

ASX: EQX | 21 April 2023 | ASX RELEASE

## EQUATORIAL TO ACQUIRE THE NIMBA ALLIANCE IRON ORE PROJECT

Equatorial Resources Limited (**Equatorial** or **Company**) is pleased to advise that the Company has entered into a conditional agreement to acquire the Nimba Alliance Iron Ore Project in Guinea, West Africa.

The acquisition is consistent with Equatorial's strategic focus on potentially large-scale exploration and development iron ore assets located within clusters of major iron ore projects where global mining companies and governments are working to develop large scale transport infrastructure to enable efficient economic production.

### Highlights:

- Equatorial to acquire the Nimba Alliance Iron Ore Project (**Project**), a highly prospective and potentially large-scale iron ore project located in Guinea, West Africa.
- The Project has one of the largest landholdings in Guinea's prolific Nimba Iron Ore Corridor and comprises majority ownership of two permits: 100% of the Nimba West permit covering ~300km<sup>2</sup>; and 56% of the Nimba North permit covering ~183km<sup>2</sup>.
- The Project was previously owned by an international consortium of major mining companies, including BHP Group Limited (**BHP**).
- Extensive historical work has been completed at the Project between 2003 to 2015, including geophysics (magnetic and gravity), detailed mapping, drilling, mineralogy and beneficiation studies, mine engineering, transport studies, and associated exploration work.
- Excellent transport solutions are in place for the Project with the Nimba West permit and the Nimba North permit located within 30km and 60km, respectively, from the Lamco bulk commodity railway in Liberia.
- Significant historical drill intercepts from the Project include:
  - 14m @ 60.7% Fe from surface (NN0003D); and
  - 12m @ 55.8% Fe from surface (NN0004D).
- Recent reconnaissance program focussed on the Nimba West permit identified rock chip samples of up to 61% Fe which require follow up field work.
- The Project is located within a Central West African regional cluster of significant iron ore projects including:
  - Robert Friedland-backed High Power Exploration Inc.'s (**HPX**) Nimba iron ore project in southeast Guinea (located ~10km from the south-western boundary of the Nimba West permit);
  - Fortescue Metals Group Limited (**FMG**)-backed Al Maktoum Co's North Nimba project in southeast Guinea (contiguous to the northern boundary of the Nimba West permit); and
  - ArcelorMittal's Tokadeh iron ore project in northern Liberia (located ~22km from the south-eastern boundary of the Nimba West permit).
- The acquisition is subject to due diligence, and consideration for the acquisition comprises 5,000,000 shares in Equatorial upon settlement and a further 5,000,000 deferred shares in Equatorial upon the renewal or extension of the Nimba West permit to the reasonable satisfaction of the Company.

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Figure 1 - Project Location

**Transaction Rationale**

Major mining companies and strategic stakeholders in the global steel industry, including China, are increasing their focus and investment in Africa's iron ore industry as the potential for low operating costs, and the vast, high-grade discoveries of high quality iron ore provide a compelling opportunity to develop significant future iron ore supply.

In Guinea, Rio Tinto, Chinese steel giant Baowu and the Guinean Government have reached agreement on a major capital investment associated with the Simandou Project which is set to deliver shared infrastructure to the area worth approximately US\$15 billion and is expected to be completed by December 2024, enabling commercial production from mines in the area by 2025<sup>1</sup>.

The recent Mining Convention signed between FMG and the Gabonese Republic, over the Belinga Iron Ore Project, located in Gabon, demonstrates significant investment appetite and potential for Australian companies willing to advance high quality iron ore projects in Central and West Africa.

Equatorial considers Central and West Africa, and in particular Guinea, to be the new iron ore frontier.

