Minerals 260

ASX:MI6
ABN: 34 650 766 911

2023
Annual Report

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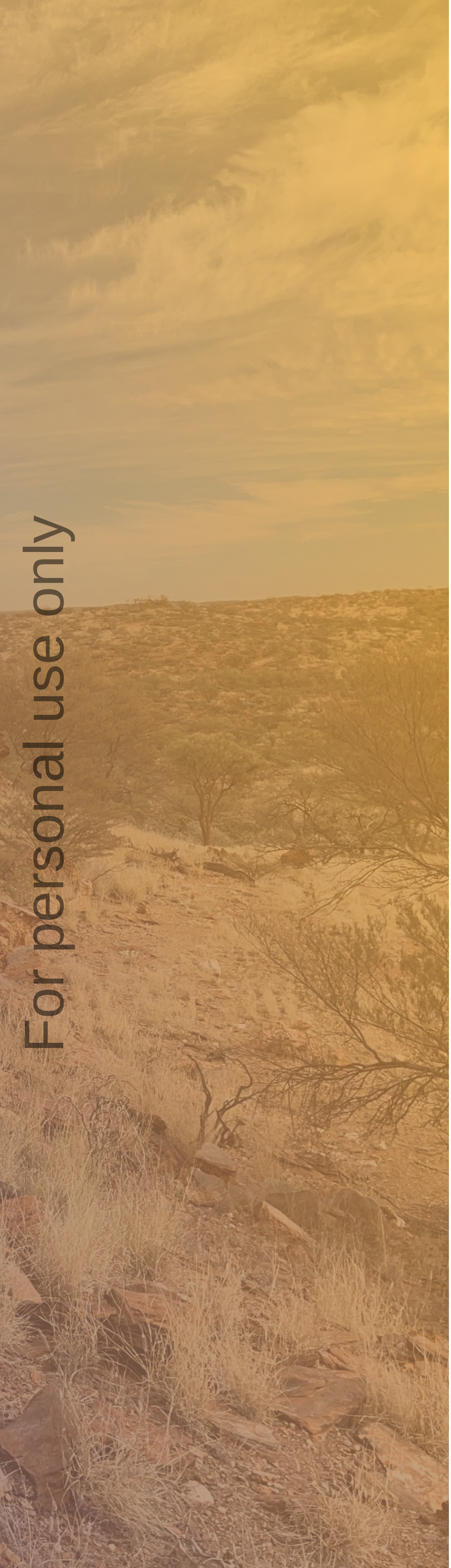


Corporate Directory

Directors

Anthony James Cipriano Chairman

David Ross Richards Technical Director

Timothy Rupert Barr Goyder Non-Executive Director

Emma Josephine Scotney Non-Executive Director

Chief Executive Officer

Luke McFadyen

CFO & Company Secretary

Curtis Abbott

Principal Place of Business & Registered Office

Level 2, 1292 Hay Street, West Perth, Western Australia 6005

Tel: (+61 8) 6556 6020

Web: www.minerals260.com.au

Email: info@minerals260.com.au

Auditors

HLB Mann Judd (WA Partnership)

Level 4, 130 Stirling Street, Perth, Western Australia 6000

Share Registry

Automic Pty Limited

Level 5, 191 St Georges Terrace, Perth, Western Australia 6000

Tel: 1300 288 664

Home Exchange

Australian Securities Exchange Limited

Level 40, Central Park, 152- 158 St Georges Terrace,
Perth, Western Australia 6000

ASX Codes

Share Code: MI6

Chairman's Report

Anthony Cipriano, Non-Executive Chairman

Dear Fellow Shareholders,

I am pleased to introduce Minerals 260's 2023 Annual Report and to share some of the key highlights and achievements of what was our first full year in existence as an ASX-listed company.

Minerals 260 has been able to build rapidly on the strong foundations established through our $30 million IPO and has worked hard both to unlock the potential of our existing projects while also further develop and expand our quality asset base – in particular with the timely acquisition of an exciting new lithium and rare earths project in Western Australia's fast emerging Gascoyne Province.

A key focus of the year was the planning and execution of a major program of follow-up drilling at the Moora and Koojan Joint Venture Projects, located in the northern part of Western Australia's emerging Julimar Province, where we have made good progress with exploration during the year.

This drilling campaign was designed to follow up on previously intersected base and precious metal mineralisation, as well as new anomalies defined by geochemical and geophysical surveys.

The results generated from this drilling have confirmed the significant scale and potential of the mineral system of the Moora Project, with recent drilling highlighting the potential to define economic copper-gold resources across the Mynt and Angepena prospects – which are emerging as key areas of focus moving forward.

In addition, numerous copper-gold-PGE prospects have been identified across the broader feature we refer to as the Moora Gravity Anomaly (MGA) which will be subject to further geophysical testing before drill testing is undertaken.

In parallel with ongoing work programs in the northern Julimar Province, Minerals 260 has been very active in assessing potential new projects, seeking to identify and acquire complementary assets in the critical minerals space in Tier-1 jurisdictions as part of our vision to become a globally significant metals and mining company.

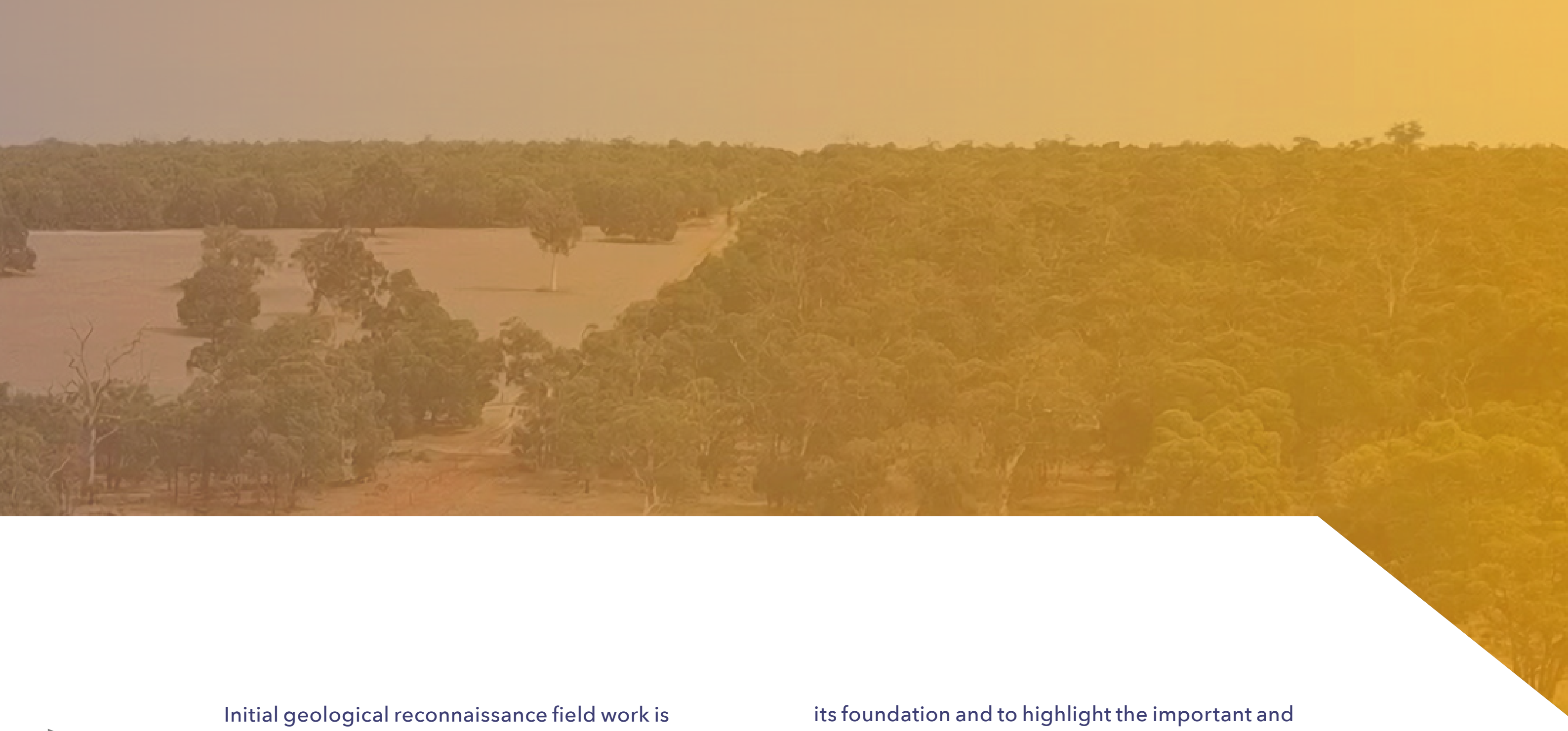
Having reviewed many projects both in Australia and overseas, we were pleased to acquire the exciting new Aston Lithium-Rare Earths Project during the year, which was secured through agreements with two listed explorers, White Cliff Minerals Limited (ASX: WCN) and eMetals Limited (ASX: EMT).

These acquisitions have collectively delivered one of the largest contiguous landholdings, covering an area of 1,709km2 in the highly sort-after Gascoyne Province of WA, approximately 850km north of Perth.

The Gascoyne Province has been explored historically for gold, base metals, tungsten and uranium; however, recent exploration by neighbouring tenement holders has highlighted the prospectivity of the region for both hard rock hosted lithium (spodumene) and rare earth element (REE) deposits.

Importantly, the Aston Project tenure is interpreted to include significant strike extensions of the prospective stratigraphy and structures associated with the lithium and REE discoveries, notably some exciting new lithium discoveries currently being drilled out by Delta Lithium (ASX: DLI) at its Yinnetharra Lithium Project.

Minerals 260 has been able to build rapidly on the strong foundations established through our $30 million IPO and has worked hard both to unlock the potential of our existing projects while also further develop and expand our quality asset base.



Initial geological reconnaissance field work is underway and a high-resolution aeromagnetic and radiometric program has also been completed over the project area. This work has borne early fruit with initial assays received from regional and infill soil sampling confirming the lithium potential, having defined two large lithium anomalies coincident with the mineralised Jamesons-Malinda lithium trend defined by Delta Lithium (refer MI6 ASX release dated 25 July 2023) The geological reconnaissance field work will be on-going over the next few months, with numerous lithium and rare earth targets identified requiring follow-up, with a view to commencing our maiden drilling program during the 2024 financial year.

Aston is a quality addition to our portfolio, and we are very excited by the potential to discover economic lithium and/or rare earth deposits across our project area.

In March, we were excited to announce the appointment of experienced mining executive Luke McFadyen as CEO, with Luke commencing in the role on 1 July. This appointment aligns strongly with our growth strategy, with Luke's strong background in corporate strategy, market intelligence, project assessment and valuation & economic analysis intended to bring a new energy and focus to the Company.

Luke's expertise will help us both to unlock the value of our current projects and to leverage the Company's technical, commercial and balance sheet strength to identify new growth opportunities – both high-potential early-stage exploration projects and more advanced, resource-level assets.

Luke will work closely with Minerals 260's founding Managing Director, David Richards, who has transitioned to the role of Technical Director and will ultimately move to a non-executive position on the Company's board. I am looking forward to working with the newly structured senior leadership team.

While he is still very much a part of the Company's senior leadership team, I would like to take this opportunity to briefly acknowledge the great work that David has done at Minerals 260 since its foundation and to highlight the important and on-going role he will have with the Company. We are fortunate to have David continuing to share his expertise and experience.

