

## Minerals 260 to acquire large, highly prospective lithium-rare earths project in WA's Gascoyne Province

**Agreement to acquire the 789km<sup>2</sup> Nardoo Project, located close to lithium and rare earth discoveries.**

### KEY POINTS

- Minerals 260 Limited ("Minerals 260" or the "Company") has executed an Agreement to acquire an extensive lithium-rare earths land package comprising seven Exploration Licences (EL) from eMetals Limited (ASX:EMT).
- The ELs cover an area of 789km<sup>2</sup> and collectively form the Nardoo Project ("Project") located in the Gascoyne Province of Western Australia ~850km north of Perth and 230km east of Carnarvon (**Figure 1**).
- The Project is located close to several significant mineral occurrences:
  - Four of the ELs adjoin Red Dirt Metal's Yinnetharra Lithium Project ("Red Dirt"/ASX: RDT)<sup>1</sup> and contain the northwestern strike extension of the prospective stratigraphy (**Figure 2**).
  - The southwestern most EL adjoins the north western margin of Kingfisher Mining Limited's (ASX:KFM) Mick Well and Kingfisher Projects. The EL is interpreted to be in the same structural corridor that hosts Kingfisher's MW2 Rare Earth Element (REE) discovery<sup>2</sup> (**Figure 2**).
  - Most of the Nardoo Project tenure is underlain by large areas of the Durlacher Granite Supersuite (**Figure 2**) which is the primary host rock to the REE mineral resources defined on Hastings Technology Metals Limited ("Hastings"/ASX: HAS<sup>3</sup>) Yangibana Project and Dreadnought Resources Limited ("Dreadnought"/ASX: DRE<sup>4</sup>) Mangaroon Project both located 50 - 60km to the north (**Figure 1**).
- Government mapping (**Figure 2**) has recorded numerous pegmatites and tantalum occurrences in the region including a number on the Nardoo tenure indicating good potential for the discovery of hard rock lithium deposits.
- Historic exploration on the Nardoo tenure has focused on gold, base metals, tungsten and uranium with only limited work undertaken for lithium and REEs.
- The total consideration for the Nardoo Project will be 7,000,000 Minerals 260 shares ("Consideration Shares") at a deemed issue price of \$0.30 per share which will represent 3.1% of the Company's issued capital following the issue of these shares.
- Minerals 260's strong cash position (~\$21M at 31<sup>st</sup> December 2022) ensures that it can maintain exploration momentum at both the Nardoo Project and the Company's other key asset, the Moora/Koojan Project in the Julimar Region of southwest Western Australia, where recent drilling results have confirmed the potential for significant copper-gold mineralisation at the Mynt prospect (see ASX announcement dated 27<sup>th</sup> February 2023).

1 RDT ASX announcement dated 12<sup>th</sup> September 2022 and [www.redirtmetals.com.au](http://www.redirtmetals.com.au)

2 KFM ASX announcement dated 27<sup>th</sup> February 2023 and [www.kingfishermining.com.au](http://www.kingfishermining.com.au)

3 [www.hastingstechmetals.com](http://www.hastingstechmetals.com)

4 DRE ASX announcement dated 28<sup>th</sup> December 2022 and [www.dreadnoughtresources.com.au](http://www.dreadnoughtresources.com.au)

**Minerals 260 Limited (“Minerals 260” or the “Company”)** is pleased to advise that it has executed an agreement to acquire the Nardoo Lithium-Rare Earths (REE) Project, located approximately 230km east of Carnarvon and 850km north of Perth in Western Australia (**Figure 1**), from eMetals Limited (ASX:EMT). Due diligence has been completed and the only condition to completion is the execution of a deed of assignment in respect of an existing royalty on one of the tenements (see Appendix 1).

The Nardoo Project comprises seven granted EL’s covering a total area of 789km<sup>2</sup> of the highly prospective, but under-explored Gascoyne Province.

The Gascoyne Province and Nardoo Project area have 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 REE deposits.

Minerals 260 will undertake a detailed review of previous exploration data prior to planning geochemical and geophysical programs designed to quickly define targets for drill testing.

Minerals 260 strong cash position (~\$21M at 31<sup>st</sup> December 2022), ensures it is able to quickly progress exploration activity at the Nardoo Project, while also maintaining momentum at its other key asset, the Moora/Koojan Project in the Julimar Region of southwest Western Australia, where it has just announced a follow up drill program targeting extensions of the Mynt copper-gold prospect where recent drilling results have confirmed the potential for significant copper-gold mineralisation (see ASX announcements dated 27 February 2023 and 6 March 2023).

