

Quarterly Activities Report for Period Ended 31 December 2021

HIGHLIGHTS

- Successful listing on the Australian Securities Exchange (“ASX”) following an oversubscribed Initial Public Offering (“IPO”) to raise \$9 million through the issue of 45,000,000 new fully paid ordinary shares¹
- CSA Global appointed as Geological Consultants to support the ongoing development of the Company’s Hamersley Iron Ore Project²
- Stantec Australia (formerly Engenium) appointed to undertake a Port and Logistics study³
- Native Title Deed with the Wintawari Guruma Aboriginal Corporation assigned to Equinox Resources⁴
- Management team strengthened with appointments of Graham Fyfe as Chief Operating Officer and Craig Wallis as General Manager of Geology, Heritage and Environment⁵
- Planning completed for a 2,700m Reverse Circulation (“RC”) resource development and 700m Diamond Drilling (“DD”) metallurgical drill program.⁶
 - Program has been designed to increase the confidence of the current resource and provide suitable samples for metallurgical test work and customer product evaluation testing
 - Subject to the receipt of all required statutory permits, necessary consents, approvals and heritage survey.

Equinox Resources Limited (“Equinox” or “Company”) is pleased to present your Company’s quarterly activities report for the December 2021 quarter. The primary focus of your Company’s activities over the quarter were the completion of our listing on the ASX and the commencement of our development focussed strategy including key personnel appointments and exploration planning.

The Hamersley Iron Ore Project (Pilbara Western Australia, 100% interest)

Drill Planning and Preparation

In October Equinox appointed CSA Global (“CSA”) as your Company’s geological consultant to conduct a detailed analysis of the geological model and to assist in the design of a targeted drilling program as part of the Company’s development focused strategy for the Hamersley Iron Ore Project.

Based on the work completed by CSA, your Company announced a planned 27 hole, 2,700 metre infill RC drilling program. The program will infill the current JORC Indicated Resources area, which is anticipated to be the location of initial potential mine development. The objective is to provide appropriate ore body definition to support mine planning and feasibility studies.

In addition to the RC drilling, the proposed program includes an additional 700 metres of targeted PQ Diamond Drilling, which will provide samples to conduct metallurgical testwork, product lump and fine ore sintering assessment at respected iron and steel research institutes as well as providing samples to potential customers for assessment.

¹ ASX Announcement 13 Oct 2021 - Equinox Closes Oversubscribed IPO, Raising \$9 Million And Commences Trading On The ASX

² ASX Announcement 20 Oct 2021 - Equinox Appoints CSA Global as Geological Consultants

³ ASX Announcement 30 Nov 2021 - Project Update

⁴ ASX Announcement 13 Dec 2021 – Native Title Agreement

⁵ ASX Announcement 27 Oct 2021 - Equinox Management Strengthened with Appointment of COO , ASX announcement 9 Nov 2021 – Craig Wallis appointed GM of Geology, Heritage, Environment

⁶ ASX Announcement 30 Nov 2021- Project Update

The Company's tendering process for RC and DD drilling concluded in December 2021. Proposals were received from a number of drilling contractors. The RC and DD drilling contracts were awarded to highly qualified companies who have significant and successful track records of drilling in the Pilbara region. The drilling program is planned for Q2 of 2022, subject to all required statutory permits, necessary consents, approvals and heritage survey.