In conclusion, I would like to express my sincere thanks to all of our key stakeholders who have worked with us and supported us during the year – particularly the farmers around the Moora/Koojan Projects, the pastoral leaseholders around the Aston Project and the various Native Title Groups with whom we have worked in a positive and consultative manner during the year. We look forward to maintaining these positive relationships in the future.

A warm thank-you also to our loyal shareholders for their ongoing support. Minerals 260 is fortunate to have a first-rate shareholder base, many of whom we inherited from Liontown Resources. The majority of our top-50 shareholders have remained unchanged since listing, which is testament to the fact that they share and support our long-term vision for the Company.

Finally, I would like to thank my fellow Directors for their support and assistance and extend my sincere thanks to David, Matthew Blake our Exploration Manager and the broader team for their hard work and dedication during the year. We again also take this opportunity to welcome Luke on-board and look forward to his leadership in the years ahead.

With a clear vision to build a world-class, growth focused modern minerals business through exploration success and acquisition, Minerals 260 is exceptionally well placed to grow and prosper in the months and years ahead.

I look forward to keeping you informed about our progress.

Yours faithfully,

Anthony Cipriano
Non-Executive Chairman

Directors' Report

The Directors present their report together with the financial statements of the Group consisting of Minerals 260 Limited ('Minerals 260' or 'the Company') and its controlled entities for the financial year ended 30 June 2023 and the independent auditor's report thereon.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Anthony J Cipriano, Independent Chairman	
Qualifications	B.Bus, CA, GAICD
Experience	Mr Cipriano is a Chartered Accountant with over 30 years' accounting, corporate and finance experience. Mr Cipriano was formerly a senior partner at Deloitte and at the time of his retirement he was the 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 corporate, legal and financial matters. Mr Cipriano was appointed as Non-Executive Chairman on 4 June 2021.
Interests in shares and options at the date of this report	1,752,268 ordinary shares 3,000,000 unlisted options
Special responsibilities	Member of the Audit & Risk Committee and Chair of the Remuneration & Nomination Committee.
Directorships held in other listed entities in the last three years	Mr Cipriano is a Non-Executive Director of Liontown Resources Limited.

Mr David R Richards, Technical Director	
Qualifications	BSc (Hons), MAIG
Experience	Mr Richards has over 40 years' experience in mineral exploration in Australia, Southeast Asia and western USA. His career includes exploration and resource definition for a variety of gold, lithium and base metal deposit styles, and he led the team that discovered the multi-million ounce, high grade Vera-Nancy gold deposits in North Queensland as well as the Kathleen Valley Lithium Project in Western Australia. He has held senior positions with Battle Mountain Australia Inc, Delta Gold Limited, AurionGold Limited, Glengarry Resources Limited and was Managing Director of ASX-listed Liontown Resources Limited from 2010 – 4 May 2021, transitioning to Technical Director from 5 May 2021. Mr Richards was appointed as Managing Director on 15 September 2021 and transitioned to Technical Director on 1 July 2023.
Interests in shares and options at the date of this report	2,070,000 ordinary shares 4,000,000 unlisted options
Special responsibilities	None
Directorships held in other listed entities in the last three years	Mr Richards is a Non-Executive Director of Woomera Mining Limited and was previously Managing Director of Liontown Resources Limited (resigning as Technical Director 24 November 2021).

Mr Tim R B Goyder, Non-Executive Director	
Experience	Mr Goyder is an experienced mining executive with over 40 years' experience in the resource industry. He has been involved in the formation and management of a number of publicly listed companies and is currently Non-Executive Chairman of Liontown Resources Limited and DevEx Resources Limited. Mr Goyder was appointed as Non-Executive Director on 4 June 2021.
Interests in shares and options at the date of this report	31,157,814 ordinary shares 2,500,000 unlisted options
Special responsibilities	Member of the Remuneration & Nomination Committee.
Directorships held in other listed entities in the last three years	Mr Goyder is currently Non-Executive Chairman of Liontown Resources Limited and DevEx Resources Limited and was previously Non-Executive Chairman of Chalice Mining Limited (formerly Chalice Gold Mines Limited).

Mr Russell C (Craig) Williams, Independent Non-Executive Director	
Qualifications	BSc (Hons)
Experience	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'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. Mr Williams was appointed as Non-Executive Director on 2 July 2021 and resigned at the Company's Annual General Meeting held 22 November 2022.
Interests in shares and options at the date of this report	2,892,075 ordinary shares 1,500,000 unlisted options
Special responsibilities	Member of the Audit & Risk Committee and Member of the Remuneration & Nomination Committee.
Directorships held in other listed entities in the last three years	Mr Williams was Non-Executive Chairman of OreCorp Limited and Solstice Minerals Limited and remains Non-Executive Director of Liontown Resources Limited.

Mr Russell C (Craig) Williams, Independent Non-Executive Director	
Qualifications	BA, LLB (Hons), GAICD
Experience	Ms Scotney is a highly experienced Business Advisor and Corporate Lawyer who has over 25 years combined expertise in the property, agricultural and mining industries. She has extensive expertise in advising on corporate, financial and commercial matters, including M&A and corporate governance policy. Ms Scotney is also a member of a private company Board responsible for the operations of a large commercial livestock and cropping enterprise providing strong financial and legal oversight. Ms Scotney was appointed as Non-Executive Director on 1 November 2021.
Interests in shares and options at the date of this report	237,767 ordinary shares 1,750,000 unlisted options
Special responsibilities	Chair of the Audit & Risk Committee
Directorships held in other listed entities in the last three years	Ms Scotney is currently Non-Executive Director of De Grey Mining Ltd and was previously Non-Executive Director at Zenith Minerals Limited.

Company Secretary

The names and details of the Company Secretary in office during the financial year and until the date of this report are as follows:

Mr Curtis Stanley Abbott	
Qualifications	B.Com, CA
Experience	Mr Abbott is experienced Chartered Accountant with over 16 years of accounting and commercial experience. Mr Abbott commenced his career at KPMG (Audit) and held a range of senior positions in publicly listed companies all within the resources sector including precious metals, rare earths and other green energy related commodities. Mr Abbott was appointed Company Secretary on 4 October 2022 subsequent to his appointed as Chief Financial Officer on 1 July 2022.

Mr Clinton Wade McGhie	
Qualifications	B.Com, CA, AGIA
Experience	Mr McGhie is a Chartered Accountant who commenced his career at a large international accounting firm and has since been involved with a number of ASX and AIM listed exploration and development companies operating in the resources sector. Mr McGhie is a Fellow of the Governance Institute of Australia (Chartered Secretary) and a Fellow of the Financial Services Institute of Australasia. Mr McGhie resigned as Company Secretary 4 October 2022.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during or in relation to the year and the number of meetings attended by each Director were as follows:

	Directors' Meetings	Audit & Risk Committee	Remuneration & Nomination Committee
No. of meetings held:	10	3	2
No. of meetings attended:			
A J Cipriano	10	3	2
D R Richards	10	-	-
T R B Goyder	10	-	2
E J Scotney	10	3	-
C R Williams[(1)]	5	1	-

(1) Mr Williams resigned as Non-Executive Director on 22 November 2022.

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Principal Activities

The principal activities of the Company during the course of the financial year were mineral exploration and evaluation.

Review of Operations

The Directors present the Operating and Financial Review of the Group for the year ended 30 June 2023. The information provided in this review forms part of the Director's Report and provides information to assist users in assessing the operations, financial position and business strategies of the Group.

Overview

During the year, the Company confirmed significant precious and base metal mineralisation at its Moora Project located in the Julimar Mineral Province of southwest Western Australia and acquired a large, strategic land package in the rapidly emerging Gascoyne Lithium-REE Mineral Province of central Western Australia.

The Company's strong cash position (~$17M at 30 June 2023) and quality tenement holdings in a Tier 1 mining jurisdiction means it is well positioned to advance exploration and make a potential major economic discovery.

A more detailed summary of the Company's Project Portfolio is provided below:

Aston Critical Minerals Project, Western Australia (100%)

The Aston Project, which comprises 13 largely contiguous tenements covering an area of 1,709km^2, is in the Gascoyne Province of Western Australia, approximately 850km north of Perth and 230km east of Carnarvon. The Project is considered highly prospective for lithium and rare earths following recent discoveries by adjacent explorers.

The Aston Project was acquired Q1 2023 via the purchase of two separate tenement packages from ASX-listed explorers eMetals Limited (ASX: EMT) and White Cliff Minerals Limited (ASX: WCN) (see ASX releases dated 7th March 2023 and 27th March 2023).

The Gascoyne Province has been explored historically for gold, base metals, tungsten and uranium; however, recent exploration by neighbouring tenement holders has highlighted the region's prospectivity for both hard rock hosted lithium (spodumene) and Rare Earth Elements (REE) deposits.

In May 2023, the Company commenced its maiden field program which is scheduled to take up to six months to complete. The fieldwork is designed to define drill targets and comprises:

- Reconnaissance (500x500m) and infill (400x50m) soil sampling.
- Geological reconnaissance including rock chip sampling.
- High-resolution airborne magnetics and radiometrics over the ~50% of the area for which the data was not available when the Project was acquired.

Soil Sampling

The soil sampling comprises two components:

- Reconnaissance (500 x 500m) sampling designed to define broad areas of lithium and REE anomalism which will be further assessed by infill sampling.
- Infill sampling designed to define drill targets.

1082 reconnaissance soil samples have been collected with assays confirming strong lithium (+tantalum and rubidium) anomalism (>100ppm Li_2O) coincident with the stream anomalism defined by historic sampling.

Infill soil sampling programs have been completed over three areas with all assays received.

Multiple large scale lithium anomalies (>100ppm Li_2O) have been defined in the northern and southern parts of the Project area which are subject to ongoing rock chip sampling to assist in locating the source of the anomalism for drill planning purposes.

Further infill sampling programs will be planned as results are received and processed from the ongoing reconnaissance sampling.

Geological Reconnaissance

The geological reconnaissance (and prospecting) comprises wide-spaced traverses designed to quickly assess target areas defined by historic exploration and high-resolution geophysical data.

Approximately 25% of the Project has been assessed with 842 rock chip samples collected and submitted for assay. Results have been received for 455 samples with anomalous lithium (>200ppm Li_2O) and REE (>1,000ppm TREO) recorded from a number of areas which will be further investigated by closer spaced sampling.

Numerous outcropping pegmatites have been recorded which require further sampling and assessment.

Geophysics

A high resolution aeromagnetic and radiometric program has been completed over the Project area for which these datasets were not previously available. The data has been reprocessed and has defined further targets that will be assessed by geological reconnaissance and prospecting.

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Moora Gold-Copper-Nickel-PGE Project, Western Australia (100%)

The Moora Project, which is in south-west Western Australia approximately 150km north-east of Perth, comprises wholly owned tenure applied for in 2018 and 2019 and is considered prospective for precious and battery-related metals. Drilling has intersected strong gold/copper/PGE mineralisation coincident with geophysical features interpreted to be indicative of mafic-ultramafic intrusions similar to the unit that hosts the world-class Julimar discovery ~95km to the south.

Exploration during the year comprised Reverse Circulation (RC) and Diamond Core (DD) drilling designed to follow up previously reported intersections and to test new geochemical and/or geophysical targets. Drilling totalled 55 holes for 9,552m comprising 50 RC holes for 8,152m, two DD holes for 473m and three combined RC/DD core holes for 927m.

