



Minerals 260 launches \$6.7m exploration program at the Moora and Koojan Projects in WA's Julimar region

HIGHLIGHTS

CORPORATE

- Minerals 260 Limited (ASX:MI6) listed on the ASX on 12th October following an oversubscribed IPO raising of \$30M.
- The Company was formed to hold and advance exploration on the non-lithium assets of Liontown Resources Limited (ASX:LTR) in Western Australia.
- Exploration portfolio includes a large (~1,000km²), contiguous land position in the Julimar Mineral Province of SW Western Australia.
- Board strengthened by the appointment of highly regarded business executive and lawyer, Ms Emma Scotney, as a non-executive Director.

MOORA GOLD-NICKEL-COPPER-PGE* PROJECT (Western Australia: 100%)

- Minerals 260's inaugural drilling program commenced at the Angepena prospect to follow up previous intersections which included:
 - MRRC0001 **43m @ 1.8g/t gold from 198m including 18m @ 3.9g/t gold from 211m and 2m @ 21.2g/t gold from 222m;** and
 - MRAC0092 **11m @ 1.5g/t gold from 2m including 5m @ 2.7g/t from 4m.**
- Geological logging records strong mineral alteration and zones of significant sulphide mineralisation, coincident with interpreted extensions of the previously reported intersections.
- Diamond core and Reverse Circulation (RC) drilling continuing.
- In addition to further drilling, other exploration planned for the Project (and adjacent Koojan JV) for the next 3-6 months includes detailed aeromagnetics, ground-based gravity, Electromagnetics (EM), Induced Polarisation (IP) and first-pass/in-fill geochemical sampling.

KOOJAN GOLD-NICKEL-COPPER-PGE* JV PROJECT (Western Australia: right to earn 51%)

- Adjoins the western boundary of the Moora Project and is considered prospective for same styles of mineralisation.
- Multiple geochemical anomalies to be assessed by EM and IP surveys prior to drill testing.

* PGE – Platinum Group Elements



Drill rig at Moora

INVESTMENT HIGHLIGHTS

- One of the largest land positions in the emerging Julimar Mineral Province.
- Early work at Moora has recorded strong drill results, validating exploration concepts.
- Exploration portfolio largely unexplored with significant upside potential.
- Well-funded to ensure exploration programs can be accelerated when warranted.
- Highly credentialled Board and management with track record of commercial discoveries.



Chalcopyrite-pyrrhotite rich drill core from Angepena prospect at Moora

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1. Moora Gold-Nickel-Copper-PGE Project, WA (Minerals 260: 100%)

The Moora Project is located in the Julimar Mineral Province of south-west Western Australia, approximately 150km north-east of Perth (**Figure 1**), and comprises wholly-owned tenure considered prospective for precious and battery-related metals. Initial exploration, which included geochemical, geophysical and drilling programs, has defined multiple zones of bedrock mineralisation confirming the potential for an economic discovery.