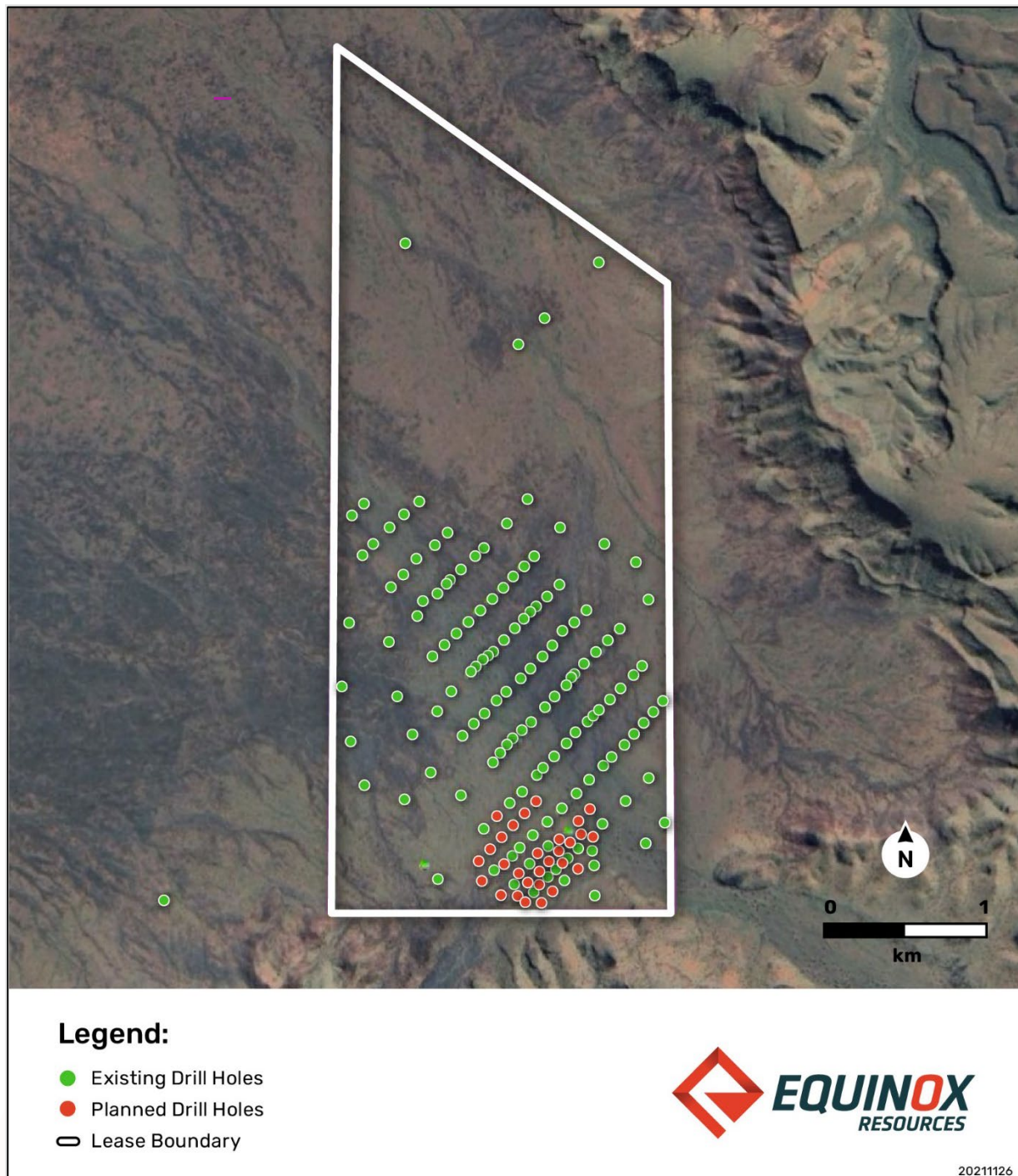


Figure 1: Hamersley Iron Ore Project - Drilling Map

Port and Logistics Study

As part of the Company's development strategy, the Company appointed Stantec Australia (formerly Engenium) to undertake a Port and Logistics study. The study will investigate and assess all potential opportunities that may be available to access the market by road, rail and port. The Company is aware of significant activity by existing large iron ore proponents in the Pilbara at present, with numerous conceptual port and logistics options being considered. This includes potential port and logistics-hub development in the Ashburton region and expansion of export capacity in South-West Creek and at Utah Point (Port Hedland).

Site Development Planning

The Company is planning to conduct a detailed airborne Topographical Survey of the site in calendar H1, 2022. The contour data and imagery from this survey will be a vital input to the planned Hydrological, Environmental and Mining and Feasibility Studies, which are planned for H2, 2022.

Business Development

Your Company continues to actively review potential opportunities and partnerships that have a strategic fit for the Company and that have the potential to deliver value for Shareholders.

Native Title Agreement

Your Company was assigned a 'Native Title Deed' with Wintawari Guruma Aboriginal Corporation ("WGAC") in December 2021. The Deed provides the framework for how both parties will work together during the potential development and operation of the Hamersley Iron Ore Project, which includes Access, Site Clearance and Heritage, Environmental, Cultural Awareness, Employment and Contracting Opportunities and Production Payments.

In December 2021, the new Aboriginal Cultural Heritage legislation was passed (but not yet enacted) by the WA Parliament. Your Company is actively engaging with the WGAC and monitoring developments in this critical area and is committed to progressing site-based activities in a manner that is consultative and collaborative with the WGAC. Comprehensive Heritage Surveys are a necessary part of this approach and your Company is committed to carrying these out with the utmost respect and dedication as part of the Company's environmental, social and governance responsibilities.

