

## Minerals 260 to acquire large WA REE-Ni-Cu-Li Project

**Agreement to acquire ~3,900km<sup>2</sup> Ti Tree Project, located close to significant rare earth, nickel-copper and lithium prospects in the emerging Gascoyne Province of WA**

### KEY POINTS

- Minerals 260 Limited ("Minerals 260" or the "Company") has agreed, subject to completion, to acquire private company Capricorn Orogen Pty Ltd ("Capricorn"), which holds 100% of 20 granted Exploration Licences ("ELs") that collectively form the Ti Tree Project ("Project").
- The Project is strategically located in the Gascoyne Province, close to significant mineral occurrences:
  - It adjoins the southern boundary of the Mangaroon Project, owned by Dreadnought Resources Limited ("Dreadnought"/ASX: DRE), where recent exploration has discovered significant Rare Earth Element (REE) and nickel-copper (Ni-Cu) mineralisation<sup>1</sup>.
  - The Yangibana REE Project, owned by Hastings Technology Metals Limited ("Hastings"/ASX: HAS), where mine construction is underway, is located ~30km to the north<sup>2</sup>.
  - The Yinnetharra Lithium Project, acquired recently by Red Dirt Metal ("Red Dirt"/ASX: RDT) is located immediately to the south<sup>3</sup>.
- The Ti Tree Project is underlain by lithologies of the same type and age as those that host the above mineral occurrences.
- Work undertaken on the Project since 2018 has defined multiple REE, lithium, base metal and gold targets, which will be the focus of Minerals 260 initial exploration. Immediate targets include:
  - REE anomalies defined by detailed geochemical and geophysical surveys.
  - Crawford Bore rare metal pegmatite field, which includes historic beryl and tin workings that indicate good prospectivity for lithium.
  - Interpreted southern strike extension of the Ni-Cu prospective Money Intrusion being explored by First Quantum Minerals (FQM) and Dreadnought.
  - Gold and base metal prospects defined by rock chip sampling.
- Large parts of the Project are effectively unexplored, particularly for REEs and lithium.
- Total consideration for the Ti Tree Project will be \$1,300,000 cash and the issue of 54,965,000 Mineral 260 shares, which will represent 19.99% of the Company's issued capital following the issue of these shares.
- Minerals 260's strong cash position (~\$23M at 30<sup>th</sup> June 2022) ensures exploration momentum can be maintained both at the Ti Tree Project and the Company's other key asset, the Moora/Koojan Project in the Julimar Region, where a 10,000-15,000m Reverse Circulation (RC) drilling program is planned for the coming summer period.

