

Quarterly Activities Report for Quarter Ended 31 December 2022

HIGHLIGHTS

- Continued consultative engagement with the Wintawari Guruma Aboriginal Corporation ("WGAC") regarding the timing of heritage surveys and planned drilling program.
- Environmental work program advanced at Equinox's Hamersley Project with Umwelt.
- Equinox expanded its portfolio with the acquisition of two tenements in Western Australia and staking of claims in Ontario, Canada.
- Appointment of highly experienced mining executive and experienced Iron Ore, Lithium and battery metals industry professional, Mr Jiahe "Gower" He as Chief Executive Officer ("CEO").

Equinox Resources Limited ("Equinox" or "Company") is pleased to present the Company's quarterly activities report for the December 2022 quarter. The primary focus of the Company's activities over the quarter was on the implementation of our development strategy for our Hamersley Iron Ore Project ("Hamersley Project"), and in particular, key activities required to de-risk and progress the potential development of the project. In parallel with the work on the Hamersley project the Company secured additional prospective exploration areas in Western Australia and Ontario, Canada whilst Greenfield, they represent exciting opportunities to deliver further long-term value for shareholders.

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

The Hamersley Project is strategically located in the infrastructure-ready Pilbara iron ore province of Western Australia. The Project comprises the granted Mining Lease (M47/1450).

The Company's key activities completed during the December quarter included the on-going stakeholder engagement and consultation with the Wintawari Guruma Aboriginal Corporation ("WGAC") to plan and conduct the heritage surveys to support the Company's drilling program and advancing the baseline environmental studies for the Hamersley Project with Umwelt.

Environmental Survey's and Planning

As previously announced, Umwelt Environmental and Social Consultants have provided ongoing environmental support to the Company with regards to its Hamersley Project development planning. This has been in the form of a detailed gap analysis and approvals pathway, which identified the need for further supporting environmental studies.

During the Quarter, Equinox engaged consultants to undertake subterranean fauna, terrestrial fauna and general flora and vegetation studies to assess potential impacts of the Hamersley Project that were identified from our gap analysis. These environmental studies have been designed to be carried out in parallel with the planned heritage survey, with the first phase comprising of desktop assessments (database and literature searches) for the project area.

The subterranean desktop assessment identified that the area surrounding the Project supports high richness of stygofauna and troglafauna, and the geology underlying the mine pit includes potential habitat for subterranean fauna. A field survey will be required to determine the presence and composition of any subterranean fauna present in the Project, to inform assessment of potential impacts. The terrestrial fauna and the flora and vegetation desktop assessments are expected to be completed in H1 2023.

These studies have been progressed as priorities to inform the environmental permitting process for the Hamersley Project.

Drill Planning and Native Title Engagement

During the quarter, drill and heritage survey planning works continued in preparation for the Company's planned drilling campaign.

The Company continued with its community engagement obligations, including regular and consultative dialogue with WGAC, together with other government departments with regards to our planned drilling and future potential development program for the Hamersley Project.

As previously announced, the Company has requested that updated archaeological and ethnographic surveys be undertaken on the entire Hamersley Project. Heritage surveys are a necessary part of a consultative and collaborative approach to progressing potential project development, and as part of the Company's environmental, social and governance responsibilities.

The Company has been working with WGAC to finalise timing and logistical matters for the survey party of WGAC's in-house cultural heritage group "Yular Heritage" to complete works. It was anticipated that following easing of COVID 19 impacts, that the requested updated archaeological and ethnographic surveys would be undertaken on the Hamersley Project in the later part of the September Quarter. Due to unforeseeable events however, these surveys were postponed. The Company is working closely with WGAC on arrangements to have these surveys completed as soon as practically possible.

Auxesia Project (Kambalda Western Australia, 100% interest)

As announced late December, the Company acquired two new tenements (E15/1902 & E15/1903) in Western Australia for a cash payment of \$16,324.

E15/1902 comprises an area of 6 Blocks (approximately 20km²) and E15/1903 comprises an area of 68 Blocks (approximately 200km²). The tenements are located approximately 10km to 20km west of Kambalda, Western Australia (Figure 1). E15/1902 is located immediately south of the Mineral Resources' (ASX:MIN) Mt Marion Lithium Mine. The Spargos Reward Gold Project is also located 6km south of the project area. The region has a rich history of gold, nickel and lithium discoveries.