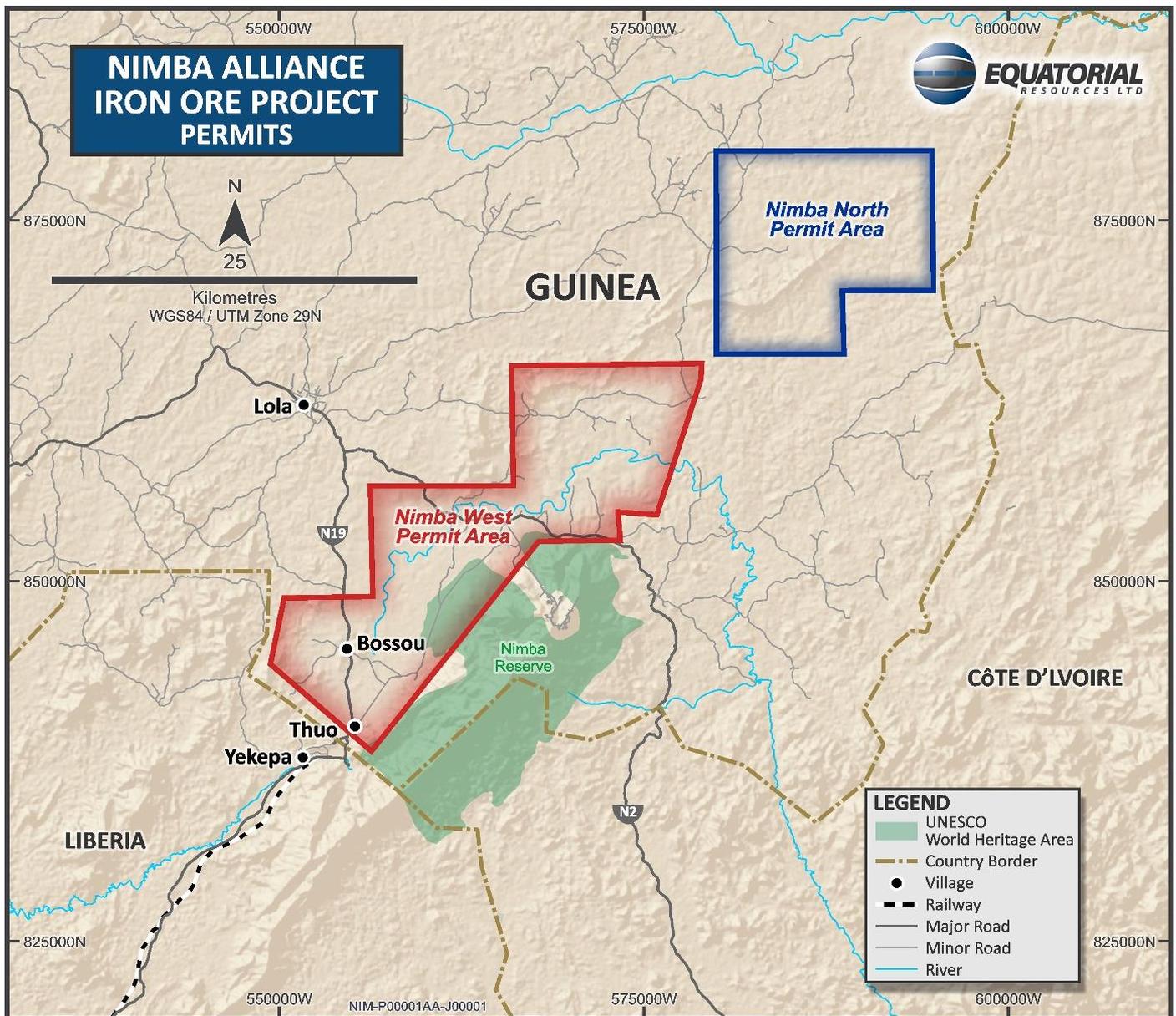


Figure 2 - Nimba West and Nimba North Permits

<sup>1</sup> Source: Arrow Minerals Limited

## Project Background

The Project is located within the Nzérékoré Region of Guinea, immediately north of the Mount Nimba ridge which straddles Guinea, Liberia and Côte D'Ivoire borders (Figure 2). The Nimba West permit's southwestern border also parallels the international border with Liberia. Both the Nimba North and Nimba West permits cover an area of 483km<sup>2</sup> and are located to the northeast of the large mining town of Yekepa in Liberia and southeast of Lola in Guinea. The towns of Bossou, Thou and Zougouépo are located within the Project area.

The Mount Nimba ridge, which extends from within Liberia north-eastward into Guinea, hosts multiple iron projects held by major mining companies including HPX and ArcelorMittal. The southern boundary of the Nimba West permit is within 30km from the Lamco railhead in Liberia, also referred to as the Nimba-Buchanan Railway. The current ArcelorMittal operated line, operates as far as Zolowee, approximately 22 km from the southern boundary of the Nimba West permit. This represents a potential export route for any future production from Nimba West to the Buchanan seaport.

## Historical Work on the Project

### *West African Exploration*

In 2013 West African Exploration (local subsidiary of Sable Mining) identified a canga iron ore target over a plateau to the north of Mount Nimba ridge within the Nimba West permit.

### *Euronimba / SMFG*

Exploration work over the Nimba West permit area was conducted over the northern portion of the current permit area by the former owners Société des Mines de Fer de Guinée (**SMFG**), a wholly owned subsidiary of Euronimba Ltd (**Euronimba**) which was owned by BHP, Areva S.A., and Newmont Corporation between 2004 and 2015. The work undertaken by SMFG identified a total of 18 iron ore targets with 8 of those targets located within the northern portion of the Nimba West permit area. The targets were originally identified using permit scale airborne geophysical magnetic and gravity surveys, completed by NRG Exploration in 2006 and Bell Geospace Limited in 2011. The Bell Geospace magnetic survey was conducted using 200m line spacing, orientated north-south at a 200m flight height. The NRG Exploration survey was flown using 400m line spacing orientated north-south. Between 2008 and 2012, a total of 730m of RC drilling and 2,750m of diamond core drilling were completed over 13 of target areas.

