



Exploration gathers momentum at Moora with further significant gold-copper drill results

HIGHLIGHTS

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

- Significant gold-copper mineralisation intersected in follow-up Reverse Circulation (RC) drilling at the **Zest prospect**:
 - 13m @ 3.3g/t Au and 0.2% Cu from 127-140m*, including:**
 - 1m @ 16.7g/t Au and 1.6% Cu from 130-131m, and**
 - 1m @ 16.9g/t Au and 0.4% Cu from 137-138m**
- The intersection is ~55m down-dip of RC hole MRRC0039 (reported last Quarter), which intersected **12m @ 2.0g/t Au and 1.4% Cu from 72-84m including 6m @ 3.5g/t Au and 2.5% Cu from 74-80m.**
- Assays are pending for a further nine holes drilled at Zest which form part of a recently completed 16-hole/2,638m RC program which also included drill holes at the Angepena gold prospect and into the southern part of the Moora Gravity Anomaly (MGA).
- Assays are also pending for a 2-hole/307m diamond core program drilled at Zest to provide geological data to assist with understanding the controls on the mineralisation.
- A major 10,000-15,000m RC drilling program is planned immediately following the harvest period to follow up known mineralisation (including Mynt, Zest and Angepena) and to test new targets defined by geochemical and geophysical surveys.

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

- Adjoins the western boundary of the Moora Project and is considered prospective for similar styles of mineralisation.
- Initial assays from a project-scale geochemical program, completed earlier this year, have extended previously defined anomalism, resulting in the identification of additional drill targets.
- Assays are also pending for 79 air-core holes drilled across previously defined geochemical anomalies

CORPORATE

- Cash balance at of Quarter-end ~\$23.5M.

* PGE – Platinum Group Elements



Drill rig on Koojan JV

INVESTMENT HIGHLIGHTS

- One of the largest land positions in the Julimar Mineral Province.
- Drilling at Moora has intersected strong results from 3 prospects, validating exploration concepts.
- Multiple high-priority targets awaiting maiden drill testing.
- Well-funded to ensure exploration programs can be accelerated when warranted.
- Highly credentialled Board and management with track record of commercial discoveries.



Chalcopyrite-rich drill chips from Mynt prospect at Moora

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1. Moora Copper- Gold-Nickel-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. Drilling has intersected multiple zones of bedrock mineralisation confirming the potential for an economic discovery.