The main focus of the program was the Mynt prospect, where drilling last year intersected significant copper-gold mineralisation. Better intersections received during the year include:

- MRRD0088 36m @ 1.0% Cu and 0.4g/t Au from 194 - 230m, including:

  18m @ 1.6% Cu and 0.8g/t Au from 194 - 212m
- MRRC0089 21m @ 1.3% Cu and 0.4g/t Au from 119 - 140m, including:

  5m @ 2.4% Cu and 0.8g/t Au from 121 - 126m

  4m @ 2.3% Cu and 0.7g/t Au from 129 - 133m
- MRRC0100 11m @ 1.5% Cu and 0.6g/t Au from 118 - 129m, including:

  5m @ 2.0% Cu and 0.8g/t Au from 122 - 127m
- MRRC0105 11m @ 1.4% Cu and 1.3g/t Au from 124 - 135m, including:

  3m @ 2.8% Cu and 4.2g/t Au from 128 - 131m
- MRDD0013 21.8m @ 1.9% Cu and 0.8g/t Au from 104.2 – 126m*, including:

  12.05m @ 2.9% Cu and 1.1g/t Au from 106 – 118.05m
- MRRC0143 10m @ 1.3% Cu and 0.6g/t Au from 64 – 74m*, including:

  5m @ 2.2% Cu and 1.1g/t Au from 66 – 71m

Drilling at Mynt indicates the potential for multiple, structurally controlled copper-gold shoots all of which remain open at depth.

Significant mineralisation was also intersected at:

Angepena (Gold)

- MRRC054 16m @ 2.8g/t Au from 48 - 64m, including:

  2m @ 9.8g/t Au from 50 - 52m; and

  3m @ 6.6g/t Au from 54 - 57m
- MRRC0108 20m @ 0.8g/t Au from 1 – 21m, including:

  8m @ 1.3g/t Au from 3 - 11m
- MRRC0109 22m @ 0.5g/t Au from 2 – 24m, including:

  2m @ 2.4g/t Au from 17 - 19m

Acga (PGEs)

- MRRC0055 3m @ 0.52g/t Pd+Pt (PGE) from 177 – 180m
- MRRC0058 3m @ 0.33g/t Pd+Pt (PGE) from 134 – 137m

Dwel (Gold-Copper-Zinc)

- MRRC0124 5m @ 0.7g/t Au and 0.2% Cu from 62 – 67m, including:

  1m @ 2.7g/t Au and 0.2% Cu from 62 – 67m

  1m @ 5.7% Zn from 91 – 92m

All the mineralised zones remain open at depth and Dipole-Dipole Induced Polarisation (DDIP) surveys, which can detect sulphide mineralisation, are planned to assist with targeting deeper RC/DD drilling.

Exploration is scheduled to recommence immediately following the annual crop harvest in November 2023.

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Koojan JV Project, Western Australia (right to earn 51%)

The Koojan Project adjoins the western boundary of the Moora Project and is considered prospective for mafic/ultramafic mineralisation similar to that being targeted at Moora. Minerals 260 is in joint venture with Lachlan Star Limited (ASX: LSA) and has earned a 30% interest in the Project, with the right to increase its equity to 51%.

The Koojan JV ("KJV") has been explored simultaneously with the Moora Project, with activities this year comprising a 41 hole/6,378m RC drilling program designed to test a number of geochemical and/or geophysical targets.

Anomalous multi-element geochemistry was reported from the Mallory prospect with up to 98ppb gold, 30g/t silver, 592ppm cobalt and 1,480ppm copper intersected in RC drilling. A DDIP survey was conducted after the reporting date with the surveys defining several coincident chargeable and conductive structures that may be caused by sulphides which will be further assessed by drilling in Q4 of 2023.

Dingo Rocks, Western Australia (100%)

The Dingo Rocks Project is in SE Western Australia, approximately 600km south-east of Perth and 100km south of Norseman, proximal to the southern margin of Eastern Goldfields Superterrane of the Archaean Yilgarn Block. Regional geophysical data indicate the potential for mafic-ultramafic intrusions prospective for Ni-Cu-PGE mineralisation which have not be assessed by previous exploration.

Heritage clearances and government permitting were finalised during the year which have allowed for reconnaissance aircore drilling across a number of coincident magnetic and gravity anomalies which are obscured by shallow cover.

A 130 – 150 hole, 6,000 – 7,000m aircore drilling program commenced in September following recent completion of earthworks.

WBR, Western Australia (right to acquire 80%)

The WBR Project was acquired during the year and initially comprised six Exploration Licences located throughout the Wheatbelt of SW Western Australia. Minerals 260 has an Option and Joint Venture Agreement with private group Koojan Exploration Pty Ltd which gives the Company the right to earn 80% equity in the tenements, which were acquired to assess magnetic anomalies considered prospective for base and precious metal mineralisation.

A geochemical sampling program designed to assess multiple aeromagnetic anomalies and structural trends was completed during the year with 1,252 samples collected.

Following a review of the results, four of the six ELs were returned to the vendor.

At E70/5563 located ~12km ENE of Dalwallinu, 200 x 200m sampling has defined elevated gold (up to 6ppb) and PGEs (up to 30ppb) coincident with the northern part of the Pithara Greenstone Belt which is obscured by shallow soil cover.

At E70/5621 located ~15km SSE of Bencubbin, 400 x 400m sampling has recorded elevated lithium (up to 90ppm), niobium (up to 185ppm), tin (up to 250ppm) and tantalum (up to 8.5ppm) which is indicative of pegmatite hosted LCT mineralisation.

Infill geochemical sampling will be completed across both areas in Q4 2023 (post-harvest) to determine whether drill testing is warranted.

Yalwest, Western Australia (100%)

The Yalwest Project comprises two adjoining Exploration Licence (EL) located ~400km north of Perth in the Murchison Gold Province of the Archaean Yilgarn Block. The ELs were acquired to assess unexplained magnetic and gravity features that have not been subject to modern exploration.

Assays from a soil sampling program completed late last year did not define any anomalous trends and the underlying tenements have been surrendered.

The company acquired a large, strategic land package in the rapidly emerging Gascoyne Lithium-REE Mineral Province of central Western Australia.

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The Dingo Rocks Project is in SE Western Australia, approximately 600km south-east of Perth and 100km south of Norseman, proximal to the southern margin of Eastern Goldfields Superterrane of the Archaean Yilgarn Block.

Corporate

With a very healthy cash balance, experienced geological team and Board, the Company was active throughout the financial year pursuing business development opportunities aimed at delivering additional shareholder value. By April 2023, the Company had entered into two separate agreements with eMetals Ltd and White Cliff Minerals Ltd to acquire ~1700km2 of largely contiguous land (now known as the Aston Project) in the Gascoyne Province, prospective for spodumene bearing hard rock lithium and rare earth elements. Following completion, total consideration for the Aston Project equated to 14,000,000 shares issued at an average price of $0.3675 and $100,000 cash.

To support the expanding project portfolio, in March 2023 the Company announced the appointment of experienced mining executive Luke McFadyen to CEO, effective 1 July 2023. Mr McFadyen previously worked for OZ Minerals, Syrah Resources, South32 and BHP across a range of commercial, strategy, finance and marketing roles and has significant experience across the range of commodities that Minerals 260 are targeting. As part of this growth strategy, Mr Richards transitions from Managing Director to Technical Director to continue to provide expertise to the Company.

Financial Performance

The Group reported a net loss from continuing operations of $13.1 million for the year compared to a net loss of $88.6 million in 2022.

Acquisition costs of $5.6m (the majority being non-cash) formed a significant component of the current year $13.1m net loss as the Company pursued business development opportunities. During March and April 23, the Company acquired what is now known as the Aston Project from both eMetals Ltd and White Cliff Minerals Ltd for a total of 14,000,000 shares and $100,000 cash, leading to a total acquisition cost of the project of approximately ~$5.5 million. This compared to the $80.0 million expensed in acquisition costs in 2022 following the demerger from Liontown Resources Ltd after the Company acquired ERL (Aust) Pty Ltd, being the entity that held the Moora, Koojan JV, Dingo Rocks and Yalwest Projects.

On ground exploration and evaluation expenditure increased from $4.0 million in 2022 to $5.0 million in 2023. Costs incurred at Moora & Koojan were comparable across periods, with the largest variance being $0.7 million incurred at the newly acquired Aston Project for field reconnaissance, geochemical and geophysical activities.

Corporate and admin expenses increased from $1.1 million to $1.9 million. In addition to it being a full year of operations, notable comparable movements were an increase of $0.2 million in business development expenditure and $0.3 million in personnel expenditure to support the expanding project portfolio and associated activities.

Share based payments expense fell from $3.0 million to $1.4 million whilst income significantly increased by $0.7 million due to rising interest rates and the receipt of a co-funded drilling grant from the Western Australian Department of Mines, Industry Regulation and Safety.

Statement of Cashflows

Cash and cash equivalents as at 30 June 2023 were $17.1 million (2022: $23.5 million). The net decrease in cash of $6.4 million is primarily due to $4.8 million spent on exploration and evaluation activities throughout the year, the most notable program being a >16,000m RC and diamond drilling campaign at Moora/Koojan. Cash paid to suppliers and employees increased from $0.9 million in 2022 to $1.7m as corporate and business development activity increased in 2023 offset by interest received increasing by $0.5 million due to rising rates. All comparatives need to be considered against the fact that the Company had been listed for a full 12 months in 2023, as opposed to nine months in 2022.

Since admission to the ASX in October 2021 through to 30 June 2023, the Company has used its cash and assets readily convertible to cash, in a way that has been consistent with its business objectives stated in Prospectus dated 19 August 2021. The Company also refers shareholders to its Quarterly Activities and Cashflow Reports for further information regards Use of Funds and any variations.

Financial Position

At balance date the group had net assets of $16.6 million (2022: $23.2 million) and an excess of current assets over current liabilities of $16.4 million (2022: $23.1 million). As the Company does not capitalise its exploration and evaluation assets, the reduction in both net assets and net current assets is primarily due to the application of cash toward exploration and corporate related activities. Despite a reduction, the Company remains well funded to potentially generate significant shareholder wealth either through exploration success at our existing projects, or strategically via an acquisition or other type of commercial arrangement.

Material Business Risks

As an exploration company seeking to generate significant shareholder value, the Group's is exposed to inherent risks commensurate to that of mineral exploration. The Board, Audit & Risk Committee and management collectively provide oversight and manage these risks to an acceptable level. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are outlined below:

Work Health & Safety

The Company has created a strong safety culture and environment, however, exploration activities carry elevated inherent risks. The Group manages such risks through its Enterprise Risk Register, Mine Safety Management System and other policies and processes however can never guarantee such adherence to frameworks, policies and systems can eliminate safety incidents which may cause serious injury, financial loss, negative publicity and/or stall project development.

Environmental & Heritage Regulation/Events

The operations and activities of the Group are subject to both environmental and heritage laws and regulations of Australia. Through active engagement with its stakeholders, use of consultants where necessary and compliance to relevant laws and regulations, the Group conducts its activities to the highest standard of environmental and heritage obligation. The Group is unable to predict the effect of additional environmental and heritage laws, penalties and regulations which may be adopted in the future.

Exploration Risk

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. The Group addresses this risk by leveraging off previous exploration experience, applied exploration techniques/methods and readily reviewing projects as to determine the most appropriate method of capital allocation.

Tenure & Land Access

Tenure & Land access is critical for exploration and/or exploitation to succeed, as such the Group is actively engaged with its stakeholders to foster a collaborative relationship that respects mutual needs. Typically, the Group's rights in certain tenements are subject to contracts with third parties, including access agreements and/or Heritage Agreements with the Native Title Owners. The Group has also established a framework for ongoing engagement and obtaining required consents for continuity of works so that it can continue pursuing its objective of creating shareholder wealth.