### *Companhia Rio de Ferro Pte. Ltd.*

In 2021 Companhia Rio de Ferro Pte. Ltd. utilised a geological consultant to complete a targeting review within the Nimba West permit. This incorporated a geological review, investigation of canga iron mineralisation and ground penetrating radar (GPR) surveys in target prospects. A total of 12 rockchip samples were taken with the highest grade, 60.84% Fe, associated with canga mineralisation associated located near the West African Exploration target area.

## Geological Setting of the Project

The geology of south-eastern Guinea is dominated by Pan-African rock formations of the Leo Shield of the West African Craton. The shield extends from Guinea, Sierra Leone and Liberia in the west, north into southern Mali and Burkina Faso and east across Cote d'Ivoire and Ghana. The rocks underlying south-eastern Guinea (and the permit area) form part of the predominantly Archean Kenema Domain, composed of basement granitic gneisses overlain by supracrustal greenstone belts.

The Archean greenstone belts are host to banded iron formation (BIF), which is known to be the predominant rock unit comprising the Mount Nimba ridge. The greenstone belt also include quartzites interlayered with sericite-chlorite schists and amphibolites.

Two styles of iron ore mineralisation is noted within the Project area to be heavily weathered BIF and transported Canga types.

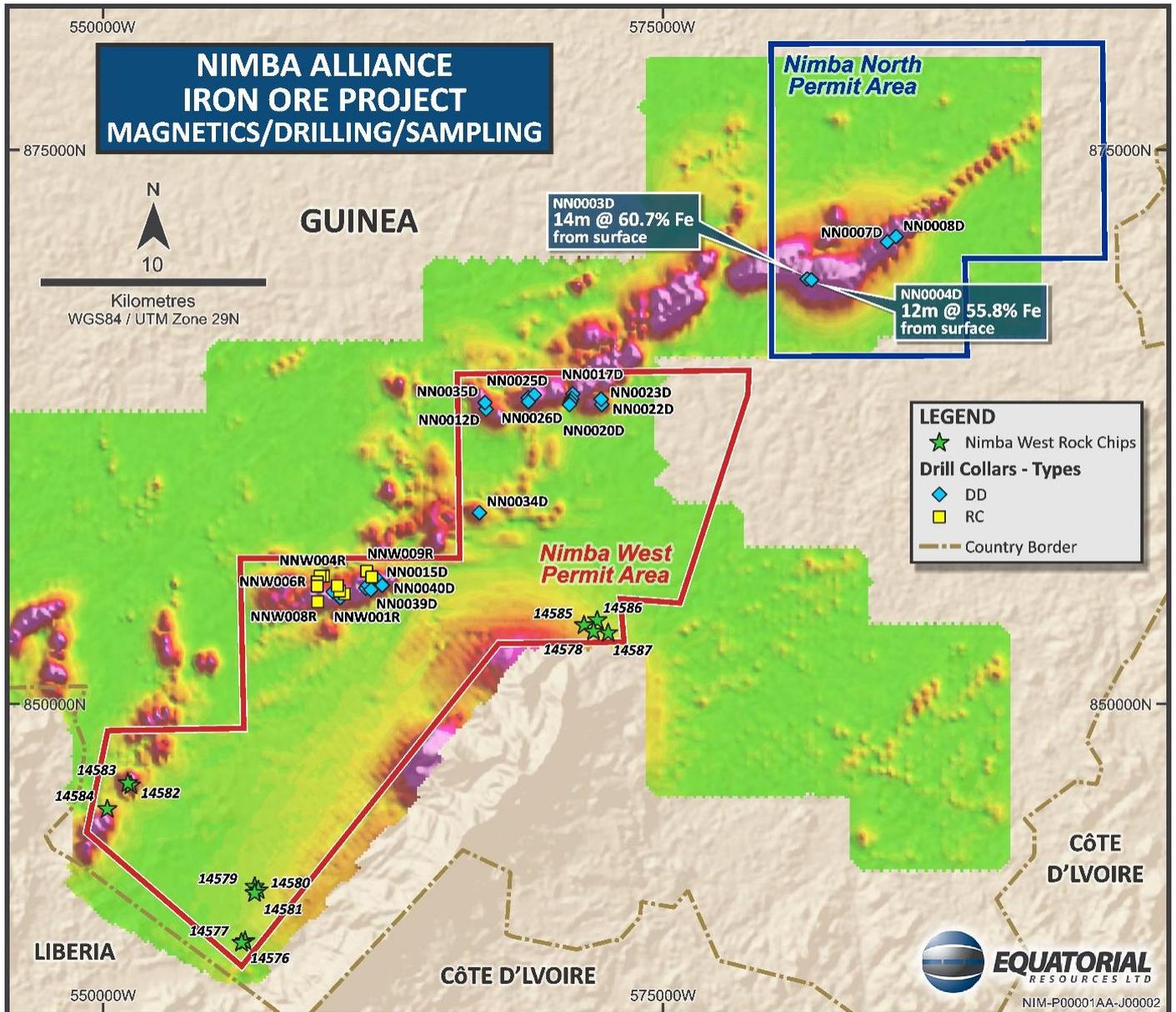


Figure 3: Nimba West and Nimba North permits with airborne magnetics, drill collars and 2021 rockchip samples