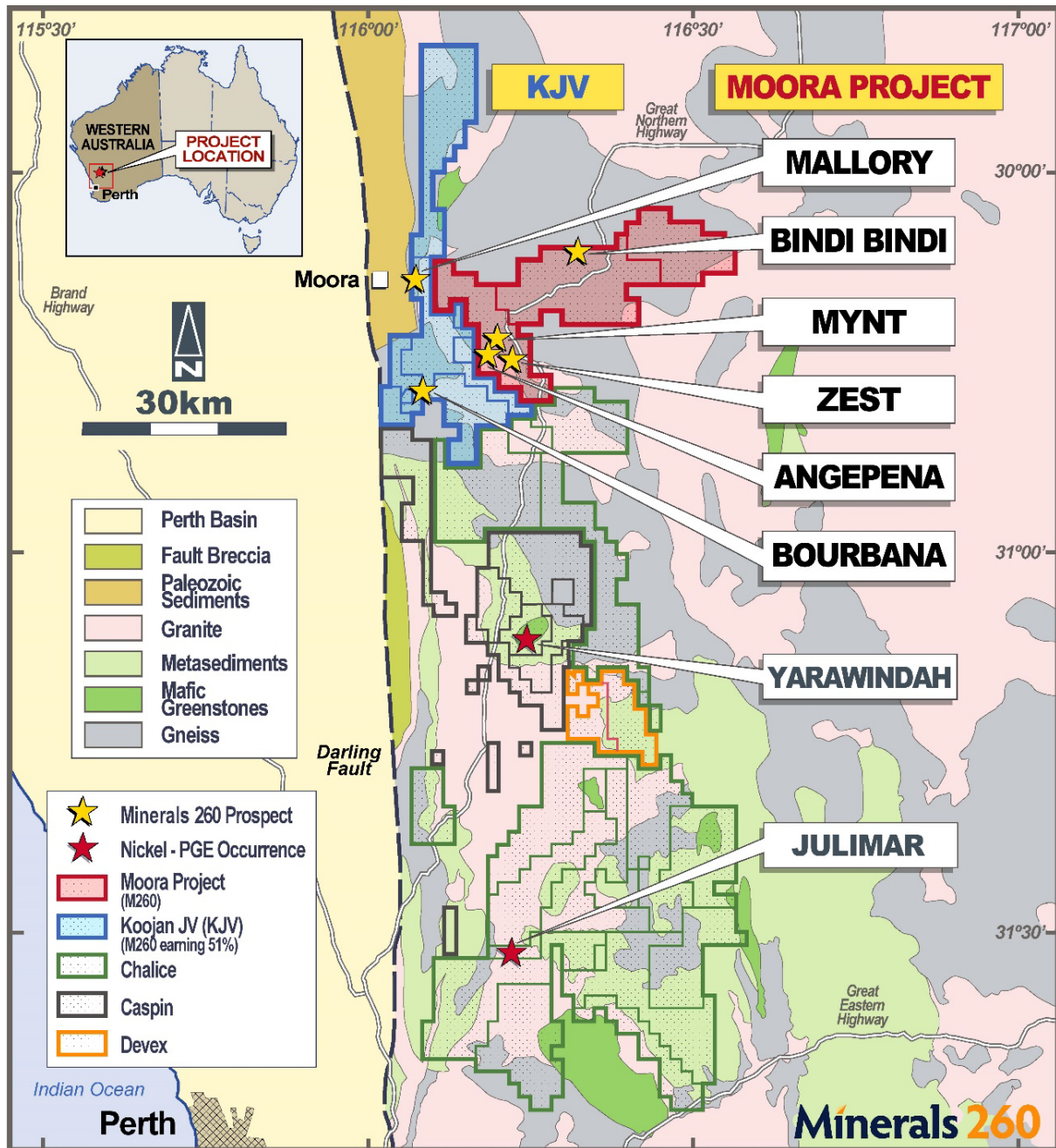


Figure 1: Moora and Koojan Projects – Location and Regional Geology.

A Reverse Circulation (RC)/Diamond Core (DD) drilling program comprising 16 RC holes for 2,638m and two DD holes for 307m was completed subsequent to the end of the Quarter. As at the date of this report, assays have only been received for a single hole, MRRC0043 (see highlights), which was drilled at the Zest prospect.

The main focus of the program was Zest, where 10 RC holes for 1,715m and both DD holes were drilled to test for extensions of mineralisation over 300m strike and to a vertical depth of 180m (**Figure 2**). The latest result (MRRC0043) indicates that the mineralisation dips steeply ($\sim 70^\circ$) to the north (**Figure 3**) with assays pending from the other holes to determine the potential strike length of the zone.

