EQUATORIAL RESOURCES LIMITED

INTERIM FINANCIAL REPORT
For the half year ended 31 December 2024

CORPORATE DIRECTORY

Directors
Ian Middlemas – Chairman
John Welborn – Director
Robert Behets – Director
Mark Pearce – Director

Company Secretary
Greg Swan

Registered Office
Level 9
28 The Esplanade
Perth WA 6000
Tel: +61 8 9322 6322
Fax: +61 8 9322 6558

Share Registry
Computershare Investor Services Pty Ltd
Level 7, 221 St Georges Terrace
Perth WA 6000
Tel: 1300 557 010
Int: +61 8 9323 2000
Fax: +61 8 9323 2033

Stock Exchange
Australian Securities Exchange (ASX)
Home Branch – Perth
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code
EQX – Fully paid ordinary shares

Bankers
Australia and New Zealand Banking Group Limited

Solicitors
Thomson Geer

Auditors
Ernst & Young

Website
www.equatorialresources.com.au

CONTENTS

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Equatorial Resources Limited for the year ended 30 June 2024 and any public announcements made by Equatorial Resources Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The Directors of Equatorial Resources Limited present the consolidated financial report of Equatorial Resources Limited ("**Company**" or "**Equatorial**") and the entities it controlled during the half year ended 31 December 2024 ("**Consolidated Entity**" or "**Group**").

DIRECTORS

The names and details of the Company's Directors in office at any time during the half year or since the end of the half year are:

Mr Ian Middlemas – Chairman
Mr John Welborn – Non-Executive Director
Mr Robert Behets – Non-Executive Director
Mr Mark Pearce – Non-Executive Director

Unless otherwise stated, all Directors held their office from 1 July 2024 until the date of this report.

OPERATING AND FINANCIAL REVIEW

Overview

Equatorial is an ASX-listed company focused on advancing its existing mineral resource assets in Africa as well as searching for new opportunities in the resources sector which have the potential to build shareholder wealth.

During the half year, the Company reported an initial iron ore Exploration Target at the T5 Target, one of six targets within the Company's Nimba Alliance Iron Ore Project ("Nimba Project") in Guinea, West Africa. The T5 Target is one of four "hard rock" targets at the Nimba Project, in addition to two priority detrital "Canga" (enriched iron material) targets (D1 and D2). Assay results from grab samples collected from the Canga D1 Target confirmed high-grade iron mineralisation up to 66% iron (Fe). The Nimba Project is located approximately 3km from the world class high-grade Nimba Iron Ore Project owned by Robert Friedland's High Powered Exploration Inc.

The final hearing in the Company's ongoing international arbitration against the Republic of Congo ("Congo") will take place in Paris from 10 to 14 March 2025, following which the final award may be rendered around 6 to 12 months thereafter (indicative timing only). The Company, through its Mauritian subsidiary, EEPL Holdings ("EEPL"), referred its investment dispute with Congo to arbitration at the International Centre for Settlement of Investment Disputes ("ICSID") in 2021. The dispute arose out of unlawful measures taken by Congo against EEPL's investments in two iron ore projects in Congo: the Badondo Iron Ore Project and the Mayoko-Moussondji Iron Ore Project.

Equatorial remains in a strong financial position with significant cash reserves available to progress exploration and development activities as well as pursue the dispute resolution process and pursue additional business opportunities in the resources sector. At 31 December 2024, the Company had A$12.6 million in cash, with 131.4 million shares on issue.

Nimba Alliance Iron Ore Project

The Nimba Project is a prospective and potentially large-scale iron ore project located in Guinea, West Africa which was acquired by Equatorial in July 2023. The Nimba Project is located within a cluster of major iron ore projects. The Nimba Project covers a large landholding in Guinea's prolific Nimba Iron Ore Corridor and comprises majority ownership of two permits: 100% of the Nimba West permit covering ~198km^2; and 56% of the Nimba North permit covering ~107km^2.

Figure 1 - Nimba Alliance Iron Ore Project Location

Figure 2 – Liberian Transport Corridor

OPERATING AND FINANCIAL REVIEW (continued)

Nimba Alliance Iron Ore Project (continued)

Transport solutions are already in place for the Project, with the Nimba West and Nimba North permits located approximately 350km and 290km respectively from Port Buchanan, and within 30km and 60km, respectively from Liberia's Lamco bulk commodity railway (Figure 2).