## Overview of Guinea & Guinea Iron Ore

As Africa's largest bauxite producer, Guinea is heavily dependent on its extractive sector. In 2018, 30% of government income were provided by the extractive sector, which accounted for nearly 78% of total exports earnings<sup>2</sup>.

Guinea was an early pioneer internationally in disclosing mining contracts, now publicly available through the government's public cadastre portal and contract database. Additionally Guinea has made progress in developing a legal and regulatory framework for beneficial ownership disclosure.

All the progress mentioned above has resulted in Guinea is ranking third on the Fraser Institute of Investment Attractiveness for Africa.<sup>3</sup>

<sup>2</sup> Source: <https://eiti.org/news/guinea-achieves-high-score-eiti-implementation>

<sup>3</sup> Source: <https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2021.pdf>

Guinea holds some of the worlds largest undeveloped iron ore projects. Recent iron ore mining and exploration developments include:

- **Rio Tinto Ltd (ASX:RIO) Simandou project** – the largest and richest untapped high-grade iron ore deposit in the world. A significant resource of 2 billion tonnes of iron ore at a grade of 66% Fe<sup>4</sup>.
- **High Power Exploration Nimba (HPX) project** – Plans to mine approximately 450 million tonnes of iron ore across 15-25 years<sup>5</sup>.
- **Nimba Development Co’s Nimba Iron Ore Project** – Hosts significant DSO material with a JORC compliant reserve of 53.96Mt grading at 61.6% Fe<sup>6</sup>.