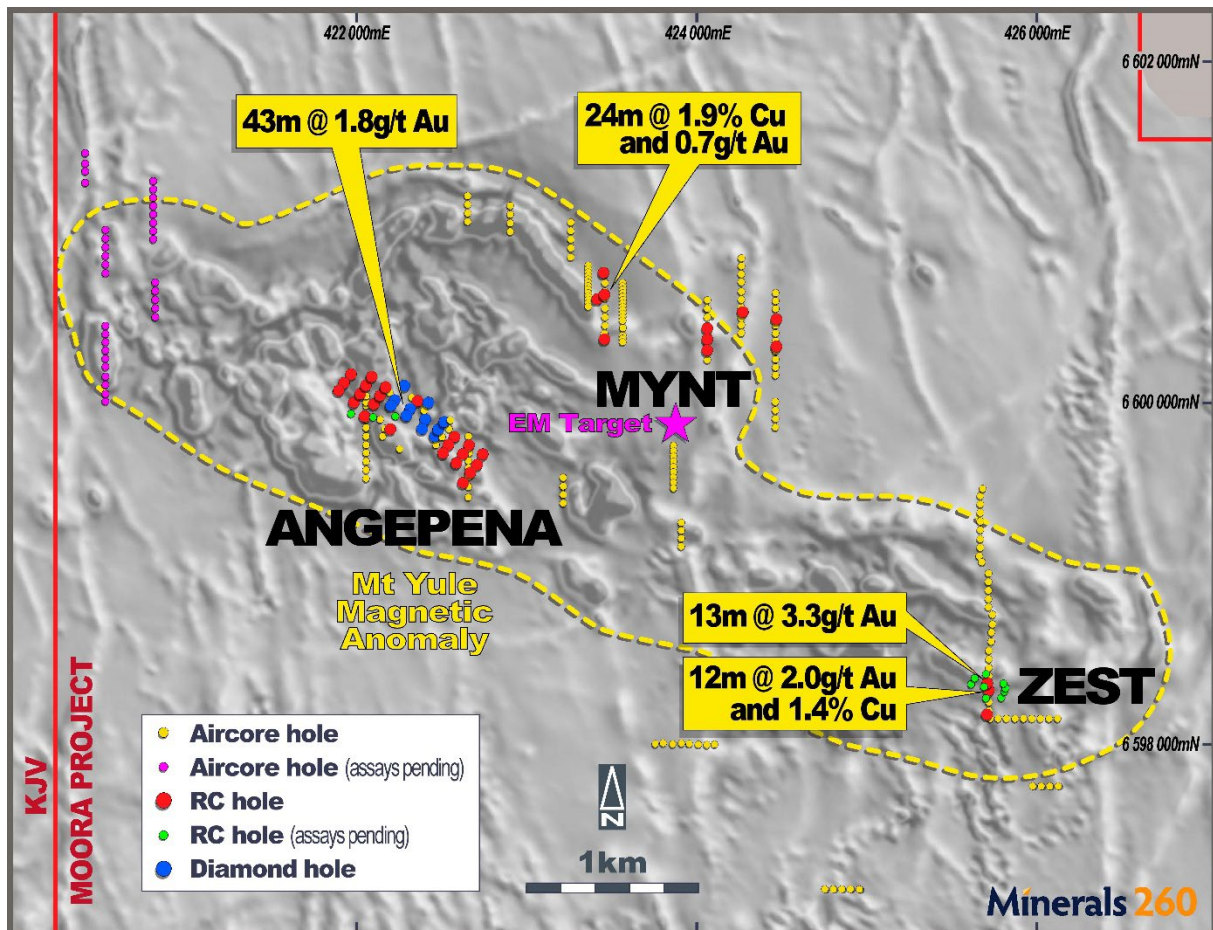


Figure 2: Image showing Mt Yule magnetic anomaly, drill hole plan and related prospects.

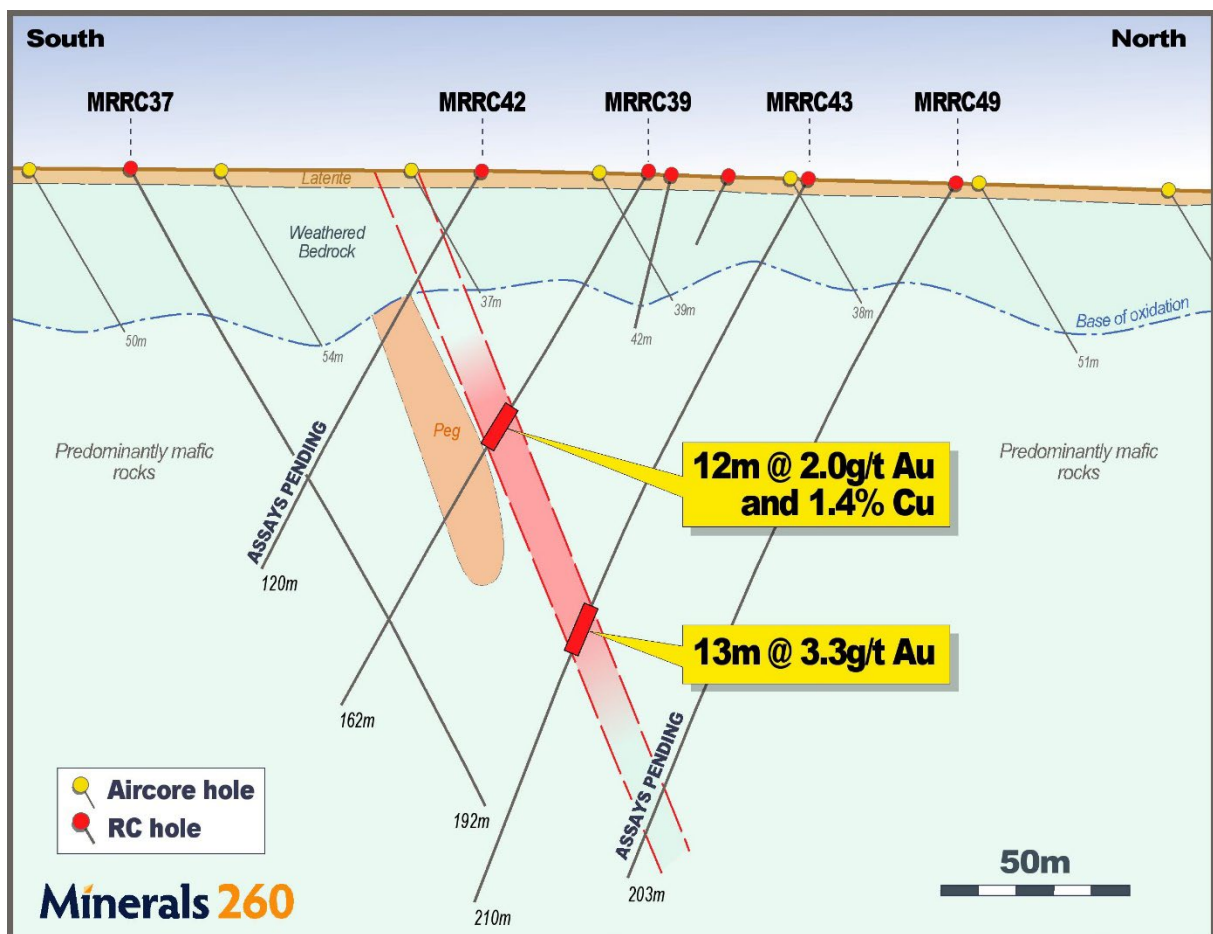


Figure 3: Zest Prospect – Drill section 425700E (see Figure 2 for location).