Corporate

Initial Public Offering

Equinox Resources Limited completed its listing on the Australian Securities Exchange (ASX) following an oversubscribed Initial Public Offering (IPO) to raise \$9 million through the issue of 45,000,000 new fully paid ordinary shares in October. As part of the IPO, the acquisition of the Hamersley Iron Ore Project was completed.¹

Management Appointments

Since listing the Company has appointed key members of the management team with, Graham Fyfe as Chief Operating Officer and Craig Wallis as General Manager of Geology, Heritage and Environment.

Appendix 5B

The Appendix 5B quarterly cashflow report for the quarter ended 31 December 2021 is submitted separately.

The Group had a cash balance of \$7,099k as at 31 December 2021. Exploration expenditure during the quarter totalled \$225k.

Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX to 31 December 2021 against estimated expenditure in the Use of Funds statement in the Prospectus dated 31 August 2021 as supplemented by the Supplementary Prospectus dated 7 September 2021 (together the "Prospectus") is set out below:

Use of funds	Prospectus estimate (2 years)	Use until 31 Dec 21
Exploration and development at the Hamersley Iron Ore Project	4,970,000	251,408
Corporate Administration	1,950,000	344,326
Working capital	528,000	139,264
Expenses of the Offers	852,000	740,179
Expenses of the Acquisition	500,000	425,485
M&A budget for complementary assets/opportunities	200,000	-
Total	9,000,000	1,900,663

Use of funds variance explanations are outlines below:

- significant variances on operational expenditures are as a result of the Company being only listed for 2.5 months into the 2 year prospectus estimate;
- variances in expenses of the offer relate to higher than estimated legal fees.

Related Parties

As outlined in Section 6 of the attached Appendix 5B, during the December quarter approximately \$103k in payments were made to related parties and/or their associates as director's remuneration.

The Company also repaid borrowings of \$222k from Pathfinder Resources Limited pursuant to the interest free loan to be used by Equinox to pay the expenses in respect of the Equinox IPO.

Capital Structure

The Capital Structure at the end of the December quarter is as follows:

- 95,500,001 Ordinary Shares on issue;
- 17,000,000 Unlisted Options on issue; and
- 9,500,000 Performance Shares on Issue.

There has been no changes made to the Company capital structure during the December quarter.

EQN's exploration tenement interests

Project	Tenement ID	EQN's Interest
Hamersley Project	ML 47/1450-I	100%

ASX Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements released during the December quarter on the ASX announcements platform.

13-Dec-21	Native Title Agreement
30-Nov-21	Project Update
09-Nov-21	Craig Wallis appointed GM of Geology, Heritage, Environment
27-Oct-21	Management Strengthened with Appointment of COO
20-Oct-21	Equinox Appoints CSA Global as Geological Consultants
12-Oct-21	Pre-Quotation Disclosures
12-Oct-21	Supplementary Prospectus
12-Oct-21	Prospectus

These announcements are available for viewing on the Company's website under the Investors tab. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements above.

About Equinox Resources

Equinox Resources Limited is a development-focussed Company strategically located in the infrastructure-rich Pilbara iron ore province of Western Australia. The Company's Hamersley Iron Ore Project is located 60km north-east of Tom Price in the Pilbara.

The Company is focused on the development and implementation of systematic exploration and feasibility studies. The aim is to identify and quantify a processing plan that produces a saleable quality product, which will be attractive to customers, whilst also investigating infrastructure solutions that may support development of the Hamersley Iron Ore Project.