## **Management Comments**

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

*“In this regard, Nardoo is a complementary addition to our flagship Moora Project, representing a high-quality geological opportunity in an under-explored region with the potential for large-scale discoveries in a basket of commodities that fits extremely well with our strategic focus and expertise. We look forward to rapidly advancing the Project and getting the drill rigs going as soon as possible.”*

## **Agreement Terms**

Following are the key terms of the acquisition:

- The agreement is between Minerals 260 Ltd through its wholly owned subsidiary ERL (Aust) Pty Ltd and eMetals Limited and its wholly owned subsidiaries RWG Minerals Pty Ltd and Iron Clad Prospecting Pty Ltd which are the parties that hold the tenements comprising the Nardoo Project.
- Minerals 260 to issue eMetals Limited 7,000,000 shares (“Consideration Shares”) on completion at a deemed issue price of \$0.30 per share.
- The Consideration Shares will be subject to a voluntary escrow period of six months from completion of the acquisition, on customary terms.
- The completion of the acquisition is conditional on the execution of a Deed of Assignment relating to an underlying Royalty on one of the tenements.

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

## Competent Person Statement

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

The Information in this Report that relates to Exploration Results for the Moora Project is extracted from:

- "Mynt prospect continues to grow with significant new copper-gold intercept" released on 27 February 2023;

which is available on [www.minerals260.com.au](http://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.