Six (6) significant high priority near surface iron ore targets have been identified at the Project (refer Figure 3) with a total strike potential of ~55km, comprising friable itabirite, compact magnetite, and detrital Canga mineralisation:

- Detrital Canga targets (D1 and D2), ~25km strike target;
- Hard rock target T5, ~14km strike target;
- Hard rock target T60, ~7km strike target;
- Hard rock target T28, ~5km strike target; and
- Hard rock target T57, ~5km strike target.

Sampling Program

In May 2024, the Company announced sampling results from two of the six priority target areas identified at the Project (being D1 and T5) which confirmed the presence of high-grade iron mineralisation up to 66% iron (or "Fe").

The D1 Target assay results include high-grade Canga mineralisation (enriched iron material) over 10km of strike with numerous samples ranging from 62% to 66% Fe. Canga material is a potential direct shipping iron ore ("DSO") comprised of enriched iron material that has been weathered from primary high-grade iron mineralisation.

The T5 Target assay results include high-grade hard rock mineralisation which was confirmed over 8km of strike with numerous samples ranging from 62% to 64% Fe.

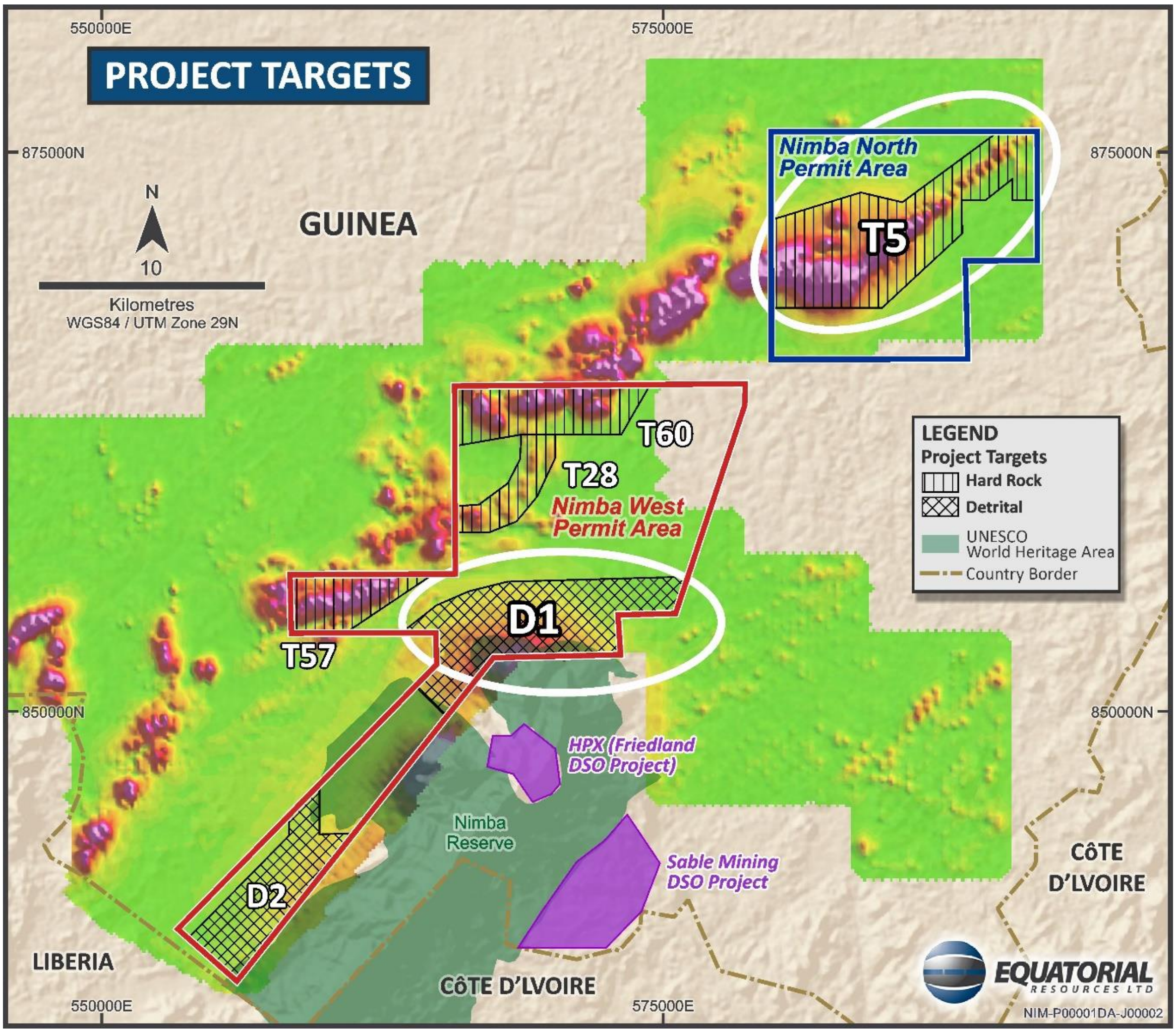

Figure 3 – Priority Target Areas at Nimba Alliance Project

OPERATING AND FINANCIAL REVIEW (Continued)

Nimba Alliance Project (Continued)

Initial Exploration Target

