

26 July 2021

## Letter to Shareholders Regarding Upcoming General Meeting

Pathfinder Resources Limited (ASX:PF1) ("**Pathfinder**" or the "**Company**") will be holding its general meeting at 10:00am WST on 27 August 2021 at Suite 4.01, Level 4, 105 St Georges Terrace, Perth, WA 6000 (the "**Meeting**").

In accordance with Australian Securities and Investments Commission's 'no action' position announced on 29 March 2021 via Media Release 21-061, the Company will not be sending hard copies of the Notice of Meeting to shareholders. Instead, the Notice of Meeting can be viewed and downloaded from the website link: <https://www.pathfinderresources.com.au/pf1-asx-releases>

A copy of your personalised Proxy Form is enclosed for your convenience. Please complete and return the attached Proxy Form to the Company's share registry or lodge your proxy vote online:

**Internet:** [www.investorvote.com.au](http://www.investorvote.com.au)

**Post:** Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001, Australia

**By Fax:** 1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia

Your proxy voting instructions must be received by 10:00 am (WST) on Wednesday, 25 August 2021, being, not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry Computershare Investor Services Pty Limited on 1300 850 505 (within Australia), +61 (3) 9415 4000 (International).

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at [www.computershare.com.au/easyupdate/PF1](http://www.computershare.com.au/easyupdate/PF1).

The Company will continue to closely monitor guidance from the Federal and State Government for any impact on the proposed arrangements for the General Meeting. If any changes are required, the details will be made available on our website at <https://www.pathfinderresources.com.au/pf1-asx-releases>.

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Perth, WA 6000

**T.** +61 (8) 6102 8072  
**E.** [info@pathfinderresources.com.au](mailto:info@pathfinderresources.com.au)

**Managing Director**  
Shannon Green

**Non-Executive Chairman**  
Sufian Ahmad

**Non-Executive Director**  
Hugh Callaghan

**Company Secretary**  
Ailsa Osborne

 **ASX:PF1**

Enquiries regarding this  
announcement can be directed to:

**Company Secretary**  
Ailsa Osborne  
**T.** +61 (8) 6102 8072



Follow @PF1\_Pathfinder  
on Twitter



Follow Pathfinder Resources  
on LinkedIn

This announcement has been approved by the Board of Pathfinder Resources Ltd.

**For further information, please contact:**

Shannon Green | **Managing Director**

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**Email:** [info@pathfinderresources.com.au](mailto:info@pathfinderresources.com.au)

[www.pathfinderresources.com.au](http://www.pathfinderresources.com.au)

**PATHFINDER RESOURCES LIMITED**  
**ACN 085 905 997**  
**NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

**TIME:** 10:00 am (WST)

**DATE:** 27 August 2021

**PLACE:** Suite 4.01, Level 4, 105 St Georges Terrace, Perth WA 6000

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00 pm (AWST) on 25 August 2021.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – APPROVAL OF DISPOSAL OF HAMERSLEY IRON ORE PROJECT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the Disposal is approved under and for the purposes of Listing Rule 11.4.1(b)."*

#### **Voting Exclusion Statement**

Pathfinder will disregard any votes cast in favour of this Resolution by or on behalf of Equinox Resources Limited and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder in ordinary securities in the entity) or any associates of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  - (ii) the holder votes on the resolution in accordance with direction given by the beneficiary to the holder to vote in that way.

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**Dated: 26 July 2021**

**By order of the Board**

**Ailsa Osborne**

## Voting in Person

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To vote in person, attend the Meeting at the time, date and place set out above.

## Voting by Proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of Pathfinder; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6102 8072.***

## Defined Terms

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Capitalised terms in this Notice of Meeting and Explanatory Statement are defined either in the "Glossary" Section or where the relevant term is first used.

## Competent Person Statement

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This announcement contains information relating to a Mineral Resource in respect of the Hamersley Iron Ore Project extracted from an ASX market announcement entitled "Hamersley Iron Ore Project Mineral Resource JORC Code 2012" released by Pathfinder on 23 February 2021 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (**JORC Code**). The original market announcement is available to view on [www.pathfinderresources.com.au](http://www.pathfinderresources.com.au) and [www.asx.com.au](http://www.asx.com.au). Pathfinder 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.