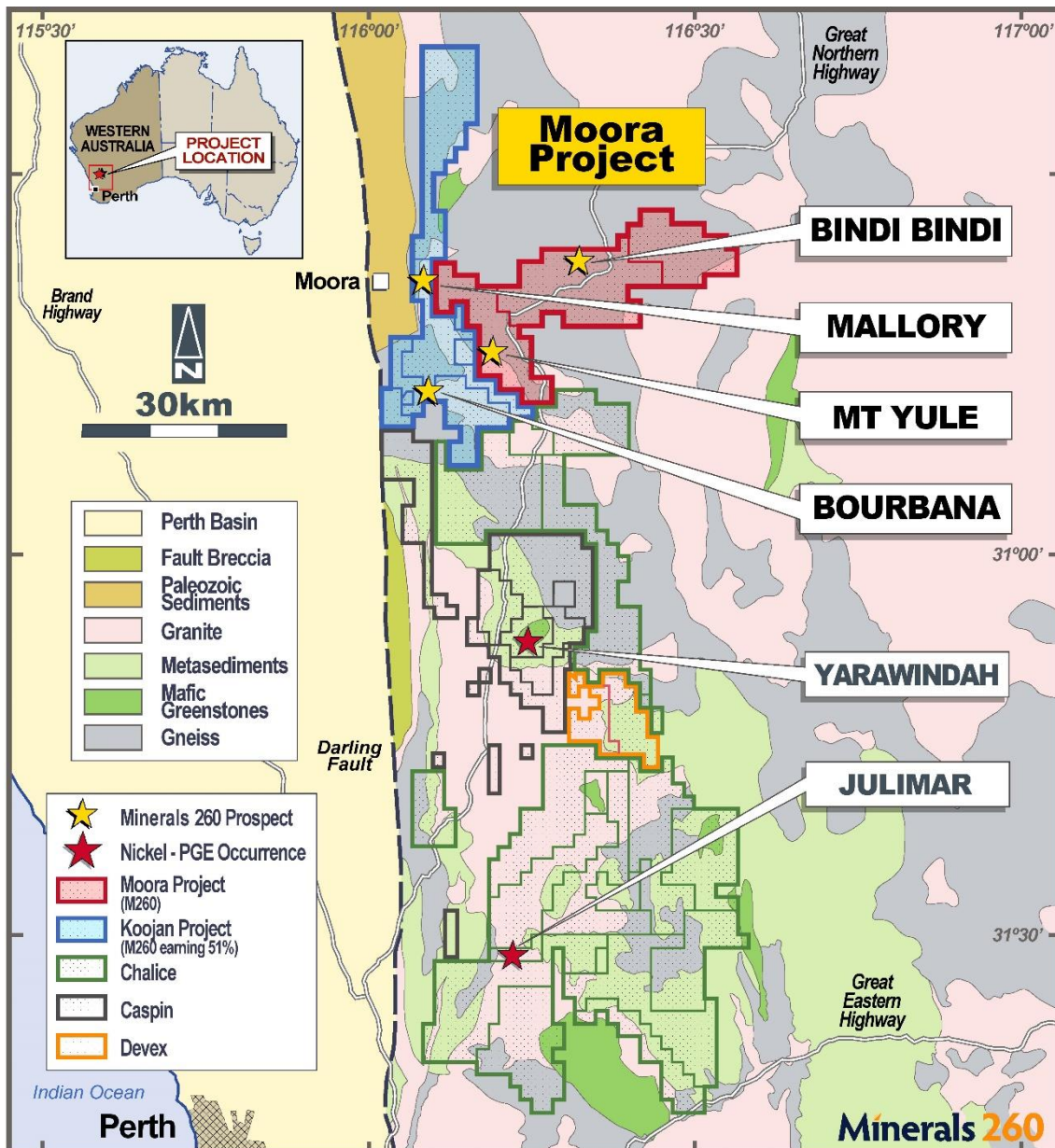


Figure 1: Moora and Koojan Projects – Location and Regional Geology.

Minerals 260's inaugural drilling program commenced at the Moora Project during the Quarter with seven diamond core holes drilled for a total of 1,434m and 10 Reverse Circulation (RC) holes drilled for 1,550m. The drilling program is designed to follow up intersections from the Angepena prospect (Figure 2) reported in 2021 when the Project was under the ownership of Liontown Resources. Better results from this previous drilling included:

- MRRC0001 43m @ 1.8g/t gold from 198m including:
- 18m @ 3.9 g/t gold from 211m and 2m @ 21.2g/t gold from 222m; and
- MRAC0092 11m @ 1.5g/t gold from 2m including 5m @ 2.7g/t from 4m.

Assays from the drilling are expected in late January 2022; however, geological logging and portable XRF data indicate that the previously reported gold intersections may be related to two different styles of mineralisation:

- Bleached, carbonate-altered zones coincident with anomalous arsenic (>500ppm); and/or
- Zones of disseminated, veinlet and matrix pyrrhotite+chalcopyrite+arsenopyrite+pyrite.