In July 2024, the Company reported an initial Exploration Target on the T5 Target, one of six targets at the Project.

The initial Exploration Target at the Project has been estimated to be between 260 to 660 million tonnes ("Mt") of iron mineralisation at a grade of between 35% to 65% Fe on the T5 Target, one of six targets at the Project.

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the JORC Code.

The T5 Exploration Target includes 5 to 20 Mt of weathered itabirite iron mineralisation with a grade of 45% to 65% Fe and 255 to 640 Mt of primary compact itabirite iron mineralisation with a grade of 35% to 45% Fe.

The T5 Target was previously tested with wide spaced diamond drilling by Societe des Mines de Guinea ("SMFG"), a former alliance between BHP, Areva and Newmont, which returned significant drill intercepts including 14m @ 60.7% Fe (NN0003D) and 12m @ 55.8% Fe (NN0004D) (refer to Figure 4 below).

The T5 Target is one of four "hard rock" targets at the Project, which are differentiated from the Company's two priority Canga targets (D1 and D2) which require further work before an Exploration Target can be defined. In this regard, the Company has plans to conduct an additional surface sampling program at the D1 Target and an environmental assessment at the D2 Target to assist with further activities at the D2 Target, including plans for a maiden drill program to test the high-grade Canga mineralisation previously identified at the D1 Target.

