).

Coobaloo means Coobaloo Minerals Pty Ltd (ACN 636 424 229).

DBCA means the Department of Biodiversity Conservation and Attractions.

Department or **DMIRS** means the Western Australian Department of Mines, Industry Regulation and Safety.

DMIRS Searches has the meaning given in section 3(a).

ERL means ERL (Aust) Pty Ltd (ACN 612 667 106).

Farm-in and JVA means the farm-in and joint venture agreement dated 10 August 2021 between ERL and Coobaloo, as summarised in section 11.1.

Federal Court means the Federal Court of Australia.

FNA means a File Notation Area.

ILUA has the meaning given in section 8.4(b).

Koojan Tenements means Tenements E70/5312, E70/5337, E70/5429, E70/5450, E70/5515, E70/5516 and PLA70/1743, the subject of the Farm-in and JVA.

LACA means land access and compensation agreement.

Lachlan means Lachlan Star Limited (ACN 000 759 535).

Liontown means Liontown Resources Limited (ACN 118 153 825).

Material Agreements means any agreements summarised in section 11.

Midland means Midland Minerals Pty Ltd (ACN 646 712 209).

Mining Act means the *Mining Act 1978* (WA).

Mining Regulations means the *Mining Regulations 1981* (WA).

Minister means the Minister under the Mining Act.

Moora Tenements means Tenements E70/5217, E70/5286 and E70/5287.

Native Title Act means the *Native Title Act 1993* (Cth).

Negotiation Parties has the meaning given in section 8.5(a).

NNTR has the meaning given in section 8.2(a).

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in section 3(c).

NTC has the meaning given in section 8.6(b).

Paggi means Jacob Paggi.

Paggi Agreement means the binding terms sheet dated 4 September 2018 between Liontown and Paggi (trading as Armada Exploration Services) as assigned from Liontown to the Company and as summarised in section 11.2.

Pending Tenements means applications for ELA59/2541, ELA59/2604 and PLA70/1743 as set out in Schedule 1.

Prospectus has the meaning given in the opening section of this document.

Report means this document, including any schedule or annexure to this document.

RNTC has the meaning given in section 8.2(a).

RSHA has the meaning given in section 8.6(b).

Searches means the searches referred to in section 3.

Settlement means the South West Native Title Settlement

SWALSC means the South West Aboriginal Land and Sea Council.

Tenements means the tenements set out in Schedule 1 (including the Pending Tenements) and Tenement means any one of them.

Tengraph Searches has the meaning given in section 3(b).

WA Heritage Act means the *Aboriginal Heritage Act 1972* (WA).

Wavetime means Wavetime Nominees Pty Ltd ACN 151 741 187 (in its capacity as trustee for the A & T Nixon Family Trust).

Wavetime Royalty Deed has the meaning given in section 12.

Yued ILUA means the Yued Indigenous Land Use Agreement between the South West Aboriginal Land & Sea Council Aboriginal Corporation and State of Western Australia, amongst others.

14. Qualifications and assumptions

14.1 General

This is a high level report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

14.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;
- (f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently);

- (i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined; and
- (j) the Material Agreements have been duly executed and the copies of the Material Agreements made available to us are accurate, complete and conform to the originals of the Material Agreements and there have been no material breaches of the Material Agreements.

14.3 Qualifications

This Report is subject to the following qualifications:

- (a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;
- (b) the information in Schedule 1 and Schedule 2 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;
- (d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;
- (f) this Report relates only to the laws of Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and

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enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;

- (j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in section 3 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;
- (m) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Environment Conservation;
- (n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and
- (o) Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

14.4 Disclaimer

HWL Ebsworth Lawyers has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely



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Schedule 1 Tenement Summary

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
Moora Gold-Nickel-Copper-PGE Project									
E70/5217	ERL (Aust) Pty Ltd	Live	70 Blocks	26 September 2018	8 May 2019	7 May 2024	Reporting year ends 7 May. 2021: expended in full \$273,648 / \$70,000 2022: \$70,000	2022: Paid in full, \$9,870 2023: \$18,340	Minimum expenditure for tenement year ending 7 May 2020 was not met, however an exemption was granted.
E70/5286	ERL (Aust) Pty Ltd	Live	48 Blocks	3 September 2019	8 November 2019	7 November 2024	Reporting year ends 7 November.	2021: Paid in full, \$6,768. 2022: \$7,008	On 10 March 2021, ERL advised DMIRS that it was in breach of one of the conditions imposed on the tenement as ERL

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E70/5287	ERL (Aust) Pty Ltd	Live	40 Blocks	3 September 2019	13 November 2019	12 November 2024	2020: expended in full \$375,181 / \$48,000. 2021: \$48,000	2021: Paid in full, \$5,640. 2022: \$5,840	drilled in an area outside that which was approved by the DMIRS. A formal warning was received from DMIRS on 7 July 2021. No penalties were enforced.
Yalwest									

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
ELA59/2541	ERL (Aust) Pty Ltd	Pending	60 Blocks	23 April 2021	N/A	N/A	N/A	N/A	Subject to Mining Act Objection 623426 lodged by FI Joint Venture Pty Ltd
ELA59/2604	ERL (Aust) Pty Ltd	Pending	43 Blocks	21 July 2021	N/A	N/A	N/A	N/A	
Dingo Rocks									
E63/2070	ERL (Aust) Pty Ltd	Live	94 Blocks	3 December 2020	23 July 2021	22 July 2026	Reporting year ends 22 July. \$94,000 (2022)	2022: Paid in full, \$13,254. 2023: \$13,724	N/A
Koojan Gold-Nickel-Copper-PGE Project									

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E70/5312	Coobaloo Minerals Pty Ltd	Live	40 Blocks	17 October 2019	9 June 2020	8 June 2025	Reporting year ends 8 June. 2021: Form 5 not yet lodged. 2022: \$40,000	2022: Paid in full, \$5,640. 2023: \$5,840	N/A
E70/5337	Coobaloo Minerals Pty Ltd	Live	40 Blocks	10 January 2020	29 April 2020	28 April 2025	Reporting year ends 28 April. 2021: expended in full \$58,685 / \$40,000. 2022: \$40,000	2022: Paid in full, \$5,640. 2023: \$5,840	N/A
E70/5429	Coobaloo Minerals Pty Ltd	Live	6 Blocks	24 April 2020	16 July 2020	15 July 2025	Reporting year ends 15 July.	2022: Paid in full, \$876.	N/A

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
							2021: Form 5 not yet lodged. 2022: \$20,000	2023: \$876	
E70/5450	Coobaloo Minerals Pty Ltd	Live	7 Blocks	8 May 2020	21 January 2021	20 January 2026	Reporting year ends 20 January. 2022: \$20,000	2022: Paid in full, \$966. 2023: \$1,022	N/A
E70/5515	Coobaloo Minerals Pty Ltd	Live	56 Blocks	19 June 2020	3 March 2021	2 March 2026	Reporting year ends 2 March. 2022: \$56,000	2022: Paid in full, \$7,728. 2023: \$8,176	N/A
E70/5516	Coobaloo Minerals Pty Ltd	Live	53 Blocks	19 June 2020	24 February 2021	23 February 2026	Reporting year ends 23 February. 2022: \$53,000	2022: Paid in full, \$7,314. 2023: \$7,738	N/A

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
PLA70/1743	Coobaloo Minerals Pty Ltd	Pending	171 Hectares	11 May 2020	N/A	N/A	N/A	N/A	N/A

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Schedule 2 Tenement Conditions and Endorsements

The notes below refer to particular conditions and endorsements attached to the Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the Department register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

	Condition/ Endorsement	Tenement/s
Prior Ministerial consent over certain land		
1.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Supply and Picnic Ground Reserve 24132, Historic Site-School Reserve 10039 and Bindi Bindi Townsite.	E70/5217
2.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Parking and Rest Area Reserve 46905.	E70/5312
3.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Koojan Townsite Boundary, Park Reserve 22213, Conservation of Flora & Fauna Reserve 45337.	E70/5450
4.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserve 15317; Camping and Stopping Place Reserve 2735 and Gravel Reserve 31873.	E70/5515
5.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Marchagee Townsite; Camping and Water Reserve 22477; Conservation of Flora and Fauna Reserve 23601; Recreation Reserves 23732 and 26025; Seed Orchard Reserve 24325; and Rubbish Disposal Site Reserve 27680.	E70/5516

Condition/ Endorsement	Tenement/s
6. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Tank Site Reserve 20615.	E63/2070
Dieback management plan	
7. In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (<i>Phytophthora</i> sp) to the Executive Director, Resource and Environmental Compliance, the Department for assessment and until written approval is received. All exploration activities thereafter must comply with the management plan.	E70/5217, E70/5286, E70/5312, E70/5337, E70/5429, E70/5450 and E70/5515
No interference, restrictions to mining width and depth activities	
8. No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.	E70/5217 and E70/5286
9. No interference with Geodetic Survey Stations Moora 19, 169, 169T, 170, 170T, 200, 201, 202, 204, 206, 41 42 and 42A and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E70/5217
10. No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.	E70/5217, E70/5286, E70/5337 and E70/5450
11. No interference with Geodetic Survey Stations 20, 20T, 21, 129, 207, 208, 210, 211, 228 and 228T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E70/5286
12. Mining within a radius of 150 metres of any Australian Telecommunications Commission microwave repeater station being confined to below a depth of 60 metres from the natural surface.	E70/5286 and E70/5287
13. No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.	E70/5286, E70/5312 and E70/5429

	Condition/ Endorsement	Tenement/s
14.	<p>Certain conditions and restrictions apply to the Rail Corridor Land (Miling - Yerecoin), including (amongst others):</p> <ul style="list-style-type: none"> (a) No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 95 Miling-Yerecoin as shown in Tengraph without the prior written approval of the Minister responsible for the Mining Act 1978; (b) Mining below 15 metres from the natural surface of the land being approved by Mines Safety, DMIRS in consultation with the operator of the railway on corridor land; (c) No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods and Petroleum Safety, DMIRS; and (d) The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA. 	E70/5217
15.	No interference with Geodetic Survey Station MOORA 225 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E70/5312
16.	<p>Certain conditions and restrictions apply to the Rail Corridor Land (Moora - Millendon Junction), including (amongst others):</p> <ul style="list-style-type: none"> (a) No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land (Moora to Millendon) as shown in Tengraph without the prior written approval of the Minister responsible for the Mining Act 1978. 	E70/5450

	Condition/ Endorsement	Tenement/s
	<p>(b) Mining below 15 metres from the natural surface of the land being approved by Mines Safety, DMIRS in consultation with the operator of the railway on corridor land;</p> <p>(c) No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods and Petroleum Safety, DMIRS; and</p> <p>(d) The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.</p>	
17.	No interference with Geodetic Survey Station MOORA 177, MOORA 178, MOORA 178T, MOORA 179 AND MOORA 179T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E70/5516
18.	No exploration activities on Cemetery Reserve 27978 and such activities within a distance of 140 metres laterally from the Reserve being confined to below a depth of 50 metres from the lowest part of the surface of the land with rights of ingress to and egress from the said Reserve being at all times preserved to the public.	E70/5516

	Condition/ Endorsement	Tenement/s
19.	<p>Certain conditions and restrictions apply to the Rail Corridor Land (Marchagee to Moora; Three Springs to Marchagee), including (amongst others):</p> <ul style="list-style-type: none"> (a) No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land (Marchagee to Moora; Three Springs to Marchagee) as shown in Tengraph without the prior written approval of the Minister responsible for the Mining Act 1978. (b) Mining below 15 metres from the natural surface of the land being approved by Mines Safety, DMIRS in consultation with the operator of the railway on corridor land; (c) No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods and Petroleum Safety, DMIRS; and (d) The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA. 	E70/5516
20.	Mining on a strip of land 30 metres wide with the FNA/13989 as the centre-line being restricted to below a depth of 15 metres from the natural surface.	E63/2070
Main Roads' access		
21.	The Licensee providing reasonable access to Main Roads' employees, contractors and agents to the land designated FNA 10582 in Tengraph and not interfering with the operations of Main Roads' employees, contractors and agents thereon.	E70/5217 and E70/5287

	Condition/ Endorsement	Tenement/s
22.	The Licensee observing the right of Main Roads' employees, its agents or contractors to remove and stockpile road making material within the land designated FNA 10582 in Tengraph.	E70/5217
23.	Should any of the land designated FNA 10582 in Tengraph be required for mining operations, the lessee entering into an agreement with Main Roads to determine the terms for removing and relocating any road making material prior to commencing any mining.	E70/5287
Indigenous Land Use Agreements		
24.	As the Yued People ILUA (relevant ILUA) applies to the Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to the Exploration Licence over that portion of the area of land the subject of the relevant ILUA, execute and enter into in respect of the Exploration Licence an Aboriginal Heritage Agreement (as defined in the relevant ILUA and including a NSHA) with the Native Title Agreement Group or Regional Corporation (as the case requires) (NTAG or RC) for the relevant ILUA on terms and conditions agreed by the Licensee and the NTAG or RC for the relevant ILUA.	E70/5217, E70/5286, E70/5287, E70/5312, E70/5337, E70/5429, E70/5450, E70/5515 and E70/5516
25.	As the Esperance Nyungar Government Indigenous Land Use Agreement (relevant ILUA) applies to the Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to the Exploration Licence over that portion of the area of land the subject of the relevant ILUA, execute and enter into in respect of the Exploration Licence an Aboriginal Heritage Agreement, a regional standard heritage agreement, a Proponent Standard Heritage Agreement or a Proponent Acceptance Deed (all as defined in the relevant ILUA) with the Esperance Nyungar Native Title Group and maintain such agreement for the term of the Exploration Licence.	E63/2070
Rare Flora Sites		

	Condition/ Endorsement	Tenement/s
26.	The land the subject of this Licence affects Rare Flora sites (including Rare Flora Sites 86542, 86822, 96539, 98666, 98667, 98672, 105178, 105179, 105181, 105182, 105184 and 105185) declared under the <i>Wildlife Conservation Act 1950</i> . The Licensee is advised to contact the DBCA to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.	E70/5217
27.	The land the subject of this Licence affects a Rare Flora site (including Rare Flora Site 110809) declared under the <i>Wildlife Conservation Act 1950</i> . The Licensee is advised to contact the DBCA to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.	E70/5286
28.	The land the subject of this Licence affects a Rare Flora site (including Rare Flora Site 87745) declared under the <i>Wildlife Conservation Act 1950</i> . The Licensee is advised to contact the DBCA to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.	E70/5287
29.	The land the subject of this Licence affects Rare Flora sites 100339, 100340 and 106561 declared under the <i>Wildlife Conservation Act 1950</i> . The Licensee is advised to contact the DBCA to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.	E70/5450
30.	The land the subject of this Licence affects Rare Flora sites (including Rare Flora sites 86662, 86663, 86780, 86781, 86784, 87420, 92737, 92738, 94624, 98826, 98827, 98829, 98830, 98835, 98836, 98841, 98842, 98844, 103015, 103016, 103017, 103018 and 113689) declared under the <i>Wildlife Conservation Act 1950</i> . The Licensee is advised to contact the DBCA to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.	E70/5516
31.	The land the subject of this Licence affects a Rare Flora site (DRF 88028) declared under the <i>Wildlife Conservation Act 1950</i> . The Licensee is advised to contact the DBCA to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.	E63/2070
Water resource endorsements		

Condition/ Endorsement	Tenement/s
32. The tenement is subject to certain endorsements in respect of water resource management area (Avon River).	E70/5217 and E70/5287
33. The tenement is subject to certain endorsements in respect of a water resource management area.	E70/5286, E70/5287, E70/5312, E70/5337, E70/5429, E70/5450, E70/5515, E70/5516 and E63/2070
34. The tenement is subject to certain endorsements in respect of Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (RIWI Act) (Avon River).	E70/5287
35. The tenement is subject to certain endorsements in respect of the Proclaimed Ground Water Areas (Gingin).	E70/5312, E70/5337, E70/5450 and E70/5515
36. The tenement is subject to certain endorsements in respect of Proclaimed Surface Water Areas (Moore River and Certain Tributaries), Irrigation District Areas and Rivers (RIWI Act).	E70/5337 and E70/5450
37. The tenement is subject to certain endorsements in respect of Proclaimed Ground Water Areas (Gascoyne and Arrowsmith).	E70/5516
Private Land and Private Land Restrictions	
38. By approval, the grant of the licence has been amended to include certain parcels of private land to a depth of 30 metres from the natural surface.	E70/5217, E70/5286, E70/5312, E70/5337, E70/5429 and E70/5450
39. The grant of the Licence is restricted to gold, silver and precious metals in respect to private land which was alienated from the Crown prior to 1 January 1899 over certain parcels of private land.	E70/5312 and E70/5337
Other	

	Condition/ Endorsement	Tenement/s
40.	<p>The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:</p> <p>(a) (PoW Reg ID 88673) "LTR Exploration Procedure Dieback Management" submitted by Jamie Day on 24 September 2020, and retained on Department of Mines, Industry Regulation and Safety File No. EARS-POW-88673 as Doc ID 7730594; and</p> <p>(b) (PoW Reg ID 95761) "TEC Risk Assessment" submitted by Jamie Day, and retained on Department of Mines, Industry Regulation and Safety File No. EARS-POW-95761 as Doc ID 8386115.</p>	E70/5286
41.	The land the subject of this Licence affects a Heritage Place No. 3268 registered pursuant to the <i>Heritage of WA Act 1990</i> .	E70/5286
42.	The Licensee's attention is drawn to the provisions of section 55 of the <i>Land Administration Act 1997</i> (WA).	E70/5312, E70/5429, E70/5450, E70/5515, E70/5516 and E63/2070
43.	The licensee must notify the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.	E70/5515
44.	The licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of the grant of the licence or registration of a transfer introducing a new licensee, advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.	E70/5515



Annexure C

Independent Technical Assessment Report



Minerals 260 Limited Independent Technical Assessment Report



J_2706

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		Date:	17 August 2021
<p>Important Information:</p> <p>This Report is provided in accordance with the proposal by Optiro Pty Ltd ('Optiro') to Minerals 260 Limited and the terms of Optiro's Consulting Services Agreement ('the Agreement'). Optiro has consented to the use and publication of this Report by Minerals 260 Limited for the purposes set out in Optiro's proposal and in accordance with the Agreement. Minerals 260 Limited may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.</p> <p>Optiro has used its reasonable endeavours to verify the accuracy and completeness of information provided to it by Minerals 260 Limited which it has relied in compiling the Report. We have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Optiro acting as an independent technical expert to perform any due diligence procedures on behalf of the Company. The Directors of the Minerals 260 Limited are responsible for conducting appropriate due diligence in relation to mineral projects. Optiro provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.</p> <p>The opinion of Optiro is based on the market, economic and other conditions prevailing at the date of this Report. Such conditions can change significantly over short periods of time.</p> <p>The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete. The terms of engagement are such that Optiro has no obligation to update this Report for events occurring subsequent to the date of this Report.</p>			



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17 August 2021

Our Ref: J_2706

The Directors
Minerals 260 Limited
Level 2
1292 Hay Street
West Perth
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Dear Sirs,

INDEPENDENT TECHNICAL ASSESSMENT REPORT

At the request of Minerals 260 Limited (Minerals 260 or the Company), Optiro has prepared an Independent Technical Assessment Report (Report) on the mineral assets held by Minerals 260. This Report has been prepared in accordance with the Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets held by Minerals 260. It is our understanding that this Report will be included in a Notice of Meeting to be issued by Liontown Resources Ltd, seeking shareholder approval to demerge the Company and a Prospectus to be published by the Company in connection with its proposed admission of the shares in the Company to trading on the ASX. Optiro has been informed by Minerals 260 that the principal purpose of the offering is to raise funds to complete further exploration including geophysical and geochemical surveys, geological mapping and the drilling of existing mineral anomalies and exploration targets with the aim of defining Mineral Resources.

The mineral assets of Minerals 260 and its 100% owned subsidiaries, post demerger, will comprise the Moora and Koojan, the Yalwest and the Dingo Rocks Projects all located in Western Australia. The objectives of this Report are to provide an overview of the geological setting of the mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the project areas and comment on the completed exploration work with regards to project prospectivity.

Minerals 260 has provided to Optiro drilling and sampling data and other information generated by Minerals 260, its subsidiaries and by previous owners of the mineral assets. Optiro completed a site inspection of the Moora and Koojan Project on 23 June 2021. The other Projects are at an early stage of assessment and it was considered that site visits would be unlikely to reveal any information or data that is material to this Report. The author is satisfied that sufficient information was available to give an informed opinion.