RC drilling was also completed at Angepena (three holes/359m) and into the southern part of the Moora Gravity Anomaly (MGA) (three holes/564m).

At Angepena (**Figure 2**), previous drilling has intersected multiple gold lodes over 900m strike with the system remaining open. The latest holes (assays pending) were positioned to provide additional data to assist with resolving the orientation of the lodes prior to planning further drilling.

The MGA, the northern part of which is coincident with Mt Yule Magnetic Anomaly, is a large gravity high (~13km long and 2-4km wide) originally defined by a ground-based, 400 x 400m survey (**Figures 4 and 5**). The advanced prospects identified to date (e.g., Mynt, Zest, Angepena) are located on the margins of the MGA, indicating that the contact zone with the country rocks is an important control on localising mineralisation and a priority target for future exploration.

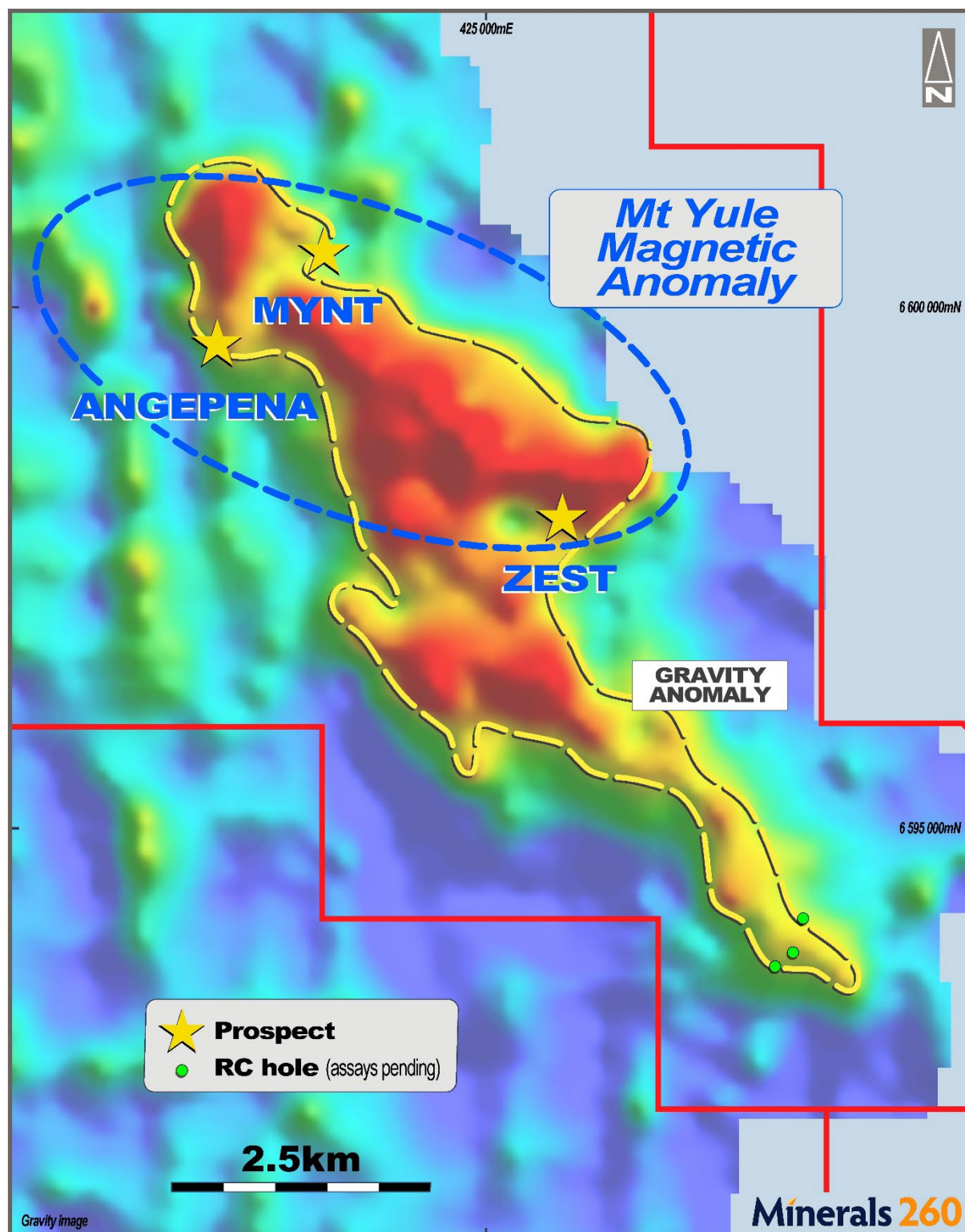


Figure 4: Gravity image showing Moora Gravity Anomaly and recent RC drill-holes.