Inability to Raise Future Capital

The Group has no operating revenue and is unlikely to generate operating revenue unless or until the Group's projects or potential projects are successfully commercialised or production commences. While the Group is currently funded, future exploration and business development may require further financing and may be dilutive to shareholders and be undertaken at lower than market price, If the Group is unable to obtain appropriate financing, it may reduce the scope of its activities, monetise non-core assets, reduce commitments or other measures to conserve capital to a point more beneficial to shareholders.

Significant changes in the state of affairs

There were no significant changes to the state of affairs other than those noted elsewhere in this financial report.

Dividends

No dividends were declared or paid during the period and the Directors recommend that no dividend be paid.

Events subsequent to reporting date

On 1 July 2023, Mr Luke McFadyen commenced as CEO of the Company whilst Mr Richards transitioned from Managing Director to Technical Director. In connection with Mr McFadyen's appointment and pursuant to the Company's Employee Securities Incentive Scheme, 5,000,000 unlisted options were issued with an exercise price of $0.685 expiring 30 June 2026.

No other matters or circumstances have arisen since 30 June 2023 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments

There are no likely developments that will impact on the Company other than as disclosed elsewhere in this report.

Indemnification and insurance of directors and officers

During the financial year, the Company paid a premium under a contract insuring all Directors and Officers of the Company against liability incurred in that capacity. Disclosure of the nature of liabilities insured and the premium is subject to a confidentiality clause under the contract of insurance.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Environmental regulations

The Company is subject to material environmental regulation in respect to its exploration and evaluation activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is compliant with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the period under review.

Non-audit services

No non-audit services were performed during the financial year.

Options granted over unissued shares

As at 30 June 2023, 18,050,000 fully paid ordinary shares of the Company are under option on the following basis:

	Number
Exercisable at $0.72 each on or before 30 September 2024 (escrowed to 12 October 2023)	9,000,000
Exercisable at $0.72 each on or before 30 September 2024 (escrowed to 12 October 2022)	750,000
Exercisable at $0.69 each on or before 31 October 2024 (voluntary escrow to 12 October 2023)	750,000
Exercisable at $0.75 each on or before 3 March 2025	1,650,000
Exercisable at $0.715 each on or before 14 March 2025	250,000
Exercisable at $0.355 each on or before 30 June 2025	150,000
Exercisable at $0.475 each on or before 21 November 2025	5,500,000
Total Options on issue at 30 June 2023	**18,050,000**
Exercisable at $0.685 each on or before 30 June 2026	5,000,000
Total Options on issue as at day of this report	**23,050,000**

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Remuneration report - audited

(a) Introduction

This remuneration report for the year ended 30 June 2023 outlines remuneration arrangements in place for Directors and other members of the Key Management Personnel ("KMP") of Minerals 260 in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company. KMP's during or since year end were:

Directors

- A Cipriano (Chairman)
- L McFadyen (Chief Executive Officer)[1]
- D Richards (Technical Director)[1]
- T Goyder (Non-executive Director)
- E Scotney (Non-executive Director)
- C Williams (Non-executive Director)[2]

There were no other changes to KMP after the reporting date and before the date the financial report was authorised for issue.

(b) Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre employees and to link a significant component of executive rewards to shareholder value creation. The size, nature and financial strength of the Company is also taken into account when setting remuneration levels so as to ensure that the operations of the Company remain sustainable.

(c) Remuneration & Nomination Committee

The Remuneration & Nomination Committee currently consists of Mr Cipriano (Chairman) and Mr Goyder (Non-Executive Director). Mr Williams (Non-Executive Director) remained a committee member up until his retirement dated 22 November 2022. The Remuneration & Nomination Committee is responsible for determining and reviewing compensation arrangements for the Directors, the Managing Director, and any Executives, and maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body.

Details of the Remuneration & Nomination Committees Charter can be found at the Company's website www.minerals260.com.au.

Use of Remuneration consultants

To ensure the Remuneration & Nomination Committee is fully informed when making remuneration decisions, the Remuneration & Nomination Committee may seek external advice, as it requires, on remuneration policies and practices. Remuneration consultants can be engaged by, and report directly to, the Committee. In selecting remuneration consultants, the committee would consider potential conflicts of interest and independence from the Group's KMP and other executives. During the year, the Remuneration & Nomination Committee did not seek advice from external consultants. The Remuneration & Nomination Committee recommended changes as to the quantum and structure of KMP remuneration which became effective in July 2023.

(d) Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive and executive remuneration is separate and distinct.

Non-Executive Director remuneration

The Board recognises the importance of attracting and retaining talented non-executive Directors and aims to remunerate these Directors in line with fees paid to Directors of companies of a similar size and complexity in the mining and exploration industry. The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is fair and reasonable to shareholders.

The Company's Constitution and the ASX Listing Rules specify that the aggregate fees to be paid to non-executive directors for their role as a Director are to be approved by shareholders at a general meeting. On 18 August 2021, the Company approved an aggregate amount of fees up to $400,000 per year (including superannuation) payable to Non-Executive Directors.

The amount of total compensation apportioned amongst Directors is reviewed annually and the Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. The remuneration of non-executive directors consists of directors' fees, consulting fees (where applicable) and an entitlement

(1) As announced 26 May 2023, Mr Richards transitioned from Managing Director to Technical Director and Mr MrFadyen commenced as Chief Executive Officer, effective 1 July 2023.

(2) Mr Williams retired as Non-executive Director at the Company's AGM dated 22 November 2022.

to an additional fee of $5,000 (exclusive of statutory superannuation) per annum for members of the Audit & Risk Committee and Remuneration & Nomination Committee to recognise the additional time commitment required for those roles.

The Non-Executive Directors are not entitled to receive retirement benefits and, at the discretion of the Board, may participate in the Employee Securities Incentive Scheme ("Scheme") (refer below for further details of the Scheme), subject to approvals required by shareholders.

The Board considers it may be appropriate to issue options to Non-Executive Directors given the current nature of the Company as, until profits are generated, conservation of cash reserves remain a high priority. Any options issued to Directors will require separate shareholder approval.

Use of Non-Executive Directors as consultants

Apart from their duties as Directors, some Non-Executive Directors may undertake work for the Company on a consultancy basis pursuant to the terms of any consultancy services agreement. The nature of the consultancy work may vary depending on the expertise of the relevant Non-Executive Director. Under the terms of any consultancy agreements Non-Executive Directors would receive a daily rate or a monthly retainer for the work performed at a rate comparable to market rates that they would otherwise receive for their consultancy services.

During the year, no fees were paid to other Non-Executive Directors under consultancy services agreements.

Executive remuneration

The Company's executive remuneration strategy is designed to attract, motivate and retain high performance individuals and align the interests of executives and shareholders. Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed remuneration

Fixed remuneration is reviewed on an annual basis by the Remuneration & Nomination Committee and the Board and generally consists of a review of relevant comparative remuneration in the market, economic factors and, where appropriate, external advice is sought on policies and practices.

Variable remuneration

Variable remuneration is reviewed on an annual basis by the Remuneration & Nomination Committee and the Board and generally consists of a review of relevant comparative remuneration in the market, economic factors and, where appropriate, external advice is sought on policies and practices.

Short-term and long-term incentive schemes

The Company currently does not have any short and long term incentives in place however, it may issue equity securities (i.e. options, service rights or performance rights) under the Employee Securities Incentive Scheme ("Scheme") to attract, motivate and retain Directors, employees and consultants of the Company and to provide an opportunity to participate in the growth of the Company over the longer term. The Scheme was adopted on 22 November 2022.

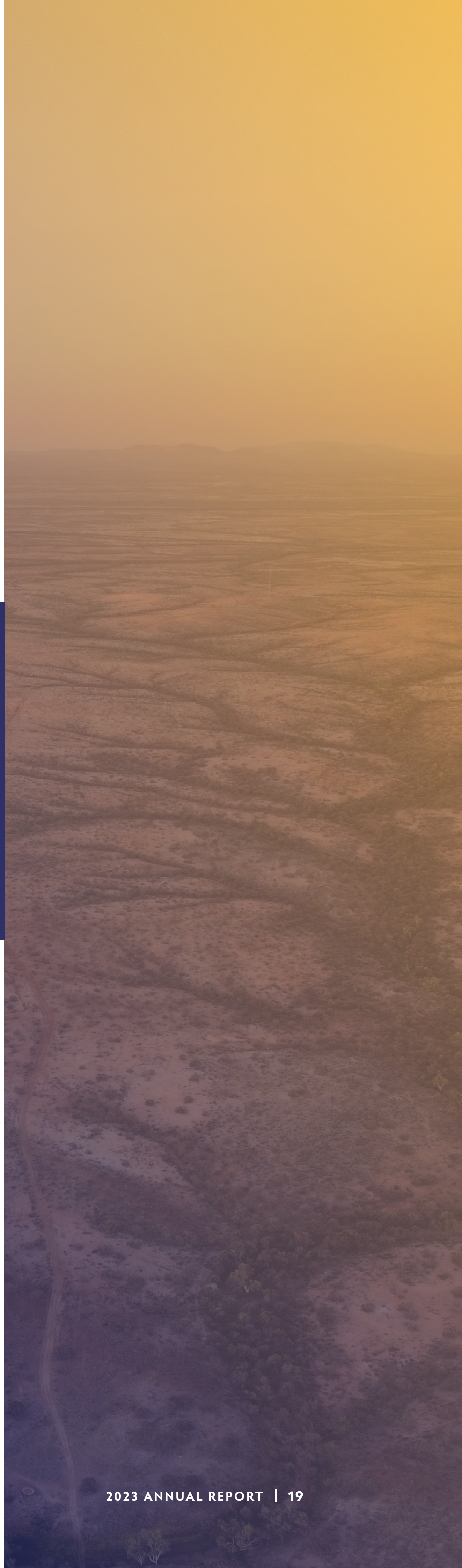
Under the Scheme, the Company can issue either share options or rights, and generally, the Company believes that the issue of share options or rights in the Company aligns the interests of Directors, employees and shareholders alike. In addition to vesting service periods, performance hurdles may be set on performance rights issued to Executives in certain circumstances. No performance hurdles are set on options issued to executives, other than vesting service periods in certain circumstances, however the Company believes that as options are issued at a price in excess of the Company's current share price at the date of issue of those options, there is an inherent performance hurdle as the share price of the Company's shares has to increase before any reward can accrue to the executive.

Link between performance and executive remuneration

The focus of executive remuneration over the financial year was fixed remuneration and options under the Scheme which seeks to ensure that executive remuneration is appropriately aligned with the Business strategy and shareholder interests.

The Company currently has no formal performance related remuneration policy which governs the payment of annual cash bonuses upon meeting pre-determined performance targets. However, the Board may consider performance related remuneration in the form of cash or share based payments when they consider these to be warranted. There were no cash bonuses paid to or received by executives in the years ended 30 June 2023 and 30 June 2022.

In parallel with ongoing work programs in the northern Julimar Province, Minerals 260 has been very active in assessing potential new projects, seeking to identify and acquire complementary assets in the critical minerals space in Tier-1 jurisdictions as part of our vision to become a globally significant metals and mining company.



(e) Remuneration of Key Management Personnel

The table below shows the fixed and variable remuneration for key management personnel.

