

## LETTER FROM THE CHAIRMAN OF EQUINOX MINERALS LIMITED

3 December 2010

Dear Citadel Shareholder,

On 8 November 2010 I wrote to you with details of the Equinox Minerals Limited (“Equinox”) offer for Citadel Resource Group Limited (“Citadel”) (the “Offer”). Since then there have been certain important developments.

Citadel has released its Target’s Statement confirming its unanimous support for the Offer in the absence of a superior proposal and Equinox has, to date, received acceptances into the Offer equating to 20.5% of Citadel’s shares on issue. This includes acceptances for 19.9% of Citadel’s shares that have recently been received from Citadel directors and certain key shareholders and which cannot be withdrawn.

Equinox has also released a supplementary bidder’s statement dated 3 December 2010 (**Supplementary Bidder’s Statement**) which sets out details of certain changes to the Offer amongst other things.

Equinox believes that it is in the interests of all shareholders for the Offer to be completed as soon as possible. The Jabal Sayid project is currently at a critical stage in its development and an extended Offer period may impact the project timetable and increase the risk of escalation in project costs. The completion of the Offer allows Equinox to apply its technical expertise and financial strength to optimise its development plans at the earliest possible stage.

**Equinox therefore announces today that it intends to declare the Offer free of all conditions if its interest in Citadel exceeds 50% on or before 5pm (WST) on 16 December 2010<sup>1</sup>. It is important that you submit a valid acceptance form by this date in order for this key threshold to be reached.**

Equinox is also offering Citadel Shareholders the opportunity to receive their consideration in an accelerated timeframe if the Offer is declared unconditional. Further details on the accelerated payment terms are set out in Section 4 of the Supplementary Bidder’s Statement.

Finally, Equinox will be establishing an institutional acceptance facility for professional investors by invitation, which will assist those shareholders who are unable to accept the Offer before it becomes unconditional. Further details on the facility are set out in Section 2 of the Supplementary Bidder’s Statement.

---

<sup>1</sup> Subject to there being no breach of Offer conditions in the intervening period

A copy of the Supplementary Bidder's Statement is available at [www.asx.com.au](http://www.asx.com.au) and can also be obtained by calling the Offer Information Line on 1300 035 673 (toll free) from within Australia or +61 3 9938 4382 (not toll free) from outside Australia.

We encourage all Citadel shareholders to submit their acceptance forms as soon as possible and we look forward to completing the Offer and welcoming you as a shareholder in Equinox.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Peter Tomsett".

Peter Tomsett  
Chairman  
Equinox Minerals Limited