

10 June 2024

Mr Nicholas Mountain  
Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

**By Email:** [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear Nicholas

### **EQUINOX RESOURCES LIMITED – RESPONSE TO ASX LETTER**

In response to the ASX JORC Query letter received on 10 June 2024, the Company provides the below answers for your consideration.

- 1. Did Mr Zac Komur, EQN’s Chief Executive Officer and Managing Director post or direct to have posted the LinkedIn Post attributed to him containing the reference to: On face value, this project can generate over US\$10 billion in revenue, a valuation of over US\$700 million, and a +40% hurdle rate, while revealing unprecedented exploration potential. (“Financial Forecast Statement”)**

Yes. The post was made at or about 10:00am (WST) on 6 June 2024 and further edited at or about 7:00pm (WST) on 7 June 2024 to remove the Financial Forecast Statement.

The post reflected Mr Komur’s personal opinion about the potential of the Hamersley Iron Ore Project. The statements in the post were not intended to be made in compliance with the requirements of the JORC Code. Mr Komur made the post without awareness that his personal opinion could be considered a forecast requiring compliance with the Listing Rules and JORC Code.

The post was immediately edited to remove the Financial Forecast Statement upon the Company becoming aware of the post and advising Mr Komur that it be amended to align with corporate disclosure standards.

- 2. Did the LinkedIn Post comply with EQN’s Continuous Disclosure Policy and Corporate Code of Conduct?**

The initial post was not compliant with EQN’s Continuous Disclosure Policy and Corporate Code of Conduct.

Upon other Company directors becoming aware of the post, it was immediately edited to be in compliance with EQN’s Continuous Disclosure Policy and Corporate Code of Conduct.

EQN takes full responsibility for ensuring that all public communications, including social media outputs from its executives, adhere strictly to the relevant guidelines and regulations.

- 3. Does EQN consider the Financial Forecast Statement or any part thereof to be information that a reasonable person would expect to have a material effect on the price and value of its securities?**

No.

- 4. If the answer to question 3 is “no”, please advise the basis for that view. In answering this question please comment on whether or not EQN had a reasonable basis for disclosing the Financial Forecast Statement.**

The Financial Forecast Statement is not underpinned by reasonable assumptions. For that reason EQN does not have a reasonable basis for disclosing the Financial Forecast Statement.

- 5. If the answer to question 3 is “yes” please indicate where EQN has disclosed the Forecast Financial Information to ASX. In answering this question please demonstrate that EQN’s disclosure of the Forecast Financial Information complies with Listings Rule 3.1, 5.16 and 5.17 and ASX Guidance Note 31 as it applies to forecast financial information based solely on inferred resources.**

Not applicable.

- 6. Noting the Forecast Financial Information includes a purported valuation of the project which is derived from inferred resources, please indicate how the Forecast Financial Information complies with section 51 of the JORC Code?**

The Company does not consider that the Forecast Financial Information is compliant with section 51 of the JORC Code.

- 7. If EQN considers the valuation of the project complies with clause 51 of the JORC Code and Chapter 5 of the Listing Rules, please indicate where EQN has disclosed the material underlying assumptions, methodology, and qualifications of the preparer of the information that support the valuation of the project.**

Not applicable. Refer to the response to question 6.

- 8. Does EQN consider that its current arrangements are adequate to comply with its obligations under ASX Listing Rule 3.1, Chapter 5 of the Listing Rules and the JORC Code?**

Yes, EQN considers that its current arrangements are adequate to comply with its obligations under ASX Listing Rule 3.1, Chapter 5 of the Listing Rules and the JORC Code.

- 9. If the answer to question 8 is “yes”, please advise the basis for that view.**

EQN recognises that Mr Komur’s original post to his private account was not compliant with the JORC Code, which was an oversight.

EQN notes that upon other Company directors becoming aware of the post, it was immediately edited to be in compliance with EQN’s Continuous Disclosure Policy and Corporate Code of Conduct.

EQN intends to implement stricter controls to prevent similar occurrences in the future. EQN will re-iterate its Code of Conduct to its officers. Further, Mr Komur will undertake training focused on ASX compliance and JORC Code awareness. Furthermore, his and all director’s future social media postings which relate to the Company will be reviewed by the Chairman

and or Company Secretary prior to publication to ensure alignment with EQN's Continuous Disclosure Policy and Corporate Code of Conduct.

