



ASX: EQX | 31 March 2011 | ASX RELEASE

DRILLING COMMENCES AT MAYOKO-MOSSONDJI IRON PROJECT

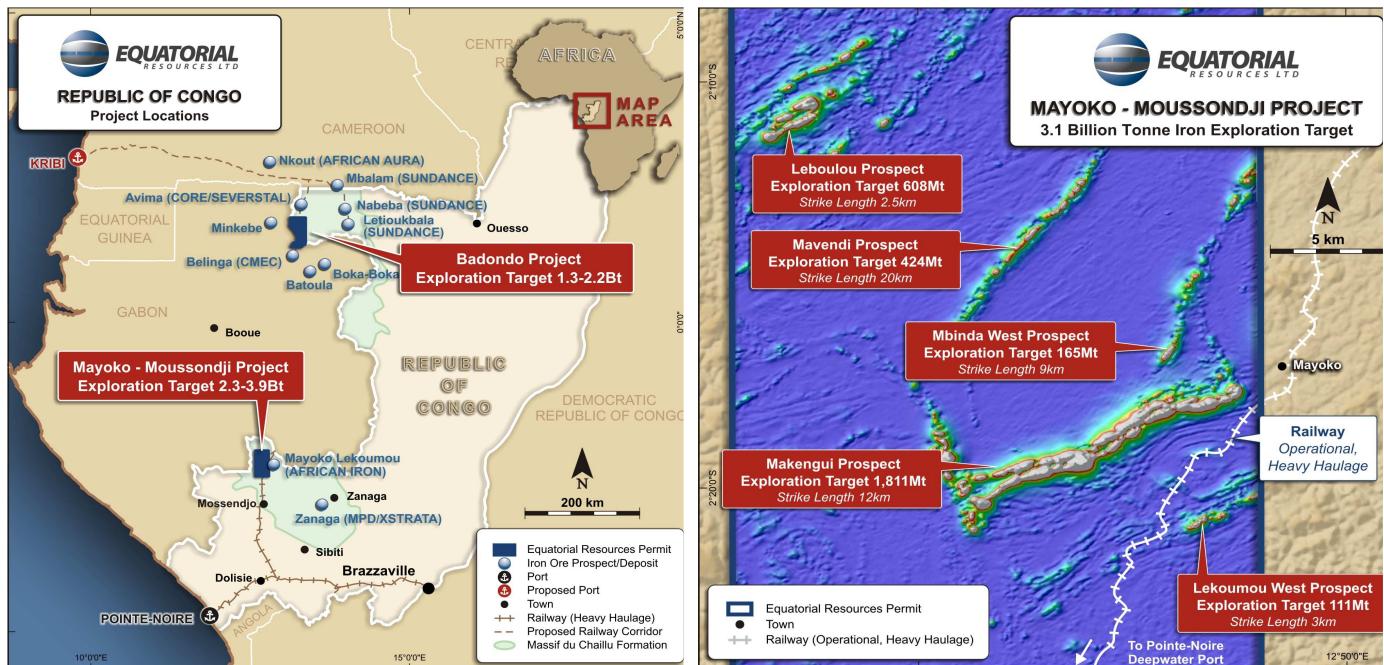
Equatorial Resources Limited ("Equatorial" or "Company") is pleased to advise that drilling has commenced at the Company's 100% owned Mayoko-Moussondji Iron Project in the Republic of Congo.

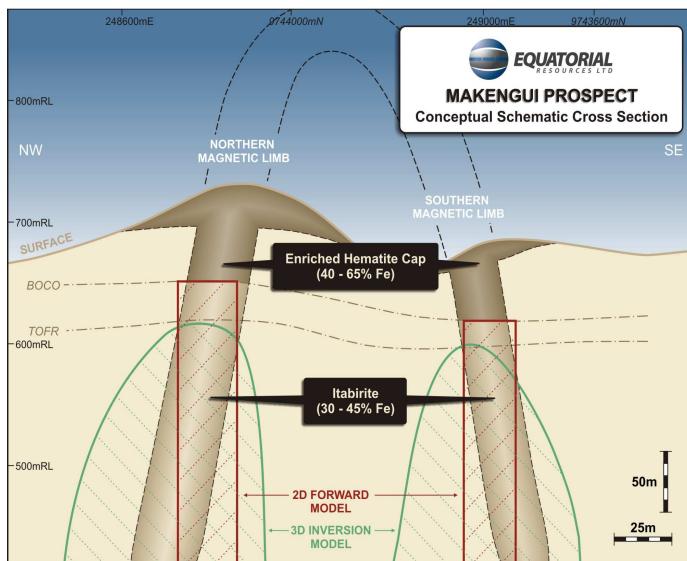
The Company has contracted Partners Drilling International from South Africa to perform shallow Reverse Circulation and Diamond drilling to focus on weathered itabirite zones with the potential to host "hematite cap" mineralisation that is expected to overlay a large magnetite rich itabirite ore body.

The initial drilling program will target potential "hematite cap" mineralisation at the Company's Makengui Prospect. Makengui is one of five main prospects at Mayoko-Moussondji which total more than 46km of potential iron strike identified from the airborne geophysics program conducted in late 2010.

The Makengui Prospect is 12km long, up to 2km wide and lies 500m from the existing bulk haulage railway line that connects the project to the port at Pointe-Noire. Rock chip samples collected at Makengui have graded as high as 60.5% Fe and indicate significant zones of hematite enrichment.

The drilling program is focused on identifying the potential for direct shipping ore ("DSO") to enable the rapid development of a start-up project based on the Company's access to the existing rail and port infrastructure.