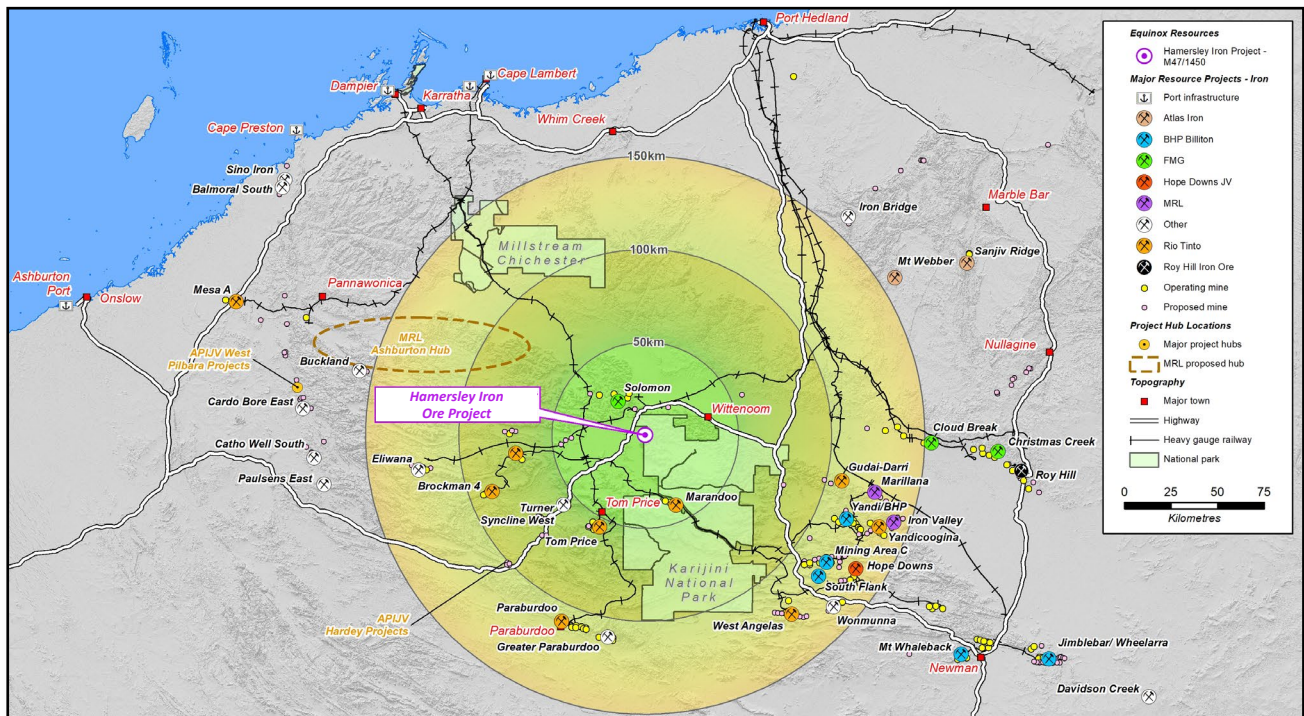


Figure 2: Hamersley Iron Ore Project – Location Diagram

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For further information please contact:

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Authorised for release by the Board of Equinox Resources Limited.

Compliance Statement

This announcement contains information on the Hamersley Iron Ore Project extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012 JORC Code) and available for viewing at www.eqnx.com.au or www.asx.com.au. EQN is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources (as that term is defined in the JORC Code) that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. ASX announcements are as follows:

- Prospectus dated – 31 August 2021
- Supplementary Prospectus dated – 7 September 2021
- Pre-Quotation Disclosures – 12 October 2021
- Equinox Appoints CSA Global as Geological Consultants – 20 October 2021
- Project Update dated – 30 November 2021

Forward-looking Statements

Certain statements included in this release constitute forward-looking information. Statements regarding EQN's plans with respect to its mineral properties and programs are forward-looking statements. There can be no assurance that EQN's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that EQN will be able to confirm the presence of additional mineral resources, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of EQN's mineral properties. The performance of EQN may be influenced by a number of factors which are outside the control of the Company and its Directors, staff, and contractors.

These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of exploration sample, mapping and drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves and resources, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the company's prospects, properties and business strategy.

There is continuing uncertainty as to the full impact of COVID-19 on EQN's business, the Australian economy, share markets and the economies in which EQN conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on EQN's business or the price of EQN securities.

Except for statutory liability which cannot be excluded, each of EQN, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. EQN undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Equinox Resources Limited

ABN

65 650 503 325

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(178)	(178)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(122)	(122)
	(e) administration and corporate costs	(121)	(121)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	- GST received/ paid	(84)	(84)
1.9	Net cash from / (used in) operating activities	(505)	(505)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(17)	(17)
	(d) exploration & evaluation	(472)	(472)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(489)	(489)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,000	9,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(685)	(685)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(222)	(222)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.10	Net cash from / (used in) financing activities	8,093	8,093

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	-	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(505)	(505)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(489)	(489)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,093	8,093

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,099	7,099

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,099	-
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,099	-

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(102)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(505)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(472)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(977)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,099
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,099
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	7
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: </div>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: </div>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: </div>	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 January 2022

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.