Based on Optiro's assessment of Minerals 260's mineral assets, it is our opinion that they are of value and contain exploration potential as presented. Optiro has considered the expenditure schedules, studies and exploration programmes outlined by Minerals 260 and considers them to be reasonable and appropriate to progress the Projects. However, all exploration projects are subject to risks from



Independent Technical Assessment Report

unforeseen future issues and events beyond the control of the company; in this sense, Minerals 260 is no exception.

Consent has been sought from Minerals 260 and its representatives to include technical information and opinions expressed by Minerals 260. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

Optiro has prepared this Report on the understanding that the mineral assets held by Minerals 260 are currently in good legal standing and has not independently verified Minerals 260's legal tenure over its tenements. Optiro is not qualified to make statements in this regard and has relied upon information provided by Minerals 260. Optiro understands that Minerals 260 has engaged HWL Ebsworth Lawyers to review the tenement status which is included elsewhere in Minerals 260's Prospectus.

Optiro has endeavoured, by making reasonable enquiry of Minerals 260, to ensure that all material information in the possession of Minerals 260 has been fully disclosed. However, Optiro has not carried out any type of audit of the records of Minerals 260 to verify that all material documentation has been provided. A final draft version of this Report was provided to the Directors of Minerals 260, along with a request to confirm that there are no material errors or omissions in the Report and that the technical information and interpretations provided by them and reflected in the Report are factually accurate. Confirmation of these terms has been provided in writing and has been relied upon by Optiro. Optiro has based its findings upon information supplied up until 17 August 2021.

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. Optiro declares that the author and reviewer of this Report have no material interest in Minerals 260, their associated entities or in the assets described in this Report. Optiro has charged Minerals 260 a professional fee for services rendered, the quantum of which is unrelated to the outcome or the content of this Report.

Yours sincerely

OPTIRO PTY LTD

J C Froud *BSc Hons, Grad Dip (Fin Mkts) MAIG*
Principal

C Standing *BSc Hons, MSc, MAusIMM, MAIG*
Principal

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1. EXECUTIVE SUMMARY

1.1. PURPOSE

At the request of Minerals 260 Limited (Minerals 260 or the Company), an Independent Technical Assessment Report (Report) on the mineral assets held by Minerals 260 has been prepared by Mr Jason Froud (Principal) and was reviewed by Mrs Christine Standing (Principal), both of Optiro Pty Ltd (Optiro). This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets. It is our understanding that this Report will be included in a Notice of Meeting to be issued by Lontown Resources Ltd (Lontown), seeking shareholder approval to demerge the Company and a Prospectus to be published by the Company in connection with the proposed admission of its shares trading on the ASX. Optiro has been informed by Minerals 260 that the principal purpose of the offering is to raise funds to complete further exploration, including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

The mineral assets of Minerals 260 and its 100% owned subsidiaries (post demerger) comprise the Moora and Koojan, Yalwest and Dingo Rocks Projects all located in Western Australia.

1.2. MOORA AND KOOJAN PROJECT

The Moora and Koojan Project is a gold, nickel and platinum group exploration target. The Project consists of nine Exploration Licences covering approximately 1,063 km² and one Prospecting Licence application covering approximately 1.7 km² located approximately 140 km north-northeast of Perth.

The geology within the project area includes prospective mafic/ultramafic rocks within the northern extension of the highly deformed Jimperding Metamorphic Belt which locally comprises high grade metamorphic rocks of quartz feldspar composition with some amphibolite schist and minor banded iron formation. The geological setting is considered similar to that which hosts the Julimar nickel-copper-PGE (platinum group elements) discovery and the historical Yarawindah nickel-copper-PGE occurrence to the south of the Project.

The most significant recent exploration completed by the Company comprised a total of 264 aircore drill holes for 10,349 m and a small follow-up reverse circulation (RC) drilling programme comprising 14 drill holes for 1,946 m. The drilling defined three main zones of bedrock mineralisation associated with the magnetic and geochemical anomalism. These comprise:

- Angepena Zone: a +900 m long gold zone with intersections including:
 - 43 m at 1.8 g/t gold from 198 m downhole
 - 11 m at 1.5 g/t from 2 m downhole.
- Northern Zone: a +2 km and up to 150 m wide copper and gold zone with intersections including:
 - 9 m at 2.1% copper from 33 m downhole
 - 4 m at 1.2 g/t gold from 27 m downhole and 2 m at 3.6 g/t gold from 34 m downhole
 - 7 m at 1.03 g/t gold from 41 m downhole.
- Southeastern Zone (SEZ) defined by a single drill traverse including:
 - 17 m at 0.4 g/t gold from 1 m downhole and 12 m at 0.2% copper from 25 m downhole.

The mineralised trends defined through this drilling remain open along both strike and at depth. There is, however, insufficient geological data at this stage to estimate the true width of mineralisation.

The Moora and Koojan Project is considered to be at an early stage of exploration but recent exploration has demonstrated significant prospectivity with highly encouraging gold and copper mineralisation in the aircore drilling. This has been followed up with RC drilling which intersected

primary gold mineralisation directly below strong surface geochemical anomalism, suggesting good potential for the discovery of a large mineralised system. Testing of the mineralisation is still preliminary and further work is required to determine the geometry and continuity of any potential mineralisation which remains unconstrained and open along both strike and at depth. Furthermore, multiple conceptual greenfields target remain untested.

Optiro considers the Project has very good potential for the discovery of a significant mineralised system.

1.3. YALWEST PROJECT

The Yalwest Project is a conceptual exploration target comprising two Exploration Licence applications (311 km²) located 400 km north of Perth. The Project is located in an area that has been subject to no previous recorded exploration and little geological mapping. The Project is of conceptual exploration interest due to unexplained circular and arcuate features in the aeromagnetic geophysical data. Following granting of the licences, only minimum statutory exploration expenditure on the Project is planned at this stage.

1.4. DINGO ROCKS PROJECT

The Dingo Rocks Project is a conceptual exploration target comprising a single Exploration Licence (271 km²) located 600 km east-southeast of Perth. The Project is located proximal to the southeastern margin of the Eastern Goldfields Superterrane and the Albany-Fraser Orogen.

The Company is yet to compile all of the previous exploration data but auger geochemical sampling and aircore drilling has been completed over part of the Project which has identified low level gold anomalism. The Company plans to further review and reprocess the available geophysical and sampling data and carry out initial ground reconnaissance. Only minimum statutory exploration expenditure on the Project is planned at this stage.

1.5. EXPLORATION AND DEVELOPMENT POTENTIAL

In Optiro's opinion, Minerals 260's mineral projects are of merit and worthy of further exploration. The planned work programmes are appropriate for the various development stages of the project areas and will provide suitable data to assess the technical risks and the further exploration potential of the identified prospects.

2. INTRODUCTION AND TERMS OF REFERENCE

2.1. TERMS OF REFERENCE

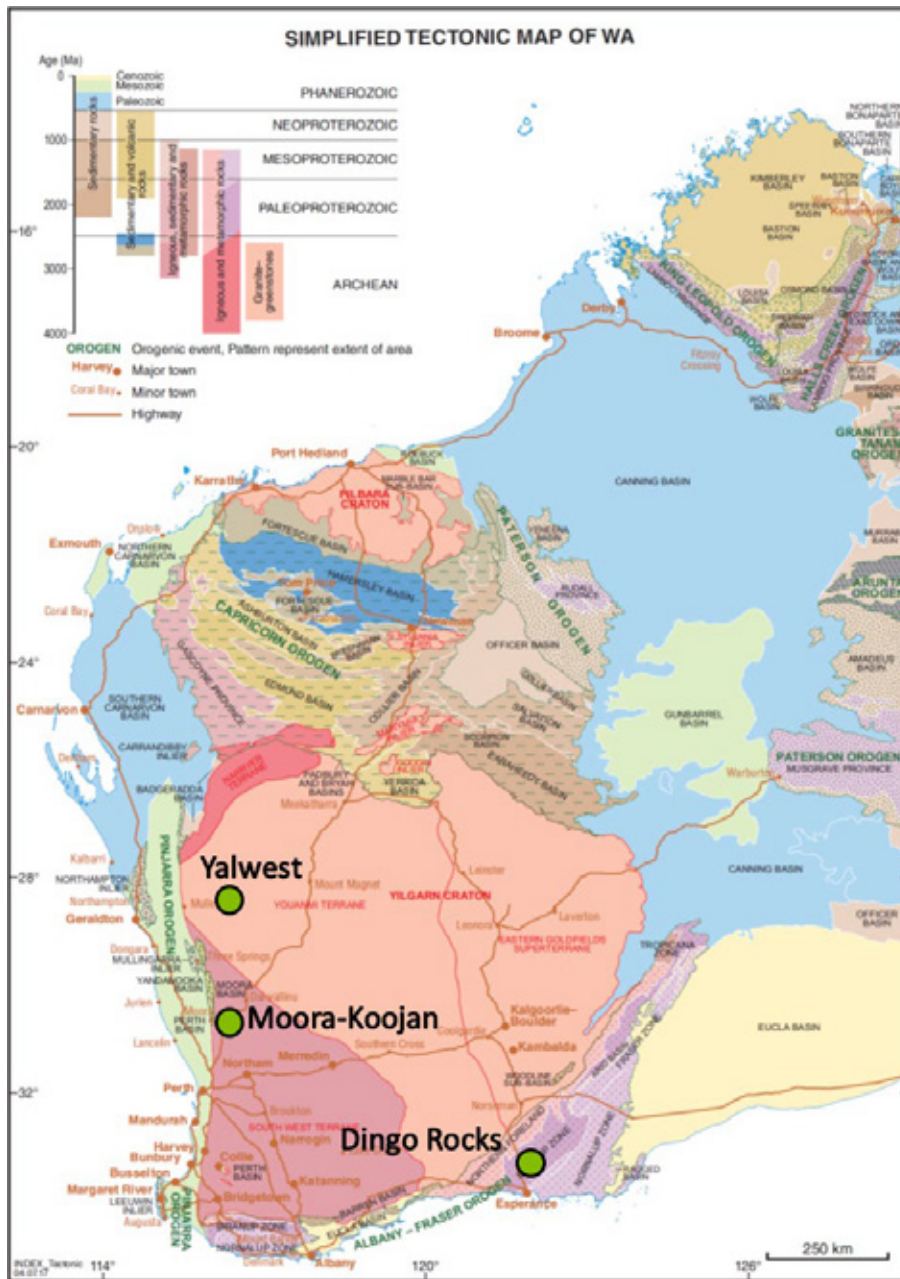
At the request of the Company, an Independent Technical Assessment Report (Report) on the mineral assets of Minerals 260 has been prepared.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets. It is our understanding that this Report will be included in a Notice of Meeting to be issued by Liontown, seeking shareholder approval to demerge the Company and a Prospectus to be published by the Company in connection with the proposed admission of its shares trading on the ASX. Optiro has been informed by Minerals 260 that the principal purpose of the offering is to raise funds to complete further exploration including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

Minerals 260 is an Australian registered, Western Australian focussed, metals exploration and development company. The mineral assets of Minerals 260 and its 100% owned subsidiaries, post

demerger, will comprise the Moora and Koojan, Yalwest and Dingo Rocks Projects all located in Western Australia (Figure 2.1). Optiro understands that the mineral assets were held by or acquired by Liontown and they are now being demerged into Minerals 260.

Figure 2.1 Location of Minerals 260’s mineral projects (modified from GSWA)



This report has been prepared by Mr Jason Froud (Principal) and was reviewed by Mrs Christine Standing (Principal) both of Optiro. This report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition



(the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

Mr Jason Froud and Mrs Christine Standing meet the competency criteria as set out under Section 11 of the JORC Code, 2012 and Section 3.1 of the VALMIN Code, 2015. Mr Froud (MAIG) is responsible for this report. Mr Froud is a Principal Consultant with Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation, type of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as described by the VALMIN Code, 2015 and the JORC Code, 2012. Mr Froud consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

The objectives of this Report are to provide an overview of the geological setting of Minerals 260's mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the project areas and comment on the exploration potential of the project areas and the proposed future work programmes.

Consent has been sought from Minerals 260's representatives to include technical information and opinions expressed by them. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

2.2. VALIDATION OF TENURE

Optiro has prepared this Report upon the understanding that the mineral licences to be held by Minerals 260 are currently in good legal standing. Optiro has not independently verified Minerals 260's legal tenure over its tenements and has relied on information provided by Minerals 260. Optiro understands that Minerals 260 has engaged the law firm, HWL Ebsworth Lawyers, to review the Company's tenement status and provide a report which is included elsewhere in Minerals 260's Prospectus. Among other things, the report prepared by HWL Ebsworth Lawyers provides an opinion on Minerals 260's mineral licences, material conditions, Native Title determinations and agreements.

Optiro is not qualified to provide a legal opinion on the status of the granted project licences but has reviewed the Government of Western Australia, Department of Mines, Industry Regulation and Safety (DMIRS) licence permits and records and found them to be in good order. Accordingly, Optiro is satisfied that Minerals 260 currently has good and valid title to the described granted licences required to explore and undertake project development on the project areas in the manner proposed by the Company. Minerals 260 has met or exceeded licence expenditure (or had exemptions granted) and met licence conditions, and therefore Optiro considers it likely that the licences will be renewed as and when required. Any future commercial exploitation of mineralisation will, however, require the grant of a Mining Lease.

The Mining Amendment Act No. 22 of 1990 provides for Exploration Licences to have boundaries defined by lines of predetermined latitudes and longitudes. The land surface is divided by predetermined lines of latitude and longitude into regular units of land. These lines are known as graticules and the units of land created are called graticular sections. The basic graticular section under the legislation is one minute of latitude by one minute of longitude (a block). For example, in the Moora and Koojan Project area (latitude of approximately 30°45'S), one graticular block is approximately 2.95 km² in area. Square kilometre areas referred to in this report have been converted based on the latitude and number of graticular blocks and are approximate.

Post demerger, Minerals 260 will own 100% of ERL (Aust) Pty Ltd (ERL) which in turn holds a 100% interest in three granted Exploration Licences comprising the Moora Project. These Exploration Licences cover 158 graticular blocks or approximately 466 km² (Table 2.1). The Moora Project is

subject to a 0.5% net smelter return royalty and a deferred payment of A\$1 M should a decision to mine on the project area be made.

Furthermore, post demerger Minerals 260 has the right to earn a 51% interest in the adjacent Koojan Project (Liontown, 27 January 2021). In January 2021, Liontown signed a Binding Term Sheet giving it the right to acquire a 51% interest in the Koojan Project from ASX-listed Lachlan Star Limited (Lachlan Star). To acquire the 51% interest in the Koojan Project, Liontown (now Minerals 260) is required to spend a total of A\$4 M on exploration within five years with a minimum expenditure commitment of A\$500,000 before having the right to withdraw. The Koojan Project comprises six granted Exploration Licences covering 202 graticular blocks or approximately 597 km² and one Prospecting Licence application covering 1.7 km² (Table 2.1).

At the Yalwest Project, Minerals 260 will hold (through ERL) a 100% interest in two Exploration Licence applications covering 103 graticular blocks or approximately 311 km². At the Dingo Rocks Project, Minerals 260 holds (through ERL) a 100% interest in one Exploration Licence covering 94 graticular blocks or approximately 271 km² (Table 2.1).

Annual minimum expenditure requirements on the granted licences totals A\$481,000 with a further A\$73,925 for rent.

Table 2.1 Minerals 260's exploration tenure in Western Australia (source: Minerals 260, DMIRS)

Project	Licence	Register holder	Grant	Expiry	Area (blocks)	Area (km ²)	Expenditure commitment	Rent
Moora	E70/5217	ERL (Aust) Pty Ltd	8 May 19	7 May 24	70	206.4	\$70,000	\$18,340
Moora	E70/5286	ERL (Aust) Pty Ltd	8 Nov 19	7 Nov 24	48	141.5	\$48,000	\$7,008
Moora	E70/5287	ERL (Aust) Pty Ltd	13 Nov 19	12 Nov 24	40	118.2	\$40,000	\$5,840
Koojan	E70/5312	Coobaloo Minerals Pty Ltd ¹	9 Jun 20	8 Jun 25	40	117.9	\$40,000	\$5,840
Koojan	E70/5337	Coobaloo Minerals Pty Ltd ¹	29 Apr 20	28 Aug 25	40	117.9	\$40,000	\$5,840
Koojan	E70/5429	Coobaloo Minerals Pty Ltd ¹	16 Jul 20	15 Jul 25	6	17.7	\$20,000	\$867
Koojan	E70/5450	Coobaloo Minerals Pty Ltd ¹	21 Jan 21	20 Jan 26	7	20.6	\$20,000	\$1,022
Koojan	E70/5515	Coobaloo Minerals Pty Ltd ¹	3 Mar 21	2 Mar 26	56	165.5	\$56,000	\$8,176
Koojan	E70/5516	Coobaloo Minerals Pty Ltd ¹	24 Feb 21	23 Feb 26	53	157.5	\$53,000	\$7,738
Koojan	P70/1743	Coobaloo Minerals Pty Ltd ¹	pending		-	1.7	-	\$496
Yalwest	E59/2541	ERL (Aust) Pty Ltd	pending		60	181.3	\$60,000	\$9,588
Yalwest	E59/2604	ERL (Aust) Pty Ltd	pending		43	129.9	\$43,000	\$6,278
Dingo Rocks	E63/2070	ERL (Aust) Pty Ltd	23 Jul 21	22 Jul 26	94	270.6	\$94,000	\$13,254

¹: Minerals 260 holds the right to earn a 51% interest.

2.3. LEGISLATION AND PERMITTING

All exploration and mining activity in Western Australia must be conducted under an authority from the DMIRS, the Western Australian State Government department responsible for mineral resources. The following information is of a general nature and has been sourced from the DMIRS website. There are seven different types of mining tenements prescribed under the Mining Act 1978:

- Prospecting Licences (Sections 40 to 56, PL)
- Special Prospecting Licences for Gold (Sections 56A, 70 and 85B)
- Exploration Licences (Sections 57 to 69E, EL)
- Retention Licences (Sections 70A to 70M)
- Mining Leases (Sections 700 to 85A, ML)

- General Purpose Leases (Sections 86 to 90)
- Miscellaneous Licences (Sections 91 to 94, L).

Those categories of current or future relevance to the Minerals 260 mineral assets are described below.

PROSPECTING LICENCE

The maximum area for a Prospecting Licence is 200 hectares. Prospecting licences must be marked out unless otherwise specified. There is no limit to the number of licences a person or company may hold, but a security (A\$5,000) is required in respect of each licence. The term of a Prospecting Licence is four years, with the provision to extend for one further four-year period. The holder of a Prospecting Licence may, in accordance with the licence conditions, extract or disturb up to 500 tonnes of material from the ground including overburden, and the Minister for Mines and Petroleum may approve extraction of larger tonnages. Prescribed minimum annual expenditure commitments and reporting requirements apply.

EXPLORATION LICENCE

On 28 June 1991, a graticular boundary (or block) system was introduced for Exploration Licences (one minute of latitude by one minute of longitude). The minimum size of an Exploration Licence is one block, and the maximum size is 70 blocks, except in areas not designated as mineralised areas, where the maximum size is 200 blocks. An Exploration Licence is not marked out and there is no limit to the number of licences a person or company may hold, but a security bond (A\$5,000) is required in respect of each licence.

For licences applied for after 10 February 2006, the term is five years plus a possible extension of five years and further periods of two years thereafter, with 40% of the ground to be surrendered at the end of year six. The holder of an Exploration Licence may, in accordance with the licence conditions, extract or disturb up to 1,000 tonnes of material from the ground, which includes overburden. The Minister for Mines and Petroleum may approve extraction of larger tonnages. Prescribed minimum annual expenditure commitments and reporting requirements apply. The owner of the Exploration Licence must complete an annual Expenditure Report on the tenement, demonstrating that the minimum prescribed expenditure has been met.

The owner of the Exploration Licence has surface access rights but no excavation rights. Access from outside the tenement needs to be negotiated with the pastoral owner, where relevant. Prior to drilling or any ground-disturbing work, an application and approval of a Program of Work (PoW) is required. A PoW provides the right to carry out specified exploration (e.g., drilling or trenching) on the tenements applied for. Permitting needs to be obtained for any infrastructure.