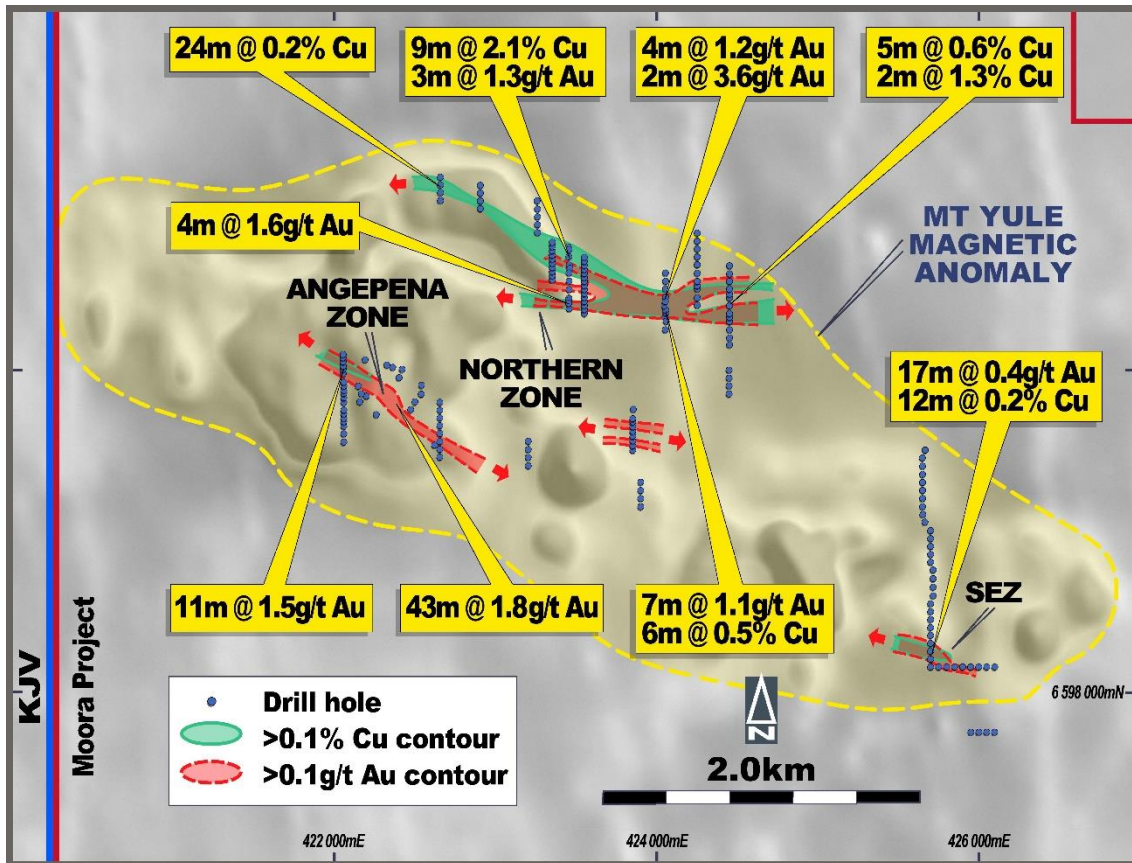


Figure 2: Image showing Mt Yule magnetic anomaly and coincident mineralised zones.

A review of structural data will be completed to determine true widths and the relationship between the two different styles of mineralisation. The Company will also undertake litho-geochemical and petrological analyses to determine whether the sulphide mineralisation observed is magmatic in origin.

A further 3-4 diamond core holes totalling ~1,000m and 12-15 RC holes totalling 2,250m are planned at Angepena with the program scheduled for completion in late January 2022.

RC drilling comprising 5-6 holes and ~1,000m is also planned to test other targets spatially associated with the Mt Yule magnetic anomaly, including the Northern and SEZ zones (**Figure 2**).

Other exploration activities planned for the coming six months at Moora and the adjacent Koojan JV Project (see next section) include:

- An 11,000-line kilometre, detailed aeromagnetic survey;
- A 400m x 400m ground gravity survey comprising ~3,000 survey points;
- 35-line kilometres of Moving Loop Electro-Magnetics (MLEM);
- 40km² of gradient array Induced Polarisation (IP);
- Additional geochemical sampling (~6,800 samples); and
- Follow-up air-core (~6,000m), RC (~15,000m) and diamond core (~2,000m) drilling.

The exploration work will be staged with programs modified and updated subject to results.

A total of ~\$6.7 million is budgeted for the Moora and Koojan Projects for the first 12 months of exploration activities post-listing (as outlined in the Company's IPO Prospectus).

2. Koojan Gold-Nickel-Copper-PGE Project, WA (Minerals 260: earning up to 51%)

The Koojan Project adjoins the western boundary of the Moora Project (**Figures 1 and 3**) and is considered prospective for mafic/ultramafic intrusion-hosted Au-PGE-Ni-Cu mineralisation similar to that being targeted at Moora. Minerals 260 is in joint venture with Lachlan Star Limited (ASX: LSA) and has the right to earn up to 51% equity in the Project.