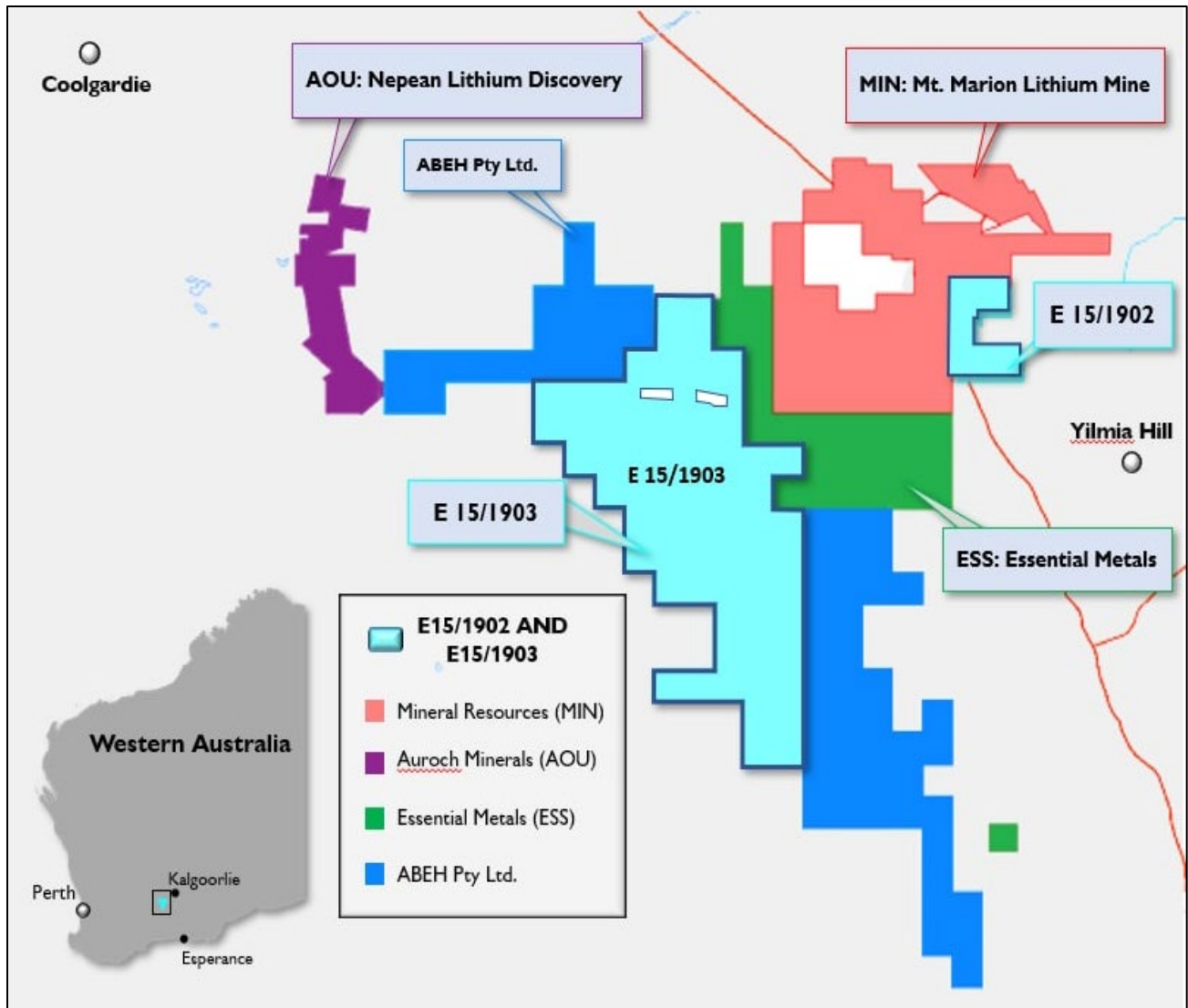


Figure 1 – E15/1902 and E15/1903 Location Map

Dome Lake (Ontario, Canada, 100% interest)

During the latter part of the Quarter, Equinox staked land in Canada comprising of 783 claims (Figure 2). The target area is located in the eastern margin of the Onaman–Tashota greenstone belt within the Willet assemblage and the Esnagami batholith to the north and the Onaman pluton to the south.

The project area is approximately 3.5 hours drive to the north-east of the key mining centre of Thunder Bay, Ontario and is well serviced by the highway, roads and rail running through the northern tip of the project area. The wider Ontario district area includes a number of mines and exploration projects including those related to battery metals / green energy sector (including Lithium, Copper, Nickel) as well as Iron Ore.

This ground was staked for nominal application costs and is considered by the Company to be Greenfields exploration opportunity, with minimal modern exploration completed.