MINING LEASES

The maximum area for a Mining Lease applied for before 10 February 2006 is 1,000 hectares. Beyond that, the area applied for relates to an identified orebody as well as an area for infrastructure requirements.

An application for a Mining Lease must be accompanied by one of the following:

- a Mining Proposal completed in accordance with the Mining Proposal Guidelines published by the department
- a statement of mining operations and a mineralisation report that has been prepared by a qualified person
- a statement of mining operations and a resource report that complies with the JORC Code.

There is no limit to the number of Mining Leases a person or company may hold. The term of a Mining Lease is 21 years and may be renewed for further terms. The lessee of a Mining Lease may work and mine the land, take and remove minerals, and do all the things necessary to effectually carry out mining operations in, on or under the land, subject to conditions of title. Prescribed minimum annual expenditure commitments and reporting requirements apply.

MISCELLANEOUS LICENCES

There is no maximum area for a Miscellaneous Licence. A Miscellaneous Licence is for purposes such as a roads and pipelines, or other purposes as prescribed in Regulation 42B. There is no limit to the number of Miscellaneous Licences a person or company may hold. The term of a Miscellaneous Licence is 21 years and it may be renewed for further terms. A Miscellaneous Licence can be applied for over (and can 'co-exist' with) other mining tenements.

GENERAL PURPOSE LEASES

Unless granted special approval by the Minister for Mines and Petroleum a General Purpose Lease can only be a maximum of 10 hectares. A General Purpose Lease is for purposes such as operating machinery, depositing or treating tailings etc. A person or company may hold an unlimited number of General Purpose Leases. The term of a General Purpose Lease is 21 years, and it may be renewed for further terms. A General Purpose Lease application requires a statement accompanying the application to include either a development and construction proposal or a statement setting out specific intentions for the lease.

NATIVE TITLE

Native title rights and interests are those rights in relation to land or waters that are held by Aboriginal or Torres Strait Islander peoples under their traditional laws and customs, and which are recognised by the common law. Native title was first accepted into the common law of Australia by the High Court of Australia's decision in *Mabo (No 2)* in 1992.

Australian law recognises that, except where Native Title had been wholly extinguished by the historical grant of freehold, leasehold and other interests, Native Title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since sovereignty. The rights and interests vary from case to case but may include the right to live and camp in the area, conduct ceremonies, hunt and fish, build shelter, and visit places of cultural importance. Some Native Title holders may also have the right to control access.

Australian law also requires that Native Title approval be obtained before mining applications can commence.

At the Moora and Koojan Project, the Company has executed a standard Noongar Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Corporation (SWALSC) (on behalf of the Yued Group) which provides protocols for heritage surveys in areas where there may be retained heritage sites. As the Moora and Koojan Project is predominantly broad acre cropping land, the survey requirements are largely limited to isolated area of undisturbed of native vegetation. To date, exploration activities have been restricted to cropped areas and these protocols have not been enacted.

At the Yalwest Project, Native Title agreements are not yet in place yet. A standard draft Native Title Heritage Agreement from the Yamatji Marlpa Aboriginal Corporation is currently under review as at the date of this report.

At the Dingo Rocks Project, the Company has executed an agreement with the Ngadju Native Title Aboriginal Corporation which covers the northern part of the tenement. A draft standard Heritage



Agreement with the Esperance Tjaltjraak Native Title Aboriginal Corporation which covers the bulk of the tenement area is being reviewed as at the date of this report.

2.4. RESPONSIBILITY FOR THE INDEPENDENT TECHNICAL REPORT

This report was prepared by Mr Jason Froud (Principal), and was reviewed by Mrs Christine Standing (Principal), both of Optiro.

This report has been prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the JORC Code) and the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code).

In developing its technical assumptions for the report, Optiro has relied upon information provided by Minerals 260 and its consultants, as well as information obtained from other public sources. The material on which this report is based includes internal and open-file project documentation, technical reports, drill hole and other exploration databases. Minerals 260 has provided to Optiro the drilling and sampling data and other information generated by Minerals 260 and by previous owners of the project areas.

Optiro has independently reviewed all relevant technical and corporate information made available by the management of Minerals 260, which was accepted in good faith as being true, accurate and complete, having made due enquiry of Minerals 260. Optiro has additionally sourced publicly available information relative to Minerals 260's mineral assets.

Optiro completed a site visit to the Moora and Koojan Project on 23 June 2021 to establish reasonable grounds as to the soundness and conclusions of the data presented. Optiro has not completed a site inspection of the Yalwest and Dingo Rocks properties. These Projects are at an early stage of assessment and it was considered that a site visit was unlikely to reveal any information or data that is material to this Report. The author is satisfied that sufficient information was available to form an informed opinion on the various projects.

3. MOORA AND KOOJAN PROJECT

3.1. INTRODUCTION

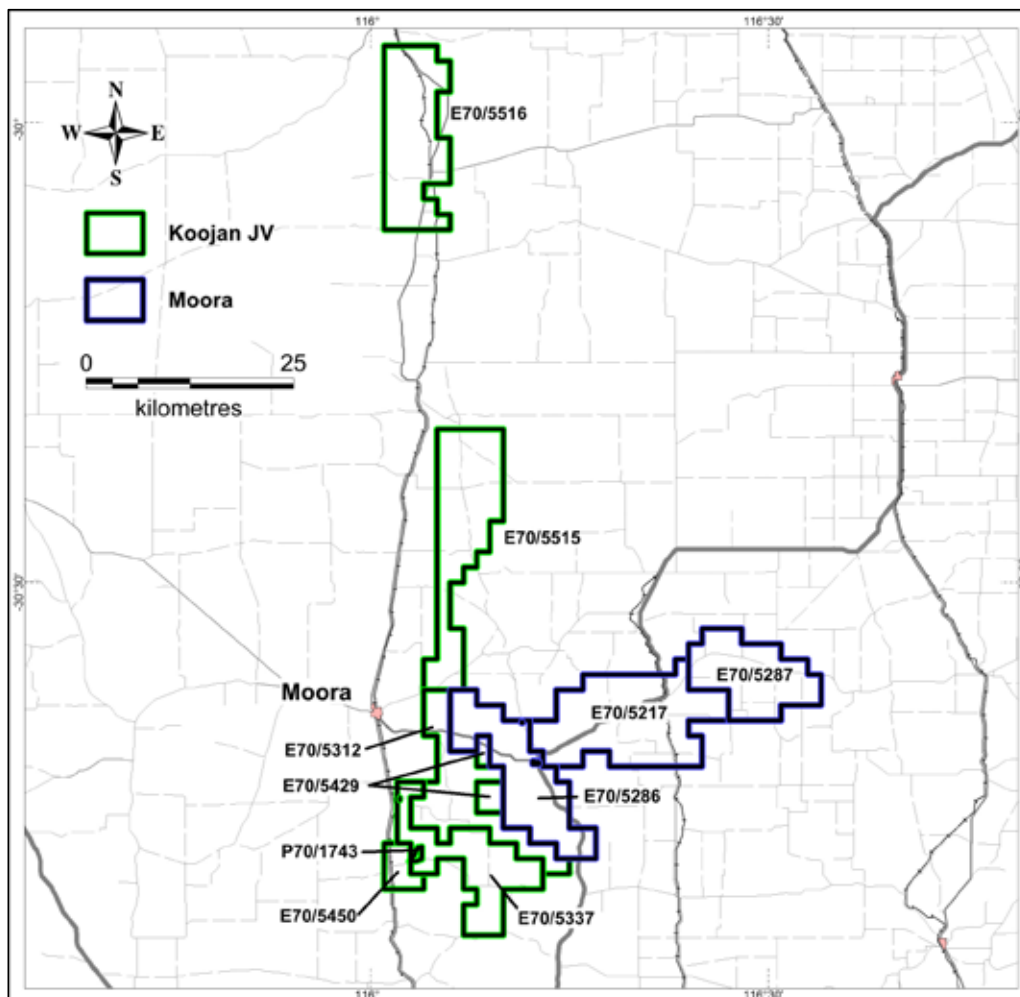
The Moora and Koojan Project comprises the 100% owned Moora Project and the Koojan joint venture (JV) with Lachlan Star (Figure 3.1). The total Project consists of nine Exploration Licences covering approximately 1,063 km² and one Prospecting Licence application covering approximately 1.7 km². The project area is well serviced with existing power and transport infrastructure, located approximately 140 km north-northeast of Perth and 10 km east of Moora. Access to the project area is well established via the Great Northern Highway or the Bindoon-Moora Road from Perth, a network of secondary local roads and well-maintained unsealed farm roads.

Liontown applied for tenements over the Moora Project from 2018, after identifying the potential of the region to host magmatic nickel-copper-PGE (platinum group elements) massive sulphides. The coincidence of large mafic/ultramafic intrusions located close to a craton margin was considered analogous to magmatic nickel-copper-PGE occurrences elsewhere in the world including the Nova, Savannah and Nebo-Babel deposits in Western Australia. The exploration concept has since been validated by Chalice Mining Ltd's (Chalice) discovery of the Julimar nickel-copper-PGE mineralisation in the same geological terrain at Julimar, located 95 km south of the Moora Project.

The climate is similar to that of Perth with a subtropical (Mediterranean) climate with dry summers and wet winters, although summers are typically hotter, and rainfall is less. Rain falls mainly during

the months of May to September. Most of the original native vegetation has been lost following clearing for broad acre farming.

Figure 3.1 Moora and Koojan Project location and leases (source: Minerals 260)



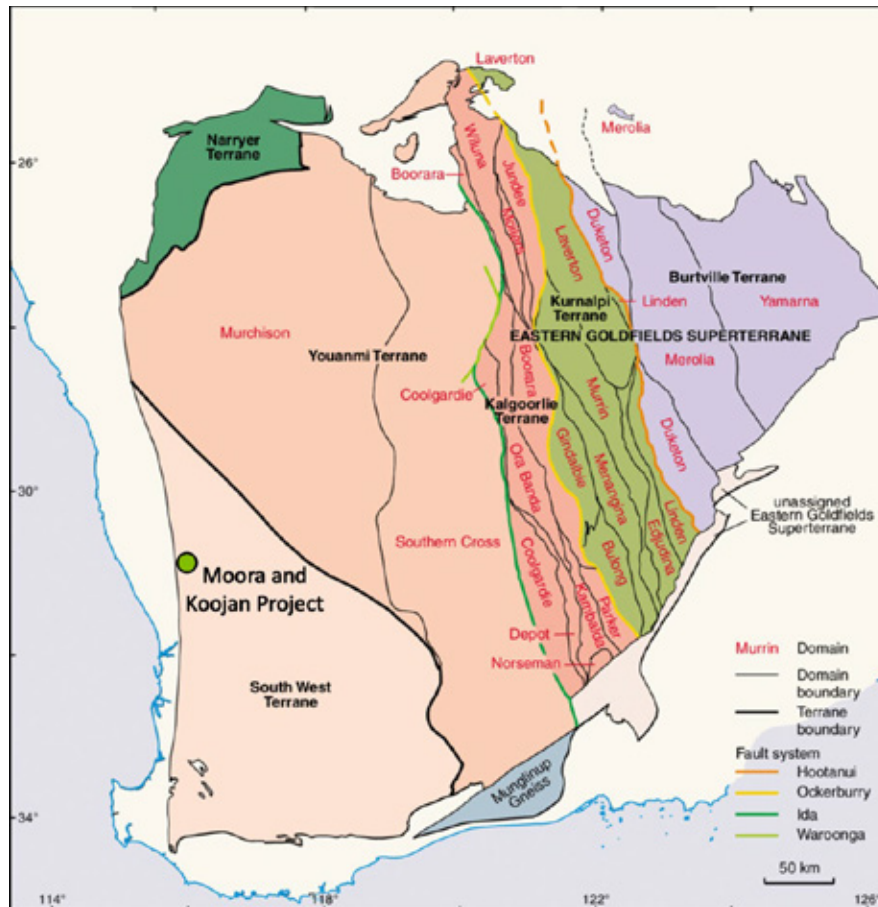
3.2. GEOLOGY

3.2.1. REGIONAL GEOLOGY

The Moora and Koojan Project is located within the Moora 1:250 000 Geological Survey of Western Australia (GSWA) geological sheet. The Project lies immediately east of the Darling Fault, the western boundary of the Yilgarn Craton (Figure 3.2). The Yilgarn Craton is a large Archean granite-greenstone terrain with an aerial extent of over 750,000 km². The craton consists of metavolcanic and metasedimentary rocks, gabbroic rocks, granites and granitic gneiss that principally formed between 3.05 and 2.60 Ga. Greenstone successions of the Yilgarn Craton are subdivided into mostly elongate terranes based on the regional north-northwest trending faults that comprise a series of fault-bounded domains. Faults at the boundaries of the terranes are poorly exposed but can be traced as lineaments or breaks defined by large scale truncations of stratigraphy.

There have been several attempts to subdivide the Yilgarn Craton into component terranes and domains with the most commonly cited being Cassidy et al. (2006) which has defined six terranes including the older Narryer and South West Terrane along the western margin, the dominantly younger Eastern Goldfields Superterrane (comprising the Kalgoorlie, Kurnalpi, Burtville and Yamarna Terranes) and the Youanmi Terrane (Figure 3.2). Based on this, and the work of Witt et al. (2013) and others, the Moora and Koojan Project is located within the South West Terrane.

Figure 3.2 Subdivisions of the Yilgarn Craton (after Cassidy et al., 2006)



The South West Terrane is an extensive (150 000 km²), triangular area amalgamated onto the southwest margin the Youanmi Terrane at ~2.65 Ga (Cassidy et al., 2006). It has an overall northwest-southeast tectonic fabric and is characterised by a paucity of preserved greenstone belts. It is predominantly composed of granitic rocks. The majority of these are divided into five main overlapping suites based on geochemical characteristics, emplaced between 2.75 and 2.62 Ga with a volumetrically smaller group dated at 2.85 to 2.70 Ga (Qiu et al., 1999). The bulk of the granitic rocks are younger than 2.69 Ga and mainly comprise monzogranite, granodiorite and alkali feldspar granites. The younger granitoids were emplaced between 2,648 and 2,626 Ma.

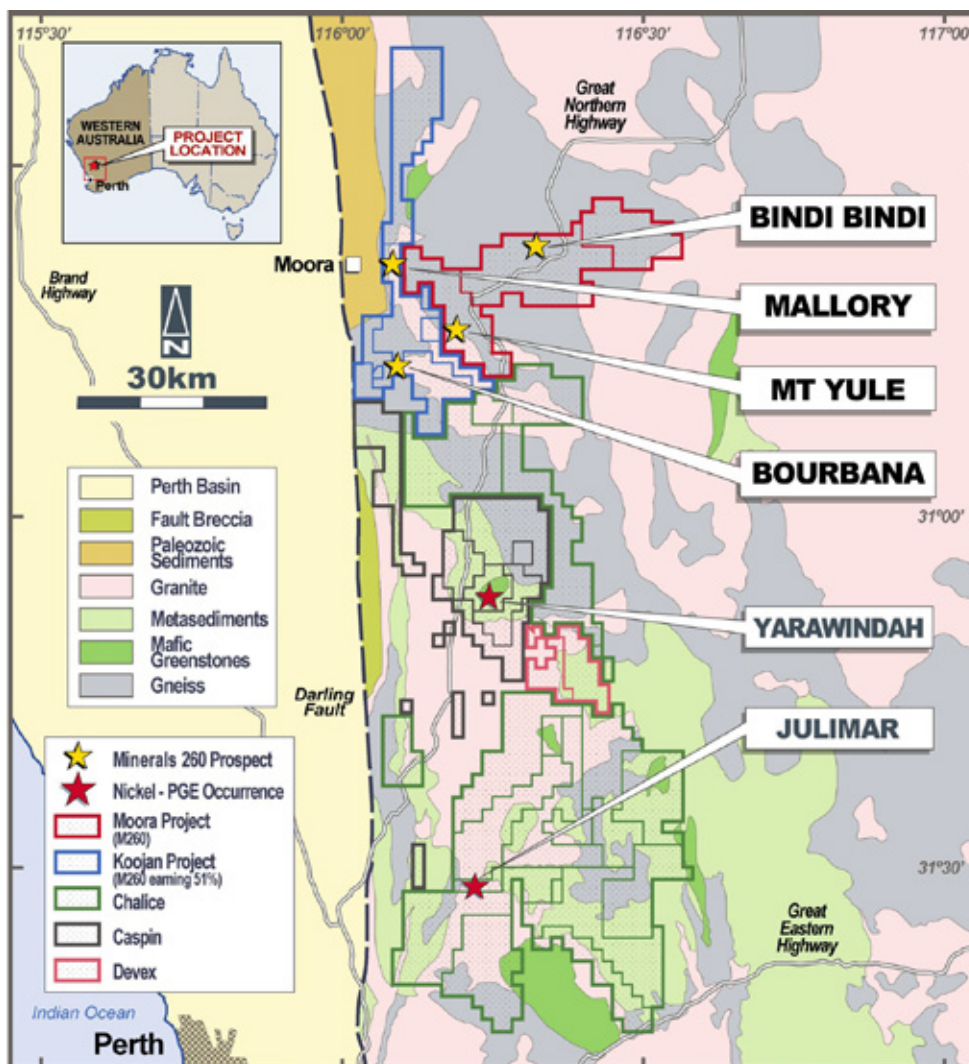
Preserved greenstone belts are limited in extent and number and have a range of ages. In the west, the Wongan Hills Greenstone Belt has been dated at 3.01 to 2.82 Ga, similar to the supracrustal metasedimentary gneisses, and comprises mafic and felsic volcanic rocks, chert, banded iron formation (BIF) and small ultramafic intrusions.

The South West Terrance is relatively unexplored in comparison to the rest of the Yilgarn Craton. The Boddington gold-copper deposit (owned by Newmont Corporation) 220 km to the south is the only significant gold mine known within the South West Terrane. It is, however, one of the largest gold mining operations in Australia. Boddington shows some characteristics of low-grade porphyry gold-copper mineralisation, overprinted by a main stage of orogenic style veining coeval with the intrusion of a 2,612 Ma monzogranite and an episode of brittle deformation.

There is no other significant history of mining in the immediate region with the exception of heavy mineral sands to the west in the Perth Basin and surficial bauxite along the Darling Range, mostly to the south of the project area.

Within the immediate region, the geology encompasses two distinct geological provinces which are separated by the Darling Fault (Figure 3.3). East of the fault (and across the project area), Archaean and Proterozoic rocks of the Yilgarn Craton are present. To the west of the fault lies the Perth Basin, which principally comprises Phanerozoic rocks.

Figure 3.3 Moora and Koojan Project location and third party tenure (source: Minerals 260)



Very little geological work has previously been completed on the Archaean rocks in the project area. Geological mapping has been limited due to poor exposure and disruption of aerial photograph patterns by agriculture. Historically, aeromagnetic data has been of little help in determining geological boundaries. Outcrop exposure is generally of the order of less than 5%, sporadic and often too small to be representative at map scale. The isolated outcrop has, however, enabled the underlying rock type to be broadly determined and allowed the linking of exposures with a reasonable degree of certainty. This lack of outcrop has undoubtedly led to the limited previous exploration.

On the Moora 1:250,000 GSWA Sheet, the geology is composed largely of granitic rocks with locally important developments of migmatite. Metamorphosed layered rocks are a subordinate component with two groups distinguished. These were provisionally called the Berkshire Valley succession; a group representing the northward continuation of both the Jimperding and Chittering Metamorphic Belts of the Perth Sheet; and the Wongan Hills succession (Carter and Lipple, 1982).

3.2.1. LOCAL GEOLOGY

The prospective mafic/ultramafic bodies at the Moora and Koojan Project lie within the northern extension of the highly deformed Jimperding Metamorphic Belt (i.e., the Berkshire Valley succession) which locally comprises high grade metamorphic rocks of quartz feldspar composition with some amphibolite schist and minor BIF. The Belt is up to 70 km wide and bounded to the west by the Darling Fault (and Perth Basin) and to the east by Archaean granite rocks. Regionally, the geological trend is northwesterly with moderate to steep northeasterly dips. North-northeast and north-northwest trending, Proterozoic dolerite dykes also intrude the geological sequence. Outcrops are rare and bedrock geology is largely obscured by lateritic duricrust and in places, deep saprolitic weathering. The clearing of farmland and related agricultural practices have further contributed to the masking of the bedrock. The intrusive mafic/ultramafic units are interpreted to form concordant, layered igneous complexes at least 50 m thick; however, the true dimensions are difficult to determine due to the limited outcrop and early stage of exploration.