During the Quarter, an in-fill (200 x 50m) gravity survey was completed across the southern part of the MGA to provide higher resolution data required for the siting of follow-up drill holes. The three RC holes (assays pending) drilled across the southern part of the MGA (**Figure 4**) intersected mafic lithologies consistent with the interpretation that the gravity high defines a large mafic/ultramafic intrusive body obscured by shallow cover.

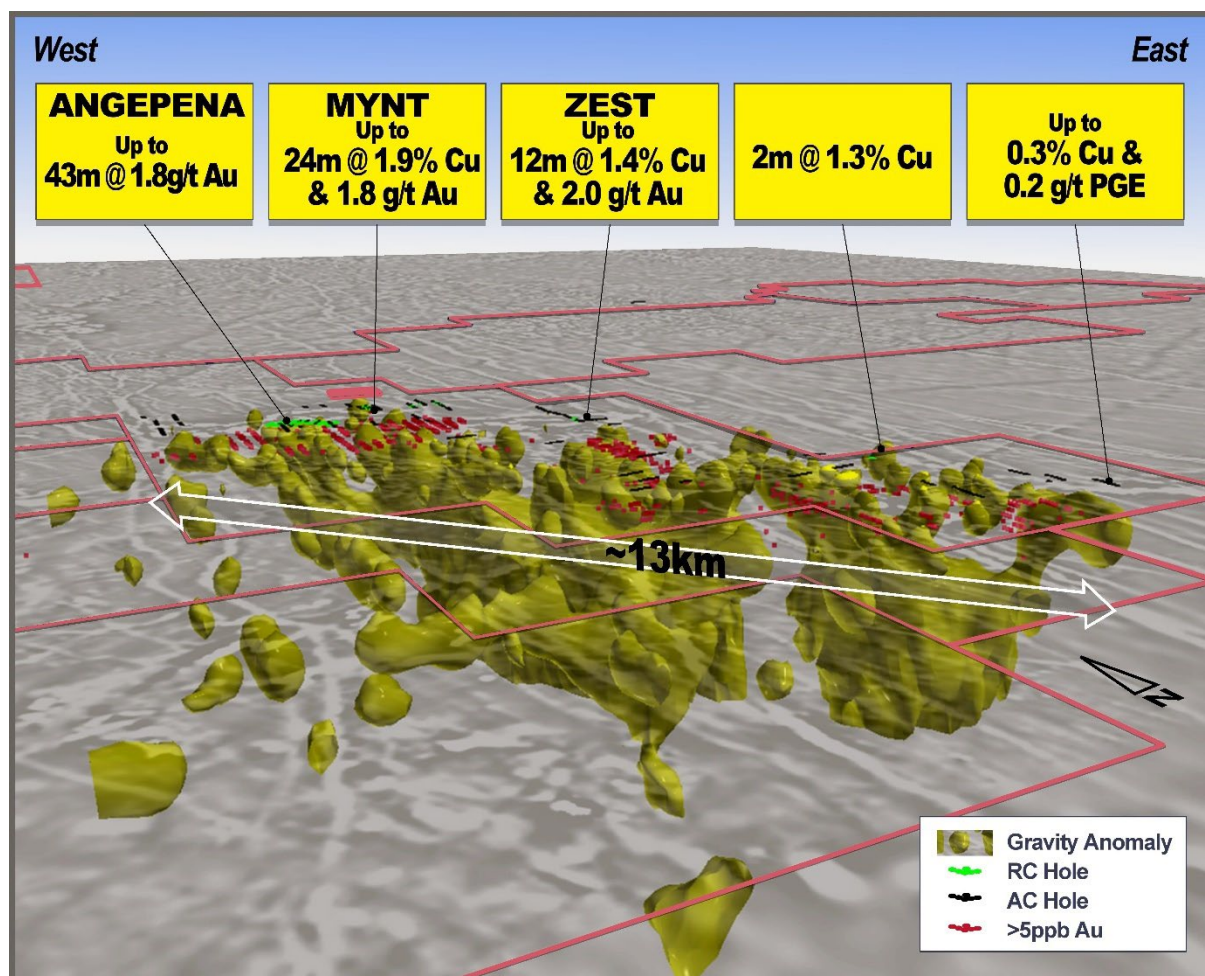


Figure 5: 3D model of Moora Gravity Anomaly.

Upcoming Exploration Program

Since listing last year, the Company's exploration on the Moora Project has intersected significant mineralised zones at several prospects, all of which remain open, and defined other targets that have yet to be drilled. In addition, assays pending for geochemical sampling and reconnaissance air-core drilling completed last Quarter are expected to define further anomalies for drill testing.

Drill rigs are currently being secured for a 10,000-15,000m follow-up RC drilling program scheduled for later this year immediately following the harvest.