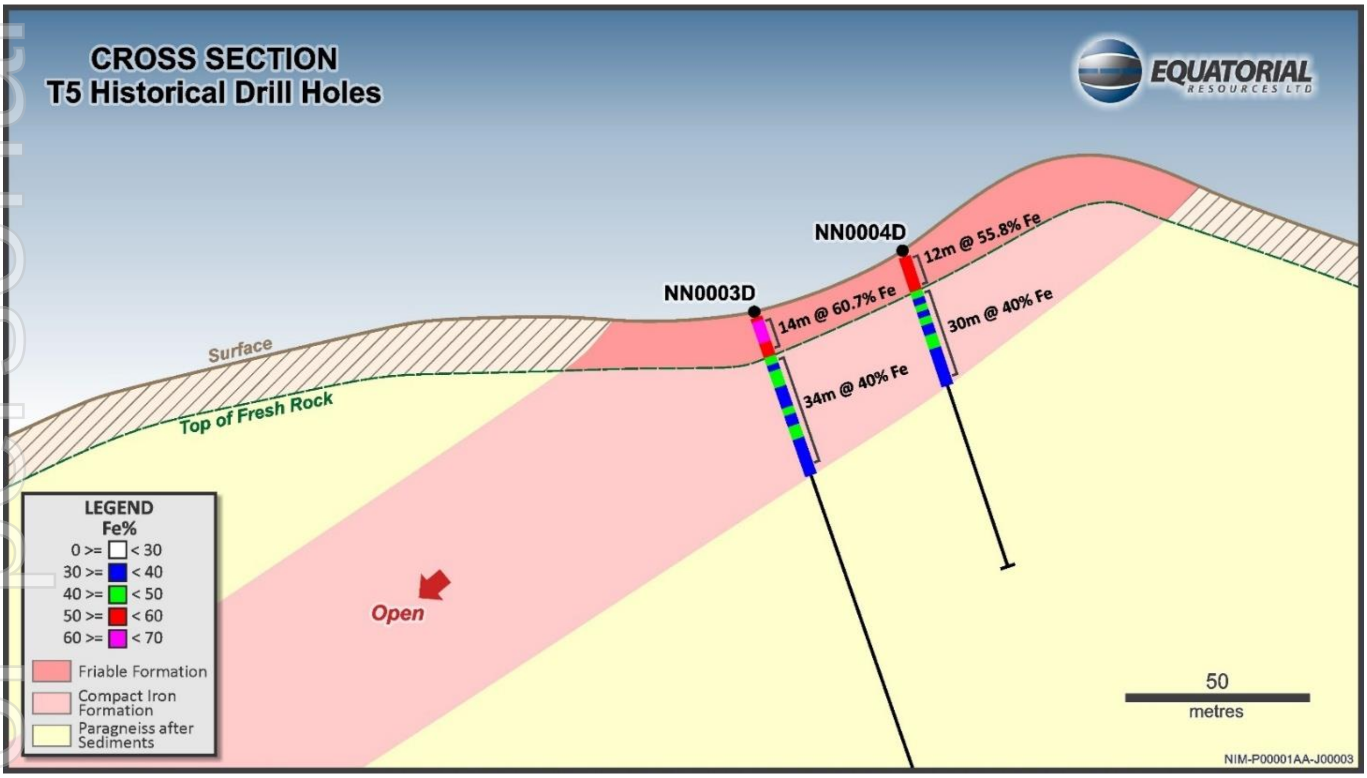

Figure 4 – Cross Section at T5 of Historical Drill Holes Showing High-Grade Cap

Congo Projects – International Arbitration

The Badondo Iron Project ("Badondo") is a potentially large-scale iron project in the northwest of Congo, situated within a cluster of iron ore exploration projects. Badondo is located near two other large iron ore tenements in Congo and just across the border from Fortescue Metal Group's (ASX:FMG) Belinga Iron Ore Project in Gabon. The Mayoko-Moussondji Iron Project ("Mayoko-Moussondji") is located in the southwest region of the Congo and has access to an existing railway line running to the deep-water port of Pointe-Noire. Equatorial sold Mayoko-Moussondji in 2015 and retained a 2% royalty on all future production from the project.

Equatorial's investments in Badondo and Mayoko-Moussondji have been expropriated and subjected to other unlawful measures by the Congo government as part of a wider campaign to dispossess foreign mining companies of their iron ore interests in Congo. Various mining assets in the Congo, including Badondo, Nabeba, previously held by Sundance Resources Limited, and Avima, previously held by Core Mining, have been granted to a Chinese-linked company named Sangha Mining Development SASU with no apparent due process or legal validity.

OPERATING AND FINANCIAL REVIEW (Continued)

Congo Projects – International Arbitration

Equatorial, through EEPL, referred its investment dispute with Congo to arbitration at ICSID in 2021.

EEPL has brought its claims against Congo under the Agreement between the Government of the Republic of the Congo and the Government of the Republic of Mauritius for the Promotion and Reciprocal Protection of Investments ("Congo-Mauritius BIT"), under which EEPL's investments in Congo are protected by virtue of EEPL being a Mauritian company. EEPL's claims include that Congo unlawfully expropriated its investments in the Congo Projects, and failed to accord EEPL fair and equitable treatment, in violation of the treaty.

The measures that Congo took against Badondo in December 2020 (which included expropriation) formed part of a wider campaign to dispossess foreign mining companies of their iron ore interests in Congo and grant them to a Chinese-linked company named Sangha Mining Development SASU. The measures that Congo took against Mayoko-Moussondji came later, in June 2021, when Congo unlawfully revoked the exploitation permit held over that tenement by Congo Mining Limited ("CML"), a company owned by Equatorial until 2015 and in which EEPL continues to participate (including through royalty arrangements).