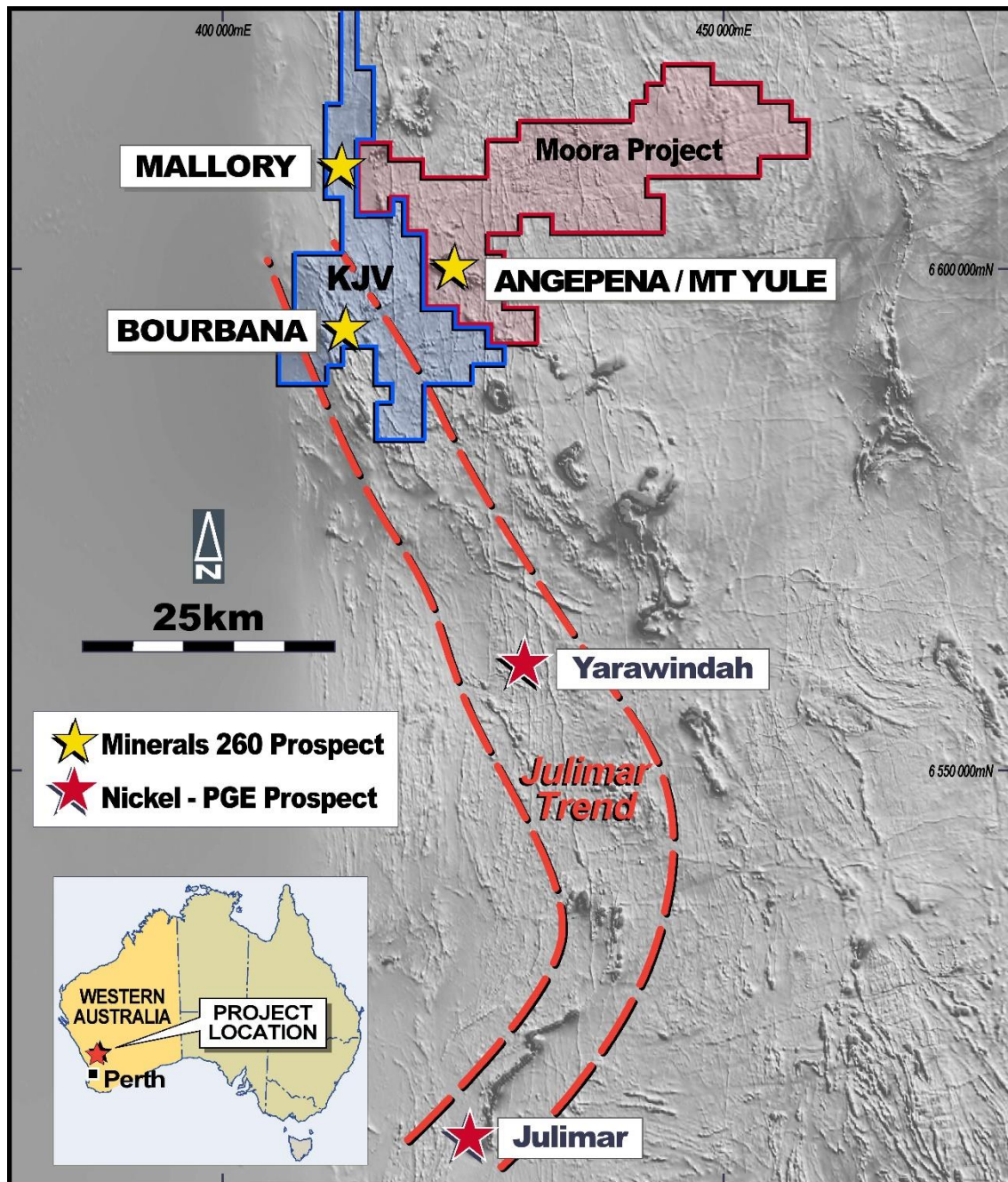


Figure 3: Regional, grey scale magnetic image showing interpreted Julimar Trend.

The Koojan JV is interpreted to contain the northern extension of several prospective trends including the adjacent Mt Yule prospect and the stratigraphy which hosts the Julimar PGE-nickel-copper discovery, approximately 90km to the south (**Figure 3**).

Prior to the demerger of Minerals 260, Liontown completed two phases of geochemical sampling including:

- An initial phase of first-pass sampling totaling 2,214 samples; and
- A second phase of in-fill and extensional sampling totaling 1,649 samples.

Several significant geochemical anomalies have been defined with the highest priority targets being the Mallory and Bourbana prospects (**Figure 4**).

The **Mallory PGE-gold anomaly** has been defined over a strike length of 2km with PGE values >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** is an 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 iron-rich mafic units.