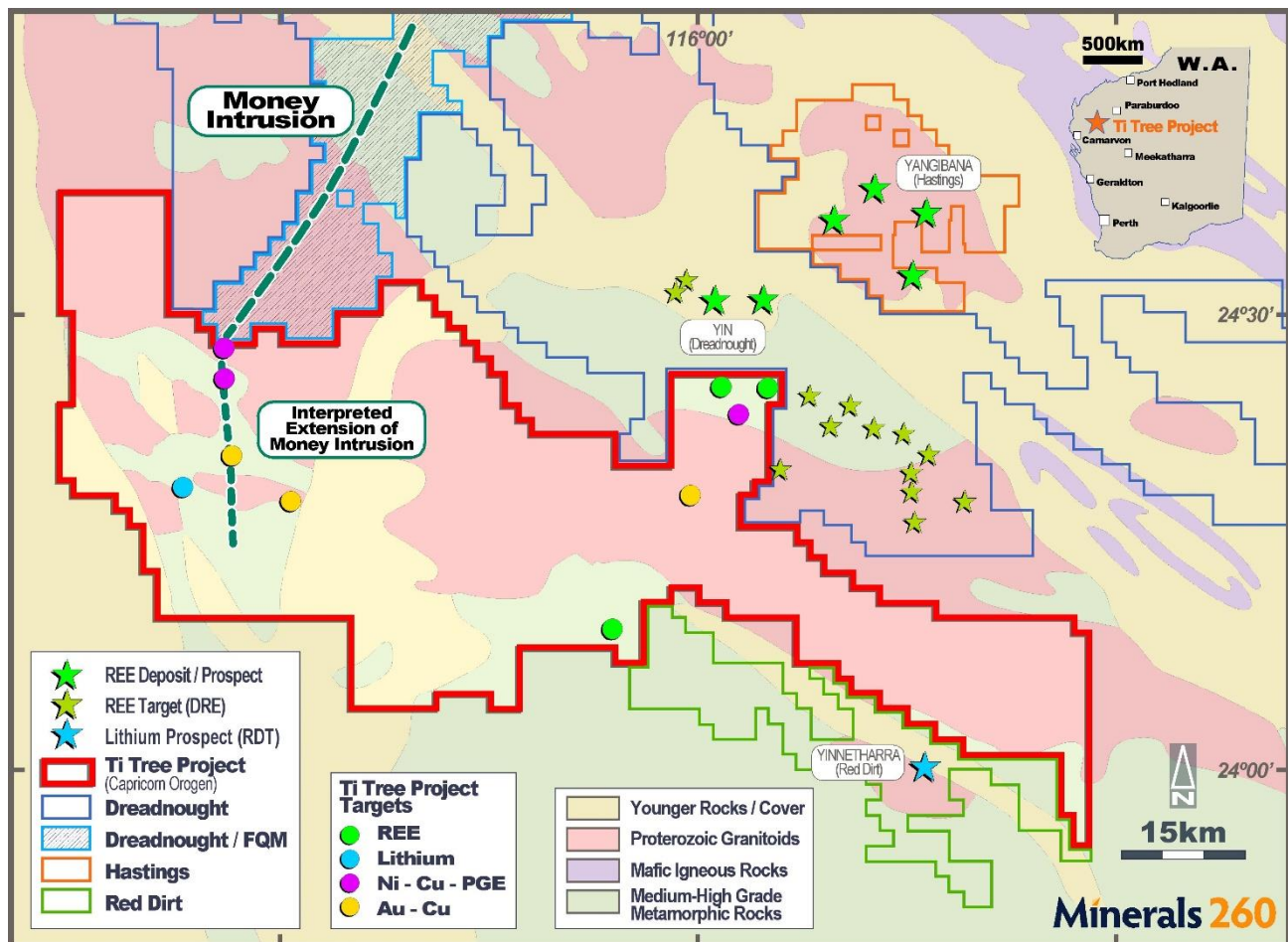
<sup>1</sup> DRE ASX announcements dated 30<sup>th</sup> August 2022 and 5<sup>th</sup> September 2022

<sup>2</sup> [www.hastingstechmetals.com](http://www.hastingstechmetals.com)

<sup>3</sup> RDT ASX announcement dated 12<sup>th</sup> September 2022

**Minerals 260 Limited ("Minerals 260" or the "Company")** is pleased to advise that, subject to completion, it has agreed to acquire 100% of private company Capricorn Orogen Pty Ltd (Capricorn), which holds the Ti Tree Project, located approximately 200km east-northeast of Carnarvon and 900km north-northeast of Perth in Western Australia (**Figure 1**).

The Ti Tree Project comprises 20 granted, contiguous EL's covering a total area of ~3,900km<sup>2</sup> of the highly prospective, but under-explored Gascoyne Province.



The Ti Tree Project has been explored historically for precious and base metals. More recently, exploration by Capricorn and neighbouring tenement holders has highlighted the region's prospectivity for REE and lithium.

Exploration undertaken by Capricorn on the Project includes:

- Compilation and validation of historic exploration data.
- Re-processing and interpretation of publicly available geophysical datasets.
- Acquisition of high-resolution aeromagnetic, radiometric and gravity datasets.
- The collection of >15,000 ultrafine fraction soil samples.
- Reconnaissance campaigns including rock chip sampling.
- Prospectivity and targeting studies.

This work has defined multiple targets which will be the focus of Minerals 260's initial exploration work (**Figure 1**). In addition, the Company will undertake a review of the prospectivity for REE and lithium, the potential of which has only recently been recognised in the area.

Importantly, government permitting is in place to enable drilling to commence over key areas once targets have been validated and heritage clearances secured.