In March 2023, EEPL filed its Memorial on the Merits, in which EEPL set out its claims against Congo in full, with supporting documentary evidence, witness testimony and expert evidence on issues including the valuation of EEPL's investments and related technical matters.

In August 2023, Congo filed a Counter-Memorial, which set out Congo's defence to EEPL's claims and also included three counterclaims against EEPL. Congo's counterclaims were based on allegations that EEPL (i) was liable for the payment of certain surface fees in relation to Badondo, (ii) was liable for certain environmental remediation works at the Badondo site, and (iii) had abusively commenced the ICSID arbitration. On the basis of these counterclaims, Congo claimed that it was entitled to be compensated by EEPL.

In September 2023, EEPL filed a preliminary objection to Congo's counterclaims, arguing that the counterclaims fell outside the tribunal's jurisdiction because the Congo-Mauritius BIT does not allow States to bring counterclaims, and that Congo's counterclaims should therefore be dismissed. In November 2023, Congo filed a response to EEPL's preliminary objection, and in December 2023, EEPL filed a reply to Congo's response on the preliminary objection.

In January 2024, the ICSID tribunal confirmed that it had no jurisdiction to hear Congo's counterclaims, which have therefore been dismissed in their entirety. In March 2024, the tribunal issued a fully reasoned decision explaining the basis for its conclusion that it has no jurisdiction over the counterclaims.

In June 2024, EEPL filed its Reply Memorial at ICSID. The Reply Memorial contains EEPL's response to the entirety of Congo's defence, as set out in its Counter-Memorial.

The Reply Memorial included updated reports from independent expert witnesses covering the technical aspects and value of EEPL's investments in the Congo Projects, demonstrating the value of the compensation that EEPL is claiming from Congo to range from US$395 million to US$1,254 million, depending on the valuation methodology adopted. These amounts do not include interest and costs, which are also claimed from Congo. The Reply Memorial includes a valuation of the additional pre-award interest payable on the compensation to which EEPL is entitled (to 15 November 2025) that ranges from US$134 million to US$741 million, depending on the valuation and interest calculation methodology adopted.

In January 2025, Congo filed its Rejoinder Memorial, which expanded upon Congo's defence, as set out in its Counter-Memorial of August 2023, and contained written submissions relating to the factual and legal arguments that EEPL made in its Reply Memorial.

The final hearing in EEPL's arbitration against Congo will take place in Paris from 10 to 14 March 2025, following which the final award may be rendered around 6 to 12 months thereafter (indicative timing only).

At the hearing, EEPL will have the opportunity to present its case in person before the arbitral tribunal, and to cross-examine the witnesses on whose testimony Congo relies in support of its case. Equatorial's former Managing Director and CEO and current Non-Executive Director, Mr John Welborn, will attend the hearing, together with Equatorial's counsel team from Clifford Chance, witnesses of fact, and expert witnesses engaged by Equatorial to provide their independent opinions on the value of Equatorial's claims.

Notwithstanding the dispute between EEPL and Congo, Equatorial remains committed to its investments in Congo and continues to be open to a constructive dialogue. Equatorial has expressed the Company's openness to reaching a mutually satisfactory settlement of EEPL's dispute and remains hopeful of a constructive dialogue with Congo to that end.

New Project Opportunities

Equatorial continues to search for, and review, new opportunities in the resources sector which have the potential to build shareholder value. Due diligence activities on multiple potential opportunities were conducted during the period.

New business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

The Company's success in its acquisition activities depends on its ability to identify suitable projects, acquire them on acceptable terms, and integrate the projects successfully. There is no guarantee that the identification and due diligence of potential new business opportunities will result in any transaction or that any future transaction will be completed or will be successful.

OPERATING AND FINANCIAL REVIEW (Continued)

Corporate

Equatorial remains in a strong financial position with $12,621,451 in cash as at 31 December 2024. The Company has 131.4 million shares on issue and is in a strong financial position to progress its current activities as well as pursue additional business opportunities in the resources sector.

During the half year, following shareholder approval, the Company issued Mr Welborn a right entitling him to receive 5% of the net compensation received by the Company in connection with the claims and international arbitration proceedings against Congo to which the Company's subsidiary is a party, in consideration for the consulting services to be provided by Mr Welborn in connection with the claims and arbitration proceedings.