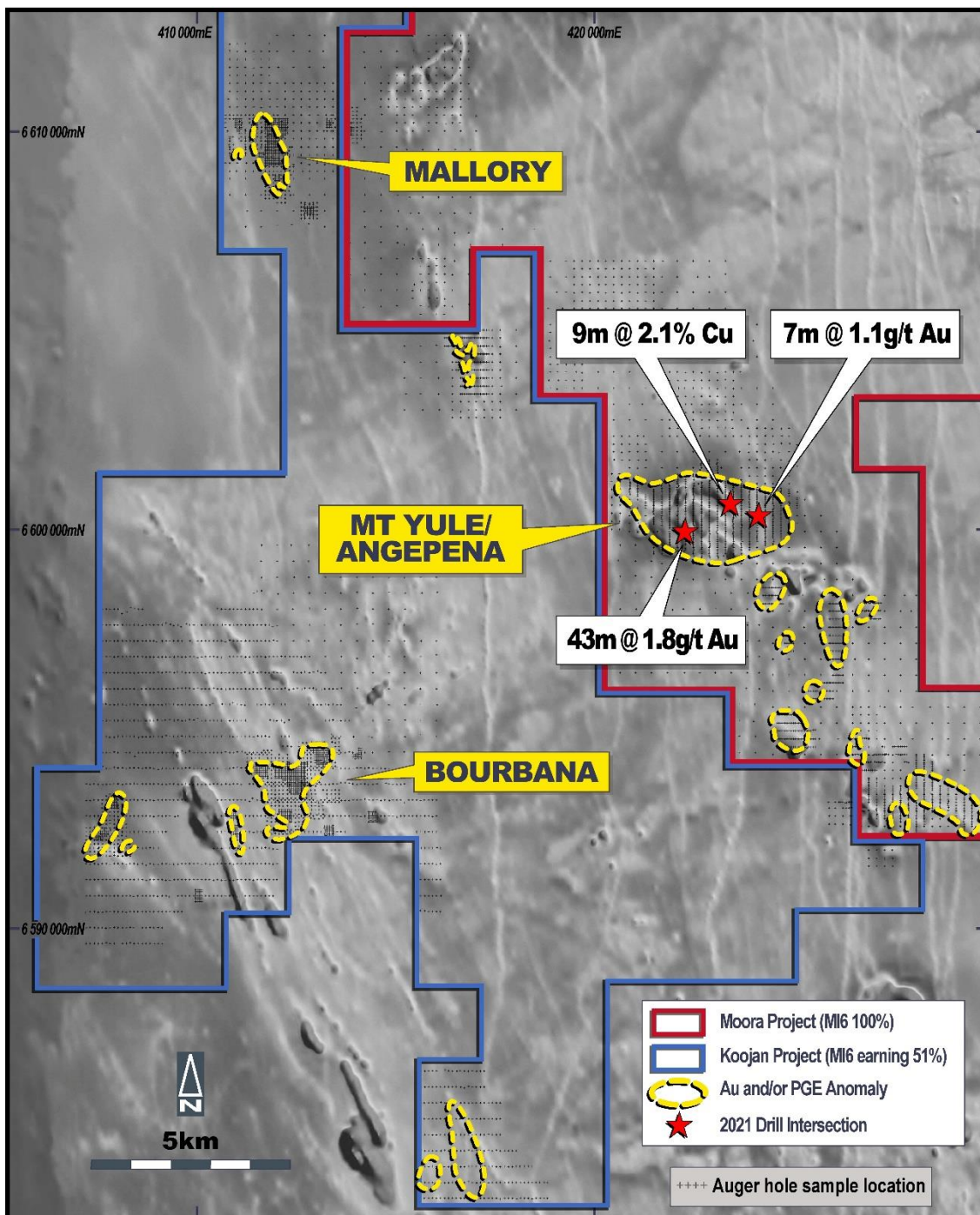


Figure 4: Koojan JV and Moora Projects: Aeromagnetic image (grey scale) showing geochemical anomalies.

A number of other geochemically anomalous areas have also been defined (**Figure 4**) which warrant further investigation.

The Koojan JV Project will be advanced simultaneously with the Moora Project, with future exploration to comprise the same activities as outlined in the above section.

3. Dingo Rocks Project, WA (Minerals 260: 100%)

The Dingo Rocks Project is in SE Western Australia, approximately 600km south-east of Perth and 100km south of Norseman (**Figure 5**), proximal to the southern margin of Eastern Goldfields Superterrane of the Archaean Yilgarn Block. Previous geochemical exploration has been largely ineffective due to transported cover; however, regional aeromagnetic data indicate the potential for mafic-ultramafic intrusions that may be prospective for Ni-Cu-PGE mineralisation.