2023	Short-term benefits		Post-employment benefits	Long term incentives	Total	Proportion of remuneration performance based
	Salary & fees	Other amounts[2]	Superannuation	Options[3]		
	$	$	$	$	$	%
Directors						
A Cipriano	90,000	7,525	9,450	319,500	426,475	75
D Richards	306,646	59,976	28,538	426,000	821,150	52
T Goyder	46,181	7,525	3,544	213,000	270,250	79
C Williams[1]	19,697	7,525	2,068	-	29,290	-
E Scotney	45,000	7,525	4,725	213,000	270,250	79
Total	**507,524**	**90,076**	**48,325**	**1,171,500**	**1,817,425**	**-**

[1] Mr Williams retired at the Annual General Meeting dated 22 November 2022.
[2] Other amounts, where applicable, includes the cost to the Company of providing annual leave, long service leave, fringe benefits, memberships and the attributable non-cash benefit applied by virtue of the Company's Directors and Officers Liability policy.
[3] The fair value of the options is calculated using a Black-Scholes valuation model and allocated to each reporting period starting from grant date to vesting date.

2022	Short-term benefits		Post-employment benefits	Long term incentives	Total	Proportion of remuneration performance based
	Salary & fees	Other amounts[3]	Superannuation	Options[4]		
	$	$	$	$	$	%
Directors						
A Cipriano	58,871	4,426	5,887	406,500	475,684	85
D Richards	224,238	34,829	20,625	542,000	821,692	66
T Goyder	33,226	4,426	3,323	406,500	447,475	91
C Williams[1]	36,559	4,426	3,656	406,500	451,141	90
E Scotney[2]	30,000	4,426	3,000	186,750	224,176	83
Total	**382,894**	**52,533**	**36,491**	**1,948,250**	**2,420,168**	**-**

[1] Mr Williams commenced as Non-Executive Director on 2 July 2021.
[2] Ms Scotney commenced as Non-Executive Director on 1 November 2021.
[3] Other amounts, where applicable, includes the cost to the Company of providing time off in lieu, annual leave, long service leave, fringe benefits and the attributable non-cash benefit applied by virtue of the Company's Directors and Officers Liability policy.
[4] The fair value of the options is calculated using a Black-Scholes valuation model and allocated to each reporting period starting from grant date to vesting date.

(f) Key Management Personnel Shareholdings

The relevant interest of each of the key management personnel in the share capital of the Company was:

	Balance 30 June 2022 No. shares	On exercise of options No. shares	Net Acquisitions/ (Disposals) [2] No. shares	Held at Resignation Date No. shares	Balance 30 June 2023 No. shares
Directors					
A Cipriano	1,752,268	-	-	-	1,752,268
D Richards	2,070,000	-	-	-	2,070,000
T Goyder	30,726,400	-	431,414	-	31,157,814
E Scotney	7,767	-	230,000	-	237,767
C Williams[1]	2,892,075	-	-	2,892,075	-

[1] Mr Williams retired at the Annual General Meeting dated 22 November 2022.
[2] Acquisitions/ Disposals refer to shares purchased and sold on the open market.

(g) Share based Payments

As outlined in the Remuneration Report, Directors, key employees and consultants may be eligible to participate in equity-based compensation schemes via the Employee Securities Incentive Plan ("Scheme").

Options

Under the terms and conditions of the Scheme, options issued allow the holder the right to subscribe to one fully paid ordinary share. Any option not exercised before expiry will lapse on the expiry date.

During the year, 5,500,000 options were granted to Directors and those options have been valued using the Black-Scholes option valuation method. The following table lists the inputs to the model:

Option class:	Director MI6OPT06
Grant and vesting date	12 November 2022
Dividend yield	Nil
Expected volatility	100%
Risk-free interest rate	3.27%
Expected life of options (years)	3
Exercise price	$0.475
Grant date share price	$0.375
Expiry date	21 November 2025
Number	5,500,000
Fair value at grant date	$0.213

There are no participating rights or entitlements inherent in the options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. All shares allotted upon the exercise of options will rank pari passu in all respect with other shares.

The below table shows a reconciliation of the number of options held by each KMP during the year:

2023	Balance 1 July 2022	Granted as remuneration	Grant date	Options Exercised	Held at Resignation Date	Balance 30 June 2023	Vested
	No.	No.		No.	No.	No.	%
Directors							
A Cipriano	1,500,000[(2)]	1,500,000	22/11/2022	-	-	3,000,000	100%
D Richards	2,000,000[(2)]	2,000,000	22/11/2022	-	-	4,000,000	100%
T Goyder	1,500,000[(2)]	1,000,000	22/11/2022	-	-	2,500,000	100%
E Scotney	750,000[(2)]	1,000,000	22/11/2022	-	-	1,750,000	100%
C Williams[(1)]	1,500,000[(2)]	-	-	-	1,500,000	-	100%

[(1)] *Mr Williams retired at the Annual General Meeting dated 22 November 2022.*
[(2)] *Options are subject to escrow to 12 October 2023.*

(h) Employment Contracts

Remuneration arrangements for KMP are generally formalised in employment agreements. Details of these contracts are provided below regards the 2023 financial year:

Name and job title	Employment contract duration	Notice period	Termination/Change of Control provisions
D Richards (Managing Director)	Unlimited	3 months by the Company and employee	12 months in the event of a change of control event

(i) Other Transactions with Key Management Personnel

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Group during the reporting period. Terms and conditions of transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis. The Group receives database management and field services from related parties of the Managing Director, Mr Richards. Amounts paid are on normal commercial terms. The total amount incurred during the period was $113,500 (2022: $78,911). Amounts payable to key management personnel at reporting date arising from related party transactions was $ Nil (30 June 2022: $ Nil). This is the end of the audited information.

17. AUDITORS'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 23 and forms part of the Directors' Report for the year ended 30 June 2023.

18. CORPORATE GOVERNANCE

The Directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability.

Please refer to the Company website at http://www.minerals260.com.au/corporate-governance.

This report is made with a resolution of the Directors:

David Richards
Technical Director

Dated at Perth the 22nd day of September 2023

AUDITOR'S INDEPENDENCE DECLARATION

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Minerals 260 Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
22 September 2023

D I Buckley
Partner

hlb.com.au

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Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Continuing Operations			
Exploration and evaluation expenditure expensed	5(c)	(10,573,229)	(84,021,644)
Corporate and administrative expenses	5(a)	(1,891,735)	(1,077,597)
Listing & IPO expenses		-	(517,910)
Share based payments	8	(1,445,080)	(3,029,859)
Net finance income		804,244	56,829
Loss before income tax		**(13,105,800)**	**(88,590,181)**
Income tax expense		-	-
Net loss after tax		**(13,105,800)**	**(88,590,181)**
Other comprehensive income/(loss), net of tax		-	-
Total comprehensive loss		**(13,105,800)**	**(88,590,181)**
Loss per share from operations	7		
Basic loss per share (dollar per share)		(0.06)	(0.54)
Diluted loss per share (dollar per share)		(0.06)	(0.54)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	9	17,076,452	23,471,130
Trade and other receivables	10	157,185	94,294
Prepayments		13,797	8,771
Security deposits		51,176	50,000
Total current assets		**17,298,610**	**23,624,195**
Non-current assets			
Property, plant and equipment		127,448	105,475
Right of use assets		81,510	-
Security deposits		16,139	-
Total non-current assets		**225,097**	**105,475**
Total assets		**17,523,707**	**23,729,670**
Current liabilities			
Trade and other payables	11	605,222	425,577
Employee benefits	12	205,452	84,350
Lease liabilities		39,244	**-**
Total current liabilities		**849,918**	**509,927**
Non-Current liabilities			
Employee benefits	12	4,320	59,363
Lease liabilities		57,512	**-**
Total non-current liabilities		**61,832**	**59,363**
Total liabilities		**911,750**	**569,290**
Net assets		**16,611,957**	**23,160,380**
Equity			
Share capital	13	113,834,123	108,721,826
Accumulated losses		(101,697,105)	(88,591,305)
Reserves	14	4,474,939	3,029,859
Total equity		**16,611,957**	**23,160,380**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital $	Accumulated losses $	Share based payments reserve $	Total equity $
Balance at 30 June 2021	**1,000**	**(1,124)**	**-**	**(124)**
Loss for the period	-	(88,590,181)	-	(88,590,181)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the period	**-**	**(88,590,181)**	**-**	**(88,590,181)**
Transactions with Owners in their capacity as Owners:				
Issue of shares (net of costs)	108,720,826	-	-	108,720,826
Share based payments	-	-	3,029,859	3,029,859
Balance at 30 June 2022	**108,721,826**	**(88,591,305)**	**3,029,859**	**23,160,380**
Balance at 1 July 2022	**108,721,826**	**(88,591,305)**	**3,029,859**	**23,160,380**
Loss for the period	-	(13,105,800)	-	(13,105,800)
Other comprehensive loss	-	-	-	**-**
Total comprehensive loss for the period	**-**	**(13,105,800)**	**-**	**(13,105,800)**
Transactions with Owners in their capacity as Owners:				
Issue of shares (net of costs)	5,112,297	-	-	5,112,297
Share based payments	-	-	1,445,080	1,445,080
Balance at 30 June 2023	**113,834,123**	**(101,697,105)**	**4,474,939**	**16,611,957**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,747,578)	(852,225)
Payments for exploration and evaluation	(4,807,482)	(3,687,927)
Payments for IPO & ASX listing	-	(517,910)
Interest received	579,757	33,190
Government grants received	157,587	-
Interest paid	(960)	(766)
Security deposit paid	(16,139)	(50,000)
Net cash (used in) operating activities	**(5,834,815)**	**(5,075,638)**
Cash flows from investing activities		
Payments in relation to new tenements	(458,507)	(1,660)
Payments for plant and equipment	(50,474)	(100,365)
Net cash (used in) investing activities	**(508,981)**	**(102,025)**
Cash flows from financing activities		
Proceeds from issue of shares	-	30,000,000
Payments for share issue costs	(30,204)	(1,351,207)
Lease payments	(20,678)	-
Net cash provided by financing activities	**(50,882)**	**28,648,793**
Net increase in cash and cash equivalents	(6,394,678)	23,471,130
Cash and cash equivalents at 1 July	23,471,130	-
Cash and cash equivalents at 30 June	**17,076,452**	**23,471,130**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

BASIS OF PREPARATION

This section of the financial report sets out the Group's (being Minerals 260 Limited and its controlled entities) accounting policies that relate to the Consolidated Financial Statements as a whole. Where an accounting policy is specific to one Note, the policy is described in the Note to which it relates.

The Notes include information which is required to understand the Financial Statements and is material and relevant to the operations and the financial position and performance of the Group.

Information is considered relevant and material if:

- The amount is significant due to its size or nature
- The amount is important in understanding the results of the Group
- It helps to explain the impact of significant changes in the Group's business
- It relates to an aspect of the Group's operations that is important to its future performance.

1. CORPORATE INFORMATION

The consolidated financial report of Minerals 260 Limited for the year ended 30 June 2023 was authorised for issue on 22 September 2023.

Minerals 260 Limited (the 'Company' or 'Minerals 260') is a for-profit company limited by shares, whose shares are publicly traded on the ASX. The Company and its subsidiaries were incorporated and domiciled in Australia. Refer to note 16 for details of subsidiaries and country of incorporation. The registered office and principal place of business of the Company is Level 2, 1292 Hay Street, West Perth, WA 6005.

The nature of the operations and principal activities are disclosed in the Directors' Report.

2. REPORTING ENTITY

The Financial Statements are for the Group consisting of Minerals 260 Limited and its subsidiaries. A list of the Group's subsidiaries is provided at Note 16.