Figure 2 – Area Location Map

Business Development

During the quarter the Company continued to review potential acquisition opportunities and partnerships that have a strategic fit for the Company and that have the potential to deliver value for Shareholders. These activities resulted in the securing of a total of approximately 160km² of claims in Ontario, Canada and two tenements in Western Australia.

Equinox's prospectus dated 31 August 2021 as supplemented by the supplementary prospectus dated 7 September 2021 (together, "the Prospectus") outlined the Company's use of funds, whereby Equinox has allocated \$200,000 for project generative activities.

Corporate

Appointment of Chief Executive Officer ("CEO")

Subsequent to the Quarter end, in early January 2023, the Company appointed highly experienced mining executive and experienced Iron Ore, Lithium and battery metals industry professional, Mr Jiahe "Gower" He as Chief Executive Officer.

Gower is a trusted, respected and highly experienced mining executive and a certified CPA with over 20 years' experience in the resources sector. He has recently held various senior positions at Mitsui overseeing Mitsui's strategic trade and investment plans across a variety of commodities including Iron Ore, Lithium, and other battery related minerals.

At Mitsui, Gower also managed stakeholder management at various levels within the mining industry, both domestically and internationally, planned and executed divisional strategies to the Australian and Japanese headquarters.

Through his work with Mitsui, Gower also managed joint venture engagements including marketing and global partners network, implemented company marketing and operational strategies, oversaw joint ventures, managed M & A, stakeholder management and dispute resolutions.

Gower was also previously an Executive Director of potential West Australian Lithium miner Red Dirt Metals Ltd (ASX:RDT).

2022 Annual General Meeting

The Company held its 2022 Annual General Meeting on 29 November 2022. All resolutions detailed in the Company's Notice of Meeting dated 28 October 2022 were passed by poll, details of which are included in the Company's announcement of 29 November 2022.

Appendix 5B

The Appendix 5B quarterly cashflow report for the quarter ended 31 December 2022 is submitted separately.

The Group had a cash balance of \$5,310k as of 31 December 2022. Exploration expenditure during the quarter totalled \$133k.

Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX to 31 December 2022 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 22
Exploration and development at the Hamersley Iron Ore Project	4,970,000	831,965
Corporate Administration	1,950,000	1,088,381
Working capital	528,000	459,233
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	144,581
Total	9,000,000	3,689,824

Use of funds variance explanations are outlined below:

- significant variances on operational expenditures are as a result of delays with heritage matters as noted herein;

Related Parties

As outlined in Section 6 of the attached Appendix 5B, during the December quarter approximately \$80k in payments were made to related parties and/or their associates for director's remuneration (\$50k) and CFO services (\$30k).

Capital Structure

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

- 95,500,001 Ordinary Shares on issue;
- 7,000,000 Unlisted Options on issue; and
- 9,500,000 Performance Shares on Issue.

EQN's exploration tenement interests

Project	Tenement/Tenure ID	Acquired during the quarter	Disposed during the quarter	EQN's Interest
Hamersley Project	ML 47/1450-I	-	-	100%
Auxesia Project	E15/1902, E15/1903	100%	-	100%
Dome Lake Project	764625-765049, 765123-765135, 765156-765200, 765365-765382, 766417-766444, 766899-766928, 766939-767162	100%	-	100%

About Equinox Resources

Equinox Resources Limited is a development-focussed Company strategically located in the infrastructure-ready 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 product, which will be attractive to customers, whilst also investigating infrastructure solutions that may support development of the Hamersley Project.

- END -

For further information please contact:

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Non-executive Chairman

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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
- Hamersley Project Update – 9 March 2022
- Market Update Drilling Program – 26 April 2022
- Equinox Secures Australian and Canadian Exploration Areas - 15 December 2022

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 2022

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	(26)	(50)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(40)	(149)
	(e) administration and corporate costs	(180)	(391)
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	16	25
1.9	Net cash from / (used in) operating activities	(230)	(565)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(16)	(21)
	(d) exploration & evaluation	(107)	(162)
	(e) investments	-	-
	(f) other non-current assets	-	(49)

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	(123)	(232)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,663	6,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(230)	(565)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(123)	(232)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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	5,310	5,310

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	5,310	5,663
5.2 Call deposits		
5.3 Bank overdrafts		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,310	5,663

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	50
6.2 Aggregate amount of payments to related parties and their associates included in item 2	30
<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)	(230)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(107)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(337)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,311
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,311
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>	15.8
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?	
	Answer: N/A	
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?	
	Answer: N/A	
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?	
	Answer: N/A	
	<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: 30 January 2023

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.