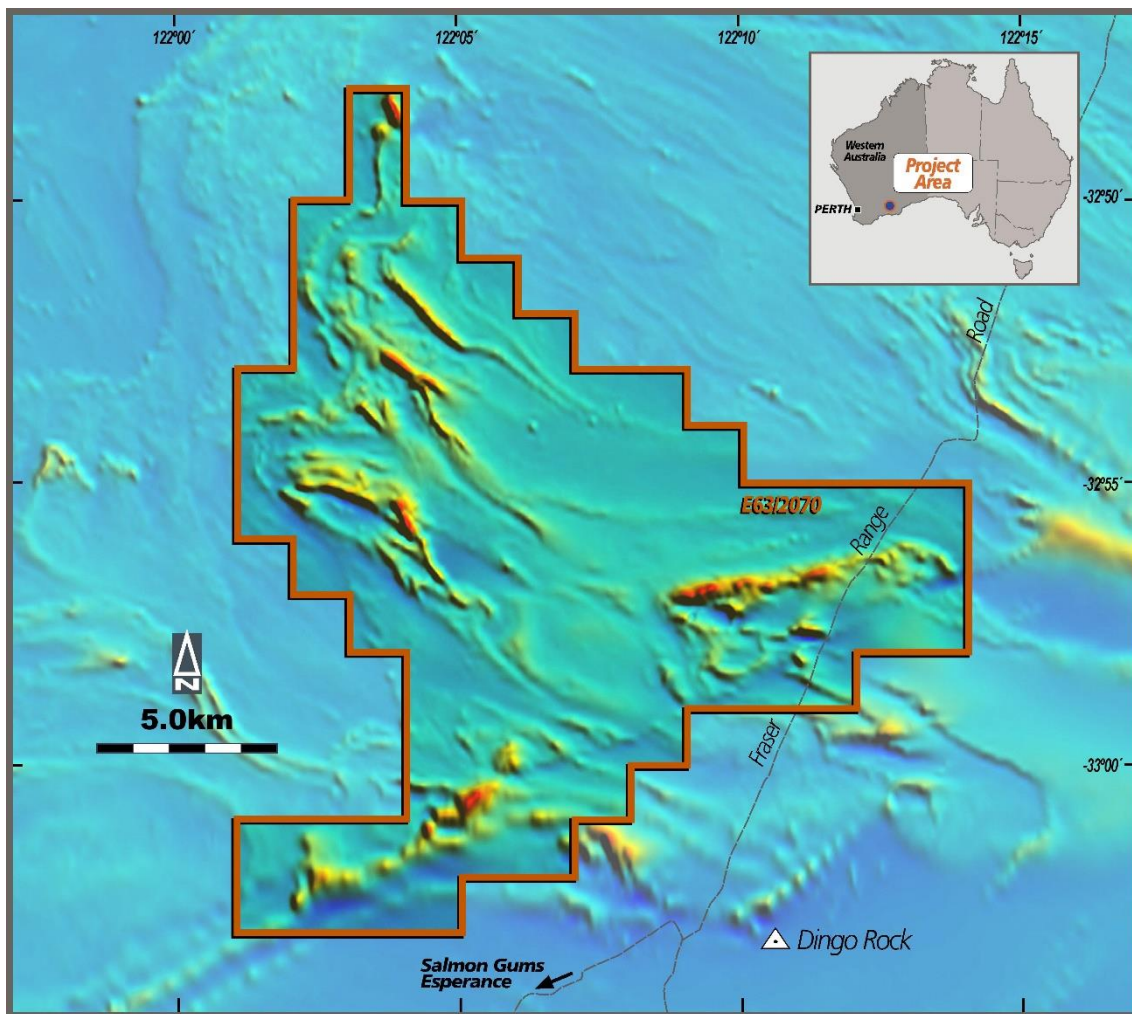


Figure 5: Dingo Rocks Project: Image showing aeromagnetic anomalies.

A 400 x 400m, ground gravity survey comprising ~1,600 stations, was completed across the Dingo Rocks Project during the Quarter.

Preliminary imaging indicates some clear gravity anomalies which coincide with magnetic features that could represent prospective intrusions. Modelling of the data is in progress with results to be used to plan follow-up geophysics and ultimately drill testing.

4. Yalwest Project, WA (Minerals 260: 100%)

The Yalwest Project comprises two adjoining Exploration Licence applications located ~400km north of Perth (**Figure 6**) in the Murchison Gold Province of the Archaean Yilgarn Block. The applications were acquired to secure unexplained magnetic features that have not been assessed by modern exploration.

Regional aeromagnetic data show that the Yalwest Project is underlain by an unexplained, circular feature in the east and a broadly east-west trending, arcuate, linear trend in the west that are obscured by cover (**Figure 6**).