Government geological mapping within the Moora and Koojan Project area indicates a series of mafic-ultramafic intrusions spatially associated with large, dense bedrock features clearly visible in the regional gravity data. This geological setting is considered similar to those which host Chalice's Julimar nickel-copper-PGE discovery and the historical Yarawindah nickel-copper-PGE occurrence being explored by Caspin Resources Limited (Caspin) (Figure 3.4).

The project area is largely covered by Cenozoic colluvium/sediments and duricrust. Isolated outcrops of Archaean mafic/ultramafic and granite/gneiss appear spatially associated with gravity highs.

3.3. PREVIOUS EXPLORATION

Historical exploration in the region has been largely limited to the central part of the project area and has comprised surface sampling and limited shallow rotary air blast (RAB) drilling (Figure 3.5).

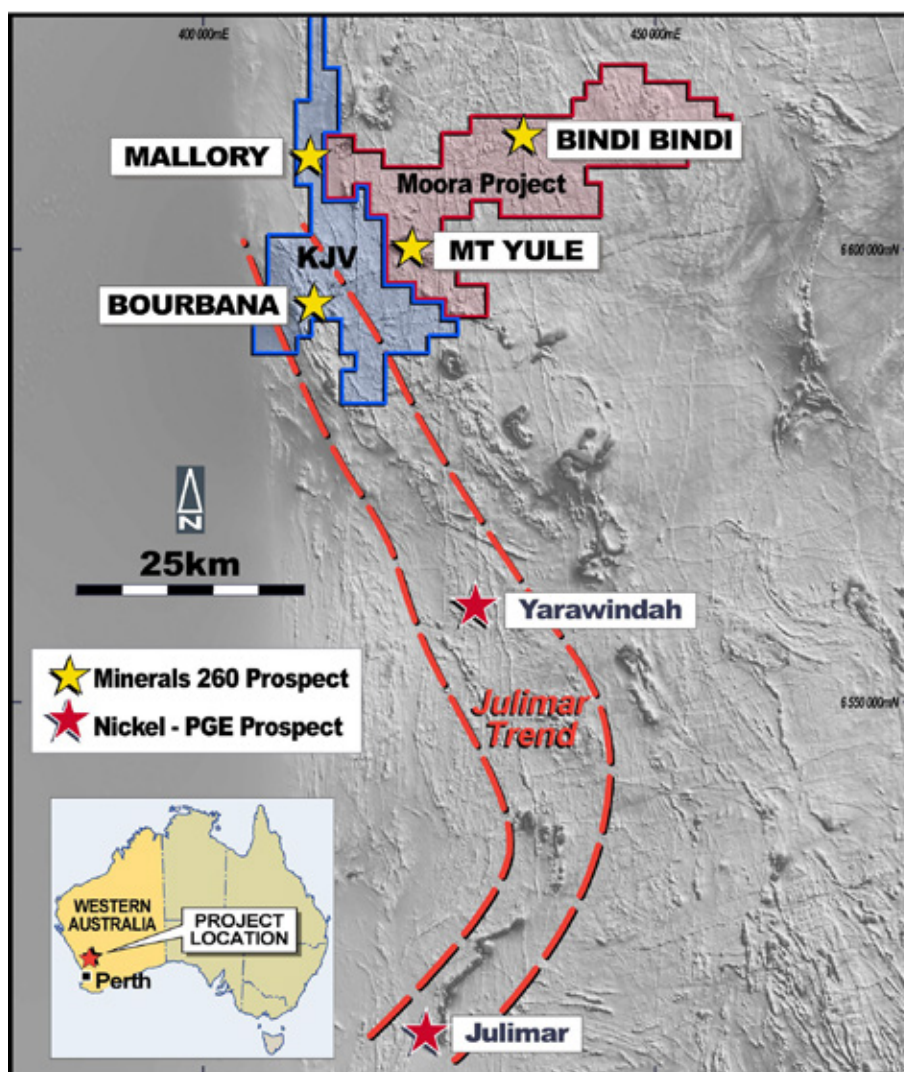
In 1968, Poseidon NL (Poseidon) recorded a number of significant nickel intersections in drilling at Moora including:

- 9 m at 0.62% nickel from 0 m downhole
- 11.5 m at 0.60% nickel from 1.5 m downhole
- 21 m at 0.57% nickel from 1.5 m downhole.

Drill holes statistics for the Poseidon drilling are provided in Appendix A. It should be noted that the locations are approximate due to the conversion from imperial units and Poseidon's use of local, unsurveyed grids. Furthermore, there is insufficient geological data to estimate true widths. The drill intersections were hosted by strongly weathered, oxidised ultramafic rocks and Poseidon interpreted

the elevated nickel values to be related to primary sulphides at depth based on the steep orientation of the mineralised zones and the presence of anomalous (>300 ppm) copper nearby. Further work was planned by Poseidon, however, its focus shifted to the Eastern Goldfields following its discovery of the Windarra nickel deposit.

Figure 3.4 Moora Project regional magnetics and nearby occurrences (source: Minerals 260)

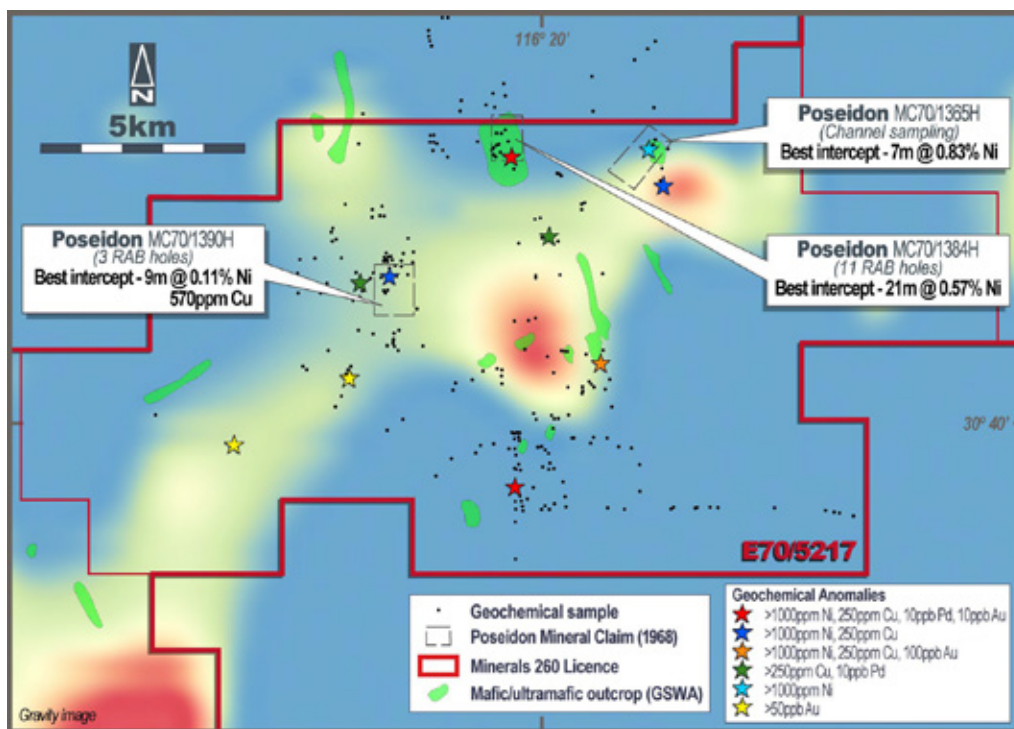


Subsequent exploration by Palladium Resources Ltd (Palladium Resources) and Washington Resources Ltd (Washington Resources) from 1999 to 2001 and 2004 to 2009 respectively confirmed strong, multi-element, nickel-copper-PGE and gold anomalism in the same area as explored by Poseidon. Rock chip sampling by Palladium Resources recorded a number of coincident copper (up to 788 ppm) and nickel (up to 2,060 ppm) anomalies. Shallow follow-up drilling by Palladium, which was limited to the area covered by Poseidon, also recorded multiple zones of coincident copper and nickel anomalism (up to 12 m at 288 ppm copper and 2,763 ppm nickel). Rock chip and drill holes statistics for the Palladium Resources exploration are provided in Appendices B and C.

Field work by Washington Resources included the collection of 333 surficial lateritic, ferricrete and ferruginous pisolite samples which returned anomalous values up to 795 ppm copper, 8,482 ppm nickel, 452 ppb palladium and 517 ppb gold. No follow up work was undertaken by Washington Resources despite the recommendation for further drilling.

Despite the strong geochemical anomalism and prospective geological setting, there has been no prior drill testing of the fresh, unoxidised bedrock at the Moora-Koojan Project.

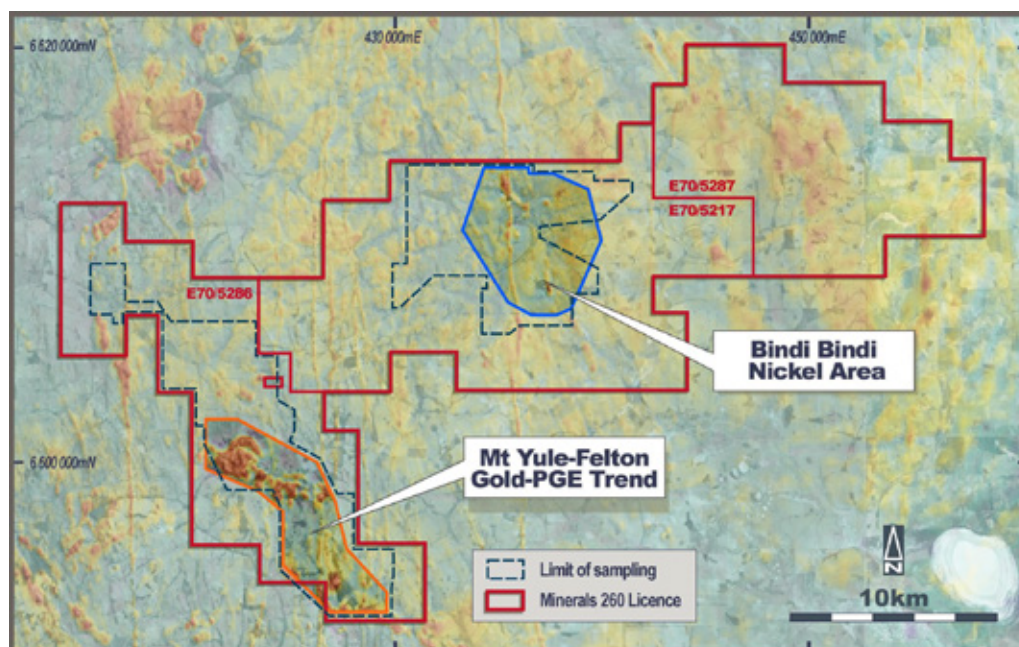
Figure 3.5 Historical exploration results on first vertical derivative gravity image (source: Minerals 260)



3.4. RECENT EXPLORATION

In March and April 2020, Liontown completed an initial combined gravity survey and auger sampling programme across two area within E70/5217 and E70/5286. The gravity survey defined a number of dense, discrete bodies spatially associated with magnetic highs, with the results indicating the presence of mafic/ultramafic intrusions significantly larger than indicated by the surface geology, which is typically obscured by strong weathering or transported cover. The auger sampling defined a number of strong multi-element (Au+Pd+Pt+Ni+Cu) anomalies in the western area which overlie, or are adjacent to, gravity and/or magnetic highs (Figure 3.6).

Figure 3.6 Anomalous geochemical trends within the Moora Project (source: Minerals 260)



Given the success of the initial field programme, Liontown completed a second auger programme comprising 1,698 samples which was designed to:

- in-fill geochemical anomalies defined by the initial wide-spaced 400 m by 400 m sampling completed in March and April 2020
- provide first-pass coverage across areas adjacent to the maiden sampling programme.

Two highly anomalous areas were defined by the geochemical sampling comprising the Mt Yule corridor and the Bindi Bindi nickel trend (Figure 3.6).

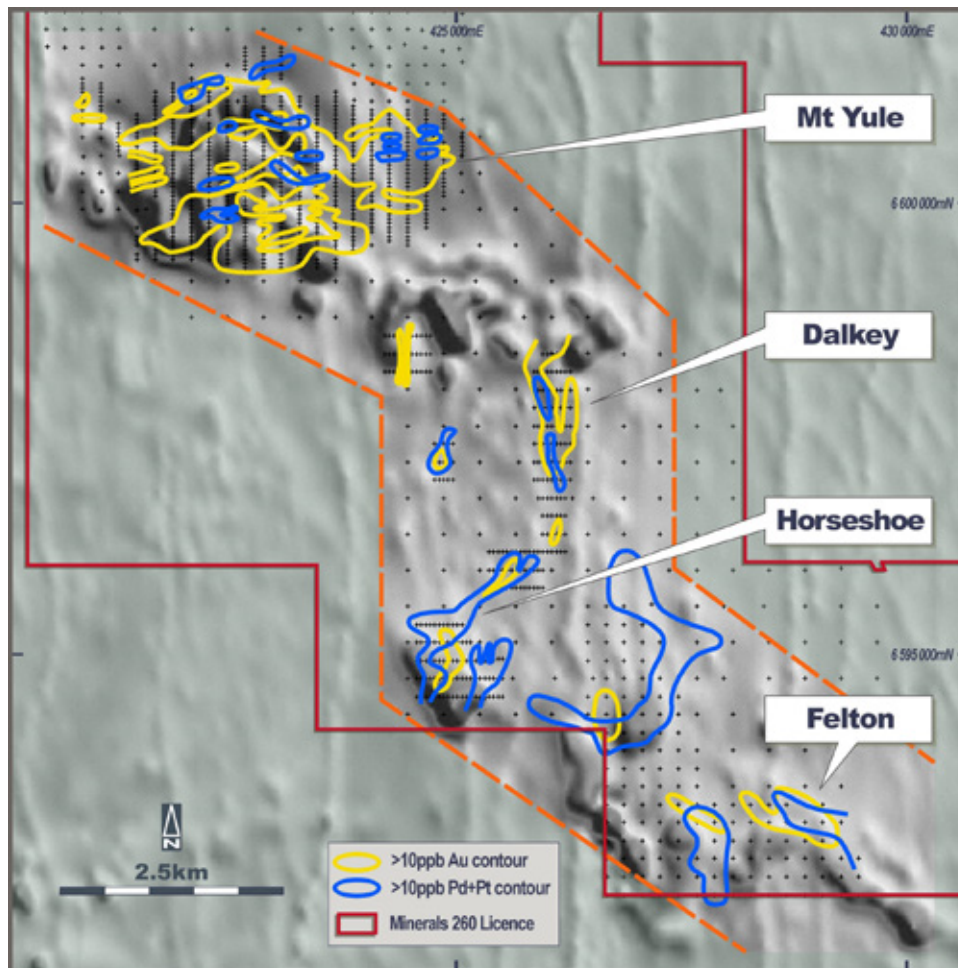
The Mt Yule corridor was defined as a 15 km long by 2.5 km wide, northwest trending zone containing a number of gold-PGE anomalies coincident with magnetic highs indicative of near surface, mafic-ultramafic intrusions obscured by shallow cover (Figure 3.6). The corridor transitions from being gold-dominant in the northwest to PGE-dominant in the south-west. Specific targets (Figure 3.7) defined by the auger sampling within the Mt Yule corridor include:

- Mt Yule: a 3.6 km by 2.2 km east-west trending gold anomaly containing multiple plus 100 ppb zones with a number of >500 ppb gold assays. The gold anomalism is associated with elevated PGEs (up to 25 ppb Pd+Pt), nickel (up to 492 ppm) and copper (up to 884 ppm).
- Dalkey: a 1.5 km by 2 km, north-south trending gold anomaly with assays of up to 127 ppb gold. The anomaly is associated with elevated PGEs (>10 ppb Pd+Pt) and is coincident with a linear magnetic low possibly reflecting bedrock alteration and mineralisation.
- Horseshoe: a 3 km by 2 km area containing a number of PGE anomalies (up to 75 ppb) associated with elevated gold (>10 ppb).
- Felton: a 2 km by 1.5 km area of coincident gold (up to 69 ppb gold) and PGE (up to 65 ppb Pd+Pt) anomalism located at the southwest end of the corridor where the trend remains open.

The Bindi Bindi geochemical anomaly corresponds with the nickel intersections in the 1968 Poseidon drilling. In this case, the Bindi Bindi Prospect was defined by a number of geochemical nickel

anomalies (up to 1,720 ppm nickel) including several which are coincident with mafic-ultramafic bodies mapped by the GSWA.

Figure 3.7 Prospect areas within the Mt Yule corridor (source: Minerals 260)



In September 2020, Liontown completed an airborne electromagnetic (AEM) geophysical survey over the entire Moora Project (466 km²) at a 200 m line spacing. A cluster of late time EM responses indicated possible bedrock conductors in the southwest part of the project area. The conductive zones are broadly coincident with the Mt Yule Corridor. AEM conductive zones were followed up with a moving-loop electromagnetic (MLEM) survey in December 2020. The MLEM survey consisted of 18 east-west lines with 200 m by 200 m loops and 50 m spaced stations. No significant conductors indicative of massive sulphides were identified in the MLEM data.

Following the success of the geochemical programme, Liontown completed its first drilling programme at the Moora Project in January 2021. The majority of drill holes were completed within the Mt Yule corridor (E70/5286). Eight shallow holes were completed at the Bindi Bindi Prospect (MRAC0256 to MRAC0264) which highlighted nickel anomalism from this small programme. At this time, Liontown also executed a farm-in agreement to earn up to a 51% interest in the Koojan Project (see Figure 3.1). The Koojan Project is immediately west and adjacent to the Moora Project and is effectively unexplored.

The drilling programme commenced in December 2020 and comprised a total of 264 aircore drill holes for 10,349 m and a small follow-up reverse circulation (RC) drilling programme comprising 14 holes for 1,946 m (Figure 3.8). Full details of the drilling collars and significant results are provided in Appendix D.

The drilling defined three zones of bedrock mineralisation associated with the Mt Yule magnetic and geochemical anomaly (Figure 3.8). These comprise:

- Angepena Zone: a +900 m long gold zone with intersections including (Figure 3.9 and Figure 3.10):
 - 43 m at 1.8 g/t gold from 198 m downhole (drill hole MRRC0001) including higher grade intersections:
 - 18 m at 3.9 g/t gold from 211 m downhole
 - 2 m at 21.2 g/t gold from 222 m downhole
 - 11 m at 1.5 g/t from 2 m (drill hole MRAC0092)
 - Including 3 m at 3.5 g/t gold from 5 m downhole
- Northern Zone: a +2 km and up to 150 m wide copper and gold zone with intersections including:
 - 9 m at 2.1% copper from 33 m downhole (drill hole MRAC0012)
 - 4 m at 1.2 g/t gold from 27 m downhole and 2 m at 3.6 g/t gold from 34 m downhole (drill hole MRRC0008)
 - 7 m at 1.03 g/t gold from 41 m downhole (drill hole MRRC0009)
- Southeastern Zone (SEZ) defined by a single drill traverse including:
 - 17 m at 0.4 g/t gold from 1 m downhole and 12 m at 0.2% copper from 25 m downhole (drillhole MRAC0072).