3. BASIS OF PREPARATION

These general purpose Financial Statements have been prepared in accordance with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

These Financial Statements have been prepared under the historical cost convention except where certain financial assets and liabilities are required to be measured at fair value.

(a) 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.

(b) Significant accounting judgements and key estimates

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Key estimates and assumptions may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

Specific key estimates and assumptions are described in the relevant notes.

In preparing this report, the judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or BlackScholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 8 for further information.

Right of Use Assets and Lease Liabilities

Right of Use Assets and Lease liabilities are measured as the present value of the lease payments that are not paid at that date. Assessing whether, or if option periods to a lease should be included or excluded in the unpaid lease payment profile thus affects the net present value of lease payments. Should a reassessment occur and alter the Group's assessment of including or excluding an option period of a lease, a material change could occur to the Right of Use Asset or Lease Liability however the net asset impact on the Statement of Financial Position would be minimal as the increase in both asset and liability accounts would offset.

Property, Plant & Equipment (PPE)

PPE is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items that would enable that asset to used as intended by management.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of PPE over their expected (estimated) useful lives, ranging from 2 – 7 years for computer, technological and other communication equipment, 2 – 25 years for field equipment and up to 15 years for office equipment.

The residual values, useful lives and depreciation methods are viewed and adjusted if appropriate at each reporting date. An item of PPE is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are recognised in the profit or loss.

(c) Functional and Presentation currency

The functional and presentation currency of the Group is Australian dollars.

(d) 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 Australia 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.

(e) Adoption of new and revised Accounting Standards

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company.

Standards and Interpretations in issue not yet effective

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations for future annual reporting periods. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company.

(f) Going concern

The financial report is prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlements of liabilities in the ordinary course of business.

PERFORMANCE FOR THE YEAR

This section provides additional information about those individual line items in the consolidated statement of profit or loss and other comprehensive income that the Directors consider most relevant in the context of the operations of the entity.

4. SEGMENT REPORTING

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the allocation of costs, whether they are corporate related costs or exploration and evaluation costs. Results of both segments are reported to the Board of Directors at each Board meeting.

	Exploration & Evaluation		Corporate		Total	
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	
Exploration & evaluation expenses	(10,573,229)	(84,021,644)	-	-	(10,573,229)	(84,021,644)
Corporate & administrative expenses	-	-	(1,891,735)	(1,077,597)	(1,891,735)	(1,077,597)
Listing & IPO expenses	-	-	-	(517,910)	-	(517,910)
Share based payments	-	-	(1,445,080)	(3,029,859)	(1,445,080)	(3,029,859)
Net financing income	157,587	-	646,657	56,829	804,244	56,829
Loss before income tax	**(10,415,642)**	**(84,021,644)**	**(2,690,158)**	**(4,568,537)**	**(13,105,800)**	**(88,590,181)**

	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Segment assets	92,739	77,340	354,515	181,199	447,254	258,540
Unallocated assets					17,076,452	23,471,130
Total assets					**17,523,707**	**23,729,670**
Segment liabilities	468,803	322,728	442,948	246,562	911,750	569,290
Total Liabilities					**911,750**	**569,290**
Property Plant & Equipment Additions	28,408	82,051	130,746	29,820	159,154	111,871

5. EXPENSES

(a) Corporate and administration expenses

Corporate and administrative expenses	2023 $	2022 $
Depreciation and amortisation	(42,662)	(1,685)
Insurance	(78,067)	(34,726)
Legal fees	(29,878)	(10,913)
Office and overhead costs	(288,264)	(193,323)
Personnel expenses (5(b))	(874,661)	(579,848)
Promotions and investor relations	(61,934)	(46,653)
Conferences and travel	(56,298)	(43,308)
Regulatory and compliance	(205,395)	(161,437)
Business development	(254,575)	(5,828)
Other	-	124
	(1,891,735)	**(1,077,597)**

(b) Personnel expenses

Personnel expenses	2023 $	2022 $
Directors' fees, wages and salaries to staff	(828,079)	(529,646)
Annual leave and long service leave	(46,582)	(50,203)
	(874,661)	**(579,848)**

(c) Exploration and evaluation expenditure

Exploration and evaluation expenditure	2023 $	2022 $
Australia		
- Acquisition costs[1,2]	(5,587,258)	(79,999,500)
- Moora	(3,257,737)	(2,714,431)
- Aston	(724,764)	-
- Koojan[3]	(644,361)	(1,090,960)
- Dingo Rocks	(220,968)	(184,871)
- Other	(138,141)	(31,882)
	(10,573,229)	**(84,021,644)**

[1] Acquisition costs during the current year largely comprise the issuance of 14,000,000 shares at an average value upon completion of $0.3675 and $100,000 cash to acquire the Aston Project. The remaining costs comprise an option fee to pursue the Wheatbelt Regional project and stamp duty for acquisitions made during the year with minor legal and other fees.
[2] During the prior year, as part of the demerger from Liontown Resources Ltd, Minerals 260 Ltd acquired ERL (Aust) Pty Ltd, being the entity that holds the Moora, Koojan, Dingo Rocks etc projects for consideration of 159,999,000 shares at a fair value of $0.50 per share at the date control was obtained. This asset acquisition has been accounted for under AASB 2 Share Based Payments.
[3] Koojan project costs are presented on a net reimbursable basis. Minerals 260 are to be reimbursed a total of $424,981 (net of GST) from Coobaloo Minerals Ltd during the at 30 June 2023 financial year pursuant to the Koojan JV Agreement. A total of $5,222 (net of GST) is outstanding for receipt at the end of the reporting period.

Accounting Policy

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.

6. INCOME TAX

Numerical reconciliation between tax expense and pre-tax net loss:

	2023 $	2022 $
Loss before tax	(13,105,800)	(88,590,181)
Income tax benefit using the domestic corporation tax rate of 30% (2022: 30%)	(3,931,740)	(26,577,055)
Decrease in income tax benefit due to:		
Permanent Differences	434,758	24,885,152
Movement in Deferred Tax Assets not brought to account	3,496,982	481,845
Movement in losses forgone by Junior Minerals Exploration Incentive	-	1,210,058
Deferred Tax Assets/Liabilities transferred to Parent entity before tax	-	-
Income tax benefit on loss before tax	**-**	**-**

Income tax in the consolidated statement of profit or loss and other 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.

Unrecognised deferred tax assets and liabilities for the Group are attributable to the following:

	2023 $	2022 $
Assets		
Deferred tax assets	4,256,695	905,355
	4,256,695	**905,355**
Liabilities		
Deferred tax liabilities	(94,454)	(39,907)
	(94,454)	**(39,907)**

Deferred tax liabilities have not been recognised in respect of these taxable temporary differences as the entity is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own. The Company recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

7. LOSS PER SHARE

The calculation of basic loss per share at 30 June 2023 is based on the loss attributable to ordinary shareholders of the parent entity and a weighted average number of ordinary shares outstanding during the year ended 30 June 2023.

The weighted average number of ordinary shares outstanding during the financial years comprised the following:

	2023	2022
Loss attributable to ordinary shareholders for basic earnings	($13,105,800)	($88,590,181)
Weighted average number of ordinary shares on issue at the end of the year	223,509,589	163,123,543
Basic and diluted loss per share (dollars per share)	**($0.06)**	**($0.54)**

Accounting Policy

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

SHARE BASED PAYMENTS

This section of the Notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the provision of services and remuneration of employees and consultants of the Group, but that is not immediately related to individual line items in the Financial Statements.

8. SHARE BASED PAYMENTS

The total expenditure recognised in the consolidated statement of profit and loss and comprehensive income is $1,445,080 (2022: $ 3,029,859).

	2023	2022
Share Based Payments	**$**	**$**
Employee Securities Incentive Scheme	1,445,080	200,859
Other Share Based Payments	-	2,829,000
	1,445,080	**3,029,859**

Employee Securities Incentive Scheme ("EIS")

The Company provides benefits to employees (including Directors) in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The Company currently provides benefits under an Employee Securities Incentive Scheme ("Scheme"), as approved by Shareholder resolution on 22 November 2022.

Under the terms of the Scheme, the Board may offer equity securities (i.e. options, performance or service rights) at no consideration to full-time or part-time employees (including persons engaged under a consultancy agreement) and Executive and Non-Executive Directors.

Options issued under Employee Securities Incentive Scheme

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options is such price as determined by the Board. An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

The following EIS unlisted options were in place at the end of the year:

Series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Final Vesting date
MI6OPT03	1,650,000	04/03/2022	03/03/2025	0.75	0.296	01/07/2024
MI6OPT04	250,000	15/03/2022	14/03/2025	0.715	0.264	01/07/2024
MI6OPT05	150,000	01/07/2022	30/06/2025	0.355	0.132	01/07/2024
MI6OPT06	5,500,000	22/11/2022	21/11/2025	0.475	0.213	22/11/2025
TOTAL	**7,500,000**					

The number and weighted average exercise prices of EIS share options under the Scheme is as follows:

	Weighted average exercise price 2023 $	Number of options 2023	Weighted average exercise price 2022 $	Number of options 2022
Outstanding at beginning of the year	0.745	1,900,000	-	-
Granted during the period	0.47	5,650,000	0.745	1,900,000
Exercised during the period	-	-	-	-
Lapsed/expired during the period	-	-	-	-
Outstanding at the end of the year	**0.54**	**7,550,000**	**0.745**	**1,900,000**
Exercisable at the end of the year	**0.47**	**5,575,000**	**0.75**	**400,000**

The weighted average contractual life remaining as at 30 June 2023 is 2.21 years (2022: 2.68 years).

The weighted average fair value of options granted during the year was $0.231 (2022: $0.292).

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The fair value of the EIS options is estimated at the grant date using a Black Scholes option-pricing model taking into account the terms and conditions upon which the options were granted. Refer to the table below for weighted average inputs to the Black Scholes option-pricing model:

	2023	2022
Share price at grant date (weighted average)	$0.412	$0.533
Exercise price (weighted average)	$0.541	$0.745
Expected volatility (weighted average)	100%	100%
Expected life (weighted average years)	3	3
Vesting period (weighted average years)	0.625	2.32
Expected dividends	-	-
Risk-free interest rate (weighted average)	2.9%	1.88%

Refer to the table below for inputs to the Black Scholes option-pricing model for EIS options granted during the year:

	MI6OPT05	MI6OPT06
Grant Date	01/07/2022	22/11/2022
Dividend yield (%)	Nil	Nil
Expected volatility (%)	100	100
Risk-free interest rate (%)	3.01%	3.27%
Expected life of option (years)	3	3
Exercise price (cents)	35.5	47.5
Grant date share price (cents)	24.5	37.5

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Other Share Based Payments ("Non-EIS")

Options

During the financial year the company issued no unlisted (Non-EIS) share options (2022: 10,500,000).

In 2022, the Company issued 9,000,000 share options (MI6OPT) to the Minerals 260 and Liontown Directors as part of their remuneration and in consideration of the work undertaken on development of the Projects prior to the demerger. These options have an exercise price of $0.72, expire 30 September 2024 and are subject to 24 months escrow from 12 October 2021. The Company Secretary was issued 750,000 (MI6OPT01) on similar terms but are subject to 12 months escrow from 12 October 2021. On 1 November 2021 the Company issued 750,000 share options (MI6OPT02) to Ms Emma Scotney upon her appointment. These options have an exercise price of $0.69, expire 31 October 2024 and are subject to 24 months voluntary escrow from 12 October 2021.