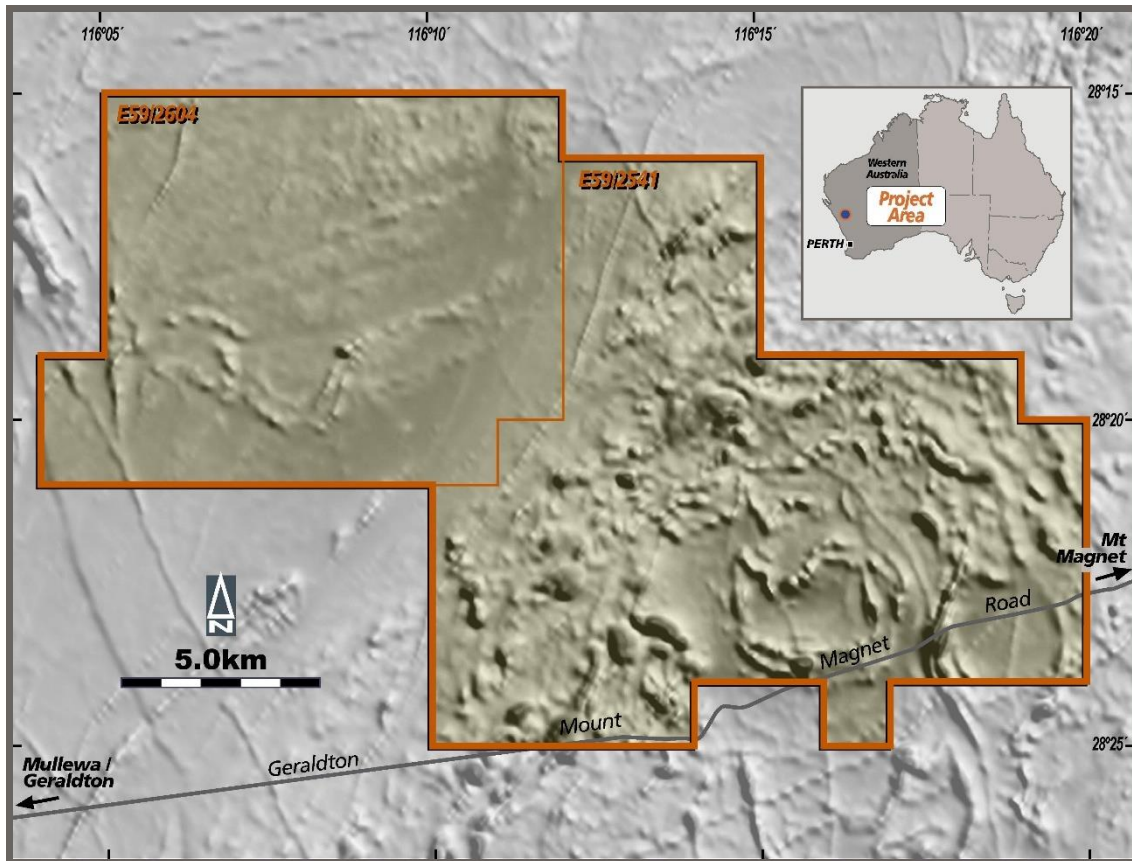


Figure 6: Yalwest Project: Image showing aeromagnetic anomalies.

Field reconnaissance will be completed once the tenure are granted which is expected to occur later in 2022.

5. Tenement Schedules

In accordance with ASX Listing Rule 5.3, please refer to Appendix 1 for a listing of tenements.

6. Corporate

ASX Listing

Minerals 260 demerged from Liontown Resources Limited in September 2021 and listed on the Australian Securities Exchange (ASX) on the 12th October 2021 following an oversubscribed Initial Public Offering (IPO) which raised \$30M (before costs). Bell Potter Securities acted as Lead Manager for the IPO

The Company was formed to hold and explore the non-lithium assets of Liontown Resources Limited in Western Australia.

Board Appointment

During the Quarter, Minerals 260 announced the appointment of **Ms Emma Scotney** as a Non-Executive Director of the Company.

Ms Scotney is a highly experienced Business Advisor and Corporate Lawyer who has over 25 years' combined experience in the property, agricultural and mining industries.

In addition to her role as Non-Executive Director of the Company, Ms Scotney was also appointed as Chair of the Company's Audit and Risk Committee. She is considered an independent Director.

Financial

As at 31 December 2021, the Company's cash balance was \$27.3m.

Cash expenditure for the quarter was as follows:

- Exploration and evaluation of \$0.7m
- Administration and employee costs of \$0.2m

- Direct IPO and Capital Raising related costs \$1.8m.

Payments reported in Appendix 5B, Section 6.1 to related parties of the entity and their associates totalled \$1.0m which consisted of the following:

- \$0.9m net payments by Liontown Resources Ltd on behalf of Minerals 260 (relating to reimbursement of IPO and project related costs as disclosed in Item 1 of the Appendix 5B); and
- \$0.1m in Directors' fees, consulting fees, salaries (including superannuation).