## **Management Comments**

Commenting on the acquisition, Minerals 260 Managing Director David Richards said: *"The acquisition of such a large, contiguous area in an emerging, highly prospective region is an exciting opportunity for Minerals 260 and our shareholders. The deal is consistent with the Company's philosophy of targeting under-explored areas, previously considered less fashionable, with the potential to discover truly world-class mineral deposits.*

*"In this regard, Ti Tree is a complementary addition to our flagship Moora Project, representing a high-quality geological opportunity in an under-explored region with the potential for large-scale discoveries in a basket of commodities that fits extremely well with our strategic focus. We look forward to rapidly advancing the Project and building on the extensive knowledge gained from several years of quality exploration work and getting the drill rigs going as soon as possible."*

## **Agreement Terms**

Following are the key terms of the acquisition:

- The agreement is between Minerals 260 and Augustus Copper Limited (to be renamed "Augustus Minerals Limited") which holds the legal and beneficial interest in 100% of the issued capital of Capricorn, which in turn has a 100% interest in the tenements comprising the Ti Tree Project.
- Payment of a \$75,000 deposit on execution of a Binding Letter Agreement ("BLA"). The BLA has been executed and the \$75,000 payable within 2 days of execution.
- Payment of further \$225,000 upon satisfactory completion of due diligence by Minerals 260 and the execution of a Definitive Sales Agreement ("DSA") within 15 business days of executing the BLA (or such later date as agreed by the parties).
- Minerals 260 to issue 54,965,000 shares ("Consideration Shares") and pay \$1,000,000 cash on completion.
- Completion of the acquisition is conditional on, amongst other things:
  - the satisfactory completion of due diligence by Minerals 260 and the execution of the DSA;
  - the receipt of shareholder approval for the issue of the Consideration Shares under ASX Listing Rule 7.1; and
  - the execution of associated agreements and the receipt of necessary third-party consents.
- Right to acquire 50% interest of private royalties (currently 2.5% NSR) on the Project tenements at any time by paying \$1,250,000 cash and a Right of First Refusal to acquire the remaining 50% of the royalties.
- Capricorn to have the right to appoint a Director to the Minerals 260 Board, subject to completion. Capricorn has not nominated the proposed director as at the date of this announcement. In the event

that a Director is nominated, 50% of the consideration shares will be subject to voluntary escrow for a period of 12 months from completion of the acquisition, on customary terms.

This announcement has been authorised for release by the Managing Director, David Richards.

## Competent Person Statement

*The Information in this report that relates to new Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr David Richards, who is a Competent Person and a member of the Australasian Institute of Geoscientists (AIG). Mr Richards is a full-time employee of the company. Mr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## 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.*

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## Appendix 1 – Ti Tree Project– JORC Code 2012 Table 1 Criteria

The table below summarises the assessment and reporting criteria used for the Ti Tree Project and reflects the guidelines in Table 1 of *The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code, 2012).

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (eg 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.</i>	No drilling, rock chip or soil sample results reported
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>  <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>  <i>In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.</i>	No drilling reported
<b>Drilling techniques</b>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).</i>	No drilling reported
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling reported
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling reported
	<i>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.</i>	None noted.
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling reported
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	No drilling reported
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling reported



Criteria	JORC Code explanation	Commentary
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling reported
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No drilling reported
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	No drilling reported
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	No drilling reported
	<i>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.</i>	No drilling reported
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No drilling reported
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No drilling reported
	<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>	No drilling reported
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established</i>	No drilling reported
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No drilling reported
	<i>The use of twinned holes.</i>	No drilling reported
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	No drilling, rock chip or soil sample results reported
	<i>Discuss any adjustment to assay data.</i>	None required
<b>Location of data points</b>	<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>	No drilling, rock chip or soil sample results reported
	<i>Specification of the grid system used</i>	The grid system used is GDA94 Zone 50
	<i>Quality and adequacy of topographic control.</i>	No drilling, rock chip or soil sample results reported
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	No drilling, rock chip or soil sample results reported
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the</i>	MRE not being prepared.

Criteria	JORC Code explanation	Commentary
	<i>Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	
	<i>Whether sample compositing has been applied.</i>	No drilling, rock chip or soil sample results reported
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	No drilling, rock chip or soil sample results reported
	<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>	No drilling, rock chip or soil sample results reported
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	No drilling, rock chip or soil sample results reported
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	None completed.