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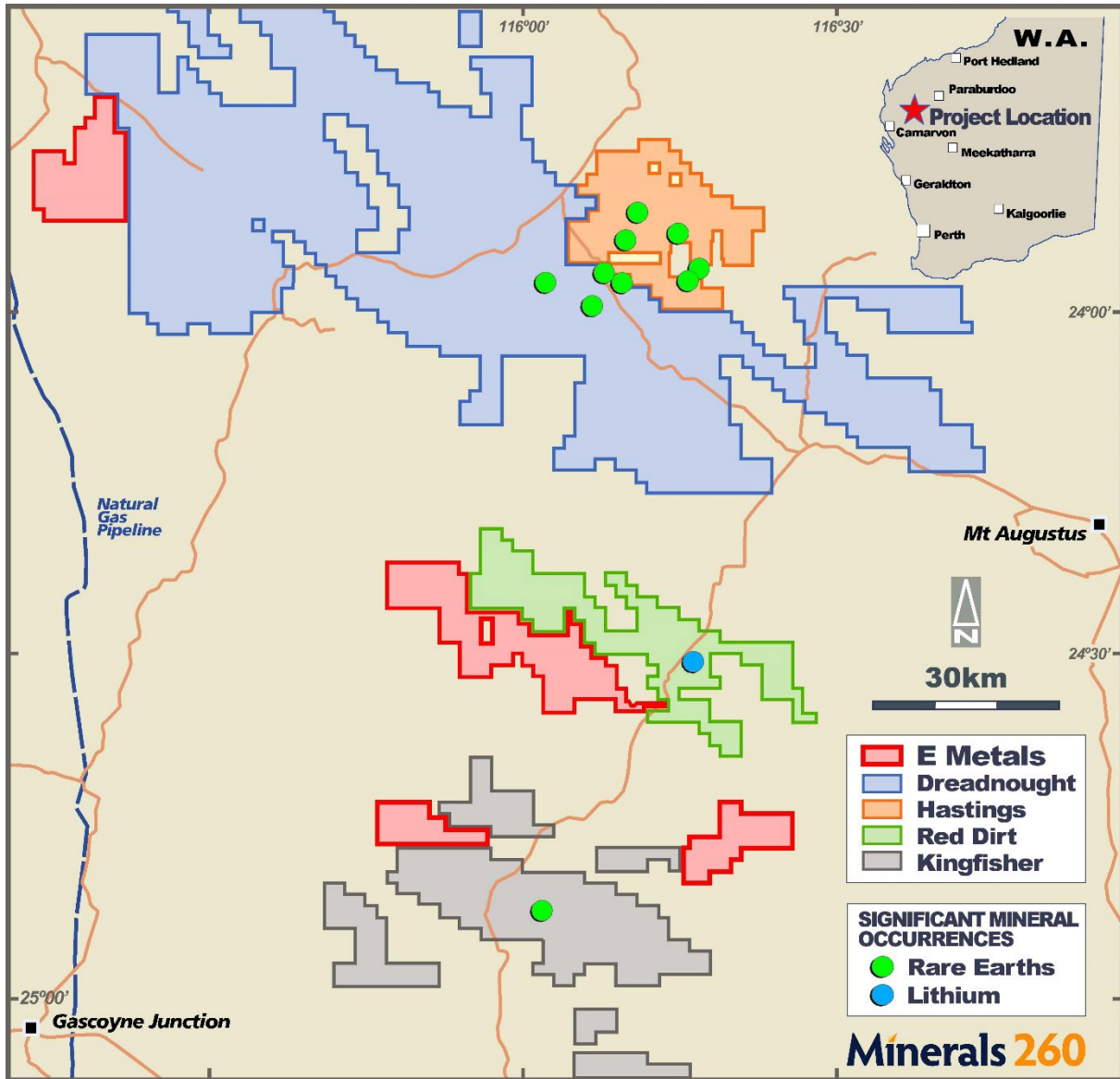
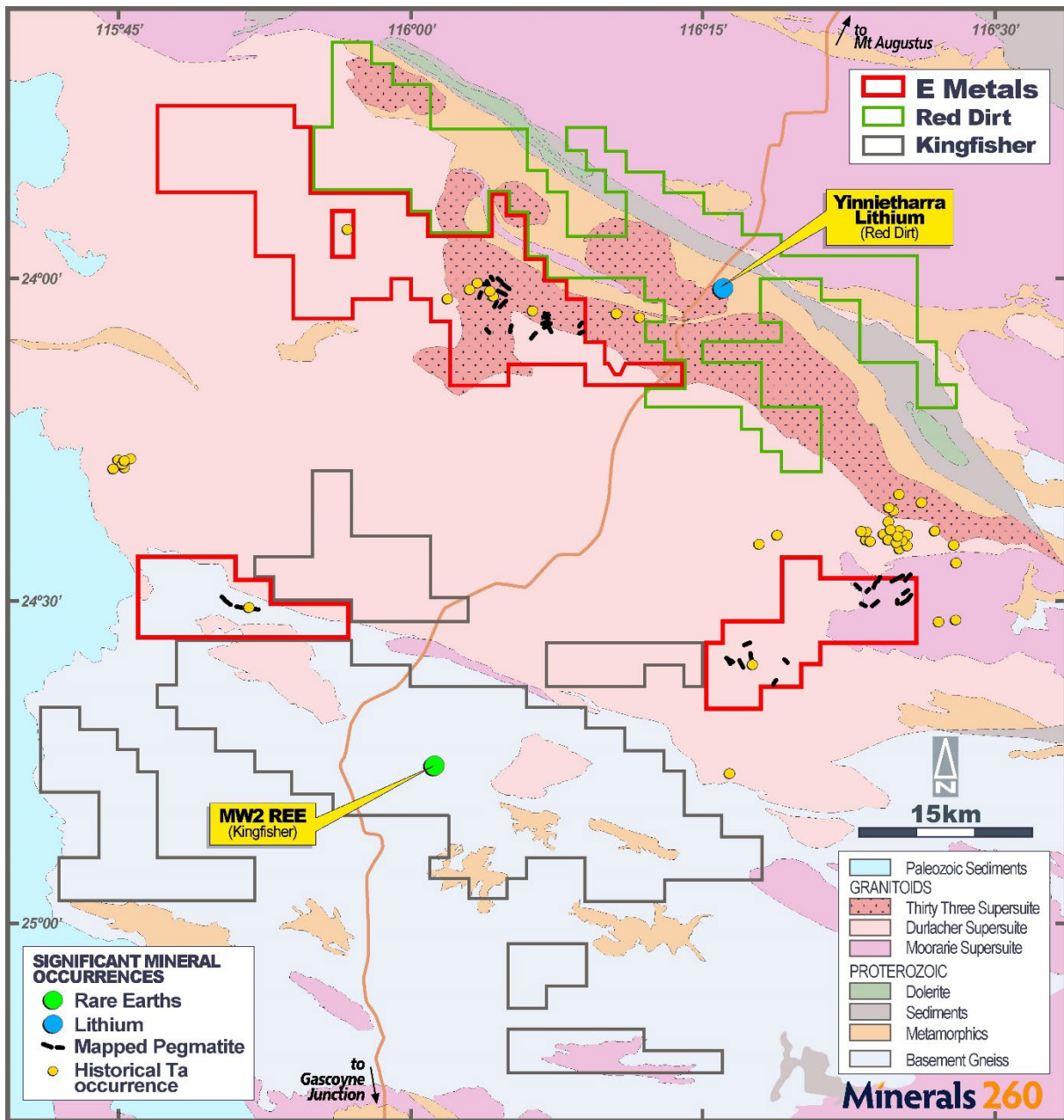


Figure 1: Nardoo Project (eMetals) – Location plan showing significant tenement positions.