## Forward Looking Statements

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Some of the statements appearing in this document may be in the nature of forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties many of which are outside Pathfinder's control. Those risks and uncertainties include factors and risks specific to Pathfinder and Equinox such as (without limitation) the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to Government fiscal, monetary and regulatory policies, regulatory approvals, the impact of actions of Governments, the

potential difficulties in enforcing agreements, protecting assets and increases in costs of transportation and shipping of international operations, alterations to resource estimates and exploration targets and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which Pathfinder operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary Government and regulatory approvals, the ability to service debt and to refinance debt to meet expenditure needs on any future acquisitions, increased competition, insurance and occupational health and safety.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

None of Pathfinder, Equinox nor any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward looking statements in this document reflect views held only as at the date of this document.

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

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### 1. RESOLUTION 1 - DISPOSAL OF HAMERSLEY IRON ORE PROJECT

#### 1.1 Background on Pathfinder and the Hamersley Iron Ore Project

Pathfinder Resources Limited (ACN 085 905 997) (**Pathfinder**) is a mineral exploration company which recently acquired the historic King Tut gold project in the well-known gold mining region, La Rioja Province in Argentina (**King Tut Project**) in conjunction with its admission to the Official List in October 2020.

Pathfinder also has an interest in the Hamersley Iron Ore Project, which comprises Mining Lease 47/1450 (**M47/1450**) located approximately 50 km north-east of Tom Price in the Pilbara region of Western Australia (**Hamersley Iron Ore Project**). The Hamersley Iron Ore Project is the subject of an unincorporated joint venture between Pathfinder (who has a 70% interest and is the manager of the joint venture) and Lockett Fe Pty Ltd (ACN 152 114 031) (**Lockett**), a wholly owned subsidiary of Cazaly Resources Limited (ACN 101 049 334) (which has a 30% interest).

#### 1.2 Overview of the Disposal

As announced on 9 July 2021, Pathfinder and Lockett (together, the **Vendors**), entered into a binding heads of agreement (**Binding Heads of Agreement**), whereby the Vendors have conditionally agreed to sell their interests in the Hamersley Iron Ore Project to Equinox Resources Limited (ACN 650 502 325) (**Equinox**) (the **Disposal**).

In consideration for the Disposal, Pathfinder will receive 35,000,000 fully paid ordinary shares in the capital of Equinox (**Equinox Shares**) and between 5,950,000 Performance Shares and 6,650,000 Performance Shares depending on the level of subscription under the Public Offer (defined below). The Performance Shares will convert into Equinox Shares on a one for one basis, subject to Equinox announcing to the ASX a positive preliminary Feasibility Study in relation to the Hamersley Iron Ore Project, confirming the Hamersley Iron Ore Project is commercially viable. In addition, Equinox will grant Pathfinder a fixed royalty of USD\$0.70 per metric tonne of iron ore which is extracted and sold or otherwise disposed of from the area within the boundaries of the Hamersley Iron Ore Project.

A summary of the material terms and conditions of the Binding Heads of Agreement (including details of the consideration payable to Lockett is set out in Schedule 1.

#### 1.3 Equinox

Equinox was incorporated on 26 May 2021 for the purposes of acquiring the Hamersley Iron Ore Project and seeking admission to the Official List.

##### 1.3.1 Initial Public Offer

Equinox will undertake a capital raising via an initial public offering of fully paid ordinary shares (**Public Offer**) with a view to listing on the Official List. Under the Public Offer, Equinox will seek to raise between \$7,000,000 and \$9,000,000 (before

costs) through the issue of between 35,000,000 and 45,000,000 Equinox Shares at an issue price of \$0.20 per Equinox Share.

Following the Public Offer, Pathfinder will hold 35,000,000 Equinox Shares, giving it a voting power in Equinox of between 40.94% and 36.65% (depending on the level of subscription under the Public Offer). Pathfinder will also hold between 8,500,000 Performance Shares and 9,500,000 Performance Shares (depending on the level of subscription under the Public Offer).

Equinox has engaged Sixty Two Capital Pty Ltd (ACN 611 480 169) and Canaccord Genuity (Australia) Limited (ACN 075 071 466) (together, the **Joint Lead Managers**) as joint lead managers to the Public Offer and has agreed to pay the Joint Lead Managers a capital raising fee of 6% (in aggregate) of the total amount raised under the Public Offer, a success fee of \$100,000 (which will be satisfied through the issue of 500,000 Equinox Shares) and issue the Joint Lead Managers an aggregate of between 3,000,000 Options and 5,000,000 Options (depending on the level of subscription under the Public Offer).

No priority offer will be offered to existing Shareholders to acquire shares in Equinox under the Public Offer.

The indicative capital structure of Equinox following completion of the Public Offer is set out below:

	Minimum Subscription			Maximum Subscription		
	Shares	Performance Shares <sup>1</sup>	Options	Shares	Performance Shares <sup>1</sup>	Options
Current	1	-	-	1	-	-
Public Offer	35,000,000	-	-	45,000,000	-	-
Lead Manager Securities	500,000	-	3,000,000 <sup>2</sup>	500,000	-	5,000,000 <sup>2</sup>
Vendor Offer <sup>3</sup>	50,000,000	8,500,000	-	50,000,000	9,500,000	-
Director Options	-	-	11,000,000 <sup>2</sup>	-	-	11,000,000 <sup>2</sup>
<b>Total</b>	<b>85,500,000</b>	<b>8,500,000</b>	<b>16,000,000</b>	<b>95,500,000</b>	<b>9,500,000</b>	<b>16,000,000</b>

**Notes:**

1. Which will convert into Equinox Shares on a 1 for 1 basis upon Equinox announcing to the ASX a positive preliminary Feasibility Study (**PFS**) in relation to the Project, confirming the Project is commercially viable within 24 months of completion of the Acquisition
2. Exercisable at \$0.30 each or before 3 years from date of issue.
3. In accordance with the terms of the Binding Heads of Agreement, Pathfinder will be entitled to receive 35,000,000 Equinox Shares and between 5,950,000 Performance Shares (at Minimum Subscription) and 6,650,000 Performance Shares (at Maximum Subscription) and Lockett will be entitled to receive 15,000,000 Equinox Shares and between 2,550,000 Performance Shares (at Minimum Subscription) and 2,850,000 Performance Shares (at Maximum Subscription) in consideration for the Disposal.

Shareholders should note the proposed structure and terms of the Public Offer are, at the date of this Notice, indicative only and that Equinox reserves the right to amend the proposed structure and terms (including offering a larger or smaller number of Equinox Shares). Pathfinder will keep Shareholders updated in respect of the Public Offer.

Pathfinder will be responsible for meeting all required tenement expenditure on the Hamersley Iron Ore Project until completion of the Public Offer, at which time

Equinox will assume responsibility for all costs associated with the Hamersley Iron Ore Project.

Pathfinder has also agreed to advance Equinox an amount of up to AU\$320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect of the Public Offer, to be repaid out of the proceeds of the Public Offer.

The Equinox Board will then seek to advance the Hamersley Iron Ore Project in the manner in which it considers to be in the best interests of Equinox Shareholders at the relevant time and based on its ability to fund those intentions. However, Pathfinder notes that there is no guarantee that Equinox will proceed with the Disposal or that the Public Offer will be successful and result in a listing on ASX.

The Public Offer will ensure Equinox is financed to continue (or commence) exploration activities on the Hamersley Iron Ore Project. Please refer to Section 1.4 below for the proposed work programme and expenditure budget for each project.

### **1.3.2 Board of Directors**

The board of directors of Equinox is comprised of Daniel Taylor, Hugh Callaghan and Mena Habib. Further information in respect of the qualifications and experience of these directors is set out below.

#### **(a) Daniel Taylor – Managing Director**

Mr Taylor is a senior International commodities sales and marketing executive with 20 years' experience across iron ore, industrial minerals, ocean freight and logistics. He has an extensive senior global network and has built relationships to secure offtake and joint ventures to underpin project financing and equity markets funding for large private and publicly listed groups. He has held senior executive positions with Roy Hill, Anglo American, Atlas Iron and Rio Tinto.

Mr Daniel Taylor is not considered to be an independent director of Equinox by virtue of being Managing Director of Equinox.

#### **(b) Hugh Callaghan – Non-Executive Director**

Hugh Callaghan was the founding director of Riversdale Mining Limited (formerly ASX: RIV) which sold to Rio Tinto for \$3.9 billion. Mr Callaghan has a significant base of global resources experience with Rio Tinto and Xstrata that included roles in the USA, Canada, Chile, Brazil, and Australia. Subsequent to the sale of Riversdale Mining to Rio Tinto, he has invested and developed copper projects in Chile, and potash projects in West Africa and the USA, and consulted to coal companies in the UK, USA, Canada, Australia, Zimbabwe and Columbia. Mr Callaghan has significant ASX experience including being a Director of Acacia Coal Limited (March 2017 to December 2017), GSF Corporation (February 2009 to June 2009), Tamaya Resources Limited (May 2006 to October 2008) and Riversdale Mining Limited (April 2004 to August 2006).

Mr Callaghan is currently a non-executive director of Pathfinder.

Mr Hugh Callaghan is considered to be an independent director of Equinox.

(c) **Mena Habib – Non-Executive Director**

Mena Habib has extensive experience focused in sales, marketing and management. He has worked in global companies excelling in sales, being a recipient of the National Sales Champion award on two separate occasions. Mena is also an entrepreneur, having recently sold a business which he personally founded into a national franchise. He has completed a diploma in Financial Planning, has a strong network of investors in the mining sector and has played vital roles in raising capital on numerous occasions.

Mr Mena Habib is considered to be an independent director of Equinox.

The final composition of the Equinox board and proposed remuneration will be confirmed by Equinox at a future date with further details to be included in the prospectus for the Public Offer.

## **1.4 Hamersley Iron Ore Project**

(a) **Overview**

The Hamersley Iron Ore Project consists of a granted mining lease (ML47/1450), which covers an area of approximately 10.4 km<sup>2</sup> in the heart of the world-renowned Pilbara iron ore district.

The Hamersley Iron Ore Project has been the subject of several reverse circulation and diamond drilling exploration programs since 1998, and in total 168 holes have been drilled for 22,621m of drilling.

The Hamersley Iron Ore Project includes both Channel Iron Deposit (**CID**) and Detrital Iron Deposit (**DID**) styles of iron mineralisation. The CID is a coherent body at least 2.0 km by 2.5km in area and, in the southwest, is overlain by DID mineralisation comprising unconsolidated detrital material.

The mineralisation remains open in several directions, particularly to the north.

On 23 February 2021, Pathfinder announced the following Mineral Resource estimate for the Hamersley Iron Ore Project, reported in accordance with JORC Code (2012).

**Table 1: JORC Code (2012) Mineral Resource Estimate for the Hamersley Iron Ore Project.**

INDICATED MINERAL RESOURCE (JORC 2012)							
Mineralisation Type	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	LOI	CaFe <sup>1</sup>
	Mt	%	%	%	%	%	%
Channel (CID) <sup>2</sup>	42.6	55.2	10.9	5.5	0.0	3.6	57.3
<b>Total</b>	<b>42.6</b>	<b>55.2</b>	<b>10.9</b>	<b>5.5</b>	<b>0.0</b>	<b>3.6</b>	<b>57.3</b>
INFERRED MINERAL RESOURCE (JORC 2012)							
Mineralisation Type	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	LOI	CaFe <sup>1</sup>
	Mt	%	%	%	%	%	%
Detrital (DID) <sup>3</sup>	24.3	46.4	24.8	5.2	0.0	2.5	47.6
Channel (CID) <sup>2</sup>	276.3	55.2	9.7	4.4	0.0	6.3	58.9
<b>Total</b>	<b>300.6</b>	<b>54.5</b>	<b>10.9</b>	<b>4.4</b>	<b>0.0</b>	<b>6.0</b>	<b>58.0</b>
TOTAL MINERAL RESOURCE (JORC 2012)							
Mineralisation Type	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	LOI	CaFe <sup>1</sup>
	Mt	%	%	%	%	%	%
Detrital (DID)	24.3	46.4	24.8	5.2	0.0	2.5	47.6
Channel (CID)	318.9	55.2	9.8	4.5	0.0	5.9	58.7
<b>Total</b>	<b>343.2</b>	<b>54.5</b>	<b>10.9</b>	<b>4.6</b>	<b>0.0</b>	<b>5.7</b>	<b>57.9</b>

**Notes:**

1. Calcined Fe (CaFe) calculated by the formula  $\text{CaFe \%} = \left[ \frac{(\text{Fe}\%)}{100 - \text{LOI}} \right] * 100$
2. Channel Iron Deposit mineralisation reported at a 52% Fe cut-off grade.
3. Detrital Iron Deposit Mineralisation reported at a 40% Fe cut-off grade.

**(b) Exploration and Development**

On 2 February 2021, Pathfinder announced it had engaged All Points Sampling Australia Pty Ltd to complete a 7-hole RC in-fill drilling program aimed at potentially increasing the current Indicated Resource of the Hamersley Iron Ore Project. Subsequently on, 23 February 2021, Pathfinder provided an update on the proposed work program at the Hamersley Iron Ore Project advising that the ASX had determined that prior to commencing the planned work program Pathfinder would be required to:

- (i) obtain shareholder approval under Listing Rule 11.1.2;
- (ii) release an independent solicitor's report on Pathfinder's tenure to the Hamersley Iron Ore Project; and
- (iii) release an independent geologist's report in relation to the Hamersley Iron Ore Project.

Given the circumstances, Pathfinder advised that it would not be proceeding with the planned work program and would carefully consider its options in relation to the disposal of the Hamersley Iron Ore Project in a manner consistent with its prospectus dated 31 August 2020 (to be read

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together with the supplementary prospectus lodged with ASIC on 16 September 2020) (**Prospectus**).

(c) **Value of the Hamersley Iron Ore Project**

As at 30 June 2021, the value attributed to the Hamersley Iron Ore Project is \$0 (being, 0% of consolidated assets).

Pathfinder has spent \$217,246 in exploration expenditure at the Hamersley Iron Ore Project for the financial year ended 30 June 2021. As the Hamersley Iron Ore Project is an exploration asset, Pathfinder has not earned any revenue from the asset.

An estimate of the current market value of the Hamersley Iron Ore Project is \$7,000,000 (being, the value of the Equinox Shares Pathfinder will receive in consideration for the disposal).

For further detail on the Hamersley Iron Ore Project, refer to the Prospectus and the Pathfinder's ASX announcement dated 9 July 2021.

**1.5 ASX Listing Rule 11.4 - Disposal of a Major Asset**

Under Listing Rules 11.4 and 11.4.1, a listed entity can only spin out a major asset if:

- (a) the securities in the spin-out vehicle (other than those being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or in another way that, in ASX's opinion, is fair in all the circumstances; and
- (b) the company's shareholders approve the spin out.

The Disposal is regarded as a spin-out of a major asset for these purposes and paragraph (a) above does not apply, so it is a requirement for the Disposal to proceed that Shareholders approve the Disposal under paragraph (b) above.

This Resolution seeks the required Shareholder approval for the Disposal under and for the purposes of Listing Rule 11.4.1(b).

If this Resolution is passed, Pathfinder will be able to proceed with the Disposal.

If this Resolution is not passed, Pathfinder will not be able to proceed with the Disposal and Pathfinder will:

- (a) continue to maintain its interest in the Hamersley Iron Ore Project and continue to investigate opportunities to obtain value from the Hamersley Iron Ore Project, including by disposing of all or part of the Hamersley Iron Ore Project; and
- (b) continue to maintain the Hamersley Iron Ore Project and ensure compliance with all licence and regulatory requirements, whilst undertaking appropriate development activities.

