

Interim Financial Report
31 December 2023

Minerals 260 Limited
ABN 34 650 766 911

Minerals 260 Limited **Corporate Directory**

Directors

Anthony James Cipriano
Luke Charles McFayden
David Ross Richards
Timothy Rupert Barr Goyder
Emma Josephine Scotney

Chairman
Managing Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

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

Automatic 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 Code

Share Code: MI6

Minerals 260 Limited
Contents

Directors' Report	4
Auditor's Independence Declaration	9
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Consolidated Statement of Financial Position	11
Condensed Consolidated Statement of Changes in Equity.....	12
Condensed Consolidated Statement of Cash Flows.....	13
Notes to the Condensed Consolidated Financial Statements	14
Directors Declaration.....	21
Independent Auditor's Review Report.....	22

Minerals 260 Limited

Directors' Report

For the half-year ended 31 December 2023

Your directors submit the interim financial report for Minerals 260 Limited ("Minerals 260" or "Company") and the entities it controlled as at and for the half-year ended 31 December 2023 ("the Group"). In compliance with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Anthony Cipriano	Chairman
Luke McFadyen	Managing Director (1 November 2023)
David Ross Richards	Non-Executive Director (24 November 2023)
Timothy Goyder	Non-Executive Director
Emma Scotney	Non-Executive Director

REVIEW OF OPERATIONS

1. Overview

At the commencement of the 2024 financial year the Company concentrated its exploration efforts at the recently acquired Aston Project by conducting a range of large-scale reconnaissance, geochemical and geophysical programs to assess the prospectivity for both hard rock hosted lithium (spodumene) and Rare Earth Element (REE) deposits. This work has since identified several highly anomalous (>100ppm Li₂O) multi km x km targets including the Jamesons-Malinda trend, Pyramid Hill, Nardoo Well and Lyndon Prospects as well as a large-scale (>800ppm Total Rare Earth Oxide (TREO)) REE target at Lucky Well. These targets are proximal to significant lithium and REE discoveries in the region including Delta Lithium's Malinda lithium deposit and Jamesons prospect (see DLI ASX announcements dated 20 January 2023, 3 April 2023 and 27 December 2023) and Dreadnought Resources' REE discoveries (see DRE ASX announcement dated 28 August 2023).

In September, exploration activity at the Moora/Koojan Projects commenced and a Dipole-Dipole Induced Polarisation (DDIP) program was completed. This is a technique used to define chargeable and conductive structures which may be caused by sulphides and represent extensions to known mineralisation. This program identified anomalies at Mynt, Dwel and Mallory coincident with previously identified mineralisation which have since been targeted via a Reverse Circulation (RC) and Diamond Core (DD) drilling program that commenced in December 2023. Results are pending.

In October, Minerals 260 completed its maiden Air-Core (AC) drilling program at the Dingo Rocks Project targeting previously untested coincident magnetic/gravity anomalies interpreted to indicate possible mafic-ultramafic intrusions prospective for Ni-Cu-PGE mineralisation. Anomalous nickel and REE were intersected hosted by favourable mafic/ultramafic geology highlighting the prospectivity of the tenement which also borders Meeka Metals' (ASX: MEK) Circle Valley Gold-REE Project, where drilling in 2022 intersected multiple zones of gold mineralisation coincident with magnetic features as well as defining a saprolite-hosted REE resource of 98Mt @ 890ppm TREO (refer ASX: MEK – 14 June 2023).

Minerals 260 remains disciplined with its approach to capital allocation, ending the reporting period with a strong cash balance of \$13.6m. This enables the Company to allocate capital toward its most prospective targets and/or business development opportunities should it be deemed to be in the best interests of shareholders.

2. Aston Lithium – REE Project, WA (Minerals 260: 100%)

The Aston Project, which comprises 13 largely contiguous tenements covering an area of 1,709km², is located in the heart of the Gascoyne Province of Western Australia, approximately 850km north of Perth and 230km east of Carnarvon. The Project is considered highly prospective for hard rock lithium (spodumene) and rare earths following recent discoveries by adjacent explorers.