Equatorial's Exploration Target at Mayoko-Moussondji has been estimated at **2.3 to 3.9 BILLION TONNES¹** of iron mineralisation at an expected grade of between 30% to 65% Fe. This target comprises of:

- Potential enriched "hematite cap" iron mineralisation estimated to range between **500 to 900 MILLION TONNES¹** at a grade of 40% to 65% Fe; and
- Primary itabirite iron mineralisation estimated to range between **1.8 to 3.0 BILLION TONNES¹** at a grade of 30% to 45% Fe.

Equatorial has worked closely with resource industry consultants CSA Global ("CSA") to design the drill program. A team of CSA geologists, highly experienced in African resource projects, are now on-site at Mayoko-Moussondji assisting Equatorial's geological team in overseeing the drill program.

Mr John Welborn, Managing Director and CEO, said "We are delighted drilling has commenced at Mayoko-Moussondji where we have the potential to identify significant quantities of direct shipping ore that can be transported on existing infrastructure to world markets. This marks the start of an extensive drilling campaign that will continue all year and will be expanded as additional drill rigs become available. In a period of less than nine months since acquiring the Project we have made enormous progress in our goal of defining and developing a globally significant iron project."

For all enquiries please contact:

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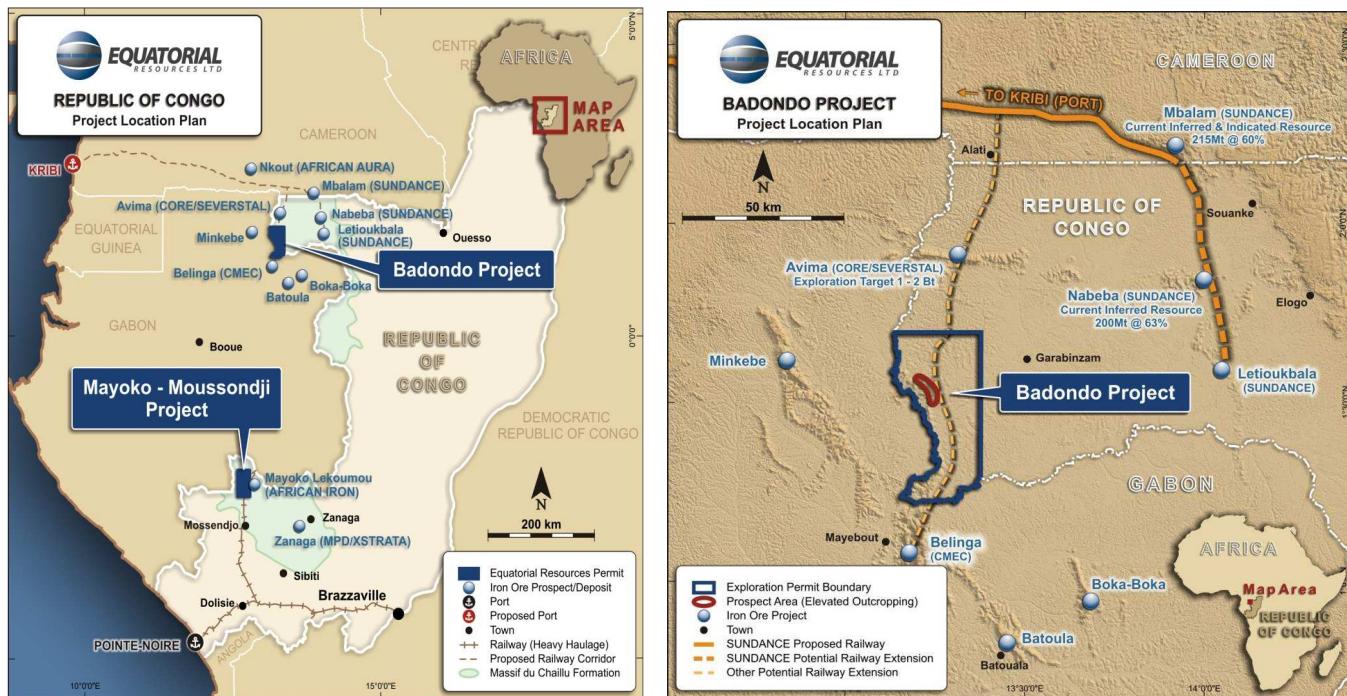
¹ Exploration Target: The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

ABOUT EQUATORIAL RESOURCES

Equatorial Resources Limited (ASX:EQX), is focused on the exploration and development of two 100% owned potentially large-scale iron ore projects located in the politically stable and investment friendly Republic of Congo ("ROC") in the emerging global iron ore province of Central West Africa.

The **Mayoko-Moussondji Iron Project**, located in the southwest region of the ROC, has an estimated global exploration target of between 2.3 and 3.9 billion tonnes¹ of iron mineralisation at a grade of 30% to 65% Fe. The project has access to a rail line running directly to the deep-water port of Pointe-Noire, where the Company's operational office is located.

The **Badondo Iron Project**, in the northwest region of ROC, has an estimated global exploration target of between 1.3 and 2.2 billion tonnes¹ of iron mineralisation at a grade of 30% to 65% Fe. The project is located within a regional cluster of world-class iron ore exploration projects including Sundance Resources' Mbalam and Nabeba projects.



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The information in this announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Mathew Cooper (B.App.Sc (Geophysics) Hons.) of Resource Potentials Pty Ltd, who was engaged by Equatorial Resources Limited to provide geophysical consulting services. Mr Cooper is a member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results, other than Geophysical Exploration Results, is based on information compiled by Mr Peter Woodman, who is a member of the Australian Institute of Mining and Metallurgy. Mr Woodman is a Director of Equatorial Resources Limited. Mr Woodman has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woodman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.