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>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.</i>	<p>The Ti Tree Project comprises 20 granted exploration licences (E09/1676, E09/2236, E09/2239, E09/2308, E09/2309, E09/2310, E09/2311, E09/2323, E09/2324, E09/2325, E09/2365, E09/2366, E09/2367, E09/2419, E09/2474, E09/2475, E09/2476, E09/2518, E09/2519, E09/2520). The tenement package forms a contiguous, 900km<sup>2</sup> area located ~900km NNE of Perth, Western Australia.</p> <p>All ELs are held by Capricorn Orogen Pty Ltd.</p> <p>Minerals 260 Limited (MI6) has executed a Binding Letter Agreement to acquire Capricorn Orogen for the following consideration:</p> <ul style="list-style-type: none"> <li>• Payment of \$75,000 non-refundable deposit on execution of a Binding Letter Agreement ("BLA")</li> <li>• Payment of \$225,000 upon completion of due diligence and the execution of a Definitive Sales Agreement ("DSA")</li> <li>• Minerals 260 to issue 54,965,000 shares and pay \$1,000,000 cash on completion, which will take place following a General Meeting of the Company required to approve the issue of the 54,965,000 shares.</li> </ul> <p>Completion of the acquisition is subject to technical, financial and legal due diligence to be completed within 15 business days of execution of the BLA.</p> <p>The tenements are subject to a private 2.5% NSR. MI6 has the right to 50% of this royalty anytime by paying the royalty holder \$1,250,000 cash and a Right of First Refusal to acquire the remaining 50%.</p> <p>The Ti Tree Project cover part of 4 Native Title Determinations including the Thudgari (WAD6212/1998), Gnulli Gnulli (WAD22/2019), Combined Thin-Mah/Warriyanka/Tharrkari/Jiwarli (WAD464/2016) and Wajarri Yamatji Part A (WAD6033/1998).</p>

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	All tenements are in good standing.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Multiple phases of exploration have been undertaken for base metals, gold, tungsten, molybdenum and uranium on localised areas within the Project area. Detailed follow-up has a number of minor mineral occurrences with limited potential.</p> <p>Exploration completed by Capricorn Orogen since 2018 includes:</p> <ul style="list-style-type: none"> <li>• Compilation and validation of historic exploration data.</li> <li>• Reprocessing and interpretation of publicly available geophysical datasets.</li> <li>• Acquisition of high-resolution aeromagnetic and radiometric datasets.</li> <li>• Collection of &gt;15,000 ultrafine fraction soil samples.</li> <li>• Reconnaissance campaigns including rock chip sampling.</li> <li>• Prospectivity and targeting studies.</li> </ul> <p>More than 50 targets have been defined for follow-up exploration.</p>
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Project is located within the Glenburgh Terrane of the Proterozoic Gascoyne Province between two major Archaean cratons, the Pilbara Craton (to the north) and the Yilgarn Craton (to the south). The geology comprises granitoids and medium- to high-grade metamorphic rocks that are overlain by variably deformed, low-grade metamorphosed sedimentary sequences.</p> <p>The Ti Tree Shear Zone, a major west–northwest structure, divides the Project area into the Limejuice Zone in the north juxtaposed against the Mutherbukin Zone in the south. In the west, Proterozoic basement is unconformably overlain by younger metasedimentary rocks of the Southern Carnarvon Basin.</p> <p>The Project is considered prospective for gold, copper, molybdenum, nickel, PGE, lithium and REE mineralisation.</p>
<b>Drill hole Information</b>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul>	No drilling reported.
<b>Data aggregation methods</b>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	No drilling reported.
	<i>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</i>	No drilling reported.



Criteria	JORC Code explanation	Commentary
	<p>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>	None reported
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole 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 effect (eg 'down hole length, true width not known').</p>	No drilling reported.
<b>Diagrams</b>	<p>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.</p>	No drilling reported.
<b>Balanced reporting</b>	<p>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.</p>	No drilling reported.
<b>Other substantive exploration data</b>	<p>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.</p>	All meaningful and material data reported
<b>Further work</b>	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p>	<ul style="list-style-type: none"> <li>• Legal and technical due diligence.</li> <li>• Review of data.</li> <li>• Target validation and ranking.</li> </ul>