Figure 3.8 Prospect areas within the Mt Yule magnetic anomaly (source: Minerals 260)

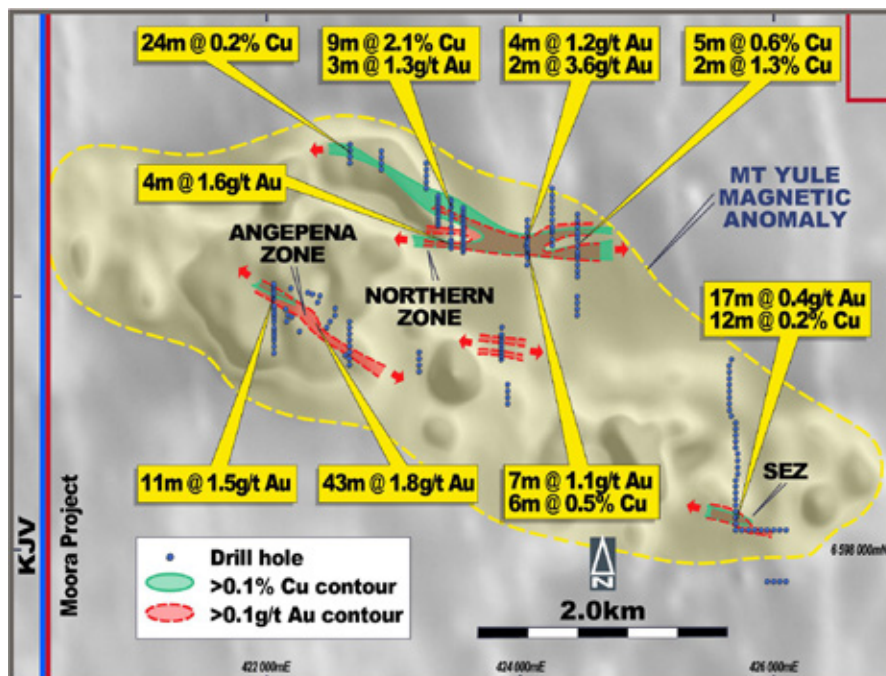


Figure 3.9 Drilling at the Angepena Prospect (source: Minerals 260)

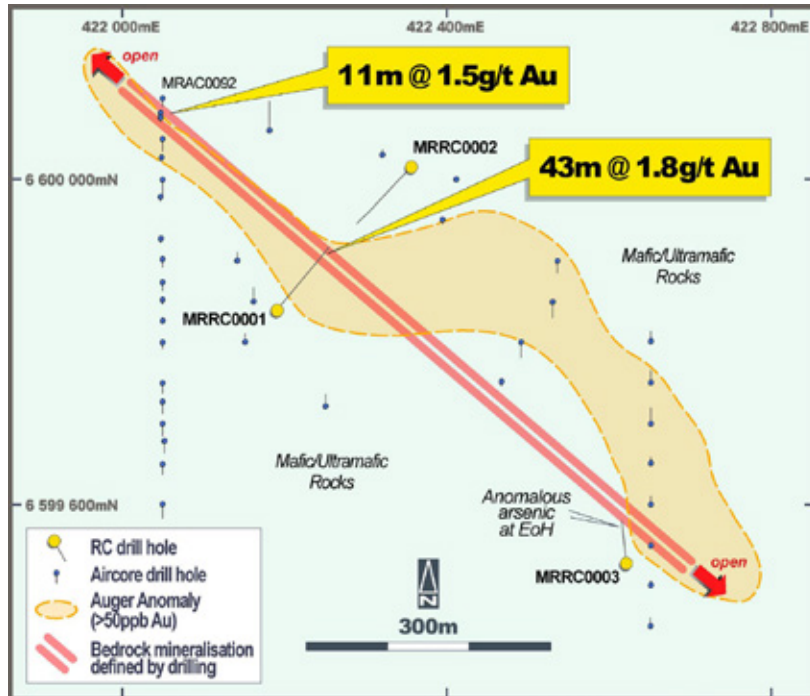
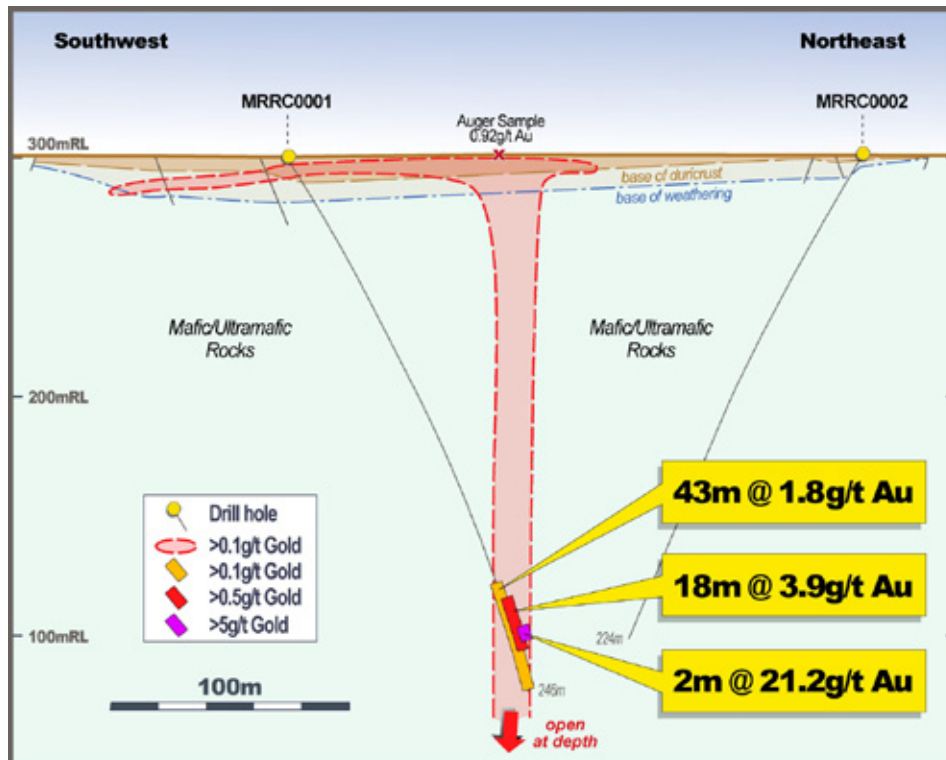


Figure 3.10 Angepena Prospect cross section (source: Minerals 260)



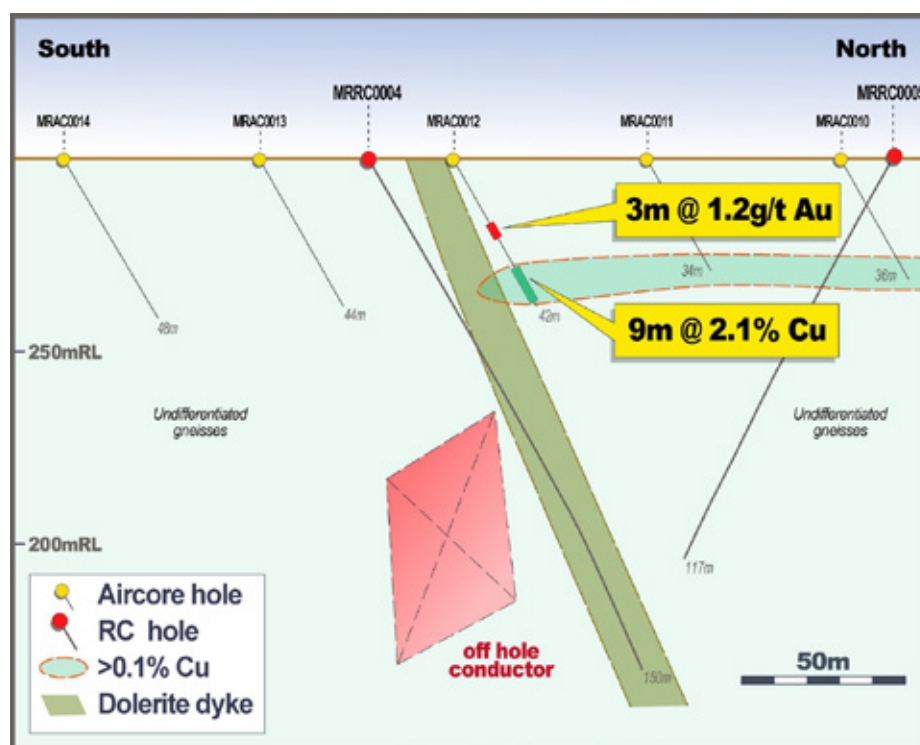
At this early stage of exploration, the Mt Yule mineralised trends defined through drilling remain open both along strike and at depth. There is, however, insufficient geological data at this stage to estimate the true width of mineralisation. The Angepena trend, with high grade results returned from drill hole (MRRC0001 and to a lesser degree MRAC0092) shows good potential to the southeast (Figure 3.9). Drill hole MRRC0003 returned arsenic anomalism at the end of hole (up to 2,250 ppm Arsenic). Of note, drill holes MRRC0001 and MRAC0092 both returned strong arsenic anomalism associated with the gold mineralisation.

Furthermore, while the Angepena and Northern Zones are coincident with surface, geochemical anomalism, the SEZ is not. As such, that the majority of Mt Yule magnetic high is effectively untested and warrants further reconnaissance drill testing.

At the SEZ Prospect, mineralisation has only been intersected in a single drill hole (MRAC0072) towards the end of the of a single aircore traverse. The orientation of the mineralisation has been inferred from the geophysics but further drilling beneath and along strike of the SEZ, to determine the orientation and continuity of mineralisation, is required.

The limited, deeper RC drilling has so far been limited to the Angepena and Northern Zone Prospects. Whilst the RC drilling at Angepena returned highly encouraging results, the RC drilling beneath the northern copper intersection intersected a Proterozoic dolerite dyke which may have stoped out any prospective stratigraphy. Down-hole geophysics was completed after drilling where holes could still be accessed. In the case of MRRC0004, this defined a significant off-hole conductor approximately 50 m below a shallow copper intersection (Figure 3.11). This anomaly is offset by a dolerite dyke and may represent a primary sulphide zone and the source of mineralisation. Minerals 260 plans to further test this zone in their upcoming exploration programmes.

Figure 3.11 Cross section through the Northern Prospect area showing off-hole conductor (source: Minerals 260)



At the Bindi Bindi Prospect (Figure 3.6), Liontown's reconnaissance aircore drilling intersected anomalous nickel (up to 0.43%) and copper (up to 0.08%), validating the historical work completed by Poseidon in the 1960s. The exploration here is at an early stage but the association of nickel and copper is interpreted to indicate possible primary sulphide related mineralisation at depth.

At the Koojan JV, no previous systematic exploration has been completed. The Company has reviewed the regional magnetic geophysical data and considers that the northerly extension of the Julimar trend extends through the project area. Since commencing work on the Koojan JV in early 2021, Liontown has completed two phases of geochemical sampling comprising:

- an initial first pass programme comprising 2,214 samples
- a second programme of in-fill and extensional sampling totalling 1,649 samples.

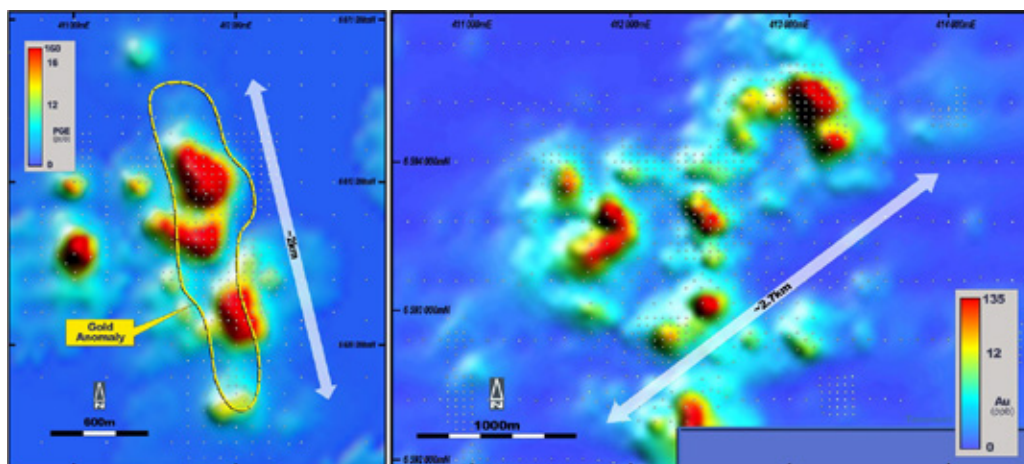
The samples were largely collected using shallow (<1 m) auger sampling techniques with soil samples collected in less accessible areas. The first-pass sample spacing varied from 200 by 50 m up to 400 by 400 m, with in-fill samples collected on 50 by 50 m and 100 by 100 m grids. This geochemical sampling has defined high order PGE and gold anomalism at the Mallory and Bourbana Prospects (Figure 3.12). These prospects remain at a very early stage of assessment.

The Mallory PGE-gold anomaly was defined over a strike length of 2 km with PGE values of >100 ppb (0.1 g/t) recorded coincident with a strongly anomalous, north-northwest/south-southeast trending, coherent gold trend (Figure 3.12). GSWA geological mapping indicates that the underlying bedrock geology comprises poorly exposed mafic, metasedimentary and gneissic rock units.

The Bourbana gold anomaly is an irregular shaped feature with multiple plus 50 ppb gold peaks over approximately 2.7 km (Figure 3.12). The bedrock geology is obscured by shallow lateritic cover; however, the anomaly is coincident with linear magnetic highs, suggestive of the presence of iron-rich mafic units.

Four other geochemically anomalous areas were also defined which warrant further investigation. The Company is planning follow-up geophysical programmes including ground EM, IP and detailed aeromagnetic surveying designed to define bedrock targets for drill.

Figure 3.12 Geochemical anomalism at the Mallory (left) and Bourbana (right) Prospects



3.5. EXPLORATION POTENTIAL

The Moora and Koojan Project is at an early stage of exploration but recent work completed by Liontown has demonstrated the significant prospectivity of the area. Intersecting gold and copper mineralisation at potentially economically significant grades in aircore drilling in itself is considered highly encouraging. Given that this has been followed up with primary gold mineralisation intersected in drill hole MRRC0001, directly below the strong anomalism in auger geochemistry, suggests good potential for the discovery of a large mineralised system. Testing of the mineralisation is still preliminary and further work is required to determine the geometry and continuity of any potential mineralisation which remains unconstrained and open both along strike and at depth. Furthermore, multiple conceptual greenfields target remain untested.

Optiro considers the Project has very good potential for the discovery of a significant mineral system.

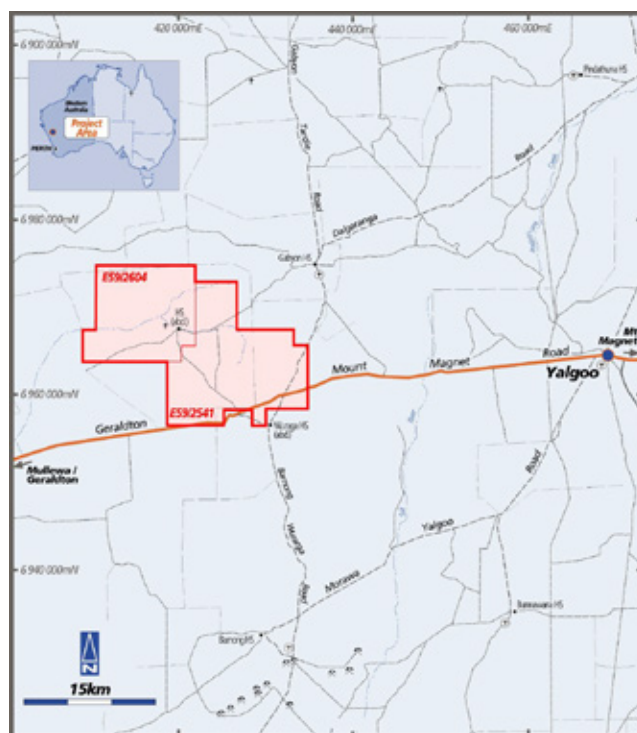
4. YALWEST PROJECT

4.1. INTRODUCTION

The Yalwest Project is a conceptual exploration target, within the Murchison region of Western Australia. The Project comprises two Exploration Licence applications (E59/2541 and E59/2604) covering an area of approximately 311 km² (103 graticular blocks). The Project is located 400 km north of Perth, 70 km east of Geraldton and 40 km west of Yalgoo. Access to the Yalwest Project is via the sealed Geraldton-Mount Magnet Road which passes through the southern portion of EL59/2541, then via station and fence-line tracks (Figure 4.1).

The Project is within the Wurarga 1:100,000 scale and the Yalgoo 1:250,000 scale GSWA mapping sheets. The Deflector gold mine is located 40 km to the south within the Gullewa Greenstone Belt.

Figure 4.1 Yalwest Project location (source: Minerals 260)

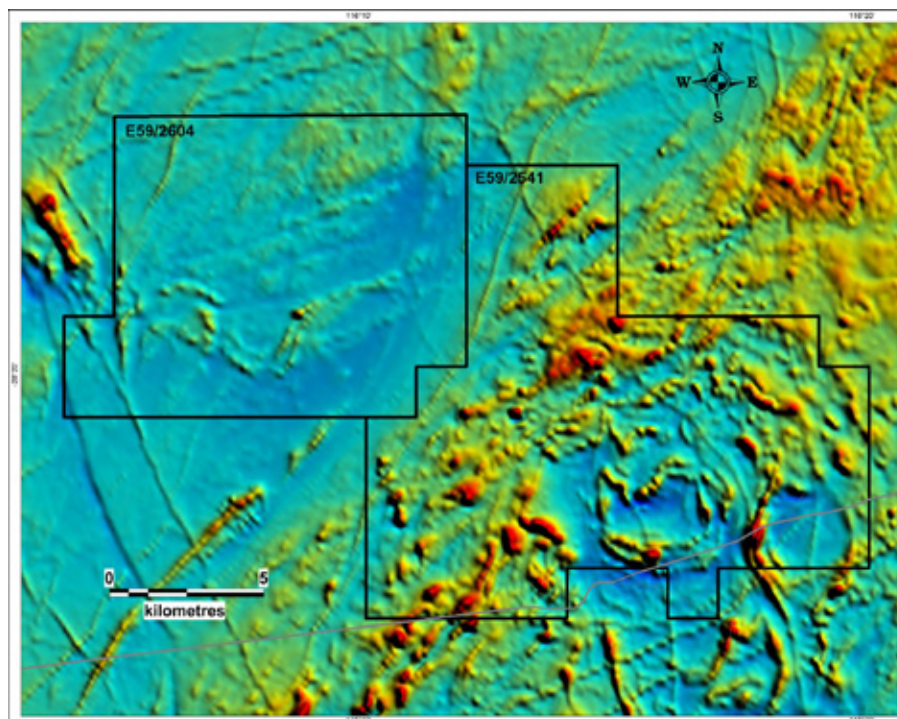


4.2. GEOLOGY

The Yalwest Project is located in an area that has been subject to no previous recorded exploration and little geological mapping. GSWA mapping has interpreted the bedrock geology as banded migmatite in the eastern portion largely surrounded porphyritic granite. The migmatite consists variously of thin schlieren of biotite and hornblende-rich material, layers of hornblende-bearing granodiorite, trondjemite, and tonalite and relics of metamorphosed BIF and mafic rocks. The migmatites are interpreted to have formed by absorption of metamorphic rocks by intrusive granitic material (Muhling and Low, 1977). The north-south trending Gullewa Greenstone Belt is located approximately 20 km to the east.

Whilst no previous exploration and no historical mineral occurrences have been recorded in the area, the Project displays an interesting and as yet unexplained circular aeromagnetic feature and a broadly east-west trending, arcuate, linear magnetic trend that is obscured by cover. These features may be a relict of parent metamorphic greenstone but insufficient data is available at this stage. The Company plans to further review and reprocess the available geophysical data and carry out initial ground reconnaissance. Following grant, only minimum statutory exploration expenditure on the Project is planned at this stage.

Figure 4.2 Aeromagnetic imagery of the Yalwest Project (source: Minerals 260)



5. DINGO ROCKS PROJECT

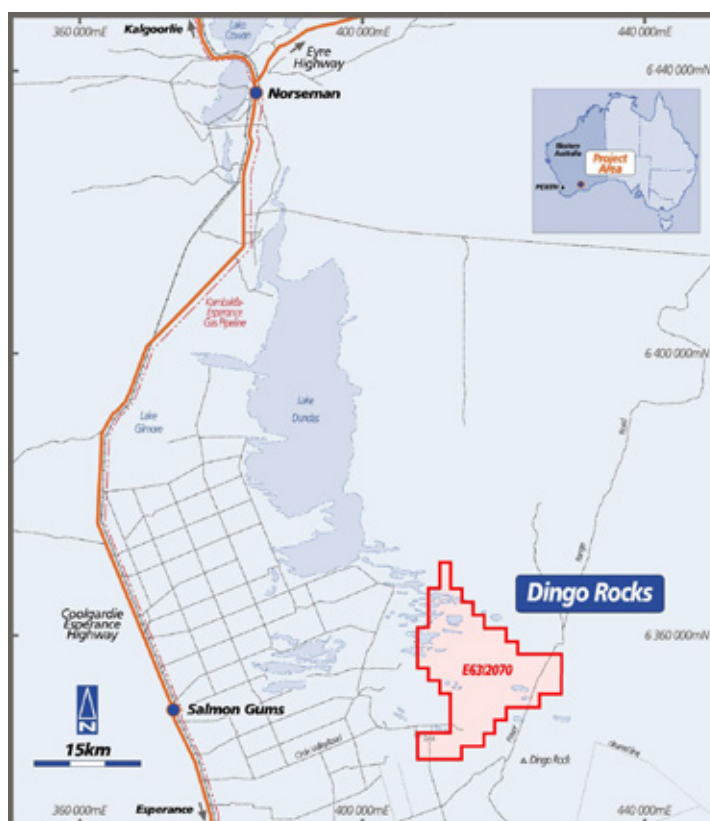
5.1. INTRODUCTION

The Dingo Rocks Project is a conceptual exploration target, within the Esperance region of Western Australia. The Project comprises a single Exploration Licence (E63/2070) covering an area of approximately 271 km² (94 graticular blocks). The Project is located 600 km east-southeast of Perth, 10 km north of Esperance and 45 km east of the small town of Salmon Gums. Access to the Dingo

Rocks Project is via the sealed Coolgardie-Esperance Highway and then via unsealed secondary roads (Figure 4.1). The Project is located to the east and outside of the Salmon Gums agricultural area and road access within the area limited.