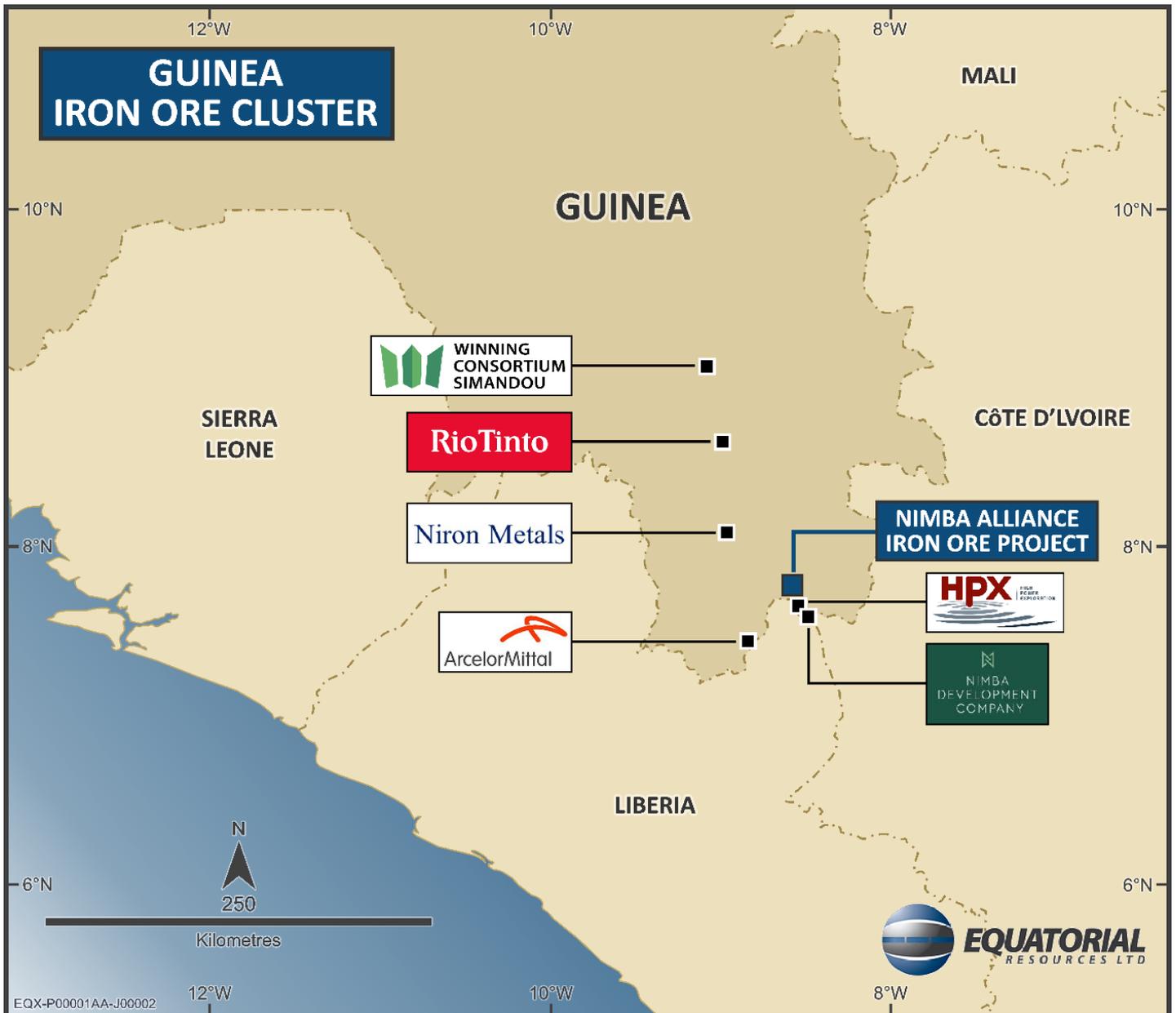


Figure 4 – Guinea Iron Ore Cluster

<sup>4</sup> Source: Rio Tinto Annual Report 2022

<sup>5</sup> Source: <https://www.smfg.com/business-operations/nimba-iron-ore-project/>

<sup>6</sup> Source: <https://www.mining-technology.com/projects/nimba-iron-ore-project/>

## Commercial Terms of the Acquisition

Equatorial has entered into a conditional binding term sheet (**Agreement**) to acquire 100% of the issued capital of Companhia Rio de Ferro Pte. Ltd. (**CRF**), a Singaporean private company, which holds a 100% interest in Nimba West and a 56% interest in Nimba North, from the shareholders of CRF (**Vendors**) for the following equity consideration in Equatorial:

- (a) 5,000,000 fully paid ordinary shares in the Company at a deemed issue price of A\$0.15 per Share to the Vendors upon settlement of Acquisition; and
- (b) 5,000,000 deferred fully paid ordinary shares in the Company at a deemed issue price of A\$0.15 per Share to the Vendors upon the earlier of (i) renewal or (ii) extension of the Nimba West permit as each is determined in accordance with the Guinean Mining Code to the reasonable satisfaction of the Company.

The consideration shares will be subject to a voluntary escrow period of 12 months from their date of issue. The Vendors are unrelated parties to the Company and no Vendor will acquire a voting power in the Company in excess of 5% as a result of the acquisition.

CRF beneficially owns 100% of Gui-Appro SARL (**Gui-Appro**), a Guinean private company which holds the Nimba West exploration permit, and 56% of First Metal SARLU (**FMS**), a Guinean private company which holds the Nimba North permit. The Vendors will beneficially retain the remaining 44% of FMS.

The Nimba West exploration permit grants Gui-Appro the exclusive right to explore for iron ore within the permit area. Nimba West was granted on 27 June 2019 with an initial 3 year term, renewable twice for 2 year periods. In 2022, Gui-Appro applied for the first renewal of Nimba West. For each renewal, the permit area may be reduced by half.

The Nimba North exploration permit grants FMS the exclusive right to explore for iron ore within the permit area. Nimba North was granted on 5 August 2020 with an initial 3 year term, renewable twice for 2 year periods. For each renewal, the permit area may be reduced by half.

The Acquisition is subject to the following condition precedents:

- (a) Equatorial completing due diligence to its satisfaction; and
- (b) Equatorial and the Vendors obtaining all necessary regulatory, ministerial, or third party approvals required to complete the Acquisition.

Completion of the Agreement is expected to occur within one month. If the conditions precedent are not satisfied (or waived) on or before 30 September 2023 (or such other date as the Purchaser and the Company agree) either party may give notice to the other party that the Agreement is terminated.

The Agreement includes pre-completion obligations on both parties and standard representations and warranties.

No capital raising is proposed by the Company in connection with the acquisition of the Project.

The equity consideration to be issued for the proposed acquisition of the Project will be issued under the Company's 15% placement capacity under Listing Rule 7.1.

**COMPETENT PERSONS STATEMENT**

*The information in this announcement that relates to historical exploration results is based on information reviewed by Mr Alex Aitken, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Aitken is a consultant to Equatorial. Mr Aitken has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity 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” (JORC Code). Mr Aitken consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

**FORWARD LOOKING STATEMENTS**

*Statements regarding plans with respect to Equatorial’s project are forward-looking statements. There can be no assurance that the Company’s plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company’s expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement*

This announcement has been authorised for release by the Company’s Managing Director, Mr John Welborn.