As noted in Section 1.4 above, ASX has advised Pathfinder will be unable to complete any work programs on the Hamersley Iron Ore Project unless it:

- (a) obtains shareholder approval under Listing Rule 11.1.2;

- (b) releases an independent solicitor's report on Pathfinder's tenure to the Hamersley Iron Ore Project; and
- (c) releases an independent geologist's report in relation to the Hamersley Iron Ore Project.

## 1.6 Indicative Timetable

Pathfinder anticipates that the indicative timetable for implementation of the Disposal will be as set out below:

Event	Date*
Dispatch of Notice of Meeting	26 July 2021
Lodgement of Prospectus with ASIC	20 August 2021
Date of the General Meeting	27 August 2021
Opening Date of the Public Offer	30 August 2021
Closing Date of the Public Offer	29 September 2021
Settlement of the Disposal	5 October 2021
Equinox admitted to trading on the Official List	15 October 2021

\*The above dates are indicative only and may change without notice.

## 1.7 Impact of the Disposal on Pathfinder and Shareholders

The pro-forma statement of financial position Pathfinder as at 30 June 2021 set out in Schedule 2 shows the effect of the Disposal on the financial position of Pathfinder.

As outlined above, whilst Pathfinder will not own the Hamersley Iron Ore Project following settlement of the Disposal, it will still retain a percentage interest in Equinox, which will be dependent on the amount raised under the Public Offer. Pathfinder will therefore also have an interest in the cash raised under the Public Offer.

The Disposal will not affect Pathfinder's capital structure, nor have a dilutive effect on Shareholders. No securities will be distributed to Shareholders pursuant to the Disposal and there will not be any taxation ramifications for Shareholders. Shareholders will not be impacted by the Disposal, other than to the extent of Pathfinder's disposal of Pathfinder's interest in the Hamersley Iron Ore Project.

In addition, the Disposal will not result in any changes to Pathfinder's Board or senior management or Pathfinder's name.

## 1.8 Advantages and Disadvantages

The Directors have assessed the advantages and disadvantages of the key Disposal and have formed the view that the advantages outweigh the disadvantages. Accordingly, the Directors believe that the Disposal is in the best interests of Pathfinder.

(a) **Advantages**

- (i) The Disposal will allow Pathfinder to retain an interest in the Hamersley Iron Ore Project (through Pathfinder's substantial shareholding in Equinox) whilst focusing its efforts on progressing exploration and development of Pathfinder's flagship King Tut gold project in Argentina. As such, Pathfinder will retain exposure to any upside attached to the Hamersley Iron Ore Project without having all of the associated risks and financing requirements.
- (ii) The disposal of the Hamersley Iron Ore Project and the subsequent listing of Equinox, will result in the Hamersley Ore Iron Project being provided with capital and a dedicated team to allow it to progress. It will also enable continued exploration on the surrounding prospective tenure.
- (iii) The Disposal will allow Pathfinder to retain some indirect influence over the future development of the Hamersley Iron Ore Project through holding a substantial interest in Equinox post its listing.
- (iv) The Disposal will allow Pathfinder to assign the liability and commitments for the Hamersley Iron Ore Project to Equinox, thereby reducing the financial burden on Pathfinder.
- (v) The Disposal will ultimately, reduce Pathfinder's interest in the Hamersley Iron Ore Project which Pathfinder considers will become non-core to its strategic objectives moving forward but will continue to give Shareholders the opportunity to participate in the growth of the Hamersley Iron Ore Project through a separate entity that will have sufficient resources to further develop those assets.
- (vi) Following the Disposal, the Public Offer and subsequent listing of Equinox, Pathfinder will have the capacity to focus primarily on the development and exploration of its Argentinian assets.

(b) **Disadvantages**

- (i) Pathfinder will not hold a 70% legal and beneficial interest in the Hamersley Iron Ore Project. As such, Pathfinder will no longer directly control the development of the Hamersley Iron Ore Project.
- (ii) The Disposal involves Pathfinder disposing of a major asset which may not be consistent with the investment objectives of all Shareholders.
- (iii) There is no guarantee that the market price of Equinox Shares will increase, and as such the value attributable to Pathfinder's Equinox Shares and its indirect interest in the Hamersley Iron Ore Project, may decrease.
- (iv) Pathfinder will no longer hold a 70% legal and beneficial interest in the Hamersley Iron Ore Project and will lose the benefit of potential future exploration and development upside of this asset.