Operating Results

The net loss of the Consolidated Entity for the half year ended 31 December 2024 was $818,172 (31 December 2023: $169,497).

Financial Position

At 31 December 2024, the Company had cash reserves of $12,621,451 (30 June 2024: $13,817,162) and no debt, placing the Company in a strong financial position to conduct its current activities and to pursue new business development opportunities. At 31 December 2024, the Company had net assets of $13,309,572 (30 June 2024: $14,049,559).

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

At the date of this report, there are no other matters or circumstances which have arisen since 31 December 2024 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2024, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 31 December 2024, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 31 December 2024, of the Consolidated Entity.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2024 has been received and can be found on page 7 of the Interim Financial Report.

Signed in accordance with a resolution of the directors.

J P Welborn

JOHN WELBORN
Director

6 March 2025

Shape the future with confidence

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

As lead auditor for the review of the half-year financial report of Equatorial Resources Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Equatorial Resources Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Jared Jaworski
Partner
6 March 2025

	Notes	Half Year ended 31 Dec 2024 $	Half Year ended 31 Dec 2023 $
Operations			
Interest income		**330,026**	446,673
Exploration and evaluation expenses		**(55,974)**	(244,366)
Corporate and administrative expenses		**(242,754)**	(288,179)
Business development expenses		**(341,151)**	(385,443)
Arbitration expenses		**(430,134)**	(79,391)
Share-based payment (expense)/benefit	6	**(78,185)**	381,180
Loss before income tax		**(818,172)**	(169,526)
Income tax expense		**-**	-
Loss for the period		**(818,172)**	(169,526)
Attributable to:			
Equity holders of the parent		**(816,243)**	(168,941)
Non-controlling interests		**(1,929)**	(585)
		(818,172)	(169,526)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operations		**-**	29
Other comprehensive (loss)/income for the period, net of tax		**-**	29
Total comprehensive (loss)/income for the period		**(818,172)**	(169,497)
Attributable to:			
Equity holders of the parent		**(816,243)**	(168,917)
Non-controlling interests		**(1,929)**	(580)
		(818,172)	(169,497)
Earnings per share			
Basic and diluted loss per share (cents per share)		**(0.62)**	(0.13)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Notes	31 Dec 2024 $	30 Jun 2024 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	**12,621,451**	13,817,162
Trade and other receivables		**88,008**	83,936
Total Current Assets		**12,709,459**	13,901,098
Non-Current Assets			
Exploration and evaluation assets	4	**1,993,924**	1,993,924
Total Non-Current Assets		**1,993,924**	1,993,924
TOTAL ASSETS		**14,703,383**	15,895,022
LIABILITIES			
Current Liabilities			
Trade and other payables		**1,389,971**	1,844,751
Provisions		**3,840**	712
Total Current Liabilities		**1,393,811**	1,845,463
TOTAL LIABILITIES		**1,393,811**	1,845,463
NET ASSETS		**13,309,572**	14,049,559
EQUITY			
Contributed equity	5	**179,022,193**	179,022,193
Reserves	6	**1,493,454**	1,415,269
Accumulated losses		**(165,945,575)**	(165,129,332)
Equity attributable to equity holders of the parent		**14,570,072**	15,308,130
Non-controlling interests		**(1,260,500)**	(1,258,571)
TOTAL EQUITY		**13,309,572**	14,049,559