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options is determined by the Board. An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

A summary of Non-EIS unlisted options in place at the end of the year is presented below:

Series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Final Vesting date
MI6OPT	9,000,000	01/10/21	30/09/24	0.72	0.271	01/10/21
MI6OPT01	750,000	01/10/21	30/09/24	0.72	0.271	01/10/21
MI6OPT02	750,000	01/11/21	31/10/24	0.69	0.249	01/11/21
TOTAL	**10,500,000**					

The number and weighted average exercise prices of Non-EIS options is as follows:

	Weighted average exercise price 2023 $	Number of options 2023	Weighted average exercise price 2022 $	Number of options 2022
Outstanding at beginning of the year	0.718	10,500,000	-	-
Granted during the period	-	-	0.718	10,500,000
Exercised during the period	-	-	-	-
Lapsed/expired during the period	-	-	-	-
Outstanding at the end of the year	**0.718**	**10,500,000**	**0.718**	**10,500,000**
Exercisable at the end of the year *	**0.718**	**10,500,000**	**0.718**	**10,500,000**

*Subject to escrow periods noted above.

The weighted average contractual life remaining as at 30 June 2023 is 1.26 years (2022: 2.26 years).

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The fair value of the Non-EIS options is estimated at the grant date using a Black Scholes option-pricing model taking into account the terms and conditions upon which the options were granted. Refer to the table below for weighted average inputs to the Black Scholes option-pricing model:

	2023	2022
Share price at grant date (weighted average)	$0.498	$0.498
Exercise price (weighted average)	$0.718	$0.718
Expected volatility (weighted average)	100%	100%
Expected life (weighted average years)	3	3
Vesting period (weighted average years)	-	-
Expected dividends	-	-
Risk-free interest rate (weighted average)	0.22%	0.22%

Accounting Policy

The cost of equity-settled transactions with Employees, Directors and those providing similar services is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, account is taken of any performance conditions, conditions linked to the price of the shares of the Company ('market conditions') and non-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.

Significant accounting judgements and key estimates

The Group measures the cost of equity-settled share based payments at fair value at the grant date using a Black Scholes option-pricing model or another appropriate valuation methodology taking into account the terms and conditions upon which the instruments were granted and the assumptions outlined in this Note.

The expected life of the share based payments is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The accounting estimates and assumptions relating to equity-settled share based payments for employee related services would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The Company acquired the Aston Project in the 2023 financial year from eMetals Ltd and White Cliff Minerals Ltd. Two tranches of 7,000,000 shares were issued to both parties as part consideration. AASB 2 Share Based Payments has been applied to determine the recognition value, being the Company share price at completion/share issue date. As such, the two tranches of 7,000,000 shares were valued at $0.32 and $0.415 respectively. Other direct costs such as cash and stamp duty also form the value of the total acquisition cost.

ASSETS

This section provides additional information about those individual line items in the consolidated statement of financial position that the Directors consider most relevant in the context of the operations of the entity.

9. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank	1,076,452	3,462,596
Cash on Term Deposit	16,000,000	20,008,534
	17,076,452	**23,471,130**

Reconciliation of loss after income tax to net cash flows from operating activities:

	2023 $	2022 $
Loss for the period	(13,105,800)	(88,590,181)
Acquisition costs of ERL expensed	5,587,258	79,999,500
Share based payments	1,445,080	3,029,859
Depreciation and amortisation – Corporate and Exploration	55,672	6,395
Tenement application fees	16,249	1,660
Other	8,753	(124)
	(5,992,788)	**(5,552,891)**
Changes in operating assets and liabilities:		
(Increase) in trade and other receivables	(83,853)	(80,531)
Increase/(decrease) in trade and other payables	176,866	447,085
Increase in provisions	64,960	110,699
Net operating cash flows	**(5,834,815)**	**(5,075,638)**

Accounting Policy

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.

10. TRADE AND OTHER RECEIVABLES

Current	2023 $	2022 $
Trade Debtors	15,447	28,400
GST Receivables	43,634	42,255
Interest Accrued	98,104	23,639
	157,185	**94,294**

There was no expected credit loss at balance date.

Accounting Policy

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less any expected credit loss. Trade receivables are generally due for settlement within periods ranging from 30 to 60 days. Any expected credit loss is provided for.

EQUITY AND LIABILITIES

11. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	292,093	204,672
Accrued expenses	311,725	217,584
GST liability	1,404	3,321
	605,222	**425,577**

Accounting Policy

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.

12. EMPLOYEE BENEFITS

	2023 $	2022 $
Current		
Employee leave entitlements including long service leave	172,752	51,336
PAYG obligations	32,700	33,014
	205,452	**84,350**
Non-Current		
Provision for long service leave	4,320	59,363
	4,320	**59,363**

Accounting Policy

Liabilities for employee benefits for annual leave and other current entitlements represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date, including related on-costs.

The Group's obligation in respect of long-term employee benefits such as long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value using corresponding government bond yields as a discount rate.

13. CAPITAL AND CAPITAL MANAGEMENT

Ordinary shares on issue:

	12 months to 30 June 23		12 months to 30 June 22	
	No.	$	No.	$
On issue at the beginning of the year	220,000,000	108,721,826	1,000	1,000
Issue of shares to acquire ERL (Aust) Pty Ltd	-	-	159,999,000	79,999,500
Issue of shares in IPO	-	-	60,000,000	30,000,000
Issue of shares to acquire Aston Project(1)	14,000,000	5,145,000	-	-
Less share issue costs	-	(32,703)	-	(1,278,674)
Movement during the period	**14,000,000**	**5,142,299**	**219,999,000**	**108,720,826**
Balance at end of period	**234,000,000**	**113,834,123**	**220,000,000**	**108,721,826**

[1] In March and April 23, the Company issued 7,000,000 shares to each of eMetals Ltd and White Cliff Minerals Ltd to acquire the Nardoo and Yinnetharra Projects (now collectively known as the Aston Project). In accordance with AASB 2 Share Based Payments, the valuation of each transaction is calculated by determining the closing price at completion, being $0.32 and $0.415 per share respectively.

Accounting Policy

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.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll, each share is entitled to one vote.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

14. RESERVES

Nature and purpose of reserves:

Share based payments

	2023 $	2022 $
Balance at beginning of the financial year	3,029,859	-
Share based payments expensed during the year	1,445,080	3,029,859
	4,474,939	**3,029,859**

The share based payments reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and other parties as part of their compensation for services. Refer to note 8 for further details of share based payment plans.

FINANCIAL INSTRUMENTS

15. FINANCIAL INSTRUMENTS

(a) Capital risk management

The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital, reserves and accumulated losses as disclosed in notes 13 and 14, and in the consolidated statement of financial position.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of debt (where appropriate), if the need arises.

(b) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, equity prices and interest rates will affect the Group's income or value of its holdings of financial instruments.

The Group currently has exposure to both equity price risk and interest rate risk. The Board reviews the exposure to these risks on a regular basis to ensure that the Group is not adversely affected by movements in these exposures.

(c) Foreign exchange rate risk

The Group undertakes certain transactions denominated in foreign currencies, hence has exposure to exchange rate fluctuations. The Group does not currently hedge this exposure. The Group currently has no significant exposure to foreign exchange rates.

(d) Interest rate risk

Interest rate risk is the risk that changes in bank deposit rates affect the consolidated entity's income and future cash flow from interest income. The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Interest maturing in:					
2023	<1 year $	1-5 years $	Floating interest $	Non-interest bearing $	Total $	Weighted average interest rate %
Financial assets						
Bank balances	16,000,000	-	1,024,766	51,687	**17,076,452**	4,42
Trade and other receivables	-	-	-	157,185	**157,185**	-
Prepayments	-	-	-	13,797	**13,797**	-
Security deposits	66,424	-	-	891	**67,315**	4.28

2023	Interest maturing in: <1 year $	1-5 years $	Floating interest $	Non-interest bearing $	Total $	Weighted average interest rate %
Financial liabilities						
Trade and other payables	-	-	-	(605,222)	**(605,222)**	-
Lease liabilities	(47,601)	(61,377)	-	-	**(108,978)**	3%

2022	Interest maturing in: <1 year $	1-5 years $	Floating interest $	Non-interest bearing $	Total $	Weighted average interest rate %
Financial assets						
Bank balances	20,008,534	-	3,399,890	62,706	**23,471,130**	1.01
Trade and other receivables	-	-	-	94,294	**94,294**	-
Prepayments	-	-	-	8,771	**8,771**	-
Security deposits	50,000	-	-	-	**50,000**	0.57
Financial liabilities						
Trade and other payables	-	-	-	(425,577)	**(425,577)**	-

A change of 100 basis points in interest rates (other than where a decrease would result in negative interest rates) on bank balances and term deposits over the reporting period would have reduced the Group's loss by $202,737 (2022: $267,356) and increased the Group's loss by $202,737 (2022: $51,912).

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations., The consolidated entity's exposure to credit risk is not significant and currently arises principally from sundry receivables which represent an insignificant proportion of the Group's activities and cash and cash equivalents.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the notes to the financial statements.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board actively monitors the Group's ability to pay its debts as and when they fall due by regularly reviewing the current and forecast cash position based on the expected future activities.

The Group has non-derivative financial liabilities which include trade and other payables of $605,222 (2022: $425,577) all of which are due within 60 days and lease liabilities, with a maximum commitment of $108,978 assuming no extension of option term.

(g) Net fair values of financial instruments

The carrying amount of all financial assets and liabilities approximate their net fair values.

GROUP COMPOSITION

This section of the Notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the structure of the Group, but that is not immediately related to individual line items in the Financial Statements.

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16. LIST OF SUBSIDIARIES

	Country of incorporation	Ownership interest	
		2023 %	2022 %
Parent entity			
Minerals 260 Limited [(1)]	Australia		
Subsidiaries			
ERL (Aust) Pty Ltd [(2)]	Australia	100%	100%

[(1)] Incorporated on 4 June 2021 as part of the Liontown Resources Ltd Group. Liontown Resources Ltd shareholders approved the demerger of Minerals 260 Ltd on 22 September 2021.

[(2)] ERL (Aust) Pty Ltd became a subsidiary of Minerals 260 Ltd on 22 September 2021 after the successful demerger of Minerals 260 Ltd from the Liontown Resources Ltd Group.

17. PARENT ENTITY INFORMATION

The financial information for the parent entity, Minerals 260 Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost less impairment in the parent entity's financial statements.

	2023 $	2022 $
Statement of profit or loss and other comprehensive income		
Loss for the year	(2,532,573)	(84,568,038)
Total comprehensive loss	**(2,532,573)**	**(84,568,038)**
Statement of financial position		
Assets		
Current assets	31,779,461	23,624,195
Non-current assets	132,358	3,941,435
Total assets	**31,911,819**	**27,565,630**
Liabilities		
Current liabilities	642,659	323,743
Non-current liabilities	61,832	59,363
Total liabilities	**704,491**	**383,106**
Net assets	**31,207,328**	**27,182,524**
Equity		
Share capital	113,834,123	108,721,826
Reserves	4,474,939	3,029,859
Accumulated losses	(87,101,734)	(84,569,161)
Total equity	**31,207,328**	**27,182,524**

OTHER INFORMATION

This section of the Notes includes other information that must be disclosed to comply with accounting standards and other pronouncements, but that is not immediately related to individual line items in the Financial Statements.

18. CONTINGENT ASSETS AND LIABILITIES

For the year ended 30 June 2023, there are no contingent assets or liabilities (2022: $ Nil).