Activities during the half year included regional and infill soil sampling, geological reconnaissance, and high-resolution airborne magnetics and radiometrics over the ~50% of the area where data was not available when the Project was acquired.

Minerals 260 Limited

Directors' Report

For the half-year ended 31 December 2023

During the reporting period, soil sampling and rock chip results identified multiple large scale lithium anomalies including:

- Jamesons-Malinda trend – A ~5.2km x 0.2km lithium anomaly (>100ppm Li₂O) coincident with the stratigraphy that hosts the Delta Lithium's Malinda lithium deposit and Jamesons prospect;
- Nardoo Well – A ~3.0km x 1.9km lithium anomaly (>100ppm Li₂O) located north of the historic Nardoo Well mining centre;
- Pyramid Hill – Located in the south-western part of the Project where soil sampling has defined three continuous lithium anomalies, including a linear, ~5km long, continuous trend coincident with highly anomalous lithium (up to 0.12% Li₂O), rubidium (up to 3,405ppm) and tantalum (up to 95ppm Ta₂O₅) from rock chip sampling within the soil anomalies.
- Lyndon Prospect – Located in the north-west of the Project where multiple soil and rock chip lithium anomalies (>100ppm Li₂O) identified a ~4.5km x 3km target area, with the largest being 2.4km x 1.7km; and
- New Well Prospect – Located ~10km west of the Jamesons-Malinda trend and Nardoo Well, regional soil sampling has returned results up to 426ppm Li₂O, the highest result for the Project since exploration by Minerals 260 began in May 2023.

In addition, soil sampling and rock chip results have defined a new ~4.1km x 2.2km area at the Lucky Well prospect where multiple REE anomalies (>800ppm TREO) have been defined, the largest being 2km x 2.5km with soil results up to 1,588ppm TREO and 379ppm Nd₂O₃ + Pr₆O₁₁, and 1,369ppm TREO and 356ppm Nd₂O₃ + Pr₆O₁₁ in rock chips.

The Company continues to evaluate targets for a maiden drilling program at Aston, with a heritage survey expected to align with availability of the Gumala Aboriginal Corporation anticipated to occur Q2 CY2024.

3. Moora Copper-Gold-Nickel-PGE Project, WA (Minerals 260: 100%)

The Moora Project, located ~150km north-east of Perth in the Julimar Mineral Province of SW Western Australia, forms part of a contiguous, ~1,000km² land package which includes the adjacent Koojan JV (KJV). The area is considered prospective for precious and battery-related minerals and previous drilling has intersected multiple zones of bedrock mineralisation, confirming the potential for an economic discovery.

Cropping and harvest activities limited access during the reporting period however following these activities, the Company completed a DDIP geophysical survey across the Mynt, Dwel and Angepena prospects to assist drill planning by potentially defining chargeable and conductive structures which may be caused by sulphides and represent extensions to previously identified mineralisation. This program defined multiple chargeability and/or conductivity targets, including a large chargeability high anomaly proximal to sulphide mineralisation at the Mynt copper-gold prospect, where 24m @ 1.9% Cu and 0.7g/t Au had previously been intersected.

A Reverse Circulation (RC) and Diamond Core (DD) drilling program commenced in December to test these targets with a total of 15 holes drilled for 2,560m. Results from this program are expected in Q1/Q2 CY2024 which will assist in planning future exploration at the Project.

4. Koojan Gold-Nickel-Copper-PGE Project, WA (Minerals 260: 30% / right to earn up to 51%)

The Koojan Project adjoins the western boundary of the Moora Project and is considered prospective for gold-copper-nickel-PGE mineralisation similar to that being targeted at Moora. Minerals 260 is in a Farm In and Joint Venture Agreement with Lachlan Star Limited (ASX: LSA) and has earned a 30% interest in the Project, with the right to increase its interest to 51%. The Koojan JV ("KJV") has been explored simultaneously with the Moora Project.

The Company completed a DDIP geophysical survey across the Mallory prospect during the September 2023 quarter which defined several coincident chargeable and conductive structures that may be caused by sulphides which are proximal to copper-gold-silver-zinc anomalism intersected in drilling, where up to 98ppb gold, 30g/t silver, 592ppm cobalt and 1,480ppm copper was recorded.