## Appendix 1 - Drill assays (2008 & 2011 drill programs)

Hole_ID	East	North	RL	Type	Dip	Azi	Year	Depth (m)	From (m)	To (m)	Length (m)	Fe (%)	Al2O3 (%)	P (%)	K2O (%)	MnO (%)	SiO2 (%)	LOI 1000 (%)
<b>NN0003D</b>	<b>581406</b>	<b>869180</b>	<b>689.3</b>	<b>DD</b>	<b>-70</b>	<b>170</b>	<b>2010</b>	<b>150.4</b>	0	24	24	53.04	2.02	0.08	0.09	0.08	18.01	2.87
								<b>incl</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>60.67</b>	<b>2.97</b>	<b>0.08</b>	<b>&lt;0.001</b>	<b>0.07</b>	<b>4.61</b>	<b>5.08</b>
									36	40	4	40.86	0.14	0.08	0.27	0.06	38.04	-1.55
<b>NN0004D</b>	<b>581433</b>	<b>869140</b>	<b>706.6</b>	<b>DD</b>	<b>-70</b>	<b>170</b>	<b>2010</b>	<b>100.1</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>55.76</b>	<b>4.64</b>	<b>0.09</b>	<b>0.004</b>	<b>0.05</b>	<b>10.8</b>	<b>4.36</b>
								and	12	42	30	40.12	0.38	0.08	0.24	0.08	38.75	-0.83
NN0007D	585096	870793	694.4	DD	-60	140	2010	109.8	0	81.7	81.7	42.58	1.37	0.06	0.07	0.07	35.4	1.73
NN0008D	585385	871092	640.9	DD	-60	140	2010	152.5	0	24	24	46.13	3.09	0.08	0.01	0.07	26.44	3.96
NN0012D	567062	863372	634.2	DD	-60	180	2010	123.5	0	27.3	27.3	45.51	1.7	0.07	0.01	0.05	30.67	2.07
NN0015D	562275	855529	526.5	DD	-90	0	2010	102.6	0	4	4	44.99	9.69	0.1	0.02	0.11	15.03	9.97
								and	6	22	16	43.97	4.87	0.11	0.01	0.04	25.5	6.09
NN0016D	562301	855487	525	DD	-90	0	2010	103.7	2	28.98	26.98	42.84	5.4	0.06	0.01	0.1	27.31	5.29
NN0017D	570905	863998	528.5	DD	-70	230	2010	100.7	54	62.44	8.44	39.04	0.45	0.07	0.15	0.09	40.1	-1.35
NN0018D	570860	863790	532.5	DD	-70	230	2010	75	0	13.7	13.7	44.27	1.54	0.05	0.02	0.05	33.45	1.09
NN0019D	570805	863658	569.9	DD	-70	220	2010	100.1	0	10.68	10.68	43.06	3.53	0.08	0.33	0.08	30.84	2.6
NN0020D	570761	863519	603.1	DD	-70	220	2010	80.8	0	16	16	42.58	2.72	0.07	0.04	0.06	32.96	2.52
NN0021D	561706	855277	517.8	DD	-90	0	2010	122	74	122	48	37.83	0.4	0.06	0.36	0.08	42	-1.74
NN0022D	572207	863656	572	DD	-90	0	2011	82	17	24	7	40.12	1.36	0.06	0.03	0.08	35.93	4.31
NN0023D	572180	863761	535.9	DD	-80	160	2011	66.9	22.22	39.81	17.59	38.53	0.47	0.07	0.25	0.08	40.4	-0.82
NN0024D	568917	863819	545.6	DD	-90	0	2011	100	0	50.72	50.72	40.15	1.02	0.07	0.16	0.06	37.8	-0.17
NN0025D	569092	863956	523.8	DD	-60	200	2011	97.6	0	12.29	12.29	46.83	1.36	0.08	0.005	0.08	29.14	2.17
NN0026D	568884	863712	562.5	DD	-60	200	2011	79.3	0	30.5	30.5	44.98	1.81	0.1	0.01	0.08	25.36	2.81
								incl	0	14.59	14.9	50.11	2.86	0.1	0.01	0.08	21.02	3.89
NN0027D	560280	855110	527.4	DD	-60	160	2011	137.3	NSA									
NN0028D	560428	854909	523.7	DD	-60	160	2011	100.1	NSA									
NN0034D	566731	858642	593.6	DD	-70	340	2011	137.3	1.53	4.93	3.4	51.87	8.24	0.12	0.01	0.15	8.42	8.51
NN0035D	566978	863605	600	DD	-90	0	2011	111	0	3.35	3.35	43.62	1.04	0.04	0.1	0.06	34.98	0.78
NN0036D	562228	855571	530	DD	-90	0	2011	117	23.9	41.18	15.27	44.68	0.46	0.08	0.01	0.13	31.73	<0.01
NN0038D	561666	855337	515	DD	-90	0	2011	149	NSA									
NN0039D	561772	855168	520	DD	-90	0	2011	128	NSA									