**Figure 2: Nardoo Project (eMetals) – Geoscience Australia 1:2,500,000 bedrock interpretation showing tantalum occurrences and mapped pegmatites within Nardoo Project tenure.**



## Appendix 1 – Nardoo Project– JORC Code 2012 Table 1 Criteria

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

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	No drilling, rock chip or soil sample results reported
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	No drilling reported
<b>Drilling techniques</b>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	No drilling reported
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling reported
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling reported
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	None noted.
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling reported
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	No drilling reported
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling reported
<b>Sub-sampling techniques and</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling reported

Criteria	JORC Code explanation	Commentary
<b>sample preparation</b>	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No drilling reported
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	No drilling reported
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	No drilling reported
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	No drilling reported
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No drilling reported
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No drilling reported
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No drilling reported
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established</i>	No drilling reported
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No drilling reported
	<i>The use of twinned holes.</i>	No drilling reported
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	No drilling, rock chip or soil sample results reported
	<i>Discuss any adjustment to assay data.</i>	None required
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	No drilling, rock chip or soil sample results reported
	<i>Specification of the grid system used</i>	The grid system used is GDA94 Zone 50
	<i>Quality and adequacy of topographic control.</i>	No drilling, rock chip or soil sample results reported
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	No drilling, rock chip or soil sample results reported
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	MRE not being prepared.

Criteria	JORC Code explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	No drilling, rock chip or soil sample results reported
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	No drilling, rock chip or soil sample results reported
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No drilling, rock chip or soil sample results reported
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	No drilling, rock chip or soil sample results reported
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	None completed.

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The Nardoo Project comprises 7 granted exploration licences (E09/2114, E09/2156, E09/2302, E09/2358, E09/2463, E09/2464, E09/2472). The tenement package covers 789km<sup>2</sup> area located ~850km north of Perth, Western Australia.</p> <p>All ELs are held by eMetals Limited or its wholly owned subsidiaries RWG Minerals Pty Ltd and Iron Clad Prospecting Pty Ltd.</p> <p>Minerals 260 Limited (M16) has executed a Tenement Sale Agreement to acquire the Nardoo Project for the following consideration:</p> <ul style="list-style-type: none"> <li>The agreement is between Minerals 260 Ltd through its wholly owned subsidiary ERL (Aust) Pty Ltd and eMetals Limited and its wholly owned subsidiaries RWG Minerals Pty Ltd and Iron Clad Prospecting Pty Ltd which are the parties that hold the tenements comprising the Nardoo Well Project.</li> <li>Minerals 260 to issue eMetals Limited 7,000,000 shares ("Consideration Shares") on completion at a deemed issue price of \$0.30 per share.</li> <li>Consideration Shares will be subject to a voluntary escrow period of 6 months from completion of the acquisition, on customary terms.</li> <li>Completion of the acquisition is conditional on the execution of a Deed of Assignment relating to an underlying Royalty on one of the seven tenements.</li> </ul> <p>E09/2156 is subject to a royalty payable to Venus Metals Corporation Limited.</p> <p>The Nardoo Project covers part of 4 Native Title Determinations including the Thudgari (WAD6212/1998), Gnulli Gnulli (WAD22/2019), Wajarri Yamatji Part A (WAD6033/1998) and Budina (WAD131/2004).</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	All tenements are in good standing.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Multiple phases of exploration have been undertaken for base metals, gold, tungsten, molybdenum and uranium on



Criteria	JORC Code explanation	Commentary
		<p>localised areas within the Project. Detailed follow-up has a number of minor mineral occurrences with limited potential.</p> <p>Exploration completed by eMetals includes a 29 hole/1,987m RC drilling program at the Beryl Well prospect targeting tungsten and lithium. No significant results were reported.</p>
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Nardoo Well Project is located within the Gascoyne Province of Western Australia. The Gascoyne Province is located between the Archaean Pilbara and Yilgarn cratons and comprises a Palaeoproterozoic to Mesoproterozoic assemblage of metasedimentary and metavolcanic supracrustal rocks intruded by multiple phases of granitoids.</p> <p>The Gascoyne Province has been affected by multiple deformation events associated with several major orogenies. Several major WNW/ESE trending crustal-scale structures which are considered important controls on local metallogeny cut the Project area.</p> <p>There are numerous pegmatites mapped in the region which are interpreted to be derived from granites belonging to the Neoproterozoic Thirty Three Supersuite (990 – 950Ma). The ubiquitous occurrence of tantalum associated with these pegmatites indicates prospectivity for lithium.</p> <p>The Project is also considered prospective for REE based on discoveries to the north and south hosted in a similar geological setting.</p>
<b>Drill hole Information</b>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul>	No drilling reported.
<b>Data aggregation methods</b>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	No drilling reported.
	<p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p>	No drilling reported.
	<p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	None reported
<b>Relationship between mineralisation widths and intercept lengths</b>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	No drilling reported.

Criteria	JORC Code explanation	Commentary
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	No drilling reported.
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	No drilling reported.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All meaningful and material data reported
<b>Further work</b>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<ul style="list-style-type: none"> <li>• Review of previous exploration data.</li> <li>• Planning of follow up exploration.</li> </ul>