The Project is within the Cowalinya 1:100,000 scale and the Norseman 1:250,000 scale GSWA mapping sheets.

Figure 5.1 Yalwest Project location (source: Minerals 260)



5.2. GEOLOGY

The Dingo Rocks Project is located proximal to the southeastern margin of the Eastern Goldfields Superterrane (EGS) of the Yilgarn Craton and the 1,700 to 1,200 Ma Albany-Fraser Orogen. Geological mapping of the region at 1:100 000 scale has been completed by GSWA, including the Norseman and adjacent Esperance sheets.

The area is underlain by strongly deformed Archaean granite, sedimentary and mafic rocks and Proterozoic metasedimentary rocks. The rocks within the EGS are interpreted to be a product of a variety of tectonic settings, including extensional basins, mantle plumes and volcanic arcs. The greenstone sequences have been intruded by numerous and voluminous granitic plutons.

The EGS is divided into terranes, and further into domains, on the basis of major faults that trend north-northwesterly. The terrane boundaries appear to be continental-scale faults along which accretion once took place. Three terranes have been defined within the EGS (Cassidy et al., 2006), which from west to east are referred to as the Kalgoorlie, Kurnalpi and Burtville Terranes (Figure 3.2). The project area appears to straddle the Kalgoorlie and Kurnalpi Terranes.

The Albany-Fraser Orogen is an arcuate orogenic belt that lies on the south and southeast margins of the Yilgarn Craton. The orogeny is thought to have been active during the Mesoproterozoic, with the rotation of the Mawson Craton onto the West Australian Craton, resulting in an initial stage of continental collision (c. 1,345 to 1,360 Ma), followed by intracratonic reactivation (c. 1,215 to 1,140 Ma).

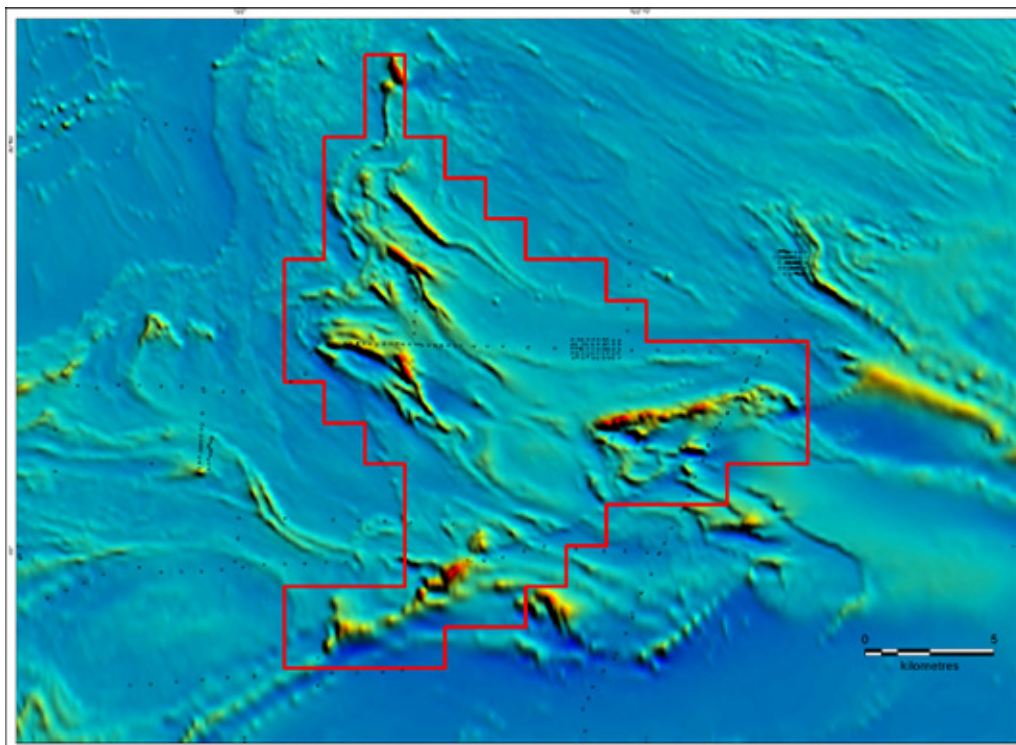
The Precambrian geology of the Project is largely concealed by Phanerozoic cover sediments including palaeochannels that can be up to about 100 m thick.

5.3. PREVIOUS EXPLORATION

A number of companies have held tenure over or adjacent to the project area. As the project licence has not yet been granted, Minerals 260 have not yet compiled all of the previous information into digital format. Previous exploration over the project area has included multiple geophysical programmes as well as auger sampling and aircore drilling over the central portion of the licence area and geophysical surveys.

In 2009, AngloGold Ashanti Australia (Anglogold) collected magnetic and radiometric data over a large area where multi-client data quality was poor including part of the project area. In 2011 and 2012, auger sampling was completed over part of the Project on a nominal 200 m by 1,000 m grid pattern. A discrete linear gold in calcrete anomaly (the Double Tank Prospect) of approximately 1 km by 2 km in dimension was identified to the northeast and outside of the project area. The anomaly was coincident with an apparent sinistral jog in the airborne magnetic imagery (Figure 5.2). Aircore drilling at the Double Tank Prospect was completed over two programmes but failed to identify any significant gold anomalism in basement saprolite material.

Figure 5.2 Aeromagnetic imagery of the Dingo Rocks Project (source: Minerals 260)



Regional aircore drilling completed by AngloGold also identified low level gold anomalism in two adjoining aircore holes in the central portion of the project area. This was interpreted to be at the interface between carbonaceous sediments and reduced saprolite material. The gold anomalism was considered to represent low-level transported gold migrating down into the saprolite and the licence was surrendered in 2013.

The Company plans to further review and reprocess the available geophysical and sampling data and carry out initial ground reconnaissance. Only minimum statutory exploration expenditure on the Project is planned at this stage.

6. WORK PROGRAMME

Minerals 260 has developed an exploration budget for its three project areas based on its minimum and maximum subscriptions of \$15 M and \$30 M which is summarised in Table 6.1 to

Table 6.3. The exploration budget is based on staged expenditure at all three projects with the remaining funds allocated on a priority basis.

The majority of the exploration budget is allotted to drilling the various drill-ready targets within the Moora and Koojan Project, most notably at the Mt Yule trend together with supportive geophysical, mapping and geochemical surveys. At this stage only the minimum statutory expenditure is planned on the Yalwest and Dingo Rocks Projects.

Optiro has reviewed the proposed two-year budget and it is considered appropriate and reasonable for the mineralisation styles within the Projects and the stage of exploration. The proposed exploration budget for the minimum raising exceeds the minimum required expenditure commitment for the Projects.

Table 6.1 Proposed work programme budget – Moora and Koojan Project (source: Minerals 260)

Item	Minimum raise (\$15 M)			Maximum raise (\$30 M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geochemistry, geophysics and mapping	639,205	88,650	727,855	808,465	169,520	977,985
Drilling and assaying	3,148,170	3,721,730	6,869,900	5,841,785	6,968,110	12,809,895
Metallurgical and scoping studies	-	369,370	369,370	-	369,370	369,370
Total	3,787,375	4,179,750	7,967,125	6,650,250	7,507,000	14,157,250

Table 6.2 Proposed work programme budget – Yalwest Project (source: Minerals 260)

Item	Minimum raise (\$15 M)			Maximum raise (\$30 M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geochemistry, geophysics and mapping	75,000	75,000	150,000	75,000	75,000	150,000
Drilling and assaying	-	-	-	-	-	-
Metallurgical and scoping studies	-	-	-	-	-	-
Total	75,000	75,000	150,000	75,000	75,000	150,000

Table 6.3 Proposed work programme budget – Dingo Rocks Project (source: Minerals 260)

Item	Minimum raise (\$15 M)			Maximum raise (\$30 M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geochemistry, geophysics and mapping	94,000	94,000	188,000	94,000	94,000	188,000
Drilling and assaying	-	-	-	-	-	-
Metallurgical and scoping studies	-	-	-	-	-	-
Total	94,000	94,000	188,000	94,000	94,000	188,000

7. DECLARATIONS BY OPTIRO

7.1. INDEPENDENCE

Optiro is an independent consulting organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects across a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN and JORC Codes and in compliance with ASIC Regulatory Guide 112. The author and reviewer do not hold any interest in Minerals 260, their associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report. Optiro will charge Minerals 260 fees of approximately A\$26,000 for the preparation of this report. Optiro has not had any material prior association with either Minerals 260 or the mineral assets being assessed.

7.2. QUALIFICATIONS

The principal person responsible for the preparation of this Report, and Competent Person, is Mr Jason Froud (Principal). This report was reviewed by Mrs Christine Standing (Principal). Both Mr Froud and Mrs Christine Standing are employed by Optiro.

Mr Jason Froud [BSc (Hons) Geology, Grad Dip (Fin Mkts), MAIG] is a geologist with over 25 years' experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Jason has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

Mrs Christine Standing [BSc (Hons) Geology, MSc (Min Econ), MAusIMM, MAIG] is a geologist with over 35 years' worldwide experience in the mining industry. She has six years' experience as an exploration geologist in Western Australia and over 30 years' experience as a consultant specialising in resource estimation, reconciliation, project management and statutory and Competent Persons' reporting on worldwide projects for a range of commodities. She has acted as a Qualified Person and Competent Person for gold, silver, copper, mineral sands, nickel, chromium, lithium and PGEs.

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- 16 April 2020. Initial phase of exploration completed at 100%-owned Moora Nickel Project, located north-east of Perth in Western Australia.
 - 13 May 2020. Strong gold, PGE, nickel and copper anomalism returned from initial fieldwork completed at 100%-owned Moora Project, WA.
 - 13 July 2020. Further outstanding gold, PGE and nickel results from 100%-owned Moora Project, WA.
 - 19 August 2020. Airborne electromagnetic survey commences at Liontown's 100%-owned Moora gold, PGE, nickel and copper project, WA.
 - 24 September 2020. Large, strong EM conductors identified at the Moora Project, WA
 - 8 December 2020. Maiden drilling program commences at Liontown's 100%-owned Moora Gold-PGE-Nickel-Copper Project, WA
 - 19 January 2021. Initial assays of up to 2.5% copper and 1.1g/t gold from maiden drilling program at 100%-owned Moora Project, WA.
 - 27 January 2021. Liontown expands strategic footprint in northern Julimar province with key farm-in deal adjacent to Moora Project.
 - 12 February 2021. Significant new assays from air-core drilling confirm emerging discovery potential at Moora Project, WA.
 - 2 March 2021. Outstanding intercept of 44m at 1.6g/t gold in first Reverse Circulation drill hole at the Moora Project, WA.
 - 13 April 2021. Drilling defines multiple bedrock zones with potential for a significant

discovery at the Moora Project, WA.

6 May 2020. High-order PGE* and gold results returned from initial field work at the Koojan JV Project, WA.

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9. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
abbreviations	Ft – foot, g/t – grams per tonne, Ga- billion years ago, ha – hectare, JV - joint venture, km – kilometre, km ² – square kilometre, m – metre, m ³ – cubic metres, M – million, Ma – million years ago, Mt – million tonnes, % - percentage, PGE – platinum group elements, ppm – parts per million, ppb – parts per billion, t – tonnes.
chemical elements	As – arsenic, Au – gold, Co – cobalt, Cu – copper, Ni - nickel, Pb – lead, Pd - palladium, Pt – platinum, Zn – zinc.
aircore drilling	A method that uses blades to bore a hole into unconsolidated ground. The rods are hollow and contain an inner tube which sits inside the hollow outer rod barrel. The drill cuttings are removed by injection of compressed air into the hole and brought back to the surface up the inner tube.
alteration	A change in mineralogical composition of a rock through reactions with hydrothermal fluids, temperature or pressure changes.
amphibole	A group of silicate minerals forming prism or needle like crystals generally containing ions of iron and/or magnesium in their structures.
amphibolite	A metamorphic rock that contains amphibole, especially hornblende and actinolite, as well as plagioclase.
Archaean	The second of four geologic eons of Earth's history, representing the time from 4,000 to 2,500 Ma.
banded iron formation (BIF)	Iron formation that shows banding, generally of iron-rich minerals and chert or fine-grained quartz.
basalt	A fine-grained igneous rock consisting mostly of plagioclase feldspar and pyroxene.
bedrock	The solid rock lying beneath superficial material such as gravel or soil.
Cambrian	First geological period of the Palaeozoic Era. The Cambrian lasted from 541 Ma to the beginning of the Ordovician Period at 485 Ma.
chert	A very fine-grained sedimentary rock composed of silica.
complex	A unit of rocks composed of rocks of two or three metamorphic, igneous or sedimentary rock types.
classification	A system for reporting Mineral Resources and Ore Reserves according to a number of accepted Codes.
cut-off grade	The grade that differentiates between mineralised material that is economic or not to mine.
felsic	Silicate minerals, magmas, and rocks which are enriched in the lighter elements such as silica, oxygen, aluminium, sodium, and potassium.
formation	A defined interval of strata, often comprising similar rock types.
gabbro	A mafic intrusive igneous rock formed from the slow cooling of magnesium- and iron-rich magma.
geophysical survey	A survey that measures the physical properties of rock formations, commonly magnetism, specific gravity, electrical conductivity and radioactivity.
gneiss	A common and widely distributed type of rock formed by high-grade regional metamorphic processes from pre-existing formations that were originally either igneous or sedimentary rocks. Gneissic rocks are coarsely foliated and largely recrystallised.
granite	A coarse grained intrusive felsic igneous rock.
granitoid	A common and widely occurring type of intrusive, felsic, igneous rock.
granodiorite	A silica rich intrusive igneous rock similar to granite but containing more plagioclase feldspar than orthoclase feldspar.
greenschist facies	Assemblage of minerals formed during regional metamorphism.
hornblende	An informal name for dark green to black amphiboles.
Indicated Mineral Resource	'An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.' (JORC 2012)
Inferred Mineral Resource	'An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.' (JORC 2012)
intercept	Mineralised intersection in a drill hole.
intrusive	A rock formed when magma cools slowly below the Earth's surface.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2012.
mafic	Silicate minerals, magmas, and volcanic and intrusive igneous rocks that have relatively high concentrations of the heavier and darker minerals.
Measured Mineral Resource	'A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic

Term	Explanation
	viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.' (JORC 2012)
metamorphism	Alteration of the minerals, texture and composition of a rock caused by exposure to heat, pressure and chemical actions.
metasedimentary	A sediment or sedimentary rock that shows evidence of having been subjected to metamorphism.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' (JORC 2012)
migmatite	A rock found in medium to high-grade metamorphic environments. It consists of two or more constituents often layered repetitively, reconstituted by partial melting.
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
monzodiorite	A coarse-grained igneous rock consisting of plagioclase feldspar, orthoclase feldspar, hornblende and biotite.
monzogranite	A granitoid rock composed mostly of quartz, alkali-feldspar and plagioclase.
orogen	A belt of the earth's crust involved in the formation of mountains.
Palaeoproterozoic	The first of the three sub-divisions (eras) of the Proterozoic occurring between 2500 Ma and 1600 Ma.
Palaeozoic	The earliest of three geologic eras of the Phanerozoic Eon lasting from 541 to 252 Ma
porphyry	A variety of igneous rock consisting of large grained crystals, such as feldspar or quartz, dispersed in a fine-grained feldspathic matrix or groundmass.
Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1,000 – 2,500 Ma.
pyrite	Iron disulphide, (FeS ₂).
quartz	Crystalline silica (SiO ₂).
rotary air blast (RAB) drilling	A cheap and quick drilling method using a rotating bit together with air pressure to produce rock chips for sampling. It is used at the exploration stage of project evaluation.
regolith	Loose unconsolidated rock that sits atop a layer of bedrock
reverse circulation drilling (RC)	Drilling method that uses compressed air and a hammer bit to produce rock chips.
sediments	Loose, unconsolidated deposit of debris that accumulates on the Earth's surface.
silicification	The process of bringing in silica into a non-siliceous rock.
schlieren	Irregular dark or light streaks in plutonic igneous rock of platy or blocky minerals, typically ferromagnesian minerals, often from either unmelted residue from xenoliths or mineral accumulations formed during magma flow.
stratigraphy	The study of stratified rocks, their timing, characteristics and correlations in different locations.
strike	Geological measurement – the direction of bearing of bedding or structure in the horizontal plane.
tonalite	An igneous plutonic rock of felsic composition where felsic minerals are composed mostly of quartz (20 to 60%), alkali-feldspar and plagioclase.
trondjemite	A leucocratic variety of tonalite in which the plagioclase is mostly in the form of oligoclase.
volcanic	An igneous rock of volcanic origin.
vein	A tabular or sheet like body of one or more minerals deposited in openings of fissures, joints, or faults.
weathering	The process by which rocks are broken down and decomposed by the action of wind, rain, changes in temperature, plants and bacteria.
ultramafic	Igneous rocks with very low silica content (less than 45%), generally >18% MgO, high FeO, low potassium and are composed of usually greater than 90% mafic minerals.
VALMIN Code	The Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition. The VALMIN Code provides a set of fundamental principles (Competence, Materiality and Transparency), mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of relevant Public Reports on any Technical Assessment or Valuation of Mineral Assets. It is a companion to the JORC Code.
volcaniclastic	Relating to or denoting a clastic rock which contains volcanic material.

Appendix A Poseidon - drill hole statistics at the Moora and Koojan Project

Hole ID	Local north (ft)	Local east (ft)	Depth (ft / m)	Azimuth	Dip	Significant intercepts (>0.4% nickel)			
						From (ft / m)	To (ft / m)	Interval (ft / m)	Nickel %
PH1	308N	1616W	130 / 39	150	-63				NSR
PH2	167N	1621W	120 / 36	352	-60				NSR
PH3	395S	840E	110 / 33	12	-63	20 / 6	25 / 7.5	5 / 1.5	0.42
PH4	290S	880E	90 / 27	201	-50	15 / 4.5	30 / 9	15 / 4.5	0.42
and						60 / 18	90 / 27	30 / 9	0.52
PH5	203S	763E	100 / 30	22	-63	0 / 0	30 / 9	30 / 9	0.62
PH6	95S	790E	65 / 20	202	-55	5 / 1.5	30 / 9	25 / 7.5	0.43
and						40 / 12	60 / 18	20 / 6	0.48
PH7	259S	882E	75 / 23	0	-90				NSR
PH8	90S	480E	50 / 15	0	-90	5 / 1.5	45 / 13.5	40 / 12	0.49
PH9	224S	20E	100 / 30	270	-65				NSR
PH10	225S	80W	90 / 27	90	-60				NSR
PH11	115S	1577W	80 / 24	340	-45				NSR
PH12	175S	774E	120 / 36	201	-45	1.5 / 0.5	40 / 12	38.5 / 11.5	0.6
PH13	321S	984E	120 / 36	201	-45				NSR
PH14	355S	1070E	110 / 33	201	-45				NSR
PH15	46S	706E	125 / 38	202	-45	5 / 1.5	60 / 18	55 / 16.5	0.48
PH16	148S	878E	110 / 33	202	-45	5 / 1.5	75 / 22.5	70 / 21	0.57

Note: Drilling completed by RAB methods.