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Contributed Equity $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non-Controlling Interests $	Total Equity $
Balance at 1 July 2024	**179,022,193**	**1,195,676**	**219,593**	**(165,129,332)**	**(1,258,571)**	**14,049,559**
Net loss for the period	-	-	-	(816,243)	(1,929)	(818,172)
Total comprehensive loss for the period	**-**	**-**	**-**	**(816,243)**	**(1,929)**	**(818,172)**
Transactions with owners, recorded directly in equity						
Share-based payment expense	-	78,185	-	-	-	78,185
Balance at 31 December 2024	**179,022,193**	**1,273,861**	**219,593**	**(165,945,575)**	**(1,260,500)**	**13,309,572**
Balance at 1 July 2023	178,173,624	876,382	219,593	(163,367,443)	(1,695,498)	14,206,658
Net profit for the period	-	-	-	(168,941)	(585)	(169,526)
Other comprehensive (loss)/income:						
Exchange differences on translation of foreign operations	-	-	24	-	5	29
Total comprehensive (loss)/income for the period	-	-	24	(168,941)	(580)	(169,497)
Transactions with owners, recorded directly in equity						
Issue of securities to acquire Nimba Iron Ore Project	775,000	775,000	-	-	-	1,550,000
Issue of shares upon conversion of performance rights	80,000	(80,000)	-	-	-	-
Share issue costs	(6,431)	-	-	-	-	(6,431)
Share-based payment expense	-	(381,180)	-	-	-	(381,180)
Balance at 31 December 2023	179,022,193	1,190,202	219,617	(163,536,384)	(1,256,384)	15,639,244

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Note	Half Year ended 31 Dec 2024 $	Half Year ended 31 Dec 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers, employees and others		**(1,473,543)**	(1,365,750)
Interest received		**277,832**	380,027
Net cash flows from operating activities		**(1,195,711)**	(985,723)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Nimba Iron Ore Project		**-**	(7,624)
Net cash flows from investing activities		**-**	(7,624)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue costs		**-**	(6,432)
Net cash flows from financing activities		**-**	(6,432)
Net decrease in cash and cash equivalents		**(1,195,711)**	(999,779)
Cash and cash equivalents at beginning of period		**13,817,162**	16,661,528
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3	**12,621,451**	15,661,749

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. MATERIAL ACCOUNTING POLICY INFORMATION

Equatorial Resources Limited ("Equatorial" or the "Company") is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange. The consolidated interim financial statements of the Company as at and for the period from 1 July 2024 to 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group"). The nature of the operations and principal activities of the Group are as described in the Directors' Report.

The interim consolidated financial statements of the Group for the half year ended 31 December 2024 were authorised for issue in accordance with the resolution of the directors on 4 March 2025.

(a) Basis of Preparation of Half Year Financial Report

The interim consolidated financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars, unless otherwise stated.

The interim consolidated financial statements have been prepared on a going concern basis that contemplates the continuity of normal business activities and the realization of assets and the extinguishment of liabilities in the ordinary course of business.

(b) Statement of Compliance

This general purpose interim consolidated financial report for the half year reporting period ended 31 December 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2024. The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2024, other than as detailed below.

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2024. There are no new or revised standards, interpretations or amendments that are effective for the current year that are relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new standards have not had a material effect on the Group's financial statements.

(c) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 31 December 2024. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026	1 July 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	1 July 2027
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2028	1 July 2028

(d) Changes in Significant Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 30 June 2024. There are no new standards, amendments to standards, or interpretations effective 1 July 2024.

2. SEGMENT INFORMATION

AASB 8 *Operating Segments*, requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

3. CASH AND CASH EQUIVALENTS

	31 Dec 2024 $	30 Jun 2024 $
Cash on hand	**12,601,451**	13,797,162
Short term deposits[1]	**20,000**	20,000
	12,621,451	13,817,162

Note:

[1] Short term deposits are made for varying periods generally between one and six months depending on the cash requirements of the Group and earn interest at market term deposit rates. If short term deposits have an original maturity greater than three months, principal amounts can be redeemed in full with no significant interest penalty to the Group. Short term deposits are held with various financial institutions that are rated the equivalent of investment grade and above. As these instruments have maturity dates of less than twelve months, the Group has assessed the credit risk on these financial assets using lifetime expected credit losses. In this regard, the Group has concluded that the probability of default on the term deposits is relatively low. Accordingly, no impairment allowance has been recognized for expected credit losses on the term deposits.

4. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2024 $	30 Jun 2024 $
Areas of Interest		
Nimba Iron Ore Project (Guinea)	**1,993,924**	1,993,924
Carrying amount at end of the period[1]	**1,993,924**	1,993,924
Reconciliation		
Carrying amount at beginning of the period	**1,993,924**	-
Acquisition of Nimba Iron Ore Project (Guinea)	**-**	1,993,924
Carrying amount at end of the period[1]	**1,993,924**	1,993,924

Note:

[1] The ultimate recoupment of costs carried for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.