NN0040D	562345	855399	530	DD	-90	0	2012	127	0	22.87	22.87	49.96	2.35	0.09	<0.001	0.16	25.36	4.48
NNW001R	560948	854716	532	RC	-90	0	2008	110	No sample details									
NNW002R	560722	854838	532	RC	-90	0	2008	39	No sample details									
NNW003R	560722	855090	527	RC	-90	0	2008	112	No sample details									
NNW004R	560007	855517	549	RC	-90	0	2008	112	No sample details									
NNW005R	559985	855522	538	RC	-90	0	2008	54	No sample details									
NNW006R	559721	855271	529	RC	-90	0	2008	61	No sample details									
NNW007R	559720	855074	532	RC	-90	0	2008	70	No sample details									
NNW008R	559746	854371	529	RC	-90	0	2008	61	No sample details									
NNW009R	561941	855733	521	RC	-90	0	2008	50	No sample details									
NNW010R	562173	855485	548	RC	-90	0	2008	60	No sample details									

All coordinates are in UTM WGS84 Zone 29N  
NSA - No Significant Assays

## Appendix 2 - Rockchip assays (2021 program)

Sample type	Rock Type	Prospect	Easting	Northing	Sample No.	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	K <sub>2</sub> O (%)	Mn (%)	SiO <sub>2</sub> (%)	LOI 1000 (%)
Subcrop	Lateritic canga	Thuo Hills	556233	839315	14576	55.20	6.13	0.017	0.022	0.980	1.86	12.27
Float	Hematite cap	Thuo Hills	556075	839246	14577	58.93	2.70	0.009	0.019	0.704	2.67	9.10
Outcrop	Canga conglomerate	Northern Sable Savannah	571837	853282	14578	48.60	7.84	0.073	0.075	0.032	14.40	7.41
Outcrop	Lateritic Canga	Nion Savannah	556667	841772	14579	47.86	10.60	0.110	0.024	0.040	7.21	12.56
Subcrop	Canga	Nion Savannah	556825	841614	14580	53.07	7.18	0.031	0.011	0.024	4.83	11.98
Float	Lateritic Canga	Nion Savannah	556825	841614	14581	42.74	13.20	0.038	0.051	0.081	11.55	13.09
Outcrop	Magnetite Gneiss	Three Peaks	551123	846342	14582	45.99	1.45	0.054	0.004	0.033	32.30	1.26
Float	Magnetite Gneiss	Three Peaks	550985	846443	14583	45.40	0.77	0.047	0.002	0.022	33.20	1.13
Subcrop	Magnetite Gneiss	Three Peaks	550067	845271	14584	44.97	2.12	0.033	0.001	0.028	31.60	1.54
Float	Canga	Northern Sable Savannah	571413	853563	14585	59.51	4.01	0.139	0.013	0.024	3.62	6.27
Outcrop	Canga	Northern Sable Savannah	572000	853785	14586	60.84	3.46	0.108	0.004	0.012	2.14	6.17
Outcrop	Canga	Northern Sable Savannah	572494	853218	14587	50.74	2.22	0.060	0.038	0.033	20.30	4.81