During the December 2023 quarter, two RC holes were completed for 336m testing the largest anomalies. Results are expected in Q1 CY2024 and will inform any further work to be undertaken.

Minerals 260 Limited Directors' Report

For the half-year ended 31 December 2023

5. Wheat Belt Region (WBR) Project, WA (Minerals 260: Right to acquire 80%)

The WBR Project comprises two Exploration Licences (ELs) located in 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.

Follow up geochemical sampling targeting elevated lithium, gold and PGE's was completed across both tenements (E70/5563 and E70/5621) in December 2023 to determine whether drill testing is warranted. Results are expected in Q1 CY2024.

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

The Dingo Rocks Project is located in south-eastern Western Australia in the Fraser Range Province, approximately 600km southeast of Perth and 100km south of Norseman, proximal to the southern margin of Eastern Goldfields Superterrane of the Archaean Yilgarn Block. Regional aeromagnetic data indicates the potential for mafic-ultramafic intrusions that may be prospective for Ni-Cu-PGE mineralisation.

The Company's maiden Air-Core (AC) drilling program at the Dingo Rocks Project was completed in early-October 2023. The AC drilling program, which comprised 144 AC holes for 5,030m, targeted previously untested coincident magnetic/gravity anomalies interpreted to indicate possible mafic-ultramafic intrusions prospective for Ni-Cu-PGE mineralisation and also assessed the potential for clay-hosted Rare Earth Element (REE) mineralisation.

Results confirmed ultramafic units at three 'bullseye' magnetic targets, with broad zones of elevated nickel recorded at two of the targets including values up to 6,030ppm Ni. Mafic units were intersected in several holes across coincident magnetic/gravity targets, further supporting the hypothesis that the project contains rock types prospective for Nickel-Copper-Platinum Group Elements (Ni-Cu-PGE) mineralisation. Anomalous zones of gold were intersected which returned results of 12m @ 73ppb Au from 16m, including 4m @ 128ppb Au from 20m, and 8m @ 58ppb Au from 36m. High-grade saprolite-hosted rare earth mineralisation was also intersected in multiple holes across all targets, with peak results of up to 4,506ppm TREO and 1,423ppm Neodymium and Praseodymium (Nd and Pr). 30 holes (~21% of the total holes drilled) returned results >1,000ppm TREO and 77 holes (~53% of the total holes drilled) returning results >500ppm TREO.

Planning is continuing for a next phase of exploration, which would include AC drilling in the south-west of the tenement, ground Electromagnetic (EM) surveys, and interpretation of petrographic analysis of drill chips.

RESULTS OF OPERATIONS

At 31 December 2023 the Group had net assets of \$13,510,120 (30 June 2023: \$16,611,957) and an excess of current assets over current liabilities of \$13,278,229 (30 June 2023: \$16,448,692). At 31 December 2023, cash at bank totalled \$13,640,636 (30 June 2023: \$17,076,452).

The Group reports a net loss for the half-year of \$4,677,002 (31 December 2022 net loss: \$3,455,740). The increase in net loss is due to exploration expenditure increasing to \$2,179,485 (31 December 2022: \$1,391,114) as the Company focussed its resources at the Aston Project by completing several phases of reconnaissance, geochemical and geophysical programs. A total of \$1,053,437 was incurred at Aston during the reporting period (31 December 2022: \$Nil) culminating in several lithium and rare-earth targets as noted in the Review of Operations.

Minerals 260 Limited

Directors' Report

For the half-year ended 31 December 2023

CORPORATE

Executive Succession

At the beginning of the reporting period, experienced mining executive Luke McFadyen commenced as Chief Executive Officer (CEO). On 1 November 2023, Mr McFadyen was appointed to Managing Director and Mr Richards transitioned to Non-Executive Director on 24 November 2023 (previously Technical Director), completing the executive succession process announced earlier in the calendar year.