19. REMUNERATION OF AUDITORS

Audit and review services	2023 $	2022 $
HLB Mann Judd – Audit and Half Year Review of Minerals 260 Ltd	28,694	29,910
HLB Mann Judd – Audits of Minerals 260 Ltd & its subsidiaries for the purposes of the Minerals 260 Ltd Prospectus	-	17,170
HLB Mann Judd – Independent Limited Assurance Report - Prospectus	-	10,100
	28,694	**57,180**

20. COMMITMENTS

In order to maintain current rights of tenure to exploration tenements the Group, together with its joint venture partners, is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. These amounts are subject to negotiation when application for a lease application and renewal is made and at other times. The approximate minimum level of expenditure to retain current tenements which are not provided for in the consolidated financial statements are detailed below:

	2023 $	2022 $
Within 1 year	1,226,000	666,000
2-5 years	5,284,311	2,425,200
	6,510,311	**3,091,200**

In relation to the commitment expenditure above:

- Only granted exploration leases have been accounted for, those in application have not.
- It is assumed Minerals 260 continues to commit costs toward its Koojan Joint Venture interest of 51% by spending up to $4,000,000 total on the project since its inception, and does so at a rate that satisfies the minimum expenditure covenant.

To the extent that expenditure commitments are not met, tenement areas may be reduced, and other arrangements made in negotiation with the relevant State and Territory government departments on renewal of tenements to defer expenditure commitments or partially exempt the Company.

21. RELATED PARTY TRANSACTIONS

(a) Key management personnel

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

- A Cipriano
- D Richards
- T Goyder
- C Williams (resigned 22 November 2022)
- E Scotney

The key management personnel compensation is as follows:

	2023 $	2022 $
Short-term employee benefits	597,600	435,427
Post-employment benefits	48,325	36,491
Share based payments	1,171,500	1,948,250
	1,817,425	**2,420,168**

(b) Loans made to key management personnel and related parties

No loans were made to key management personnel and their related parties.

(c) Other transactions with key management personnel

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group during any given reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

The Group receives database management and field services from related parties of the Managing Director, Mr Richards. Amounts paid are on normal commercial terms. The total amount incurred during the period was $113,500 (2022: $78,911).

In 2022 Liontown Resources Ltd, a Company of which Messrs Cipriano, Goyder and Williams are Directors and beneficial shareholders, were paid $1,434,266 (net of GST) toward the IPO of the Company and for the provision of serviced office facilities, corporate and administration services as per a Shared Service Agreement ("SSA") for the period ended 30 June 2022.

Amounts payable to key management personnel at reporting date arising from related party transactions was $ Nil (30 June 2022: $ Nil). This is the end of the audited information.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

	2023 $	2022 $
Corporate service charge and provision of KMP services	-	1,434,266
Database management and field services	113,500	78,911
	113,500	**1,513,177**

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 1 July 2023, Mr Luke McFadyen commenced as CEO of the Company whilst Mr Richards transitioned from Managing Director to Technical Director. In connection with Mr McFadyen's appointment and pursuant to the Company's Employee Securities Incentive Scheme, 5,000,000 unlisted options were issued with an exercise price of $0.685 expiring 30 June 2026.

No other matters or circumstances have arisen since 30 June 2023 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Minerals 260 Limited ('the Company'):
   - (a) the financial statements, notes and additional disclosures of the Group are in accordance with the *Corporations Act 2001* including:
     - i. giving a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance for the year then ended; and
     - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
   - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
   - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Directors.

David Richards
Technical Director

Dated this 22nd day of September 2023

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
To the Members of Minerals 260 Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Minerals 260 Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We identified no key audits matters during our audit.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Minerals 260 Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 September 2023

D Buckley

D I Buckley
Partner

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report applicable as at 1 September 2023 is set out below.

Shareholdings

Substantial shareholders

The number of shares held by substantial shareholders and their associated interests were:

Shareholder	Number of ordinary shares held	Percentage of capital held %
Mr Timothy Goyder	31,157,814	13.32

Voting Rights

With reference to article 6.8 of the Companies constitution:

“Subject to the Companies Constitution, the Corporations Act, article 6.17 and any rules prescribed by the Directors pursuant to article 6.15 and to any rights or restrictions for the time being attached to any class or classes of shares:

(a) on a show of hands, each Member present in person and each other person present as proxy, attorney or Representative of a Member has one vote; and

(b) on a poll:

i. each Member present in person has one vote for each fully paid share held by the Member;

ii. each person present as proxy, attorney or Representative of a Member has one vote for each fully paid share held by the Member that the person represents; and

iii. each Member who has duly lodged a valid direct vote in respect of the relevant resolution under article 6.15 has one vote for each fully paid share held by the Member.

A Member is not entitled to vote at a general meeting in respect of shares which are the subject of a current Restriction Deed for so long as any breach of that agreement by the Member subsists.”

Restricted Securities

Other than 7,000,000 shares issued each to eMetals Ltd and White Cliff Minerals Ltd with an escrow six months from 24 March 23 and 6 April 23 respectively, there are no restricted ordinary shares on issue.

A total of 9,750,000 unlisted options are subject to escrow (voluntary or otherwise) until 12 October 2023.

On-Market Buy-Back

There are no current on-market buy-back of securities.

Distribution of equity security holders

Distribution	Number of Shareholders	Number of Shares	% of Shares
1 – 1,000	510	181,496	0.08
1,001 – 5,000	2,452	6,335,006	2.71
5,001 – 10,000	994	7,409,357	3.17
10,001 – 100,000	1,665	53,058,848	22.67
100,001 and over	329	167,015,293	71.37
Total	**5,950**	**234,000,000**	**100.00**

The Company has 23,050,000 unlisted options, 12,550,000 were issued under the Employee Securities Incentive Scheme (“ESIP”). No one holder owns greater than 20% of the unlisted options not acquired under an ESIP.

Marketable Parcel

The number of shareholders holding less than a marketable parcel was 657.

TWENTY LARGEST ORDINARY FULLY PAID SHAREHOLDERS

Name	Number of ordinary shares held	% of capital held
MR TIMOTHY RUPERT BARR GOYDER	31,157,814	13.32%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	8,295,952	3.55%
WHITE CLIFF MINERALS LIMITED	7,000,000	2.99%
EMETALS LIMITED	7,000,000	2.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,276,285	2.25%
GKCF SUPER PTY LTD <GRAHAM KLUCK DRILLI S/F A/C>	3,942,233	1.68%
MR CRAIG R WILLIAMS	2,892,075	1.24%
CITICORP NOMINEES PTY LIMITED	2,796,886	1.20%
THE UNIVERSAL ZONE PTY LTD <KLUCK PROPERTY A/C>	2,440,165	1.04%
CLEMENT PTY LTD <D&M GOYDER FAMILY S/FUND A/C>	2,238,618	0.96%
MR DAVID ROSS RICHARDS	2,070,000	0.88%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,986,441	0.85%
MR ANTHONY CIPRIANO	1,752,268	0.75%
ZIZIPHUS PTY LTD	1,565,457	0.67%
MR DAVID JOHN BARR GOYDER <THE BARR FAMILY A/C>	1,544,596	0.66%
BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS <DRP>	1,516,011	0.65%
MR LEENDERT HOEKSEMA	1,300,000	0.56%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	1,275,000	0.54%
KENMA INVESTMENT ADVISORS PTY LIMITED <KENMA SUPER FUND A/C>	1,129,093	0.48%
MRS ELIZABETH JANE SODERHOLM & MR THOMAS EGAN SODERHOLM	1,078,339	0.46%
TOTAL TOP 20	**93,257,233**	**39.85**
OTHERS	140,742,767	60.15
TOTAL REGISTER	**234,000,000**	**100.00**

Corporate Governance Statement

Minerals 260 has adopted a Corporate Governance Manual which forms the basis of a comprehensive system of control and accountability for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

In establishing the Company's corporate governance framework, to the extent they are applicable to the Company, the Board has referred to the recommendations set out in the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition'.

The Company's Corporate Governance Statement 2023, which explains how Minerals 260 complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' in relation to the year ended 30 June 2023, is available in the Corporate Governance section of the Company's website, http://www.minerals260.com.au/corporate-governance and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

COMPETENT PERSONS STATEMENTS

The Information in this Report that relates to Exploration Results regarding the Moora and Koojan Project is extracted from Minerals 260 Limited ASX announcements titled:

- *"Significant new copper-gold zone discovered at Mynt" released on 22nd March 2023*
- *"Mynt prospect continues to grow with significant new copper-gold intercept' released on 27 February 2023;*
- *"Multiple zones of gold mineralisation intersected in initial follow-up drilling 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;*
- *"Outstanding new intercept of 13m @ 3.3g/t gold at Moora" released on 11 July 2022;*
- *"New intercept of 16m @ 2.8g/t Au confirms scale and potential of Angepena gold prospect at Moora" released on 27 September 2022;*
- *"Significant bedrock palladium-platinum intersected for the first time at Moora ahead of major new drilling program" released on 4 November 2022;*
- *"Second phase of drilling to commence at the Mynt copper-gold prospect – Moora Project, WA" released on 3 February 2023; and*
- *"More significant copper-gold intersected at Mynt" released on 3rd April 2023.*

which are available on www.minerals260.com.au

The Information in this Report that relates to Exploration Results regarding the Aston Project is extracted from Minerals 260 Limited ASX announcements titled:

- *"Maiden critical minerals exploration program commences at Aston Project in WA's highly prospective Gascoyne Province" released on 8 May 2023;*
- *"Maiden exploration program on track at the Aston Lithium-REE* Project in WA's highly prospective Gascoyne Province" released on 23 June 2023;*
- *"Lithium potential confirmed at Aston Project" released on 25 July 2023; and*
- *"New lithium trend defined at Aston" released on 4 September 2023.*

which are available on www.minerals260.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.

TENEMENT SCHEDULE

The following tenement information is provided in accordance with ASX Listing Rule 5.20 (a) and represents those tenements held directly or beneficially by the Company.

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	30% - right to earn 51% secured by JV Agreement. *Remains in 'Application' status.
		E70/5337		
		E70/5429		
		E70/5450		
		E70/5515		
		P70/1743*		
	Dingo Rocks	E63/2070	ERL (Aust) Pty Ltd	100%
	Morfey Well	E57/1193	Beau Resources Pty Ltd	0% - subject to Sale Agreement whereby Minerals 260 can acquire 100% of tenement
	WBR	E70/5563	Koojan Exploration Pty Ltd	0% - subject to Option and JV Agreement whereby Minerals 260 can acquire 80% of tenements.
		E70/5621		
	Aston	E09/2114	ERL (Aust) Pty Ltd	100%
		E09/2156		
		E09/2302		
		E09/2358		
		E09/2463		
		E09/2464		
		E09/2472		
		E09/2607	Magnet Resources Company Pty Ltd	100% - secured by binding Sales and Purchase Agreement. Transfer paperwork lodged with DMIRS.
		E09/2628	Electrification Metals Pty Ltd	
		E09/2629	Magnet Resources Company Pty Ltd	
		E09/2630		
		E09/2641	Electrification Metals Pty Ltd	
		E09/2701	Magnet Resources Company Pty Ltd	
		E09/2789	ERL (Aust) Pty Ltd	0% - pending applications subject to ballot.
		E09/2796		
		E09/2829		0% - pending /no competing application.
		E09/2840		0% - pending applications subject to ballot.
		E09/2848		
		E09/2855		
		E09/2861		
	Tawarri	E70/6401	ERL (Aust) Pty Ltd	100%

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