A comparison of the use of funds as per the Minerals 260 Prospectus (ASX: 8 October 2021) and actual use of funds since listing is provided below:

Use of Funds (\$m)	Prospectus Estimate (2 years after ASX Admission)	Actual Use From Listing until 31/12/21	Variance Under/(Over)
Exploration expenditure (Moora, Koojan JV, & Dingo Rocks Projects)	14.3	0.7	13.6
Non-Executive Directors Fees	0.4	0.04	0.4
General administration & working capital	9.1	0.1	9.0
Future acquisition costs	4.0	0.0	4.0
Estimated expenses of the Offer	2.2	1.8	0.4
Total	30.0	2.6	27.4

Use of funds variance explanations are outlined below:

- A favourable variance of exploration expenditure being \$13.6m below the Prospectus estimate as a result of the Company listing in October 2021 and hence being less than three months into the 2-year Prospectus estimate;
- Non-Executive Directors Fees being \$0.36m below the Prospectus estimate as a result of the Company listing in October 2021 and hence being less than three months into the 2-year Prospectus estimate;
- General administration & working capital being \$9.0m below the Prospectus estimate as a result of the Company listing in October 2021 and hence being less than three months into the 2-year Prospectus estimate;
- Future acquisition costs being \$4.0m below the Prospectus estimate as the Company continues its pursuit of acquiring value accretive project(s); and
- Estimated expenses of the Offer being \$0.4m below the Prospectus estimate largely due to lead broker fees being lower than estimated as a result of a higher participation by Liontown Shareholders in the Priority Offer.

This announcement has been authorised for release by the Board.

DAVID RICHARDS
Managing Director

17 January 2022

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Competent Person Statements

The Information in this Report that relates to Exploration Results is extracted from:

- Minerals 260 Limited ASX announcement titled “Minerals 260 commences inaugural drilling program at its 100%-owned Moora Gold-PGE*-Nickel-Copper Project, WA” released on 4 November 2021;
- Minerals 260 Limited ASX announcement titled “Minerals 260 accelerates initial \$6.7m exploration program at the Moora and Koojan Gold-PGE*-Nickel-Copper Projects, WA” released on 7 December 2021; and
- the Minerals 260 Limited Prospectus dated 19 August 2021

which are available on www.minerals260.com.au

and

- Liontown Resources Limited ASX announcement titled “Strong PGE and gold anomalism confirmed at the Koojan JV Project, WA” released on 14 July 2021

which is available on www.ltresources.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates or production targets or forecast financial information derived from a production target (as applicable) in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

Forward Looking Statement

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

APPENDIX 1

The following information is provided in accordance with ASX Listing Rule 5.3 for the Quarter.

1. Listing of tenements held in Australia (directly or beneficially):

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Moora	E70/5217	ERL (Aust) Pty Ltd	100%
		E70/5286		
		E70/5287		
	Koojan JV	E70/5312	Coobaloo Minerals Pty Ltd	0% - right to earn 51% secured by JV Agreement
		E70/5337		
		E70/5429		
		E70/5450		
		E70/5515		
		E70/5516		
		P70/1743		
	Dingo Rocks	E63/2070	ERL (Aust) Pty Ltd	100% -
Yalwest ⁽²⁾	E59/2541	ERL (Aust) Pty Ltd	0% - pending applications	
	E59/2604			

2. Listing of tenements acquired (directly or beneficially) during the quarter:

Nil

3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the quarter:

Nil

4. Listing of tenements applied for (directly or beneficially) during the quarter:

Nil.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MINERALS 260 LIMITED

ABN

34 650 766 911

Quarter ended ("current quarter")

31 DECEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(683)	(683)
(b) development	-	-
(c) production	-	-
(d) staff costs	(62)	(62)
(e) administration and corporate costs	(118)	(118)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – IPO Costs	(447)	(447)
- Recharges and security deposits	25	25
1.9 Net cash from / (used in) operating activities	(1,285)	(1,285)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(52)	(52)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-

	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(52)	(52)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	30,000	30,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,325)	(1,325)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	28,675	28,675

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	-	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,285)	(1,285)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(52)	(52)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	28,675	28,675
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	27,338	27,338

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	17,338	-
5.2	Call deposits	10,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,338	27,338

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(958)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> N/A. </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,285)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,285)
8.4 Cash and cash equivalents at quarter end (item 4.6)	27,338
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	27,338
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	21.27
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<div style="border: 1px solid black; padding: 5px; min-height: 50px;"> Answer: N/A. </div>	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 17 January 2022

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.