Issue of unlisted Options pursuant to Employee Securities Incentive Plan (ESIP)

On 1 July 2023, the Company issued 5,000,000 options, exercisable at \$0.685 with a three year expiry, subject to vesting conditions based on length of employment.

In September 2023, the Company granted a total of 5,000,000 options, exercisable at \$0.70 with a three year expiry, vesting immediately to Messrs Cipriano, Goyder, Richards and Ms Scotney. The issue of options was approved by shareholders at the 2023 Annual General Meeting.

On 24 November 2023, the Company granted 2,650,000 options to employees, exercisable at \$0.47 with a three year expiry, subject to vesting conditions based on length of employment.

Further details on each issue of options can be found in the Interim Financial Report below.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 9 and forms part of this directors' report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



Luke McFadyen
Managing Director

Dated at Perth this 29th February 2024

Minerals 260 Limited

Directors' Report

For the half-year ended 31 December 2023

COMPETENT PERSON'S STATEMENTS

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

- "Maiden exploration program confirms lithium potential at Aston Lithium-REE Project" released on 25th July 2023;
- "Minerals 260 to accelerate exploration at Aston Project after defining new lithium trend" released on 4th September 2023; and
- "New Lithium and Rare Earths Targets identified at Aston" released 17 January 2024.

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

- "Wide copper-gold zone confirmed at Moora" released on 4 March 2022;
- "Quarterly Activities/Appendix 5B Cash Flow Report" released on 18th April 2023;
- "Minerals 260 to accelerate exploration at Aston Project after defining new lithium trend" released on 4th September 2023.

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

- "Confirmation of Au, Ni, REE potential at Dingo Rocks" released 11 December 2023.

which are available on www.minerals260.com.au.

The Information in this report that relates to Minerals 260 Exploration Results are based on and fairly represents information and supporting documentation prepared by Mr David Richards and/or Mr Matthew Blake, who are both a Competent Person and a member of the Australasian Institute of Geoscientists (AIG). Mr Richards and Mr Blake are or were full-time employees of the Company at the date of their consent. Mr Richards and Mr Blake have 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'. Both Mr Richards and Blake consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

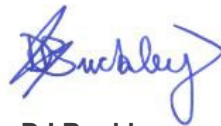
This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and 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.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Minerals 260 Limited for the half-year ended 31 December 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
29 February 2024



D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Minerals 260 Limited

Condensed Consolidated Statement of Profit or loss and Other Comprehensive Income

For the half-year ended 31 December 2023

		31 Dec 23	31 Dec 22
	Notes	\$	\$
Continuing Operations			
Exploration and evaluation expenditure expensed	3(a)	(2,179,485)	(1,391,114)
Corporate and administrative expenses	3(b)	(1,259,219)	(1,036,019)
Share-based payments	6	(1,575,165)	(1,309,394)
Net finance income	3(d)	336,867	280,787
Loss before income tax		(4,677,002)	(3,455,740)
Income tax expense		-	-
Net loss after tax		(4,677,002)	(3,455,740)
Other comprehensive income/(loss), net of tax		-	-
Total comprehensive loss		(4,677,002)	(3,455,740)
Earnings per share from operations			
Basic loss per share (cents per share)		(2.00)	(1.57)
Diluted loss per share (cents per share)		(2.00)	(1.57)

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

Minerals 260 Limited
Condensed Consolidated Statement of Financial Position

As at 31 December 2023

		31 Dec 23	30 Jun 23
	Notes	\$	\$
Current assets			
Cash and cash equivalents		13,640,636	17,076,452
Trade and other receivables		160,388	157,185
Prepayments		61,270	13,797
Security deposits		52,412	51,176
Total current assets		13,914,706	17,298,610
Non-current assets			
Property, plant and equipment		173,980	127,448
Right-of-use assets	4	571,119	81,510
Security deposits		65,525	16,139
Total non-current assets		810,624	225,097
Total assets		14,725,330	17,523,707
Current liabilities			
Trade and other payables		391,029	605,222
Employee benefits		188,844	205,452
Lease liabilities	4	56,604	39,244
Total current liabilities		636,477	849,918
Non-current liabilities			
Employee benefits		9,077	4,320
Lease liabilities	4	569,656	57,512
Total non-current liabilities		578,733	61,832
Total liabilities		1,215,210	911,750
Net assets		13,510,120	16,611,957
Equity			
Share capital	5	113,834,123	113,834,123
Reserves	6	6,050,104	4,474,939
Accumulated losses		(106,374,107)	(101,697,105)
Total equity		13,510,120	16,611,957

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

Minerals 260 Limited
Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Notes	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022		108,721,826	3,029,859	(88,591,305)	23,160,380
Loss for the period		-	-	(3,455,740)	(3,455,740)
Other comprehensive income/(loss), net of tax		-	-	-	-
Total comprehensive loss for the period		-	-	(3,455,740)	(3,455,740)
<i>Transactions with Owners in their capacity as Owners:</i>					
Share-based payments		-	1,309,394	-	1,309,394
Balance at 31 December 2022		108,721,826	4,339,253	(92,047,045)	21,014,034
Balance at 1 July 2023		113,834,123	4,474,939	(101,697,105)	16,611,957
Loss for the period		-	-	(4,677,002)	(4,677,002)
Other comprehensive income/(loss), net of tax		-	-	-	-
Total comprehensive loss for the period		-	-	(4,677,002)	(4,677,002)
<i>Transactions with Owners in their capacity as Owners:</i>					
Share-based payments		-	1,575,165	-	1,575,165
Balance at 31 December 2023		113,834,123	6,050,104	(106,374,107)	13,510,120

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

Minerals 260 Limited
Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	31 Dec 23	31 Dec 22
	\$	\$
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,335,802)	(1,029,772)
Payments for exploration and evaluation	(2,321,222)	(1,388,977)
Interest received	364,480	212,683
Interest paid	(1,712)	(549)
Security deposit paid	(49,386)	(16,025)
Net cash used in operating activities	(3,343,642)	(2,222,640)
Cash flows from investing activities		
Payments for plant and equipment	(70,434)	(17,215)
Proceeds on disposal of plant and equipment	1,109	-
Payments to acquire tenement(s)	(4,851)	(104,133)
Net cash used in investing activities	(74,176)	(121,348)
Cash flows from financing activities		
Repayment of lease liabilities	(17,998)	(960)
Net cash used in financing activities	(17,998)	(960)
Net increase in cash and cash equivalents	(3,435,816)	(2,344,948)
Cash and cash equivalents at 1 July	17,076,452	23,471,130
Cash and cash equivalents at 31 December	13,640,636	21,126,182

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

Minerals 260 Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial report was authorised for issue on 29 February 2024.

These interim condensed consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements comprise the condensed consolidated interim financial statements for the Group. For the purposes of preparing the condensed consolidated financial statements, the Group is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that these interim statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Minerals 260 Limited during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year, except for the impact of the new Standards and Interpretations effective disclosed in note 1(d). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) Basis of preparation

The interim report has been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for assets, goods and services. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

(c) Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim 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.

Minerals 260 Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Adoption of new and revised Accounting Standards

Standards and Interpretations applicable for the half year ended 31 December 2023

In the period ended 31 December 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 reporting period. Their adoption has not had a material impact on the disclosures and/or amounts reported in these financial statements.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

e) Going Concern

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

Minerals 260 Limited
Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

2. 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 and Evaluation		Corporate		Total	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	\$	\$	\$	\$	\$	\$
Exploration and evaluation expenditure expensed	(2,179,485)	(1,391,114)	-	-	(2,179,485)	(1,391,114)
Corporate and administrative expenses	-	-	(1,259,219)	(1,036,019)	(1,259,219)	(1,036,019)
Share-based payments	-	-	(1,575,165)	(1,309,394)	(1,575,165)	(1,309,394)
Net finance income	-	-	336,867	280,787	336,867	280,787
Loss before income tax	(2,179,485)	(1,391,114)	(2,497,517)	(2,064,626)	(4,677,002)	(3,455,740)

	Exploration and Evaluation		Corporate		Total	
	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23
	\$	\$	\$	\$	\$	\$
Segment assets	148,619	92,740	936,075	354,515	1,084,694	447,255
Unallocated assets	-	-	-	-	13,640,636	17,076,452
Total assets	148,619	92,740	936,075	354,515	14,725,330	17,523,707
Segment liabilities	312,392	468,802	902,818	442,948	1,215,210	911,750
Total Liabilities	312,392	468,802	902,818	442,948	1,215,210	911,750

Minerals 260 Limited
Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

3. EXPENSES

(a) Exploration and evaluation expenditure

	31 Dec 23	31 Dec 22
	\$	\$
Australia		
- Acquisition costs	(2,648)	(102,583)
- Aston	(1,053,437)	-
- Moora	(644,617)	(688,191)
- Koojan ⁽¹⁾	(83,680)	(395,120)
- Dingo Rocks	(395,103)	(77,192)
- Yalwest	-	(128,028)
	(2,179,485)	(1,391,114)

⁽¹⁾ Koojan project costs are presented on a net reimbursable basis. Pursuant to the KJV agreement, Minerals 260 Limited are to be reimbursed a total of \$29,065 (net of GST) from Coobaloo Minerals Ltd as at 31 December 2023. A total of \$12,305 (net of GST) is outstanding for receipt at the end of the reporting period.

(b) Corporate administrative expenses

	31 Dec 23	31 Dec 22
	\$	\$
Depreciation and amortisation	(60,608)	(15,840)
Insurance	(44,356)	(37,824)
Legal fees	(29,517)	(22,878)
Office costs	(161,253)	(82,456)
Personnel expenses (3(c))	(647,362)	(474,210)
Promotions and investor relations	(23,837)	(30,200)
Conferences and travel	(39,225)	(20,614)
Regulatory and compliance	(117,124)	(107,967)
Business development	(154,182)	(244,030)
Asset derecognition	18,245	-
	(1,259,219)	(1,036,019)

(c) Personnel expenses

	31 Dec 23	31 Dec 22
	\$	\$
Directors' fees, wages and salaries to staff	(562,623)	(441,204)
Annual leave and long service leave	(84,739)	(33,006)
	(647,362)	(474,210)

Minerals 260 Limited
Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

3. EXPENSES (CONT'D)

(d) Net finance income

	31 Dec 23	31 Dec 22
	\$	\$
Interest received	363,948	283,813
Interest expense – lease liability	(27,081)	(3,026)
	336,867	280,787

4. RIGHT-OF-USE ASSET AND ASSOCIATED LEASE LIABILITY

During the period, the Company relocated to new office premises which resulted in the extinguishment of the rental agreement in place at 30 June 2023 and signed a new lease agreement in September 2023 for a period of 5 years, subject to an annual 3% increase with an option to extend.

5. ISSUED CAPITAL

Ordinary shares on issue	6 months to 31 Dec 23		Year to 30 Jun 23	
	No.	\$	No.	\$
On issue at the beginning of the period	234,000,000	113,834,123	220,000,000	108,721,826
Issue of shares to acquire Aston Project ⁽¹⁾	-	-	14,000,000	5,145,000
Less share issue costs	-	-	-	(32,703)
Movement during the period	-	-	14,000,000	5,112,297
Balance at end of period	234,000,000	113,834,123	234,000,000	113,834,123

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

6. SHARE-BASED PAYMENTS

(a) Share-based payments expense

The total expenditure recognised in the condensed consolidated statement of profit or loss and other comprehensive income is \$1,575,165 (31 December 2022: \$1,309,394).