NSR – no significant results.

Significant intercepts reported above 0.4% nickel for practical reporting reasons.

Drill hole locations are approximate due to the conversion from imperial units and Poseidon's use of local, unsurveyed grids.

Elevation (RL) is not recorded and is immaterial at this stage of exploration.

There is insufficient geological data to estimate true widths.

Appendix B Palladium Resources - Moora and Koojan Project rock chip samples

Sample ID	Easting	Northing	Cu ppm	Pb ppm	Zn ppm	As ppm	Ni ppm	Au g/t	Pt ppm	Pd ppm	Co ppm
918828	431980	6610778	12	5	95	22.5	1,480	1	3	0	94
918829	432215	6610468	788	9	1670	4.5	2,060	2	5	4	542
918830	432235	6610454	35	5	489	4.5	576	0	0	3	296
918831	432280	6610308	173	2	155	4.5	226	4	12	17	76
918832	432395	6610535	326	5	141	3.0	74	2	8	5	50
918833	432008	6610685	304	38	242	6.5	2,400	0	7	2	194
918834	432008	6610685	19	5	99	2.0	718	1	2	1	62
918835	435110	6614200	36	10	131	6.5	3,280	0	4	0	176
918836	435025	6614193	18	19	82	2.0	990	2	2	0	40
918837	434990	6614200	22	17	142	3.5	592	1	1	0	52
918838	434900	6613917	43	4	90	3.0	1,450	1	1	0	128
918839	434890	6613855	7	7	107	1.5	590	3	3	0	60
918840	434880	6613805	12	6	79	2.0	248	0	0	2	28
918841	434915	6613720	20	24	76	3.0	994	3	3	0	42
918842	434965	6613630	6	6	102	2.5	872	0	0	0	48
918843	439080	6613350	20	5	80	2.0	952	3	3	0	44
918844	439070	6613350	152	4	93	2.5	110	2	2	0	42
918845	439030	6613045	260	7	80	3.0	1,460	3	3	1	44
918846	439040	6612990	77	5	98	1.0	522	2	2	3	86
918847	439190	6612910	167	4	105	2.0	1,420	1	1	2	48
918848	438940	6613592	20	8	59	8.5	1,220	2	2	0	50
918849	438860	6613955	27	3	93	2.0	590	0	1	1	24
918850	438860	6613943	12	4	60	3.0	416	0	0	2	18

Note: Easting and Northing coordinates: UTM/GDA94 zone 50J.

Note: Sample WD036 exceeded >20% Pb on re-analysis (upper analysis limit)



Appendix C Palladium Resources - drill hole statistics at the Moora and Koojan Project

Hole ID	Easting	Northing	Depth	Azimuth	Dip	Significant intercepts (>0.4% nickel)				
						From	To	Interval	Copper ppm	Nickel ppm
BR1	432180	6611275	39	270	-60	6	8	2	260	2,325
BR2	432030	6610670	15	270	-60				NSR	NSR
BR3	432070	6610670	26	270	-60				NSR	NSR
BR4	432110	6610670	30	270	-60	0	4	4	757	1,150
BR5	432150	6610670	31	270	-60	16	20	4	564	1,710
BR6	432190	6610670	33	270	-60	4	12	8	408	1,620
BR7	432230	6610670	25	270	-60				NSR	NSR
BR8	432270	6610670	29	270	-60				NSR	NSR
BR9	432310	6610670	9	270	-60				NSR	NSR
BR10	432350	6610670	12	270	-60				NSR	NSR
BR11	432070	6610400	3	270	-60				NSR	NSR
BR12	432110	6610400	8	270	-60				NSR	NSR
BR13	432150	6610400	11	270	-60				NSR	NSR
BR14	432190	6610400	33	270	-60				NSR	NSR
BR15	432230	6610400	20	270	-60				NSR	NSR
BR16	432270	6610400	14	270	-60				NSR	NSR
BR17	432310	6610400	13	270	-60				NSR	NSR
BR18	432350	6610400	17	270	-60				NSR	NSR
BR19	432390	6610400	5	270	-60				NSR	NSR
BR20	432190	6611260	54	270	-60	8	20	12	288	2,763
BR21	432198	6611293	45	270	-60				NSR	NSR
BR22	432228	6611293	31	270	-60				NSR	NSR
BR23	432268	6611293	29	270	-60				NSR	NSR

Note: Drilling completed by RAB methods.
 Significant intercepts reported above 1,000 ppm nickel for practical reporting reasons.
 NSR – no significant results.
 Easting and Northing coordinates: UTM/GDA94 zone 50J.
 Elevation (RL) is not recorded and is immaterial at this stage of exploration.
 There is insufficient geological data to estimate true widths.

Appendix D Liantown - drill hole statistics at the Moora and Koojan Project

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)				
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %
MRAC0001	422900	6601150	-60	359	42	AC	NSR				
MRAC0002	422900	6601100	-60	359	52	AC	NSR				
MRAC0003	422900	6601050	-60	359	54	AC	NSR				
MRAC0004	422900	6601000	-60	359	16	AC	NSR				
MRAC0005	423250	6600850	-60	179	29	AC	20	24	4		0.10
MRAC0006	423250	6600900	-60	179	43	AC	NSR				
MRAC0007	423250	6600950	-60	179	34	AC	NSR				
MRAC0008	423250	6601000	-60	179	22	AC	NSR				
MRAC0009	423250	6601050	-60	179	32	AC	NSR				
MRAC0010	423450	6600750	-60	359	36	AC	24	36	12		0.13
MRAC0011	423450	6600700	-60	359	34	AC	24	34	10		0.23
MRAC0012	423450	6600650	-60	359	42	AC	1	2	1	0.29	
And							1	3	2	0.15	0.15
And							13	15	2	0.48	
And							18	19	1	0.05	0.12
And							21	22	1		0.13
And							20	23	3	1.25	
Incl.							22	23	1	2.43	
And							33	34	1	0.46	1.23
And							33	42	9		2.08
MRAC0013	423450	6600600	-60	359	44	AC	0	4	4		0.13

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0014	423450	6600550	-60	359	48	AC	NSR					
MRAC0015	423450	6600500	-60	359	41	AC	1	3	2	0.19		
MRAC0016	423450	6600450	-60	359	38	AC	28	32	4		0.13	
MRAC0017	423450	6600400	-60	359	61	AC	24	25	1		0.04	
And							26	27	1	0.77		
And							26	48	22		0.14	
MRAC0018	423850	6599550	-60	179	27	AC	7	15	8	0.27		
And							20	22	2	0.49	0.14	
MRAC0019	423850	6599600	-60	179	30	AC	NSR					
MRAC0020	423850	6599650	-60	179	24	AC	1	7	6	0.44		
And							12	19	7	0.15		
MRAC0021	423850	6599700	-60	179	20	AC	NSR					
MRAC0022	423850	6599750	-60	179	38	AC	NSR					
MRAC0023	424050	6600450	-60	359	48	AC	32	36	4	0.53	0.30	
And							40	44	4		0.13	
MRAC0024	424050	6600400	-60	359	61	AC	24	32	8		0.22	
And							52	55	3	0.18		
MRAC0025	424050	6600350	-60	359	67	AC	0	3	3	0.37		
And							8	10	2	0.32		
And							11	12	1	0.17		
And							15	28	13		0.14	
And							52	56	4		0.13	
And							60	64	4		0.27	
MRAC0026	424050	6600300	-60	359	66	AC	NSR					
MRAC0027	424050	6600250	-60	359	62	AC	NSR					
MRAC0028	424250	6600400	-60	179	63	AC	NSR					
MRAC0029	424250	6600450	-60	179	66	AC	2	3	1	0.22		
And							4	6	2	0.23		
MRAC0030	424250	6600500	-60	179	53	AC	0	4	4	0.32		
And							36	41	5	0.44		
And							41	43	2		0.17	
MRAC0031	424250	6600550	-60	179	63	AC	0	2	2	0.24		
And							6	7	1	0.13		
And							8	10	2	0.29		
MRAC0032	424250	6600600	-60	179	59	AC	NSR					
MRAC0033	424250	6600650	-60	179	54	AC	28	36	8		0.14	
MRAC0034	424250	6600700	-60	179	48	AC	NSR					
MRAC0035	424450	6600500	-60	359	52	AC	24	32	8		0.16	
And							41	44	3	0.31		
And							40	44	4		0.20	
MRAC0036	424450	6600450	-60	359	64	AC	NSR					
MRAC0037	424450	6600400	-60	359	80	AC	29	31	2	0.24		
And							36	52	16		0.25	
MRAC0038	424450	6600350	-60	359	71	AC	44	48	4	0.57		
And							36	50	14		0.33	
And							51	52	1	0.46		
And							68	70	2		0.27	
And							69	71	2	0.17		
MRAC0039	424450	6600300	-60	359	93	AC	42	43	1	0.44		
And							72	76	4		0.10	
MRAC0040	424450	6600250	-60	359	98	AC	NSR					
MRAC0041	424450	6600200	-60	359	100	AC	NSR					
MRAC0042	424450	6600150	-60	359	99	AC	NSR					
MRAC0043	424450	6599850	-60	179	72	AC	NSR					
MRAC0044	424450	6599900	-60	179	92	AC	NSR					
MRAC0045	424450	6599950	-60	179	92	AC	NSR					
MRAC0046	424450	6600000	-60	179	61	AC	NSR					
MRAC0047	425659	6599484	-60	359	56	AC	NSR					
MRAC0048	425650	6599450	-60	359	72	AC	NSR					
MRAC0049	425650	6599400	-60	359	71	AC	NSR					
MRAC0050	425650	6599350	-60	359	66	AC	NSR					
MRAC0051	425650	6599300	-60	359	62	AC	NSR					
MRAC0052	425650	6599250	-60	359	70	AC	NSR					
MRAC0053	425650	6599200	-60	359	41	AC	NSR					
MRAC0054	425650	6599150	-60	359	37	AC	NSR					
MRAC0055	425650	6599100	-60	359	44	AC	NSR					
MRAC0056	425660	6599063	-60	359	37	AC	NSR					



Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0057	425700	6599000	-60	359	36	AC	NSR					
MRAC0058	425700	6598950	-60	359	26	AC	NSR					
MRAC0059	425700	6598900	-60	359	40	AC	8	12	4		0.16	
MRAC0060	425700	6598850	-60	359	50	AC	28	32	4		0.11	
MRAC0061	425700	6598800	-60	359	34	AC	NSR					
MRAC0062	425720	6598755	-60	359	25	AC	NSR					
MRAC0063	425723	6598700	-60	359	39	AC	NSR					
MRAC0064	425717	6598650	-60	359	45	AC	NSR					
MRAC0065	425713	6598600	-60	359	35	AC	NSR					
MRAC0066	425700	6598550	-60	359	25	AC	NSR					
MRAC0067	425700	6598500	-60	359	38	AC	NSR					
MRAC0068	425700	6598450	-60	359	37	AC	20	28	8		0.13	
MRAC0069	425700	6598400	-60	359	51	AC	NSR					
MRAC0070	425700	6598350	-60	359	38	AC	28	32	4		0.14	
MRAC0071	425700	6598300	-60	359	39	AC	5	8	3	0.35		
And							16	17	1	0.54		
MRAC0072	425700	6598250	-60	359	37	AC	1	18	17	0.43		
And							22	23	1	0.76		
And							24	26	2	0.16		
And							30	37	7	0.22		
And							25	37	12		0.23	
MRAC0073	425700	6598200	-60	359	54	AC	32	40	8		0.12	
MRAC0074	425700	6598150	-60	359	50	AC	NSR					
MRAC0075	422650	6599800	-60	359	26	AC	NSR					
MRAC0076	422650	6599750	-60	359	33	AC	NSR					
MRAC0077	422650	6599700	-60	359	38	AC	NSR					
MRAC0078	422650	6599650	-60	359	17	AC	NSR					
MRAC0079	422650	6599600	-60	359	20	AC	NSR					
MRAC0080	422650	6599550	-60	359	17	AC	NSR					
MRAC0081	422650	6599500	-60	359	11	AC	NSR					
MRAC0082	422650	6599450	-60	359	25	AC	NSR					
MRAC0083	422466	6599751	-60	179	15	AC	NSR					
MRAC0084	422490	6599800	-60	179	40	AC	NSR					
MRAC0085	422529	6599850	-60	179	43	AC	NSR					
MRAC0086	422535	6599900	-60	179	31	AC	NSR					
MRAC0087	422395	6599950	-60	179	12	AC	NSR					
MRAC0088	422411	6600000	-60	179	7	AC	NSR					
MRAC0089	422320	6600030	-60	359	11	AC	NSR					
MRAC0090	422181	6600060	-60	359	75	AC	NSR					
MRAC0091	422050	6600000	-60	179	42	AC	1	2	1		0.12	
And							0	5	5	0.61		
And							6	7	1	0.48		
And							8	9	1	0.21		
And							13	16	3	0.19		
MRAC0092	422050	6600050	-60	179	32	AC	10	12	2		0.19	
And							2	13	11	1.49		
Incl.							4	9	5	2.68		
And							21	22	1	0.17		
And							23	26	3	0.13		
MRAC0093	422050	6600100	-60	179	31	AC	15	18	3	0.14		
And							19	20	1	0.17		
MRAC0094	422050	6599550	-60	179	78	AC	NSR					
MRAC0095	422050	6599600	-60	179	33	AC	NSR					
MRAC0096	422050	6599650	-60	179	30	AC	NSR					
MRAC0097	422050	6599700	-60	179	32	AC	2	3	1	0.18		
MRAC0098	422050	6599750	-60	179	27	AC	NSR					
MRAC0099	422050	6599800	-60	179	17	AC	1	4	3	0.19		
MRAC0100	422141	6599900	-60	359	23	AC	2	8	6	0.40		
MRAC0101	422161	6599850	-60	359	33	AC	NSR					
MRAC0102	422151	6599800	-60	359	22	AC	12	13	1	0.10		
MRAC0103	422250	6599721	-60	359	28	AC	NSR					
MRAC0104	422650	6601050	-60	179	36	AC	NSR					
MRAC0105	422650	6601100	-60	179	18	AC	NSR					
MRAC0106	422650	6601150	-60	179	34	AC	0	20	20		0.18	
MRAC0107	422650	6601200	-60	179	24	AC	NSR					
MRAC0108	426100	6598150	-60	89	29	AC	NSR					
MRAC0109	426050	6598150	-60	89	36	AC	NSR					

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0110	426000	6598150	-60	89	36	AC	NSR					
MRAC0111	425950	6598150	-60	89	47	AC	NSR					
MRAC0112	425900	6598150	-60	89	50	AC	NSR					
MRAC0113	425850	6598150	-60	89	68	AC	2	4	2	0.27		
MRAC0114	425800	6598150	-60	89	64	AC	51	52	1	0.17		
MRAC0115	425750	6598150	-60	89	31	AC	NSR					
MRAC0116	425950	6597750	-60	269	37	AC	NSR					
MRAC0117	426000	6597750	-60	269	50	AC	NSR					
MRAC0118	426050	6597750	-60	269	53	AC	NSR					
MRAC0119	426100	6597750	-60	269	39	AC	NSR					
MRAC0120	426442	6594354	-60	269	44	AC	NSR					
MRAC0121	426490	6594352	-60	269	49	AC	NSR					
MRAC0122	426550	6594353	-60	269	48	AC	NSR					
MRAC0123	426601	6594350	-60	269	60	AC	55	56	1		0.10	
MRAC0124	426651	6594350	-60	269	57	AC	NSR					
MRAC0125	426699	6594351	-60	269	63	AC	NSR					
MRAC0126	427055	6594352	-60	269	12	AC	NSR					
MRAC0127	427098	6594349	-60	269	9	AC	NSR					
MRAC0128	427149	6594352	-60	269	4	AC	NSR					
MRAC0129	427201	6594352	-60	269	3	AC	NSR					
MRAC0130	427248	6594351	-60	269	12	AC	NSR					
MRAC0131	427295	6594352	-60	269	12	AC	NSR					
MRAC0132	427498	6593253	-60	179	48	AC	NSR					
MRAC0133	427497	6593302	-60	179	62	AC	NSR					
MRAC0134	427498	6593349	-60	179	60	AC	NSR					
MRAC0135	427498	6593402	-60	179	52	AC	NSR					
MRAC0136	427643	6592700	-60	179	46	AC	NSR					
MRAC0137	427645	6592751	-60	179	57	AC	NSR					
MRAC0138	427644	6592800	-60	179	48	AC	NSR					
MRAC0139	427645	6592849	-60	179	12	AC	NSR					
MRAC0140	427648	6592897	-60	179	5	AC	NSR					
MRAC0141	427649	6592949	-60	179	18	AC	NSR					
MRAC0142	427650	6592999	-60	179	7	AC	NSR					
MRAC0143	427651	6593045	-60	179	4	AC	NSR					
MRAC0144	427652	6593098	-60	179	12	AC	NSR					
MRAC0145	428845	6592897	-60	179	53	AC	NSR					
MRAC0146	428848	6593204	-60	179	56	AC	NSR					
MRAC0147	428847	6593251	-60	179	58	AC	48	52	4		0.19	
MRAC0148	428846	6593302	-60	179	46	AC	NSR					
MRAC0149	428845	6593352	-60	179	48	AC	NSR					
MRAC0150	428844	6593399	-60	179	57	AC	NSR					
MRAC0151	428843	6593446	-60	179	58	AC	NSR					
MRAC0152	422052	6599678	-60	179	33	AC	NSR					
MRAC0153	422050	6599727	-60	179	32	AC	1	2	1	0.12		
MRAC0154	422050	6599826	-60	179	7	AC	NSR					
MRAC0155	422050	6599901	-60	179	21	AC	15	16	1	0.25		
MRAC0156	422050	6599852	-60	179	15	AC	NSR					
MRAC0157	422050	6599874	-60	179	23	AC	NSR					
MRAC0158	422048	6599927	-60	179	7	AC	NSR					
MRAC0159	422047	6599979	-60	179	18	AC	1	4	3	0.44		
MRAC0160	422048	6600027	-60	179	12	AC	5	6	1	0.24		
MRAC0161	422046	6600076	-60	179	12	AC	6	9	3	0.12		
And							11	12	1	0.12		
MRAC0162	422047	6600081	-60	179	31	AC	12	28	16	0.53		
MRAC0163	423349	6600555	-60	179	34	AC	20	28	8		0.17	
MRAC0164	423350	6600575	-60	179	56	AC	16	20	4		0.16	
And							20	24	4	0.27		
MRAC0165	423350	6600600	-60	179	44	AC	20	24	4		0.11	
MRAC0166	423350	6600625	-60	179	37	AC	NSR					
MRAC0167	423350	6600650	-60	179	37	AC	NSR					
MRAC0168	423350	6600675	-60	179	47	AC	0	8	8	0.24		
MRAC0169	423350	6600700	-60	179	47	AC	0	4	4	0.13		
MRAC0170	423350	6600725	-60	179	48	AC	0	4	4	0.16		
MRAC0171	423350	6600750	-60	179	34	AC	24	32	8		0.26	
MRAC0172	423350	6600775	-60	179	39	AC	28	32	4	0.16		
And							36	39	3	0.10		
MRAC0173	423350	6600800	-60	179	40	AC	NSR					



Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)				
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %
MRAC0174	423550	6600350	-60	179	28	AC	12	16	4	0.11	
MRAC0175	423550	6600375	-60	179	34	AC	NSR				
MRAC0176	423550	6600400	-60	179	41	AC	12	16	4	0.18	
And							16	24	8		0.22
And							28	32	4	0.11	
And							36	40	4		0.14
MRAC0177	423550	6600425	-60	179	29	AC	20	28	8	0.18	
And							12	29	17		0.27
MRAC0178	423550	6600450	-60	179	50	AC	28	32	4	0.10	
And							24	40	16		0.20
MRAC0179	423550	6600475	-60	179	27	AC	8	12	4		0.11
MRAC0180	423550	6600500	-60	179	45	AC	NSR				
MRAC0181	423550	6600525	-60	179	32	AC	NSR				
MRAC0182	423550	6600550	-60	179	25	AC	NSR				
MRAC0183	423550	6600575	-60	179	30	AC	NSR				
MRAC0184	423550	6600600	-60	179	47	AC	NSR				
MRAC0185	423550	6600625	-60	179	54	AC	NSR				
MRAC0186	423550	6600650	-60	179	43	AC	NSR				
MRAC0187	423550	6600675	-60	179	42	AC	NSR				
MRAC0188	423550	6600700	-60	179	31	AC	NSR				
MRAC0189	424050	6600600	-60	359	12	AC	NSR				
MRAC0190	424050	6600550	-60	359	18	AC	NSR				
MRAC0191	424050	6600500	-60	359	25	AC	NSR				
MRAC0192	424250	6600750	-60	179	44	AC	32	36	4	0.15	
MRAC0193	424250	6600800	-60	179	17	AC	NSR				
MRAC0194	424250	6600850	-60	179	43	AC	NSR				
MRAC0195	424450	6600650	-60	359	62	AC	24	28	4	0.18	
And							36	40	4	0.22	
MRAC0196	424450	6600600	-60	359	62	AC	32	40	8	0.20	
MRAC0197	424450	6600550	-60	359	63	AC	NSR				
MRAC0198	423850	6599500	-60	179	27	AC	NSR				
MRAC0199	423850	6599525	-60	179	14	AC	12	14	2	0.11	
MRAC0200	423850	6599575	-60	179	26	AC	NSR				
MRAC0201	423850	6599625	-60	179	20	AC	NSR				
MRAC0202	423850	6599675	-60	179	17	AC	NSR				
MRAC0203	423200	6599550	-60	359	30	AC	NSR				
MRAC0204	423200	6599500	-60	359	43	AC	NSR				
MRAC0205	423200	6599450	-60	359	36	AC	NSR				
MRAC0206	423200	6599400	-60	359	11	AC	NSR				
MRAC0207	423900	6599300	-60	359	43	AC	NSR				
MRAC0208	423900	6599250	-60	359	57	AC	NSR				
MRAC0209	423900	6599200	-60	359	65	AC	52	56	4	0.14	
And							64	65	1	0.11	
MRAC0210	423900	6599150	-60	359	69	AC	NSR				
MRAC0211	424750	6597150	-60	269	74	AC	40	44	4	0.12	
MRAC0212	424800	6597150	-60	269	63	AC	40	56	16	0.15	
MRAC0213	424848	6597149	-60	269	71	AC	NSR				
MRAC0214	424898	6597149	-60	269	69	AC	NSR				
MRAC0215	424949	6597149	-60	269	50	AC	NSR				
MRAC0216	425751	6595953	-60	89	37	AC	NSR				
MRAC0217	425704	6595949	-60	89	31	AC	NSR				
MRAC0218	425653	6595945	-60	89	26	AC	NSR				
MRAC0219	425603	6595953	-60	89	16	AC	NSR				
MRAC0220	425554	6595946	-60	89	12	AC	NSR				
MRAC0221	425501	6595948	-60	89	26	AC	NSR				
MRAC0222	425445	6595947	-60	89	22	AC	NSR				
MRAC0223	425398	6595948	-60	89	27	AC	NSR				
MRAC0224	424849	6595353	-60	269	18	AC	NSR				
MRAC0225	424899	6595351	-60	269	3	AC	NSR				
MRAC0226	424949	6595351	-60	269	4	AC	NSR				
MRAC0227	425000	6595351	-60	269	3	AC	NSR				
MRAC0228	425049	6595354	-60	269	18	AC	NSR				
MRAC0229	425098	6595353	-60	269	37	AC	NSR				
MRAC0230	424897	6595003	-60	269	81	AC	NSR				
MRAC0231	424948	6595002	-60	269	43	AC	NSR				
MRAC0232	425001	6595010	-60	269	51	AC	NSR				
MRAC0233	425050	6595004	-60	269	22	AC	NSR				

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0234	425100	6595003	-60	269	53	AC	NSR					
MRAC0235	424649	6594753	-60	269	48	AC	NSR					
MRAC0236	424699	6594752	-60	269	50	AC	NSR					
MRAC0237	424749	6594753	-60	269	40	AC	NSR					
MRAC0238	424799	6594751	-60	269	42	AC	NSR					
MRAC0239	424850	6594751	-60	269	44	AC	NSR					
MRAC0240	425268	6594752	-60	269	23	AC	NSR					
MRAC0241	425320	6594754	-60	269	9	AC	NSR					
MRAC0242	425368	6594753	-60	269	7	AC	NSR					
MRAC0243	429079	6592904	-60	179	24	AC	NSR					
MRAC0244	429077	6592952	-60	179	32	AC	NSR					
MRAC0245	429077	6593002	-60	179	38	AC	NSR					
MRAC0246	429079	6593052	-60	179	58	AC	NSR					
MRAC0247	429078	6593102	-60	179	54	AC	NSR					
MRAC0248	429081	6593137	-60	179	46	AC	24	28	4		0.15	
MRAC0249	429448	6592498	-60	179	58	AC	NSR					
MRAC0250	429448	6592548	-60	179	65	AC	NSR					
MRAC0251	429451	6592599	-60	179	42	AC	NSR					
MRAC0252	429450	6592653	-60	179	50	AC	NSR					
MRAC0253	429453	6592703	-60	179	43	AC	NSR					
And							16	32	16		0.19	
MRAC0254	429452	6592752	-60	179	17	AC	NSR					
MRAC0255	429453	6592799	-60	179	37	AC	NSR					
MRAC0256	435506	6613701	-60	89	8	AC	NSR					
MRAC0257	435446	6613718	-60	89	26	AC	NSR					
MRAC0258	435405	6613699	-60	89	23	AC	NSR					
MRAC0259	435356	6613695	-60	89	24	AC	NSR					
MRAC0260	435277	6613702	-60	89	24	AC	NSR					
MRAC0261	435247	6613697	-60	89	29	AC	NSR					
MRAC0262	435197	6613698	-60	89	29	AC	NSR					
MRAC0263	435147	6613697	-60	89	15	AC	NSR					
MRAC0264	435099	6613696	-60	89	30	AC	NSR					
MRRC0001	422190	6599839	-59	39	246	RC	7	8	1	0.27		
And							198	241	43	1.80		
Incl.							198	204	6	0.23		
Incl.							221	222	1		0.11	
Incl.							206	235	29	2.58		
Incl.							211	226	15	4.60		
Or							211	229	18	3.93		
Incl.							222	224	2	21.15		
Incl.							237	241	4	0.19		
MRRC0002	422355	6600014	-60	225	224	RC	NSR					
MRRC0003	422620	6599527	-59	353	102	RC	NSR					
MRRC0004	423456	6600628	-59	360	150	RC	0	24	24		0.11	
MRRC0005	423446	6600764	-60	180	117	RC	24	32	8		0.21	
MRRC0006	423448	6600425	-60	1	120	RC	NSR					
MRRC0007	423451	6600374	-59	0	120	RC	12	13	1	0.11		
And							14	15	1	0.10		
And							28	32	4		0.29	
And							36	40	4		0.11	
And							48	56	8	0.89		
Incl.							48	50	2	2.82	0.14	
MRRC0008	424047	6600425	-60	358	123	RC	20	22	2	0.26		
And							20	24	4		0.22	
And							27	28	1		0.12	
And							27	31	4	1.20		
And							34	36	2	3.64		
And							38	39	1	0.18		
And							60	64	4		0.11	
MRRC0009	424050	6600374	-60	356	123	RC	0	2	2	0.23		
And							10	12	2	0.84		
And							15	16	1	0.50		
And							10	19	9		0.23	
And							19	20	1	1.30		
And							32	34	2	0.61		
And							37	40	3	0.25		
And							41	48	7	1.03		



Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)				
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %
And							42	52	10		0.37
And							53	55	2	0.16	
And							82	83	1	0.40	
MRRC0010	424052	6600325	-60	360	117	RC	22	25	3	0.33	
And							26	27	1	0.19	
MRRC0011	424250	6600525	-60	178	117	RC	32	36	4		0.11
MRRC0012	424450	6600325	-60	359	117	RC	NSR				
MRRC0013	424450	6600475	-60	178	150	RC	70	71	1		0.14
And							70	72	2	0.39	
And							77	80	3	0.11	0.15
And							112	113	1		0.13
And							114	117	3	0.39	1.01
MRRC0014	424450	6600475	-60	358	120	RC	42	44	2	0.29	
And							60	62	2	0.81	0.31

Note: NSR – no significant results.

Significant intercepts reported above 0.1 g/t gold and 0.1% copper for practical reporting reasons.

Elevation (RL) is not presented and is immaterial at this stage of exploration.

There is insufficient geological data to estimate true widths.

Appendix E JORC Code Table 1 –Moora and Koojan Project

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
<p>Sampling techniques</p>	<p>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<ul style="list-style-type: none"> Liontown auger samples collected from 0.8 to 1 m depth with 200 to 500 g, -2 mm material collected for assay. Poseidon NL drilling used open hole techniques with sample collected from around the collar. Washington Resources samples comprised ferruginous duricrust collected on irregular spacing based on location of available sample media. Palladium Resources sampling techniques not documented. Entire sample is submitted for sample prep and assay. Liontown drill samples were collected by aircore and reverse circulation (RC) drilling techniques. <ul style="list-style-type: none"> Regular cleaning of cyclone was completed to remove hung-up clays and avoid cross-sample contamination. The samples were typically dry. Drill samples were collected by the metre from the drill rig cyclone. 4 m composite samples were collected via spear sampling of 1 m samples. 1 m splits were retained for future assaying if warranted. The entire sample was pulverised. Aqua regia analysis following 4 acid digest. Samples assayed at Bureau Veritas – Au (AR001), Pt, Pd (AR002), other elements MA101, 102 Au, As, Co, Pd and Pt by ICP-MS. Cr, Cu, Fe, Mg, Ni, S, Ti and Zn by ICP-OES.
<p>Drilling techniques</p>	<p>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</p>	<ul style="list-style-type: none"> Poseidon NL used open hole techniques with sample collected from around the collar. Drill rig was truck-mounted, Ingersoll Rand with 600 cfm compressor. Palladium Resources drilling techniques not documented other than as RAB drilling. Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> Aircore drilling using a standard 3.5" aircore drill bit. Reverse circulation (RC/5.5") with a face sampling hammer.
<p>Drill sample recovery</p>	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p>	<ul style="list-style-type: none"> Recoveries not recorded for historical drilling. Measures taken to maximise sample recovery and ensure representative nature of the samples not documented for



Criteria	JORC Code explanation	Commentary
<p>Logging</p>	<p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p>	<p>historical drilling.</p> <ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples not noted in historical reports.
	<p>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</p>	<ul style="list-style-type: none"> Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> Sample recoveries were visually estimated and recorded for each metre. Dry drilling and regular cleaning of sampling material. No relationship between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material was noted. Mineral resource estimates, mining studies and metallurgical studies not considered by previous explorers. Historic logging appears quantitative although sparsely documented. Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> All drill holes were logged on 1 m intervals and the following observations recorded: <ul style="list-style-type: none"> Recovery, quality (i.e., degree of contamination), wet/dry, hardness, colour, grain size, texture, oxidation, mineralogy, lithology, structure type and intensity, vein type and %, sulphide type and % and alteration assemblage. Logging is quantitative, based on visual field estimates. All holes were logged from start to finish.
<p>Sub-sampling techniques and sample preparation</p>	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p>	<ul style="list-style-type: none"> No core drilling has been completed. Historical Poseidon samples were collected from around drill collar with both dry and wet material collected.
	<p>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<ul style="list-style-type: none"> internationally recognised laboratories. This includes oven drying, jaw crushing and pulverising so that 85% passes -75 µm. The nature, quality and appropriateness of the sample preparation technique were not documented for historical Poseidon or Palladium Resources drill holes. Routine review of laboratory standards was completed for Liontown samples. Auger sampling completed on regular 400 by 400 m grid to ensure representative sampling of area being assessed. Entire sample submitted for assay for auger sampling. Sample size (200 to 500 g) accepted as general industry standard. Sample size was not documented for historical exploration. Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> Non-core samples are collected as 1 m samples and then composited by tube/spear sampling. Samples were typically dry. Sample preparation follows standard industry practice and is conducted by internationally recognised laboratories; i.e. Oven drying, jaw crushing and pulverising so that 85% passes -75µmicrons.

Criteria	JORC Code explanation	Commentary
<p>Quality of assay data and laboratory tests</p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<ul style="list-style-type: none"> ○ Duplicates, standards and blanks inserted approximately every 25 samples. ○ Review of lab standards. ○ Measures taken for drill samples include: <ul style="list-style-type: none"> ○ Regular cleaning of cyclones and sampling equipment to prevent contamination. ○ Statistical comparison of duplicate, standards and blanks. ○ Statistical comparison of anomalous composite assays versus average of follow up 1 m assays. ● Assay and laboratory procedures for Liointown samples were selected following a review of techniques provided by internationally certified laboratories. ● Liointown samples were submitted for multi-element analyses by Bureau Veritas aqua-regia techniques following mixed-acid digest. ● Poseidon drill samples were assayed by AAS following digestion by perchloric acid at 180°C. ● Washington Resources laterite samples assayed by ICP+MS. ● The assay techniques used are total analysis. ● Tools, spectrometers, handheld XRF instruments and the like have not been used. ● No QC protocols adopted at this stage due to early nature of exploration. ● Laboratory standards are routinely checked for accuracy and precision. ● Liointown aircore and RC drilling comprised: <ul style="list-style-type: none"> ○ Assay and laboratory procedures were selected following a review of techniques provided by internationally certified laboratories. ○ Samples were submitted for multi-element analyses by Bureau Veritas aqua-regia techniques following mixed-acid digest. ○ The assay techniques used are total. ○ Tools, spectrometers, handheld XRF instruments and the like have not been used. ○ Regular insertion of blanks, standards and duplicates every 25 samples. ○ Laboratory standards checked for accuracy and precision.
<p>Verification of sampling and assaying</p>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<ul style="list-style-type: none"> ● The verification of significant intersections by either independent or alternative company personnel has not been undertaken. ● Twinned holes have not been used. ● All field data is manually collected, entered into excel spreadsheets, validated and loaded into an Access database. ● Historic data extracted from Annual Technical Reports submitted to Mines Department and loaded into Access Database where reliable location data is provided. ● Electronic data is stored on a Perth based server. Data is exported from Access for processing by a number of different software packages. ● All electronic data is routinely backed up. ● No hard copy data is retained. ● No assay adjustments have been made.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • Liontown aircore and RC drilling included: <ul style="list-style-type: none"> ○ Intersections peer reviewed in house. ○ No twin holes drilled. ○ All field data is manually collected, entered into excel spreadsheets, validated and loaded into an Access database. ○ Electronic data is stored on the Perth server. Data is exported from Access for processing by a number of different software packages. ○ All electronic data is routinely backed up. ○ No hard copy data is retained.
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p>	<ul style="list-style-type: none"> • All samples collected since 1999 are located using a handheld GPS. • Poseidon NL drill holes located on local, imperial grids. • The grid system used (since 1999) is GDA94 Zone 50. • Nominal RLS based on regional topographic datasets are used initially; however, these will be updated if DGPS coordinates are collected.
Data spacing and distribution	<p><i>Quality and adequacy of topographic control.</i></p> <p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<ul style="list-style-type: none"> • Liontown auger samples were collected on 400 by 400 m grid. • Poseidon drill holes spaced according to location of surface anomalism. • Historic surface samples were collected on irregular spacings based on availability of suitable sample media. • Mineral Resource estimates are not being prepared at this stage and the data available is generally not suitable for resource estimation. • No sample compositing has been undertaken. • Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> ○ Drilling spacing was variable – first pass testing of geochemical anomalies. See diagrams in report. ○ Drill samples composited to 4 m composites from 1 m intervals. 1 m samples were submitted for assay where composites >0.25g/t gold and/or 0.25% copper. ○ Drilling was typically oriented perpendicular to the interpreted strike of geology interpreted from regional geophysics. ○ No bias is envisaged.
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<ul style="list-style-type: none"> • Not known at this stage of exploration. • Drilling was typically oriented perpendicular to the interpreted strike of geology interpreted from regional geophysics. • No bias is envisaged. • At this early stage of exploration, data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource.

Criteria	JORC Code explanation	Commentary
Sample security	The measures taken to ensure sample security.	<ul style="list-style-type: none"> Not recorded for previous exploration. Senior Lioontown personnel supervised all sampling and transport to assay laboratory in Perth.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	<ul style="list-style-type: none"> None completed at this stage.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, Native Title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<ul style="list-style-type: none"> The Moora Project comprises three granted exploration licences (E70/5217, E70/5286 and E70/5287). The tenement package forms a contiguous, 466 km² area located 140 km north northeast of Perth, Western Australia. All ELs are held by ERL (Aust) Pty Ltd, a wholly owned subsidiary of Minerals 260 Ltd. Lioontown has agreed to pay Armada Exploration Services: <ul style="list-style-type: none"> \$1,000,000 cash a 0.5% NSR. if it discovers an economic mineral deposit (and makes a decision to mine) within the above tenements or any subsequent tenements acquired within an Area of Influence around the current tenements. Furthermore, Minerals 260 has the right to earn a 51% interest in the adjacent Koojan Project from ASX-listed Lachlan Star Limited (Lachlan Star). To acquire the 51% interest in the Koojan Project, Lioontown (now Minerals 260) is required to spend a total of A\$4 M on exploration within 5 years with a minimum expenditure commitment of A\$500,000 before having the right to withdraw. The Koojan Project comprises six granted Exploration Licences covering 202 graticular blocks or approximately 597 km² and one Prospecting Licence application covering 1.71 km². The Moora Project is largely underlain by freehold properties used for broad acre cropping and livestock rearing. Lioontown negotiated access agreements over five of the larger properties which cover the main geophysical anomalies and is in discussions with other landowners. Lioontown has signed a Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Council who act on behalf of the Yued Agreement Group. All tenements are in good standing.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<ul style="list-style-type: none"> Previous exploration for magmatic Ni-Cu-PGE sulphide mineralisation has been carried out over the central part of the Moora Project area by Poseidon NL (1968), Palladium Resources (1999 to 2001) and Washington Resources (2004 to 2009). This work included geophysical surveys, surface geochemistry and shallow drilling. Anomalous Ni+Cu+PGE+Au was defined within the shallow, weathered regolith. There has been no prior drill testing of the primary, unoxidised bedrock.
Geology	Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none"> The Moora Project area is located within the >3Ga age Western Gneiss Terrain of the Archaean Yilgarn Craton of southwest Western Australia. The prospective mafic/ultramafic bodies lie within the highly deformed jimpending Metamorphic Belt which locally comprises high grade metamorphic rocks of quartz feldspar composition with some amphibolite schist and minor

Criteria	JORC Code explanation	Commentary
Drillhole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</p> <ul style="list-style-type: none"> • easting and northing of the drillhole collar • elevation or RL (elevation above sea level in metres) of the drillhole collar • dip and azimuth of the hole • down hole length and interception depth hole length. 	<p>banded iron formation. The Belt is up to 70 km wide and bounded to the west by the Darling Fault (and Perth Basin) and to the east by younger Archaean rocks. Regionally the geological trend is northwesterly with moderate to steep north-easterly dips.</p> <ul style="list-style-type: none"> • North-northeast and north-northwest trending, Proterozoic dolerite dykes also intrude the geological sequence. • Outcrops are rare and bedrock geology is largely obscured by lateritic duricrust and deep saprolitic weathering. The clearing of farmland and related agricultural practices have further contributed to the masking of the bedrock. • The intrusive mafic/ultramafic units are interpreted to form concordant, layered igneous complexes at least 50 m thick. The true dimensions are difficult to determine due to the limited outcrop. • Detailed in the main report and Appendices above. RIs are not reported but are immaterial at this stage of exploration.
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<ul style="list-style-type: none"> • Reported intercepts have been calculated using lower cut of 0.4% nickel for practical reporting purposes. No top cuts used to date. • Internal waste (i.e., <cut off) is limited to single samples between mineralised samples that exceed cut off grades. • Metal equivalents are not reported.
Relationship between mineralisation widths and intercept lengths	<p>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this</p>	<ul style="list-style-type: none"> • The relationship between true widths and the width of mineralised zones intersected in historic drilling has not yet been determined due to lack of structural data.

Criteria	JORC Code explanation	Commentary
	effect (e.g. 'down hole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	<ul style="list-style-type: none"> Included in the main report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	<ul style="list-style-type: none"> Results for all sampling are listed in the Appendices.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<ul style="list-style-type: none"> All material information is reported.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	<ul style="list-style-type: none"> Review of results and data for recently completed exploration. Planning of follow-up exploration. Ongoing access negotiations with landowners.



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