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 6**) and is considered prospective for gold-copper-nickel-PGE mineralisation like 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.

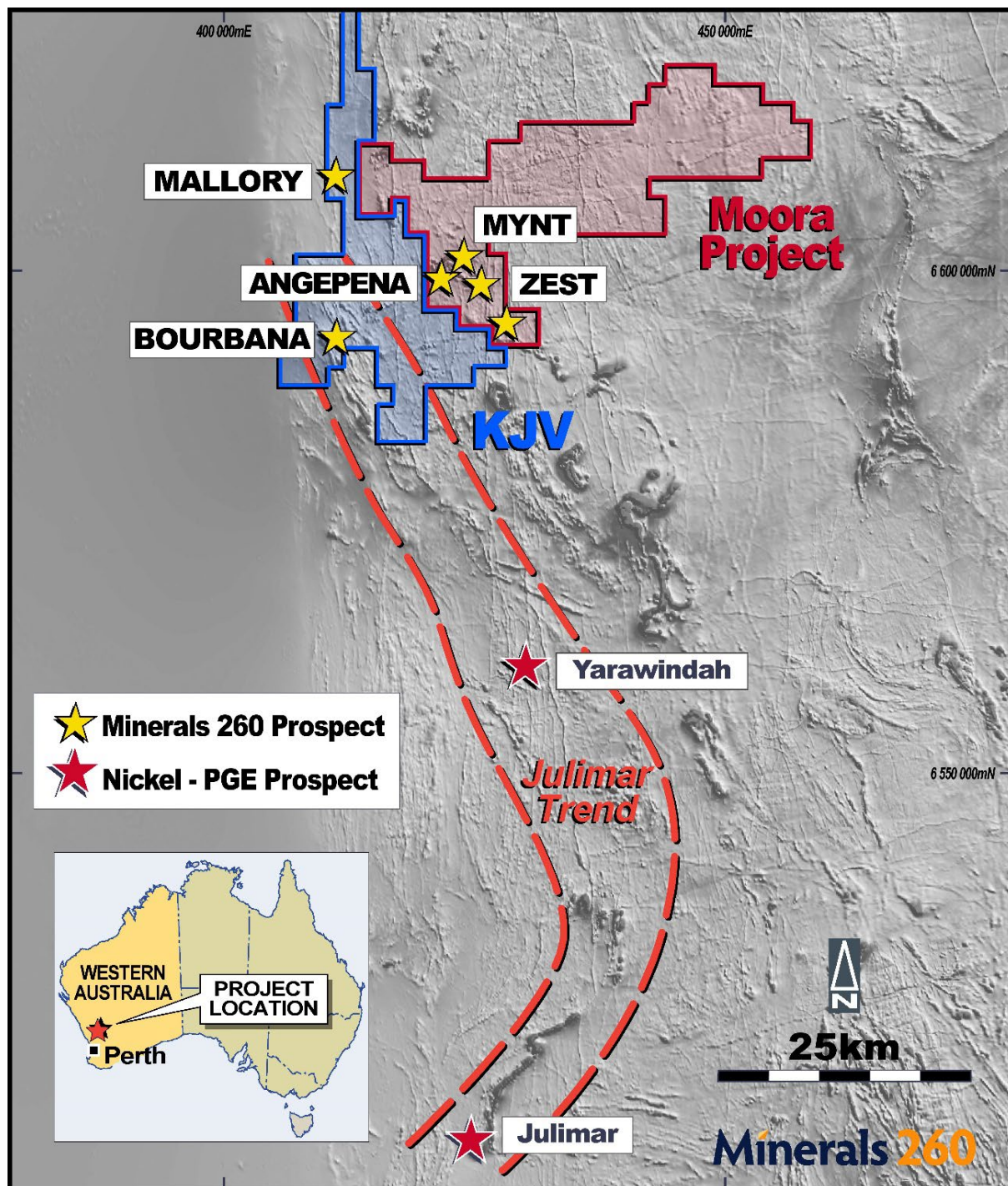


Figure 6: Regional, grey scale magnetic image showing interpreted Julimar Trend.

The Koojan JV (KJV) is interpreted to contain the extension of several prospective trends including the adjacent Mt Yule corridor, which hosts the Mynt, Zest and Angepena prospects on the Moora Project, and the stratigraphy which hosts the Julimar PGE-nickel-copper discovery, approximately 90km to the south (**Figure 6**).

The KJV has been explored simultaneously with the Moora Project, with activities this year comprising target definition work including reconnaissance air-core drilling (79 holes/1,479m) and the collection of 4,109 in-fill and first-pass geochemical samples.

During the Quarter, assays were received for 3,326 geochemical samples with results confirming and extending previously defined gold and copper anomalism in the south-west of the project (**Figure 7**).

RC drill follow-up will be undertaken as part of the 10,000-15,000m program referred to in the Moora section above, with hole locations to be finalised once assays are received for the air-core holes and remaining geochemical samples.

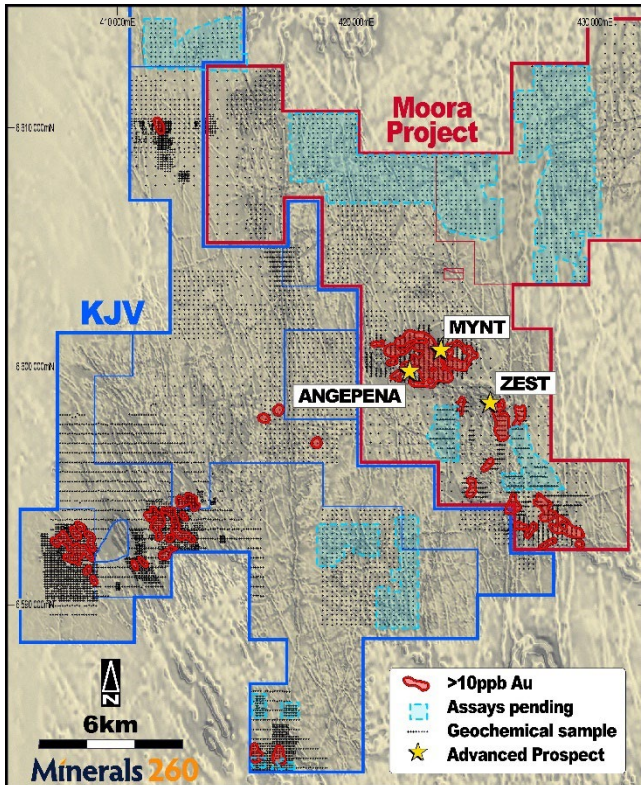


Figure 7A: Moora/Koojan Projects– Geochemical sampling (gold) on magnetic image.

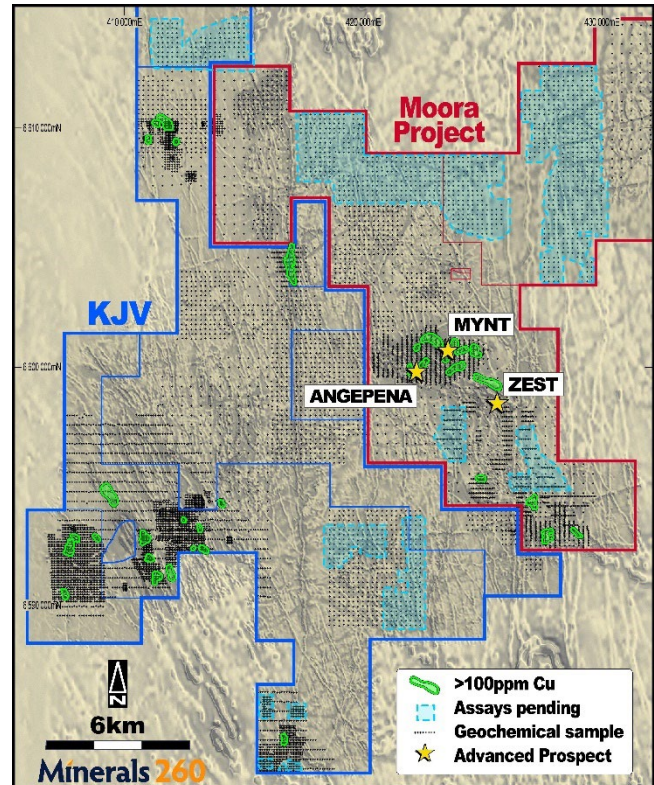


Figure 7B: Moora/Koojan Projects– Geochemical sampling (copper) on magnetic image.

During the quarter, the Company notified Lachlan Star Limited that it had met its minimum expenditure commitment of \$500,000. The Company is progressing towards its next key milestone of acquiring 30% in the joint venture by spending \$1.5 million.

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

The Dingo Rocks Project is located in south-eastern Western Australia, approximately 600km south-east of Perth and 100km south of Norseman (**Figure 7**), 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.

Previous exploration at Dingo Rocks has defined magnetic and gravity anomalies considered prospective for precious and base metal mineralisation. The anomalies are obscured by barren, transported cover and will be assessed by reconnaissance drilling and ground electromagnetic surveys.

Discussions are ongoing with the Esperance Tjaltjaak Native Title Aboriginal Corporation which represents the Traditional Owners, and a preliminary heritage survey is planned for late July to ensure that proposed access for future exploration avoids significant sites and minimises environmental disturbance.

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

The Yalwest Project comprises two adjoining Exploration Licences located ~400km north of Perth in the Murchison Gold Province of the Archaean Yilgarn Block. The tenements were acquired to secure unexplained magnetic and gravity features that have not been assessed by modern exploration.

