

Equinox Resources Limited Lodges Prospectus with ASIC

Cazaly Resources Limited (ASX:CAZ “Cazaly” or the “Company”) and Pathfinder Resources Ltd (ASX:PF1 “Pathfinder”) are pleased to announce, following the proposed divestment of the jointly owned Hamersley Iron Ore Project (see ASX release dated 9 July 2021), that Equinox Resources Limited (“Equinox”) (Proposed ASX Code: EQN), lodged their initial public offer (“IPO”) with the Australian Securities and Investments Commission (ASIC) and ASX on 31 August 2021.

The IPO prospectus is publicly available on the Equinox website www.eqnx.com.au.

The Hamersley Iron Ore Project (“Project”) is an unincorporated Joint Venture between Lockett Fe Pty Ltd (“Lockett”) (30%), a wholly owned subsidiary of Cazaly and Pathfinder (70%).

The Project comprises granted Mining Lease (ML47/1450), which is located in the heart of the world-renowned and infrastructure rich Pilbara iron ore province of Western Australia.

Equinox is a development focused company which was incorporated for the purpose of acquiring the Project.

The IPO is seeking to raise up to \$9,000,000 (before costs) through the issue of Shares at an issue price of \$0.20 per share. The purpose of the IPO is to provide funds to explore and develop the Project.

Equinox’s focus will be on the development of the Project and is driven by a highly experienced board and management team. The Board has significant experience in iron ore and related industries, coupled with extensive mining industry development expertise.

Pathfinder and Lockett (together, the Vendors) executed a Binding Heads of Agreement with Equinox under which the Vendors have conditionally agreed to sell their combined 100% interest in the Project to Equinox.

Cazaly will receive 15,000,000 shares, being between 15.7% to 17.5% undiluted equity, and between 2.55m to 2.85m Performance Shares in Equinox upon listing.

A summary of the material terms and conditions of the Binding Heads of Agreement is set on the following page.

Material Terms and Conditions of the Binding Heads of Agreement

Consideration	<p>In consideration for the acquisition of the Project (Acquisition), Equinox has agreed to:</p> <ul style="list-style-type: none"> • issue an aggregate of 50,000,000 fully paid ordinary shares (Equinox Shares) to the Vendors at a deemed issue price of \$0.20 per Share (Consideration Shares); • issue between 8,500,000 performance shares and 9,500,000 performance shares in aggregate to the Vendors, which will be issued on a pro rata basis based on the level of subscription under the Public Offer (Performance Shares). Each Performance Shares will, at the election of the holder, convert into one Equinox Share, subject to Equinox announcing to the ASX a positive preliminary Feasibility Study in relation to the Hamersley Iron Ore Project, confirming the Hamersley Iron Ore Project is commercially viable; • pay Pathfinder a fixed royalty of USD\$0.70 per metric tonne of iron ore which is extracted and sold or otherwise disposed of from the area within the boundaries of the Project (as those exist at the date of the Binding Heads of Agreement); and • pay Lockett a fixed royalty of USD\$0.30 per metric tonne of iron ore which is extracted and sold or otherwise disposed of from the area within the boundaries of the Project (as those exist at the date of the Binding Heads of Agreement). <p>The Consideration Shares and the Performance Shares will be issued to the Vendors (or their nominees) in accordance with their joint venture interests, with Pathfinder entitled to receive 35,000,000 Equinox Shares and between 5,950,000 Performance Shares (at Minimum Subscription) and 6,650,000 Performance Shares (at Maximum Subscription).</p>
Conditions Precedent	<p>Completion of the Acquisition is conditional upon the satisfaction (or waiver by Equinox) of the following conditions precedent:</p> <ul style="list-style-type: none"> • Due diligence: completion of financial, legal and technical due diligence by the Equinox on the Project, to the absolute satisfaction of Equinox; • Capital raising: Equinox undertaking an initial public offer and receiving valid applications for at least AUD\$7,000,000 worth of Equinox Shares under its initial public offer; • ASX conditional approval: conditional approval being obtained from the ASX to admit the securities of Equinox to trading on the official list of the ASX (after Equinox complies with Chapters 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of Equinox and the Vendors; • Shareholder approval: the shareholders of Pathfinder approving the transactions contemplated by the Binding Heads of Agreement for the purposes of ASX Listing Rule 11.4 in a general meeting ; • Regulatory approvals: the parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law to allow the parties to lawfully complete the matters set out in the Binding Heads of Agreement; and • Third party approvals and consents: the parties obtaining all third party approvals and consents, including the consent of the Minister responsible for the Mining Act 1978 (WA) (if required), necessary to lawfully complete the matters set out in the Binding Heads of Agreement, <p>(together, the Conditions Precedent).</p> <p>If the Conditions Precedent are not satisfied (or waived by the party or parties with the benefit of the Condition Precedent) on or before 5:00pm (Perth time) on 31 December 2021 (or such later date as the parties may agree) (End Date), then any party may terminate the Binding Heads of Agreement by notice in writing.</p>
Other Terms	<p>The Binding Heads of Agreement otherwise contains customary terms and conditions, including representations and warranties and confidentiality clauses.</p>

ENDS

For and on behalf of the Cazaly Board

For further information please contact: Tara French (CEO) / Clive Jones (Director)

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