## 1.9 Board Recommendation

The Directors do not have any material interest in the Disposal. However, Director, Sufian Ahmad intends to subscribe for up to \$500,000 worth of Equinox Shares under the Public Offer. The other Directors may also seek to participate in the Public Offer to be undertaken by Equinox.

Based on the information available, each of the Directors consider that the Disposal proceeding on the basis of Shareholders approval under Listing Rule 11.4.1(b), without the offer, issue or transfer referred to in Listing Rule 11.4.1(a) is in the best interests of Pathfinder and Shareholders because of the advantages listed in Section 1.8.

The Directors therefore unanimously recommend Shareholders vote **IN FAVOUR OF** the Resolution.

## 1.10 Future direction of Pathfinder following the Disposal

Following settlement of the Disposal, Pathfinder intends to focus on developing and exploring its Argentinian asset portfolio. In particular, Pathfinder intends to continue with the exploration and development of its remaining asset portfolio with a focus to deliver near-term production, with the prioritisation on the King-Tut project.

For further details on Pathfinder's existing assets, please refer to Pathfinder's Quarterly Activities Report dated 30 April 2021.

## 1.11 Other Material Information

There is no information material to the making of a decision by a Shareholder in Pathfinder whether or not to approve the Resolution (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Statement and all relevant Schedules.

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## GLOSSARY

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**\$** means Australian dollars.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of Pathfinder.

**Chair** means the chair of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of Pathfinder.

**Disposal** has the meaning given in Section 1.2 of this Notice.

**Equinox** means Equinox Resources Limited (ACN 650 603 325).

**Equinox Share** means a fully paid ordinary share in the capital of Equinox.

**Equinox Shareholders** means a holder of a Equinox Share

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Listing Rules** means the Listing Rules of ASX.

**Maximum Subscription** means the maximum subscription to be raised under the Public Offer, being \$9,000,000 (before costs).

**Minimum Subscription** means the minimum subscription to be raised under the Public Offer being \$7,000,000 (before costs).

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Official List** means the official list of the ASX.

**Pathfinder** means Pathfinder Resources Limited (ACN 085 905 997).

**Proxy Form** means the proxy form accompanying the Notice.

**Resolution** means the resolution set out in this Notice.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of Pathfinder.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – SUMMARY OF BINDING HEADS OF AGREEMENT

A summary of the material terms and conditions of the Binding Heads of Agreement is set out below.