Regional geophysical data indicates that the Yalwest Project is underlain by possible greenstone lithologies prospective for precious and base metal mineralisation.

A reconnaissance field trip has confirmed that large parts of the Project are suitable for surface geochemistry and a 1,500-1,600 sample soil program is scheduled for the coming Quarter.

5. Tenement Schedules

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

6. Corporate

As at 30 June 2022, the Company's cash balance was \$23.5m.

Cash expenditure for the quarter was as follows:

- Exploration and evaluation of \$1.5m
- Administration and employee costs of \$0.5m

Payments reported in Appendix 5B (Section 6.1 and 6.2) to related parties of the entity and their associates totalled \$0.7m which consisted of the following:

- \$0.17m in Directors' fees, consulting fees, salaries (including superannuation) paid to Directors and Director related parties and exploration equipment; and
- \$0.53m in shared service costs paid to Lione Resources Ltd as per the executed shared services agreement.

All related party transactions have been agreed on an arm's length basis.

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 30/06/22	Variance Under/(Over)
Exploration expenditure (Moora, Koojan JV, & Dingo Rocks Projects)	14.3	3.8	10.5
Non-Executive Directors Fees	0.4	0.2	0.2
General administration & working capital	9.1	0.6	8.5
Future acquisition costs	4.0	0.0	4.0
Estimated expenses of the Offer	2.2	1.9	0.3
Total	30.0	6.5	23.5

Use of funds variance explanations are outlined below:

- A favourable variance of exploration expenditure being \$10.5m below the Prospectus estimate as a result of the Company listing in October 2021 and hence being less than nine months into the 2-year Prospectus estimate;
- Non-Executive Directors Fees being \$0.2m below the Prospectus estimate as a result of the Company listing in October 2021 and hence being less than nine months into the 2-year Prospectus estimate;
- General administration & working capital being \$8.5m below the Prospectus estimate as a result of the Company listing in October 2021 and hence being less than nine 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 \$0.3m below the Prospectus estimate largely due to lead broker fees being lower than estimated as a result of a high participation by Lione Shareholders in the Priority Offer.

Less than Marketable Parcel Sale Facility

On 30 May 2022, the Company announced the results of Less than Marketable Parcel Sale Facility.

The final number of shares sold under the Facility was 1,364,533 shares held by 4,317 shareholders. The average price received for shares sold under the Facility was \$0.4134. The Company also received 488 valid share retention forms from shareholders, holding 172,386 shares, who chose to retain their shares despite being eligible for the Facility.

Appointment of CFO

Mr Curtis Abbott was appointed as Chief Financial Officer ("CFO") effective 1 July 2022. Mr Abbott is an internal appointment having performed the role of Financial Controller for the Company since September 2021.

Mr Abbott holds a Bachelor of Commerce degree and is an experienced Chartered Accountant with over 13 years of accounting and corporate experience in the resources and energy industries. Mr Abbott commenced his career at KPMG (Audit) and has held a range of senior finance positions with publicly listed companies.

This announcement has been authorised for release by the Board.

DAVID RICHARDS
Managing Director

20 July 2022

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Competent Person Statements

The Information in this Report that relates to other Exploration Results for the Moora and Koojan Projects is extracted from Minerals 260 Limited ASX announcements titled "Multiple gold zones intersected at Moora" released on 3 February 2022, "Wide copper-gold zone confirmed at Moora" released on 4 March 2022, "Second significant copper-gold zone discovered at Moora" released on 19 April 2022, which is available on www.minerals260.com.au and Lontown 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		
		P70/1743		
	Dingo Rocks	E63/2070	ERL (Aust) Pty Ltd	100% -
	Yalwest	E59/2541	ERL (Aust) Pty Ltd	100%
		E59/2604		
	Willow Well	E57/1211	ERL (Aust) Pty Ltd	0% - Pending Application

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")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,457)	(3,688)
(b) development	-	-
(c) production	-	-
(d) staff costs	(278)	(518)
(e) administration and corporate costs	(209)	(405)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	33
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – IPO Costs	(71)	(518)
- Security deposits & reimbursables	4	32
1.9 Net cash from / (used in) operating activities	(1,991)	(5,065)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(2)
(c) property, plant and equipment	(28)	(111)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(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	(28)	(113)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(26)	(1,351)
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	(26)	28,649

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25,516	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,991)	(5,065)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(113)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(26)	28,649
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	23,471	23,471

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	3,463	5,516
5.2	Call deposits	20,008	20,000
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)	23,471	25,516

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	(704)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(3)

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.		
	N/A.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,991)
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)	(1,991)
8.4	Cash and cash equivalents at quarter end (item 4.6)	23,471
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	23,471

8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	11.79
<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?	
	Answer: N/A.	
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.	
<i>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.</i>		

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: 20 July 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.