

2 September 2021

## Equinox Resources IPO Prospectus Lodged

### Highlights

- **Equinox Resources Limited's ("EQN", "Equinox Resources") IPO Prospectus has been submitted to raise between \$7.0 and \$9.0 million.**
- **Pathfinder to retain between 36.65% and 40.94% (undiluted) equity in Equinox Resources upon successful IPO completion, allowing Pathfinder shareholders to retain significant exposure to the Hamersley Iron Ore Project, located in the Pilbara region of Western Australia.**
- **Pathfinder to receive up to 6,650,000 additional performance shares upon receipt of commercially viable Preliminary Feasibility Study, and will receive a fixed royalty of USD\$0.70 per metric tonne of Iron Ore produced from the project.**
- **Equinox have appointed a highly credentialed board including Mr Daniel Taylor, Mr Hugh Callaghan and Mr Mena Habib.**
- **Mr Rod Baxter to join the Board as Non-Executive Chairman on listing.**
- **Pathfinder to remain focussed on the King Tut project in Argentina in addition to growing its base and precious metals portfolio.**

Pathfinder Resources Ltd (ASX:PF1) ("**Pathfinder**" or the "**Company**") is pleased to announce that following shareholder approval for the divestment of the Hamersley Iron Ore Project, Equinox Resources (Equinox) (Proposed ASX Code: EQN) has lodged their prospectus with the Australian Securities and Investments Commission (ASIC).

The Prospectus is seeking to raise between \$7,000,000 and \$9,000,000 (before costs) through the issue of Shares at \$0.20 under the Public Offer. Sixty Two Capital and Canaccord Genuity have been engaged to act as Joint-Lead Managers to the transaction.

The EQN Prospectus is publicly available on the Equinox website [www.eqnx.com.au](http://www.eqnx.com.au).

The Hamersley Iron Ore Project is an unincorporated Joint Venture between Pathfinder (70% owner and manager) and Lockett Fe Pty Ltd, a wholly owned subsidiary of Cazaly Resources Limited (ASX:CAZ) (30%).

The project consists of a granted Mining Lease (ML47/1450), which covers an area of approximately 10.4 km<sup>2</sup> in the heart of the world-renowned and infrastructure rich Pilbara iron ore province of Western Australia.

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Shannon Green

**Non-Executive Chairman**  
Sufian Ahmad

**Non-Executive Director**  
Hugh Callaghan

**Company Secretary**  
Ailsa Osborne

 ASX:PF1

Enquiries regarding this announcement can be directed to:

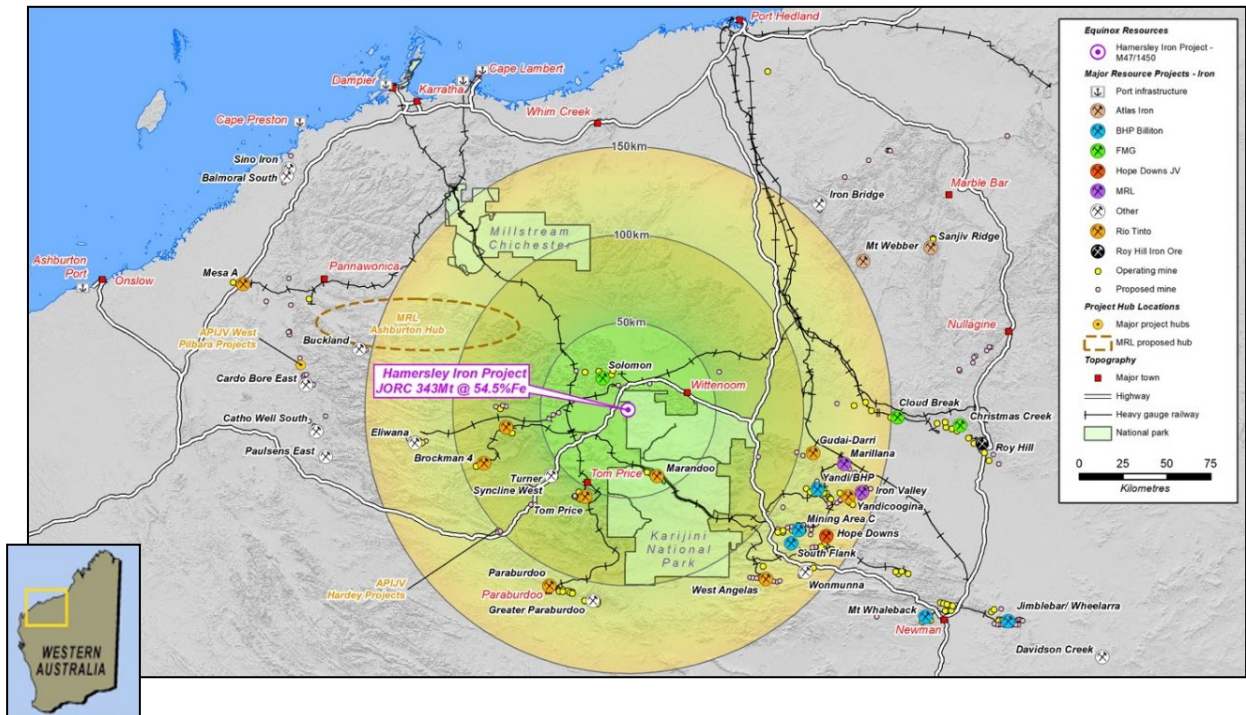
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The Mineral Resources for the Hamersley Iron Ore Project, comprising Mining Lease M47/1450, and which has been reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012) (JORC Code 2012) is as follows:

