

PRE-QUOTATION DISCLOSURE

Minerals 260 Limited (Minerals 260 or Company) provides the following pre-quotations disclosures and confirmations to ASX Limited (**ASX**) to satisfy the conditions for admission of the Company's fully paid ordinary shares (**Shares**) to the official list of the ASX.

All capitalised terms used in this announcement have the meaning given in the prospectus issued by the Company and lodged with ASIC on 19 August 2021 (**Prospectus**) unless otherwise stated.

1. Completion of the Offer

The Company confirms that the Offer made under the Prospectus has closed and was fully subscribed under the Maximum Subscription.

The Company confirms it has completed the issue of the following securities:

- (a) 60,000,000 Shares at an issue price of \$0.50 each to raise \$30,000,000 (before costs) pursuant to the Offer;
- (b) 7,250,000 Unquoted Options to the Directors and Company Secretary; and
- (c) 2,500,000 Unquoted Options to Directors of Lontown.

The Company also confirms that:

- (a) the outstanding conditions precedent to the Demerger Implementation Deed between ERL (Aust) Pty Ltd (**ERL**), Lontown Resources Ltd (**LTR**) and the Company have been satisfied (without waiver);
- (b) the implementation of the demerger, being the transfer of 100% of the issued capital in ERL to the Company and the in-specie distribution of 160,000,000 Shares to shareholders of LTR has been completed; and
- (c) the Company has raised the minimum subscription of \$15,000,000 (before costs) under the Offer.

2. Capital Structure

The Company's capital structure is as follows:

Security	Number
Shares	220,000,000
Unquoted Options*	9,750,000

*Note: The Options are exercisable at \$0.72 per option and expire on 30 September 2024.

3. Restricted Securities

The Company confirms that the following securities are subject to ASX imposed restrictions in accordance with the Listing Rules for the periods outlined below:

Security	Number	Restriction Period
Unquoted Options	9,000,000	24 months from the date of quotation of Shares
Unquoted Options	750,000	12 months from the date of issue of Options

Pursuant to the proposed demerger, in consideration for the issue of approximately 160,000,000 Shares to be distributed in-specie to LTR shareholders (**Consideration Shares**), ASX has granted a waiver to confirm that the requirements in ASX Listing Rule 9.1 do not apply to the consideration Shares issued to LTR shareholders.

4. Statement of commitments

The following table shows the intended use of funds in the two year period following Admission based upon the actual amount of funds raised under the Prospectus, being the Maximum Subscription:

Use of funds - Year 1	Maximum Subscription	
	\$	%
Exploration expenditure (Moora, Koojan & Dingo Rocks Projects)	6,744,250	22.5%
Directors' fees	176,200	0.6%
General administration fees and working capital ¹	1,396,000	4.7%
Future acquisition costs ²	2,000,000	6.7%
Estimated expenses of the Offer	2,220,000	7.4%
Total Funds allocated - Year 1	12,536,450	41.8%
Use of funds - Year 2	Maximum Subscription	
	\$	%
Exploration expenditure (Moora, Koojan JV & Dingo Rocks Projects)	7,601,000	25.3%
Directors' fees	177,000	0.6%
General administration fees and working capital ¹	7,685,550	25.6%
Future acquisition costs ⁴	2,000,000	6.7%
Total Funds allocated - Year 2	17,463,550	58.2%
TOTAL FUNDS ALLOCATED	30,000,000	100.0%

Notes:

- 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.
- Future acquisition costs include costs required for the identification of new projects and opportunistic acquisitions. The Company notes that:
 - the Company will continue to assess suitable new business opportunities in the resource sector over time which complement its business and existing mineral portfolio;
 - the timing of any such transactions is not yet known; and
 - 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. Updated Pro-Forma Balance Sheet (Based on actual amounts raised under the Offer)

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

6. No impediments

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering into the Tenements and carrying out exploration activities.

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

For further information please contact:

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