<b>Consideration</b>	<p>In consideration for the acquisition of the Project (<b>Acquisition</b>), Equinox has agreed to:</p> <ul style="list-style-type: none"><li>• issue an aggregate of 50,000,000 fully paid ordinary shares (<b>Equinox Shares</b>) to the Vendors at a deemed issue price of \$0.20 per Share (<b>Consideration Shares</b>);</li><li>• issue between 8,500,000 performance shares and 9,500,000 performance shares in aggregate to the Vendors, which will be issued on a pro rata basis based on the level of subscription under the Public Offer (<b>Performance Shares</b>). Each Performance Shares will, at the election of the holder, convert into one Equinox Share, subject to Equinox announcing to the ASX a positive preliminary Feasibility Study in relation to the Hamersley Iron Ore Project, confirming the Hamersley Iron Ore Project is commercially viable;</li><li>• pay Pathfinder a fixed royalty of USD\$0.70 per metric tonne of iron ore which is extracted and sold or otherwise disposed of from the area within the boundaries of the Project (as those exist at the date of the Binding Heads of Agreement); and</li><li>• pay Lockett a fixed royalty of USD\$0.30 per metric tonne of iron ore which is extracted and sold or otherwise disposed of from the area within the boundaries of the Project (as those exist at the date of the Binding Heads of Agreement).</li></ul> <p>The Consideration Shares and the Performance Shares will be issued to the Vendors (or their nominees) in accordance with their joint venture interests, with Pathfinder entitled to receive 35,000,000 Equinox Shares and between 5,950,000 Performance Shares (at Minimum Subscription) and 6,650,000 Performance Shares (at Maximum Subscription).</p>
<b>Conditions Precedent</b>	<p>Completion of the Acquisition is conditional upon the satisfaction (or waiver by Equinox) of the following conditions precedent:</p> <ul style="list-style-type: none"><li>• <b>Due diligence:</b> completion of financial, legal and technical due diligence by the Equinox on the Project, to the absolute satisfaction of Equinox;</li><li>• <b>Capital raising:</b> Equinox undertaking an initial public offer and receiving valid applications for at least AUD\$7,000,000 worth of Equinox Shares under its initial public offer;</li><li>• <b>ASX conditional approval:</b> conditional approval being obtained from the ASX to admit the securities of Equinox to trading on the official list of the ASX (after Equinox complies with Chapters 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of Equinox and the Vendors;</li><li>• <b>Shareholder approval:</b> the shareholders of Pathfinder approving the transactions contemplated by the Binding Heads of Agreement for the purposes of ASX Listing Rule 11.4 in a general meeting ;</li><li>• <b>Regulatory approvals:</b> the parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law to allow the parties to lawfully complete the matters set out in the Binding Heads of Agreement; and</li><li>• <b>Third party approvals and consents:</b> the parties obtaining all third party approvals and consents, including the consent of the Minister responsible for the Mining Act 1978 (WA) (if required), necessary to lawfully complete the matters set out in the Binding Heads of Agreement,</li></ul>

	<p>(together, the <b>Conditions Precedent</b>).</p> <p>If the Conditions Precedent are not satisfied (or waived by Equinox) on or before 5:00pm (Perth time) on 31 December 2021 (or such later date as the parties may agree) (<b>End Date</b>), then any party may terminate the Binding Heads of Agreement by notice in writing.</p>
<b>Other Terms</b>	<p>The Binding Heads of Agreement otherwise contains customary terms and conditions, including representations and warranties and confidentiality clauses.</p>

**SCHEDULE 2 - PATHFINDER PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	30 June 2021 \$	Pro Forma \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,412,277	3,412,277
Restricted cash and cash equivalents	-	-
Trade and other receivables	47,093	47,093
Prepayments	50,062	50,062
Other current assets	29,978	29,978
<b>Total current assets</b>	<b>3,539,410</b>	<b>3,539,410</b>
<b>Non-current assets</b>		
Exploration and evaluation	1,811,026	1,811,026
Property, plant and equipment	10,615	10,615
Investment	-	7,000,000
<b>Total non-current assets</b>	<b>1,821,641</b>	<b>8,820,785</b>
<b>Total assets</b>	<b>5,361,051</b>	<b>12,360,195</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	143,701	143,700
Borrowings	35,672	35,672
<b>Total current liabilities</b>	<b>225,743</b>	<b>225,742</b>
<b>Total liabilities</b>	<b>225,743</b>	<b>225,742</b>
<b>Net assets</b>	<b>5,135,308</b>	<b>12,134,453</b>
<b>Equity</b>		
Issued capital	54,246,482	54,246,482
Reserves	(8,503)	(8,503)
Accumulated losses	(49,104,293)	(42,105,148)
<b>Total surplus</b>	<b>5,133,686</b>	<b>12,132,831</b>
Non-controlling interests	1,622	1,622
	<b>5,135,308</b>	<b>12,134,453</b>

**Notes:**

1. Proforma adjustment, assuming the disposal of the Hamersley Iron Ore Project occurred at 30 June 2021.
2. \$7,000,000 investment, retained earnings (Gain on disposal of Investment).

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST) on Wednesday, 25 August 2021.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 185392**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1

### Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Pathfinder Resources Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Pathfinder Resources Limited to be held at Suite 4.01, Level 4, 105 St Georges Terrace, Perth, WA 6000 on Friday, 27 August 2021 at 10:00 AM (AWST) and at any adjournment or postponement of that meeting.

### Step 2

### Item of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

For Against Abstain

1 Approval of Disposal of Hamersley Iron Ore Project

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

### Step 3

### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