	Tonnes Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %	Calcined Fe %
DID Inferred#	24.3	46.4	24.8	5.2	0.03	2.5	47.6
CID Indicated*	42.6	55.2	10.9	5.5	0.04	3.6	57.3
CID Inferred*	276.3	55.2	9.7	4.4	0.04	6.3	58.9
<b>Total</b>	<b>343.2</b>	<b>54.5</b>	<b>10.9</b>	<b>4.6</b>	<b>0.04</b>	<b>5.7</b>	<b>57.9</b>

Note: Tonnage figures have been rounded and as a result may not add up to the totals quoted.

# DID reported at a 40% Fe Cut-off grade.

\* CID reported at a 52% Fe Cut-off grade.

Upon listing, EQN's sole focus will be on the development of the Hamersley Iron Ore Project, and is driven by a highly experienced board and management team with expertise in Iron Ore and mine development.

**Pathfinder Managing Director, Shannon Green Commented:** "I would like to take this opportunity to congratulate the EQN team on lodging their prospectus. Pathfinder will continue to provide the support required to ensure that they are successful in their goal to develop the Hamersley Iron Ore project for the benefit of all shareholders."

Pathfinder and Lockett (together, the Vendors) have executed a Binding Heads of Agreement with Equinox under which the Vendors have conditionally agreed to sell their combined 100% interest in the Hamersley Iron Ore Project to Equinox (Binding Heads of Agreement) on the following material terms and conditions:

## Material Terms and Conditions of the Binding Heads of Agreement

<p><b>Consideration</b></p>	<p>In consideration for the acquisition of the Project (<b>Acquisition</b>), Equinox has agreed to:</p> <ul style="list-style-type: none"> <li>• issue an aggregate of 50,000,000 fully paid ordinary shares (<b>Equinox Shares</b>) to the Vendors at a deemed issue price of \$0.20 per Share (<b>Consideration Shares</b>);</li> <li>• 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 (<b>Performance Shares</b>). 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;</li> <li>• 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</li> <li>• 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).</li> </ul> <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>
<p><b>Conditions Precedent</b></p>	<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"> <li>• <b>Due diligence:</b> completion of financial, legal and technical due diligence by the Equinox on the Project, to the absolute satisfaction of Equinox;</li> <li>• <b>Capital raising:</b> 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;</li> <li>• <b>ASX conditional approval:</b> 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;</li> <li>• <b>Shareholder approval:</b> 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 ;</li> <li>• <b>Regulatory approvals:</b> 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</li> <li>• <b>Third party approvals and consents:</b> 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,</li> </ul> <p>(together, the <b>Conditions Precedent</b>).</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) (<b>End Date</b>), then any party may terminate the Binding Heads of Agreement by notice in writing.</p>
<p><b>Other Terms</b></p>	<p>The Binding Heads of Agreement otherwise contains customary terms and conditions, including representations and warranties and confidentiality clauses.</p>

This announcement has been approved by the Board of Pathfinder Resources Ltd.

**For further information, please contact:**

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