	31 Dec 23	31 Dec 22
	\$	\$
Employee Securities Incentive Scheme	1,575,165	1,309,394
Other share-based payments ("Non-EIS")	-	-
	1,575,165	1,309,394

Minerals 260 Limited
Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

6. SHARE-BASED PAYMENTS (CONT'D)

(b) Share-based payments reserve

	6 months to 31 Dec 23		Year to 30 Jun 23	
	No.	\$	No.	\$
On issue at the beginning of the period	18,050,000	4,474,939	12,400,000	3,029,859
Issued	12,650,000	1,575,165	5,650,000	1,445,080
Movement during the period	12,650,000	1,575,165	5,650,000	1,445,080
Balance at end of period	30,700,000	6,050,104	18,050,000	4,474,939

(c) Employee Incentive Scheme

Options	6 months to 31 Dec 23		Year to 30 Jun 23	
	No.	\$	No.	\$
On issue at the beginning of the period	7,550,000	1,645,939	1,900,000	200,859
Issued	12,650,000	1,575,165	5,650,000	1,445,080
Movement during the period	12,650,000	1,575,165	5,650,000	1,445,080
Balance at end of period	20,200,000	3,221,104	7,550,000	1,645,939

At the commencement of Mr McFadyen's employment as Chief Executive Officer on 1 July 2023, the Company issued 5,000,000 options (MI6OPT07) exercisable at \$0.685 with a three year expiry subject to vesting conditions based on length of employment (effective from 1 July 2022).

At the Company's Annual General Meeting on 24 November 2023, shareholders approved the issue of 5,000,000 options (MI6OPT08) to Minerals 260 Directors Messrs Cipriano, Goyder and Richards and Ms Scotney. These options have an exercise price of \$0.70 and expire 23 November 2026 having vested immediately.

On 24 November 2023, the Company issued 2,650,000 share options (MI6OPT09) to employees. These options have an exercise price of \$0.47 and expire on 23 November 2026 with vesting milestones set based on length of employment.

All options issued during the reporting period are pursuant to the Company's Employee Securities Incentive Scheme.

The fair value of options granted was determined using a Black Scholes pricing model. The following table provides the assumptions made in determining the fair value of the options granted during the half-year:

Series	MI6OPT07	MI6OPT08	MI6OPT09
Grant date	25/05/2023	24/11/2023	24/11/2023
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	100	100	100
Risk-free interest rate (%)	3.20%	4.19%	4.19%
Expected life of option (years)	3	3	3
Exercise price (cents)	68.5	70.0	47.0
Grant date share price (cents)	45.0	31.0	31.0

Minerals 260 Limited
Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

6. SHARE-BASED PAYMENTS (CONT'D)

(d) Other share-based payments ("Non-EIS")

Options	6 months to 31 Dec 23		Year to 30 Jun 23	
	No.	\$	No.	\$
On issue at the beginning of the period	10,500,000	2,829,000	10,500,000	2,829,000
Issued	-	-	-	-
Movement during the period	-	-	-	-
Balance at end of period	10,500,000	2,829,000	10,500,000	2,829,000

7. EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

8. EXPLORATION COMMITMENTS

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various government departments. These obligations are subject to renegotiation when application for a mining/exploration or other lease is made and at other times. The amounts stated are based on the maximum commitments. The Group may in certain situations apply for exemptions under relevant mining legislation. These obligations are not provided for in the financial report and are payable over time.

	31 Dec 23	30 Jun 23
	\$	\$
Within 1 year	1,521,340	1,226,000
Within 2 – 5 years	6,314,921	5,284,311
	7,836,261	6,510,311

9. CONTINGENT ASSETS AND LIABILITIES

There has been no change in contingent assets and liabilities since the last annual reporting date.

10. FINANCIAL INSTRUMENTS

The Company has financial instruments which are not measured at fair value on a recurring basis in the Statement of Financial Position. The carrying amount of financial assets and liabilities at balance date approximate their fair value.

Minerals 260 Limited
Directors' Declaration

For the half-year ended 31 December 2023

In the opinion of the directors of Minerals 260 Limited ('the Company'):

1. The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended; and
 - b. complying with Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2023.

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



Luke McFadyen
Managing Director

Dated at Perth this 29th February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Minerals 260 Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Minerals 260 Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Minerals 260 Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

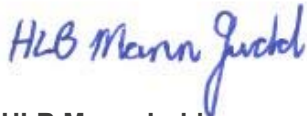
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

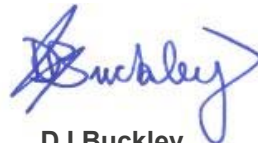
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
29 February 2024



D I Buckley
Partner