- 10. If the answer to question 8 is “no”, please advise what steps EQN proposes to take to ensure compliance with its obligations.**

Not applicable. Refer to the response to question 9.

- 11. Please confirm that EQN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Confirmed. It is noted that the Company intends to release a non-price sensitive operation updated announcement on 11 June 2024.

- 12. Please confirm that EQN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EQN with delegated authority from the board to respond to ASX on disclosure matters.**

The Board of Equinox Resources Limited affirm their commitment to compliance with ASX Listing Rules and the JORC Code. This response has been reviewed and authorized by the board of Equinox Resources Limited, ensuring it aligns with EQN's established disclosure policies.

EQN is committed to maintaining the highest standards of transparency and regulatory compliance.

If you require any further information, please let me know.

Yours sincerely

**Equinox Resources Limited**

Harry Spindler  
Company Secretary



10 June 2024

Reference: ODIN95612

Mr Harry Spindler  
Company Secretary  
Equinox Resources Limited

By email: Harry.Spindler@eqnx.com.au

Dear Mr Spindler

### Equinox Resources Limited ('EQN'): ASX Query Letter

ASX refers to the following:

- A. EQN's announcement titled "Significant 108.5Mt 58.0% Fe DSO Resource Defined at Hamersley Iron Ore Project" (the 'Announcement') released on the ASX Market Announcements Platform at 09:48:52 AM AEST on 6 June 2024 disclosing, amongst other things, the following:

The updated Mineral Resource estimate, reported at a 56.5% Fe cut-off is shown in Table 1.

Table 1: Hamersley Iron Mineral Resource estimate

JORC classification	Tonnage (Mt)	Fe (%)	P (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	LOI (%)	CaFe (%)
Inferred	108.5	58.0	0.042	7.32	3.57	5.42	61.4
<b>Total</b>	<b>108.5</b>	<b>58.0</b>	<b>0.042</b>	<b>7.32</b>	<b>3.57</b>	<b>5.42</b>	<b>61.4</b>

Note: Due to effects of rounding, totals may not represent the sum of all components.

- B. The change in the price of EQN's securities from 37 cents immediately prior to the release of the Announcement to a high of 40 cents following the release of the Announcement.
- C. The now revised post published on LinkedIn (the 'LinkedIn Post') by Mr Zac Komur, EQN's Chief Executive Officer and Managing Director's LinkedIn account on or about 7 June 2024 which stated amongst other things the following:

*The reinterpretation of the mineral resource now confirms an initial Direct Shipping Ore of 108.5 Mt at 58% FE targeting Platts 58% Fe Index and highlighting significant hematite mineralisation. By reassessing the resource an collaborating closely with our geological team, we've unlocked a clearer understanding of its true economic potential. On face value, this project can generate over US\$10 billion in revenue, a valuation of over US\$700 million, and a +40% hurdle rate, while revealing unprecedented exploration potential.*

- D. The change in the price of EQN's securities from 38.5 cents at the close of trading on 6 June 2024 to a high of 40.5 cents on 7 June 2024.
- E. The article published in The West Australian, Herd on the Terrace, published at 3:34 PM AEST on 7 June 2024 titled "Komur Claims Worth More than a Zac", which includes reference:

*After Equinox told the stock exchange it had defined 108.5 million tonne ore direct shipping ore in its Pilbara resource, Komur claimed on LinkedIn that "this project can generate over \$US10 billion (\$14.9b) in revenue.*

- F. The LinkedIn Post as of 10 June 2024, which has been revised to remove the reference to the following sentence:

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*On face value, this project can generate over US\$10 billion in revenue, a valuation of over US\$700 million, and a +40% hurdle rate, while revealing unprecedented exploration potential.*

G. Listing Rule 15.7 which states:

*“an entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released that information to the market.”*

H. EQN’s Continuous Disclosure Policy, available on the company’s website, which states amongst other things:

*The Company must comply with continuous disclosure requirements arising from legislation and the ASX Listing Rules.*

*The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price of value or the Company’s securities, the Company must immediately disclose that information to the ASX.*

...

*The Managing Director, Chief Executive Officer and the Company Secretary have been appointed as the Company’s disclosure officers responsible for implementing and administering this policy. The disclosure officers are responsible for all communication with ASX and ASIC for making decisions on what should be disclosed publicly under this policy.”*

I. Section 7.3 of EQN’s Corporate Code of Conduct available on the company’s website, which states amongst other things:

*Social Media/Networking - Employees must ensure that they use any social media and networking sites in accordance with the requirements of the Code of Conduct and relevant policies.*

J. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.

K. Listing Rule 5.16 which relevantly provides that a public report by an entity containing a production target must include all of the following information and be given to ASX for release to the market:

5.16.6 If the +production target is based solely on +inferred mineral resources:

- a statement of the factors that lead the entity to believe that it has a reasonable basis for reporting a +production target based solely on +inferred mineral resources;
- the level of confidence with which the +inferred mineral resources are estimated and the basis for that level of confidence;
- a technical report of a sufficient level of confidence to support the +production target. The technical report must be prepared by, or under the supervision of, a named independent +competent person or persons and include the information referred to in Rule 5.22(b) and (c); and
- a cautionary statement proximate to, and with equal prominence as, the reported +production target, stating that:

*“There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the company’s current expectations of future*

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results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.”

Note: This rule requires that the technical report must be prepared by, or under the supervision of, an independent competent person. The inferred mineral resources underlying the production target must be prepared by, or under the supervision of, a competent person or persons, but are not required to be prepared by, or under the supervision of, an independent competent person or persons.

- L. Listing Rule 5.17 which relevantly provides that a public report by an entity containing forecast financial information must include all of the following information and be given to ASX for release to the market:

5.17.1 All material assumptions on which the forecast financial information is based. If the economic assumptions are commercially sensitive to the \*mining entity, an explanation of the methodology used to determine the assumptions rather than the actual figure can be reported.

Note: Economic assumptions may not be commercially sensitive. A mining entity that considers that certain information is commercially sensitive should refer to section 8.6 of Guidance Note 31 on the steps ASX expects it to take in these circumstances.

5.17.2 The \*production target from which the forecast financial information is derived (including all the information contained in Rule 5.16).

5.17.3 If a significant proportion of the \*production target is based on an \*exploration target, the implications for the forecast financial information of not including the \*exploration target in the \*production target.

- M. Section 8 of ASX Guidance Note 31 – Reporting on Mining Activities, that includes the following:

*Listing Rules 5.15 and 5.17 set out the requirements for reporting certain types of production targets and forecast financial information which is derived from those production targets, respectively.*

*At the outset, it should be emphasised that production targets, and future financial information derived from production targets, are both forwarding looking statements. As such, they must be based on reasonable grounds or else they will be deemed misleading, with all the significant legal consequences that entails. For this reason, an appropriate level of due diligence needs to be applied to the preparation of a production target. The Underlying figures and assumptions should be carefully vetted and signed off at a suitably senior level before the production target is released.*

- N. Section 8.7 of ASX Guidance Note 31 – Production targets based solely on inferred mineral resources, that includes the following;

*As noted previously, under the Corporations Act, a statement about a production target will be deemed to be misleading unless the person making the statement has reasonable grounds for making the statement.*

*ASX considers that it is only in exceptional circumstances that an entity might form the view that it has reasonable grounds for a production target, or a financial forecast derived from a production target, when that production target, or forecast financial information, is based solely on inferred mineral resources*

...

*A technical report produced by an independent competent person or persons for purposes of Listing Rule 5.16.6 should be a technical assessment report prepared in accordance with the VALMIN Code. In preparing the technical report, the competent person or persons should have regard to the guidelines for independent experts' reports in ASIC Regulatory Guides 111 ('Content of expert reports') and 112 ('Independence of experts') to the extent those guidelines are applicable.*

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*Under Listing Rule 5.17.2, an entity reporting forecast financial information derived from a production target must include the underlying production target and all the information contained in Listing Rule 5.16 in the public report. For the avoidance of doubt, this requires an entity reporting forecast financial information based solely on inferred mineral resources to satisfy the additional requirements (which are outlined above) in relation to that forecast financial information that it would have been required to satisfy if it was reporting the underlying production target.*

O. Clause 6 of the JORC Code that provides as follows:

Public Reports are reports prepared for the purpose of informing investors or potential investors and their advisers on Exploration Results, Mineral Resources or Ore Reserves. They include, but are not limited to, annual and quarterly company reports, press releases, information memoranda, technical papers, website postings and public presentations.

P. Clause 51 of the JORC Code that provides as follows:

The publication of in situ or 'in ground' financial valuations breaches the principles of the Code (as set out in Clause 4) as the use of these terms is not transparent and lacks material information. It is also contrary to the intent of Clause 28 of the Code. Such in situ or in ground financial valuations must not be reported by companies in relation to Exploration Results, Mineral Resources or deposit size.

*The use of such financial valuations (usually quoted in dollars) has little or no relationship to economic viability, value or potential returns to investors.*

*These financial valuations can imply economic viability without the apparent consideration of the application of the Modifying Factors, (Clause 12 and Clauses 29 to 36), in particular, the mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.*

*In determining project viability it is necessary to include all reasonable Modifying Factors (Clauses 29 to 36) to determine the economic value that can be extracted from the mineralisation.*

*Many deposits with large in ground values are never developed because they have a negative Net Present Value when all reasonable Modifying Factors are considered.*

*By reporting such financial valuations as a component of Exploration Results or when evaluating deposits that commonly include large portions of Inferred Mineral Resources, companies are not necessarily representing the economic viability of the project, or the net economic value that can be extracted from the mineralisation.*

### **Request for information**

Having regard to the above, ASX asks EQN to respond separately to each of the following questions:

1. Did Mr Zac Komur, EQN's Chief Executive Officer and Managing Director post or direct to have posted the LinkedIn Post attributed to him containing the reference to:

*On face value, this project can generate over US\$10 billion in revenue, a valuation of over US\$700 million, and a +40% hurdle rate, while revealing unprecedented exploration potential.*

("Financial Forecast Statement")

If the answer is "yes", please indicate the date and time the post was made.

If the answer is "no", is the company aware of the circumstances that lead to the LinkedIn Post being revised to remove the Financial Forecast Information?

2. Did the LinkedIn Post comply with EQN's Continuous Disclosure Policy and Corporate Code of Conduct?

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3. Does EQN consider the Financial Forecast Statement or any part thereof to be information that a reasonable person would expect to have a material effect on the price and value of its securities?
  4. If the answer to question 3 is “no”, please advise the basis for that view. In answering this question please comment on whether or not EQN had a reasonable basis for disclosing the Financial Forecast Statement.
  5. If the answer to question 3 is “yes” please indicate where EQN has disclosed the Forecast Financial Information to ASX. In answering this question please demonstrate that EQN’s disclosure of the Forecast Financial Information complies with Listings Rule 3.1, 5.16 and 5.17 and ASX Guidance Note 31 as it applies to forecast financial information based solely on inferred resources.
  6. Noting the Forecast Financial Information includes a purported valuation of the project which is derived from inferred resources, please indicate how the Forecast Financial Information complies with section 51 of the JORC Code?
  7. If EQN considers the valuation of the project complies with clause 51 of the JORC Code and Chapter 5 of the Listing Rules, please indicate where EQN has disclosed the material underlying assumptions, methodology, and qualifications of the preparer of the information that support the valuation of the project.
  8. Does EQN consider that its current arrangements are adequate to comply with its obligations under ASX Listing Rule 3.1, Chapter 5 of the Listing Rules and the JORC Code?
  9. If the answer to question 8 is “yes”, please advise the basis for that view.
  10. If the answer to question 8 is “no”, please advise what steps EQN proposes to take to ensure compliance with its obligations.
  11. Please confirm that EQN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
  12. Please confirm that EQN’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EQN with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **8:00 AM AWST Tuesday, 11 June 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EQN’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out above and may require EQN to request a trading halt immediately if trading in EQN’s securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Suspension**

If you are unable to respond to this letter by the time specified above, absent a request for a trading halt to respond to ASX’s queries, ASX will likely suspend trading in EQN’s securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**



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In responding to this letter, you should have regard to EQN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that EQN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

**Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Regards

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James Rowe  
Head of Listings Compliance (Perth)