All coordinates are in UTM WGS84 Zone 29N

## Appendix 3 – JORC Code, 2012 Edition – Table 1 Report

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling results pertaining to the Project have been completed by SMFG in 2008 and 2010-2011. 10 RC holes for 729m and 25 Diamond drill holes for 2753.7m have been drilled in the project area.</li> <li>12 rockchip samples taken in 2021 were assayed via laboratory XRF.</li> <li>Drill core was sampled at 2m intervals and RC holes were sampled at 2m intervals.</li> <li>Drill hole locations were surveyed using RTK GPS equipment achieving sub metre accuracy in horizontal and vertical position.</li> <li>The diameter of the Diamond holes was HQ, HWT and NWT. RC drill diameter 134 and 150mm rods.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>DD HQ/HWT/NTW 25 holes for 2753.7m (2010-2011)</li> <li>RC 10 holes for 729m (2008)</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole recoveries were recorded during logging by measuring the length of core recovered per 1m interval. No recoveries available for RC drilling.</li> <li>Whole hole was sampled at 2m intervals</li> <li>Complete hole sampled and assayed</li> <li>No relationship between recovery and grade has been identified to date in the data review stage.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Drill core was geologically logged by SMFG geologists and independent geologists, using the company geological logging legend. All diamond core and RC chip samples geologically logged in full. Logging legend has not been seen by Competent Person with geological logs provided as PDF sheets only.</li> <li>Drill core logging records lithology, weathering, colour and other features of the samples.</li> <li>Drill logs have been provided for 20 of the DD and limited information of the 10 RC holes.</li> </ul>
	<ul style="list-style-type: none"> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>No procedures have been provided to date. Several standards have been utilised in DD drilling but no details specified</li> <li>No information provide on sample representivity or duplicate samples.</li> <li>Sample sizes are considered appropriate to give an indication of mineralisation at this early stage of exploration.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument</li> </ul>	<ul style="list-style-type: none"> <li>DD samples were assayed at ALS (Ireland) using ME-XRF21u and OQ-GRA05 (LOI 1000C).</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>Airborne magnetic geophysical survey completed in 2011 by Bell Geospace with north-south, 200m line spacing and 200m flight height.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No verification of intersections have been undertaken.</li> <li>At the prospect scale the quality of data is currently considered acceptable for exploration purposes. Further investigation and validation will be undertaken as work programs progress.</li> <li>There have been no twin holes drilled at the Project.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>GPS coordinates of drill hole locations were captured using a RTK GPS in UTM WGS84 Easting/Northing coordinates with metric accuracy in horizontal and vertical position.</li> <li>WGS84 Zone 29N</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Variable and is relevant for the stage of the project.</li> <li>The data density is sufficient to test the style of mineralisation at the Project with respect to exploration targeting. Data spacing range from 100's meters to sub 20m.</li> <li>No compositing of samples in the field was undertaken.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>No known bias of sampling is known. Further work is to be completed on the project to define mineralisation and geology orientation</li> <li>This is not currently considered material.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>No information is available on the RC and DD sample security.</li> <li>Rockchip samples were delivered to sample prep laboratory by consultants of SMFG.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No specific audits or reviews have been reviewed as part of this review.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Nimba Project consists of two exploration permits located in the south-east of Guinea in the Lola Prefecture and covers an area of 483 sqkm.</li> <li>The Nimba West exploration permit (Arrete A/2019/4259/MMG) was granted on 27 June 2019 for a period of 3 years to Gui-Appro. In 2022, Gui-Appro applied for the first renewal of Nimba West and is awaiting approval. For each renewal, the permit area may be reduced by half.</li> <li>The Nimba North exploration permit (Arrete A/2020/2270/MMG/SGG) was granted on 5 August 2020 for a period of 3 years to FMS.</li> <li>The Nimba West permit is adjacent to the Mount Nimba Strict Nature Reserve that is a UNESCO World Heritage Site (UNSECO Site 155). There is a buffer surrounding the nature reserve that may restrict exploration activities over parts of the permit.</li> </ul>

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to the body of the report.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Nimba West and North permits lie within the Archean basement and Proterozoic greenstone belts within the Leo Shield of the West African Craton.</li> <li>Archean basement rocks are granite, gabbro and gneiss with Proterozoic Greenstones hosting BIF, quartzites, metasedimentary schists and amphibolites.</li> <li>Iron ore mineralisation in the region is known to be hosted as primary and oxidised BIF units and transported/in situ Canga styles.</li> <li>The Project area is covered by colluvium in areas that obscures outcrops and mineralisation.</li> <li>Depth of weathering in drilled areas is approximately 7 to 78m</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole details are provided in Appendix 1.</li> <li>Material drill results have been included in the body of the report, which is considered appropriate for a brownfields exploration project of this type. Owing to the size of the project holdings, summary plan diagrams have also been included. The company is still in the process of compiling exploration information over the project areas and intends to provide additional updates in the future on a project basis</li> <li>N/A</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intercepts are reported as down-hole length-weighted averages of contiguous grades above approximately 30% Fe and above a nominal length of 2m. No top cuts have been applied to the reporting of the assay results.</li> <li>Higher grade intervals are included in the reported grade intervals; and have also been split out on a case-by-case basis where relevant.</li> <li>No metal equivalent values are used</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Down-hole lengths are reported.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate diagrams, including geological plans, are included in the main body of this release.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>The exploration results should be considered indicative of mineralisation styles in the Project. Exploration results stated indicated highlights of the drilling and are not meant to represent prospect scale mineralisation. It is considered appropriate to illustrate mineralised and non-mineralised drill holes by the use of diagrams, with reference to the table of significant intercepts.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>No other meaningful data is required to be presented other than what has been presented in the body of this announcement.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Future work to be undertaken is required to qualify the previous drilling results including locating original RC drill logs with sample intervals Acquire and review previous geological mapping and sampling data. Validation of drill hole locations and relogging of drill holes to be completed Development of a geological database including all drilling, and surface information to allow evaluation of the potential iron ore mineralisation Acquire NRG airborne survey data and interpretations from 2008 Review of QAQC in drilling and possible twin hole drill of existing drillholes Confirmation of the extents of UNESCO World Heritage Site and buffer zone and possible impacts to future exploration work Confirmation of Nimba West permit renewal application and validity of ownership.</li> <li>These diagrams are included in the main body of this release.</li> </ul>