5. CONTRIBUTED EQUITY

	31 Dec 2024 $	30 Jun 2024 $
Issued capital		
Fully paid ordinary shares: 131,445,353 (30 June 2024: 131,445,353)	**179,022,193**	179,022,193

Note:

[1] There were no movements in ordinary shares during the half year ended 31 December 2024

6. RESERVES

	Note	31 Dec 2024 $	30 Jun 2024 $
Share-based payments reserve	6(a)	**1,273,861**	1,195,676
Foreign currency translation reserve		**219,593**	219,593
		1,493,454	1,415,269

(a) Movements in share-based payments reserve during the period

Date	Details	Number of Unlisted Incentive Options	Number of Unlisted Performance Rights	Number of Unissued Deferred Shares	$
1 July 24	Opening balance	**4,000,000**	**500,000**	**5,000,000**	**1,195,676**
13 Sept 24	Issue of unlisted incentive options	**3,600,000**	**-**	**-**	**-**
31 Dec 24	Share-based payment expense	**-**	**-**	**-**	**78,185**
31 Dec 24	Closing balance	**7,600,000**	**500,000**	**5,000,000**	**1,273,861**

Note:
[1] The share-based payment expense of $78,185 recognised for the period is attributable to expensing the value of unlisted incentive options and/or unlisted performance options granted to employees and consultants over their vesting period.

7. RELATED PARTY DISCLOSURES

Mr John Welborn has a consultancy agreement with the Group pursuant to which Mr Welborn is engaged as a consultant to provide services in connection with the Company's claims and international arbitration proceedings against Congo to which the Company's subsidiary, EEPL, is a party. In consideration for the services to be provided by Mr Welborn, following shareholder approval during the half year, the Company issued Mr Welborn a right entitling him to receive 5% of the net compensation received by the Company in connection with the claims or arbitration proceedings. The consultancy agreement is for an initial period of three years and will be automatically extended for a period of two years if the arbitration proceedings have not concluded within the initial three-year period. Mr Welborn has the option to extend the term for an additional two years if the arbitration proceedings are not concluded within the five-year period. The Company may terminate the consultancy agreement by providing 30 days' notice if there is a material breach by Mr Welborn or Mr Welborn commits an act of gross negligence, fraud, serious misconduct, or a criminal offence.

Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a director and beneficial shareholder, was paid or is payable $195,000 (31 December 2023: $186,000) for the provision of serviced office facilities and administrative, accounting and company secretarial services during the half year. The amount is based on a monthly retainer due and payable in advance, with no fixed term, and the agreement may be terminated by either party with one month's notice.

8. CONTINGENT ASSETS AND LIABILITIES

There have been no material changes to the commitments or contingencies disclosed in the most recent annual financial report of the Company.

9. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividend has been paid or provided for during the half year (31 December 2023: nil).

10. EVENTS SUBSEQUENT TO BALANCE DATE

At the date of this report, there are no other matters or circumstances which have arisen since 31 December 2024 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2024, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 31 December 2024, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 31 December 2024, of the Consolidated Entity.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Equatorial Resources Limited:

In the opinion of the directors:

(a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:

(i) section 304 (compliance with accounting standards and the Corporations Regulations 2001) and;

(ii) section 305 (giving a true and fair view of the financial position of the Group as at 31 December 2024 and of its performance for the half year ended on that date); and

(b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

JPWelborn

JOHN WELBORN
Director
6 March 2025

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Shape the future
with confidence

Independent auditor's review report to the members of Equatorial Resources Limited

Conclusion

We have reviewed the accompanying condensed half-year financial report of Equatorial Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Shape the future
with confidence

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Jared Jaworski
Partner
Perth
6 March 2025

Forward Looking Statements

This report may include forward-looking statements. 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 report, to reflect the circumstances or events after the date of this report.

Competent Person's Statement

The information in this report that relates to Exploration Results and Exploration Targets is extracted from the Company's ASX announcements dated 17 July 2024, 20 May 2024, 12 October 2023, 31 July 2023, and 21 April 2023 ("Original ASX Announcements"). These announcements are available to view at the Company's website at www.equatorialresources.com.au. The Company confirms that: a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements..