



EQUATORIAL
RESOURCES LTD

Africa's next major iron company



Large Scale Iron Projects in the Republic of Congo

Africa Downunder Conference – August/September 2011

ASX: EQX

DISCLAIMER

Important Notice

- This document should be read in conjunction with any public announcements and reports (including financial reports and disclosure documents) released by Equatorial Resources Limited. This document has been prepared as a summary only, and does not contain all information about the Company's assets and liabilities, financial position and performance, profits and losses, prospects and the rights and liabilities attaching to the Company's securities.
- The securities issued by the Company are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.
- Further details on risk factors associated with the Company's operations and its securities are contained in the Company's prospectus dated 1 September 2010 and subsequent announcements to the Australian Securities Exchange.
- Some of the statements contained in this release are forward-looking statements. Forward looking statements include but are not limited to, statements concerning estimates of recoverable copper and gold, expected copper and gold prices, expected costs, statements relating to the continued advancement of the Company's projects and other statements which are not historical facts. When used in this document, and on other published information of the Company, the words such as "aim" "could," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements.
- Although the company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward-looking statements include the potential that the Company's projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by the Company or disclosed in the Company's published material.
- The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document. Recipients of this document should carefully consider whether the securities issued by the Company are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.
- *Exploration Targets: The estimates of exploration target sizes mentioned in this document should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there have been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.
- 3D and 2D modelling of new aeromagnetic survey data over the Company's Mayoko-Moussondji iron project in the Republic of Congo has indicated a global exploration target estimate of between 2,300Mt to 3,900Mt. Of this, 1,800 to 3,000Mt represents primary itabirite and 500Mt to 900Mt represents potentially enriched hematite cap mineralisation above the primary bedrock itabirite iron mineralisation. The enriched hematite cap mineralisation could potentially grade between 40% - 65% Fe and the itabirite mineralisation from 30% - 45% Fe.
- 3D and 2D modelling of new aeromagnetic survey data over the Company's Badondo iron project in the Republic of Congo has indicated a global exploration target estimate of between 1,300Mt to 2,200Mt. Of this, 1,100Mt to 1,900Mt represents primary itabirite and 200Mt to 300Mt represents potentially enriched hematite cap mineralisation above the primary bedrock itabirite iron mineralisation. The enriched hematite cap mineralisation could potentially grade between 40% - 65% Fe and the itabirite mineralisation from 30% - 45% Fe.
- The information mentioned in this report that relates to Geophysical Exploration Results (including Exploration Targets) 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 Sean Halpin, who is a member of the Australian Institute of Geoscientists. Mr Halpin is a full time employee of Equatorial Resources Limited. Mr Halpin 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 Halpin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

LARGE SCALE IRON PROJECTS IN THE REPUBLIC OF CONGO

- ✓ 3.6 – 6.1 BILLION tonne Iron Exploration Target* across two 100% owned projects
- ✓ Access to existing operational rail and port
- ✓ A\$82M¹ in cash and securities
- ✓ Extensive drilling campaign commenced
- ✓ Board and management with proven track record in Africa



*Exploration Targets: The estimates of exploration target sizes mentioned above should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there have been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

¹ Post acquisition of 19.9% of AKI

RAPID PROGRESS SINCE LAST YEAR

LAST YEAR'S ADU CONFERENCE

Acquired 100% of two projects in June 2010

Limited geological information

No corporate presence in ROC

PROGRESS

TODAY

Multi-billion tonne iron exploration targets* across both projects

More than 120 staff globally and office locations in Perth, London & ROC

3 drill rigs operational on largest drilling program commenced in ROC

Agreements signed with rail & port operators

Project development planning underway

*Exploration Targets: The estimates of exploration target sizes mentioned above should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there have been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

CENTRAL & WEST AFRICAN IRON ORE:

Globally Significant Undeveloped Iron Ore Region

- ✓ Massive Scale
- ✓ High Quality resources
- ✓ Coarse Grained Ore Bodies
- ✓ Low cost of production



THE RACE TO PRODUCTION...

- ✓ Potential supply pipeline of >500mtpa by 2020 (up to 25% of global supply)*
- ✓ Alternative source of supply for global steel manufacturers
- ✓ Transport infrastructure the key to unlocking value



*Iron Ore Supply Outlook, Macquarie Bank, 5 May 2011

MINING IN THE REPUBLIC OF CONGO

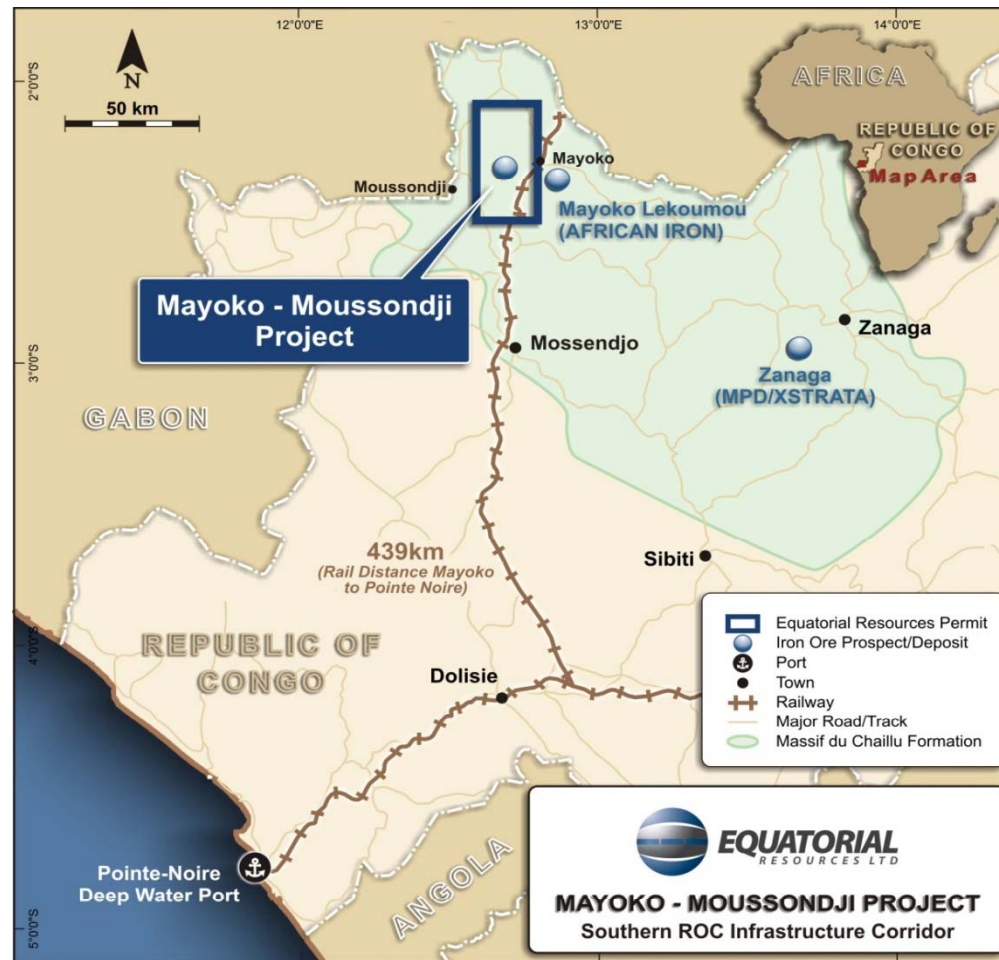
Active development of strong mining industry

- Economic diversification away from dependence on oil
- New mining code adopted in 2005
- Favourable fiscal terms for miners
 - 3% Royalty on Revenues
 - 10% government participation on conversion to Mining Permit

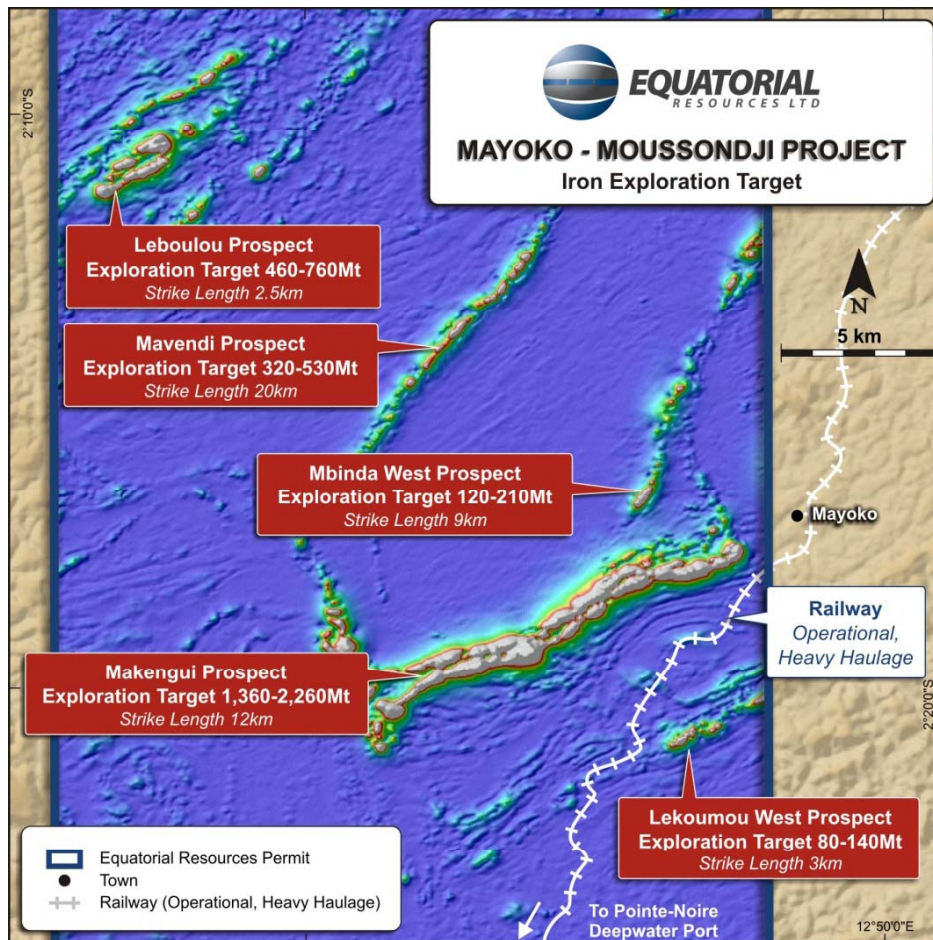


John Welborn, MD & CEO and Minister Pierre Oba, Minister of Mines ROC

MAYOKO-MOUSSONDJI IRON PROJECT



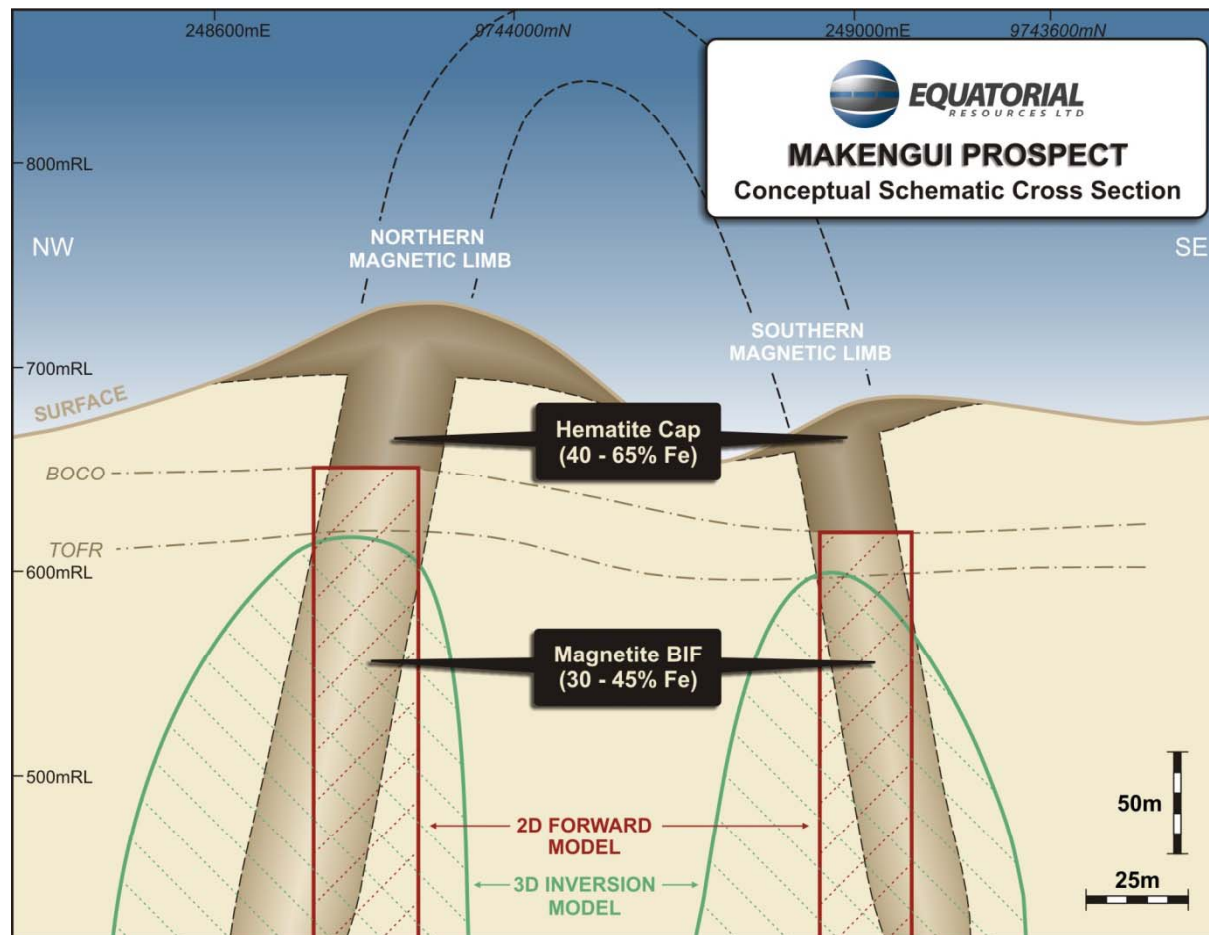
2.3–3.9 BILLION TONNES EXPLORATION TARGET* *at 30-65% Fe*



- ✓ **46km STRIKE LENGTH** of magnetic anomalies prospective for iron mineralisation
- ✓ Hematite Rock sample assays returned iron grades as high as **61.7% Fe** at surface with low contaminants
- ✓ **2.3 - 3.9 BILLION TONNES*** exploration target of iron mineralisation (grade 30% - 65% Fe), of which:
 - **500 to 900 MILLION TONNES*** of enriched “hematite cap” potential estimated at a grade of 40% - 65% Fe

*Exploration Targets: The estimates of exploration target sizes mentioned above should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there have been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

HEMATITE CAP: POTENTIAL FOR DIRECT SHIPPING ORE



HEMATITE CAP: POTENTIAL FOR DIRECT SHIPPING ORE



- ✓ Drill program designed to delineate high grade direct shipping ore (“DSO”)
- ✓ Drilling currently focused at Makengui anomaly
- ✓ Makengui is 12km long, up to 2km wide and is located only 500m from bulk commodity railway line



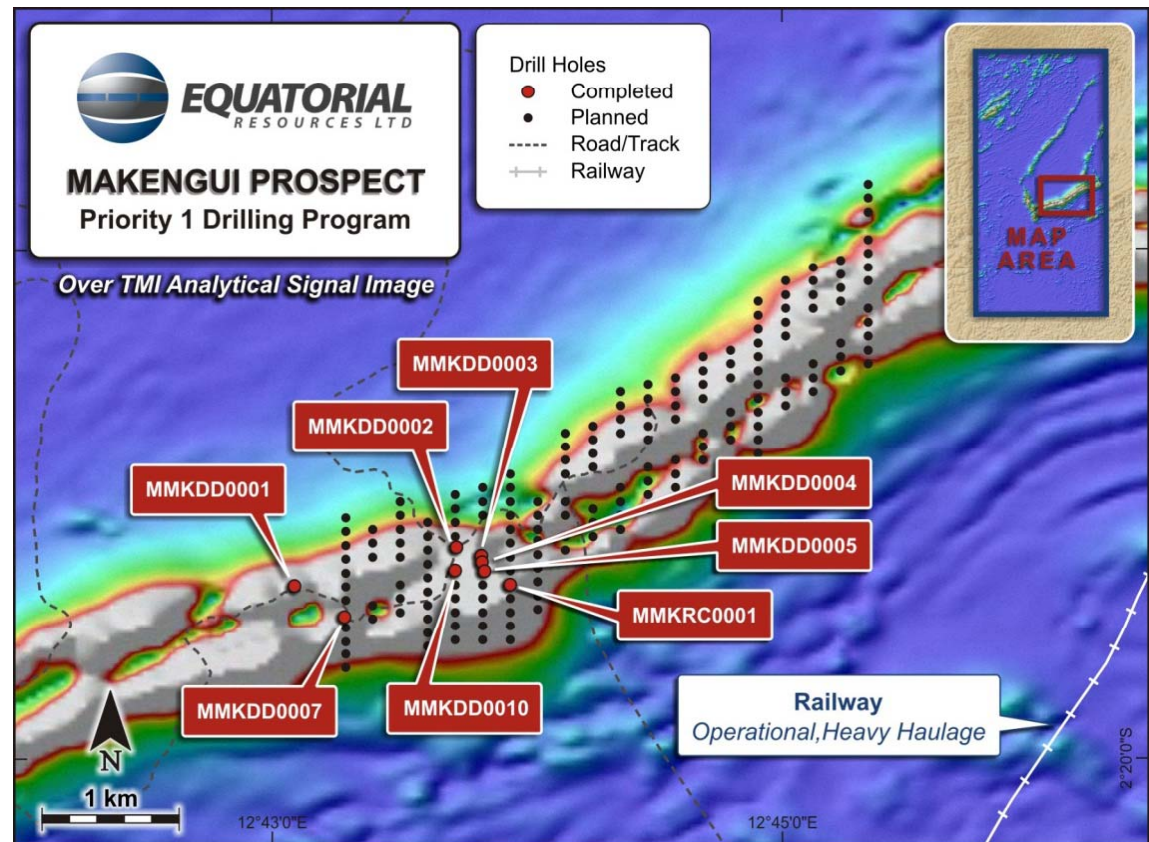
DRILL PROGRAM UNDERWAY

- ✓ Two drilling contractors currently operating three rigs for a total contracted program of ~ 70,000m
- ✓ Focus of drilling is the hematite cap at Makengui
- ✓ Initial drilling results expected late September 2011
- ✓ Aiming for maiden JORC-compliant hematite resource end Q1 2012



INITIAL DRILLING HAS CONFIRMED OUR GEOLOGICAL MODEL

- ✓ Oxidised hematite cap at Makengui up to 80m thick overlaying fresh BIF
- ✓ Oxide cap extends at least 800m along Makengui and is open to the northeast and southwest along strike



ASSAY RESULTS DUE LATE SEPTEMBER 2011

Oxide Hematite Cap at Makengui



Magnetite BIF at Makengui



- ✓ First batch of diamond drill core samples is being processed at SGS Mineral Services (“SGS”) laboratory in Johannesburg, South Africa
- ✓ SGS to procure and run an onsite sample preparation laboratory at Mayoko-Moussondji, expected to be operational by November 2011

PROJECT DEVELOPMENT

- ✓ More than 100 workers currently on site:
 - Drilling Contractors & Support Staff
 - Construction Crew
 - Infrastructure Project Team
 - Geological Staff
- ✓ Fully developed camp capable of supporting 30 expatriate staff
- ✓ Fleet of heavy equipment currently clearing drill sites, building roads and completing infrastructure projects
- ✓ Transport:
 - ✓ Weekly charter flight to nearby airstrip
 - ✓ Regular use of railway line for freight and equipment



RAILWAY ACCESS AND DEVELOPMENT



- ✓ Heavy Haulage Railway capable of 10Mtpa currently being used only for a weekly passenger service
- ✓ Agreement signed with Le Chemin de Fer Congo Ocean (CFCO) granting Equatorial immediate access to the railway line
- ✓ Rail Engineering & Investment Study prepared by R&H Railway Consultants for the operating parameters of a 5mtpa project

PORT INFRASTRUCTURE



- ✓ Port of Pointe-Noire is one of the largest ports in Central & West Africa
- ✓ Currently capable of handling Panamax sized vessels
- ✓ Equatorial has signed an agreement with the Port of Pointe-Noire to cooperate on studies and implement the infrastructure required to export iron ore from the existing port
- ✓ Pre-Feasibility study prepared by Murray & Roberts Marine

PATHWAY TO PRODUCTION

Airborne
geophysics
Geological mapping
Surface sampling
Rail & Port
assessment
Exploration Target

Scoping Study
Drilling
Detailed
metallurgical work
Commence capex
upgrades
Complete ESIA

Targeted
commencement of
mine development
& commissioning



Drilling
Initial assay
testwork
Baseline ESIA
Power, Rail & Port
option review



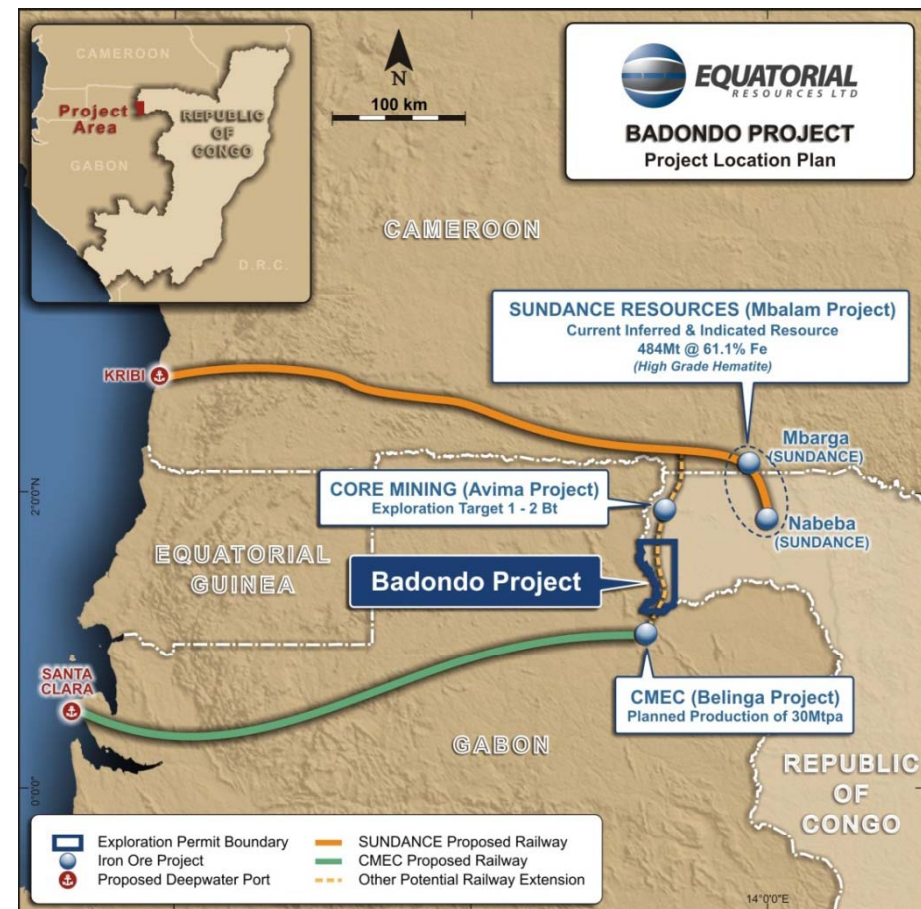
Feasibility study
Finalise capex
upgrades



BADONDO IRON PROJECT

Key position in emerging iron region

- ✓ **1.3 – 2.2 BILLION TONNES*** exploration target of iron mineralisation (grade 30% - 65% Fe), of which:
 - **200 to 300 MILLION TONNES*** of enriched “hematite cap” potential estimated at a grade of 40% - 65% Fe

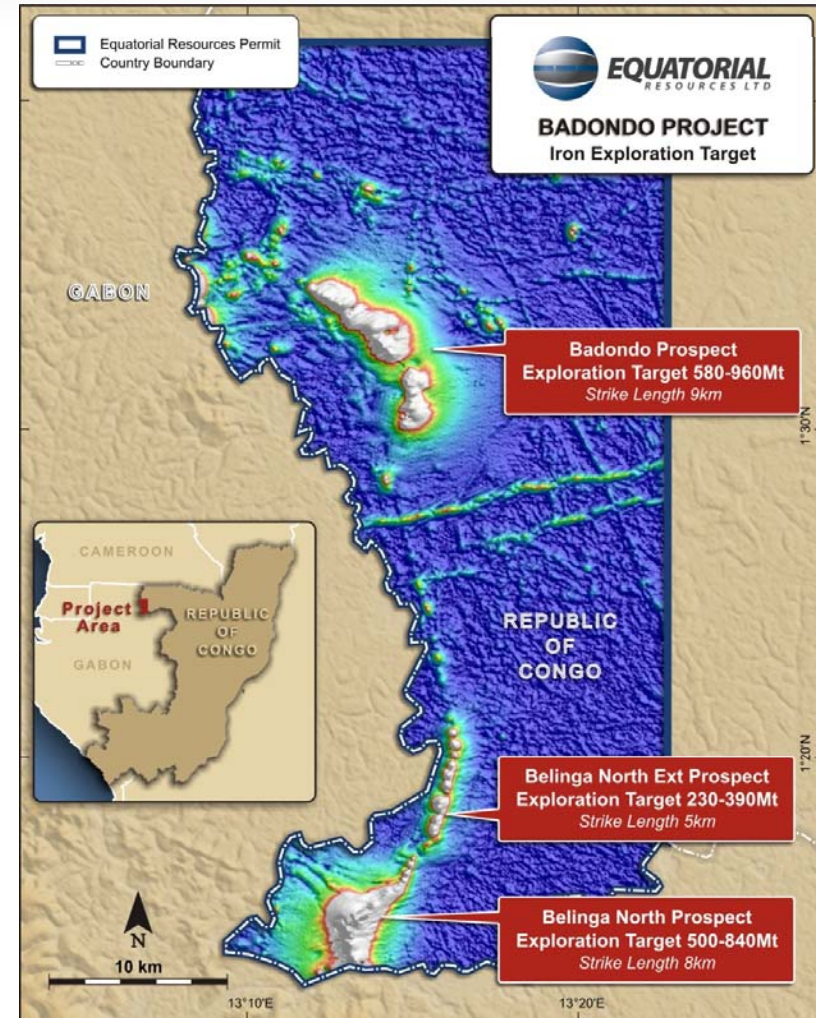


*Exploration Targets: The estimates of exploration target sizes mentioned above should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there have been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

BADONDO IRON PROJECT

PROJECT DEVELOPMENT PLANS

- ✓ Current Work Program
 - Geological mapping and sampling
 - Preparation of helicopter landing zones
 - Preparation for drill program
- ✓ Drill Program 2011
 - Drill rig under construction for initial helicopter-supported drill program



*Exploration Targets: The estimates of exploration target sizes mentioned above should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there have been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

EQX: UNIQUE DEVELOPMENT POTENTIAL AND VALUE DRIVERS

SHORT TERM POTENTIAL

High value DSO production based on existing infrastructure

Significant cash generation, low capex



LONG TERM POTENTIAL

High volume, low cost globally significant supply

Xstrata, Sundance, CMEC accelerating development of new regional transport infrastructure

Africa's Next Major Iron Company

| EQUATORIAL RESOURCES LTD (ASX: EQX) | | 31 August 2011 |
|-------------------------------------------------------|--|-------------------------|
| Fully Paid Ordinary Shares | | 113.0 million |
| Unlisted Options (Various Expiry and Exercise Prices) | | 11.2 million |
| Vendor Milestone Shares (100Mt JORC Mineral Resource) | | 2.0 million |
| Market Capitalization Undiluted (@ A\$2.85) | | A\$322.1 million |
| Cash and Listed Securities | | A\$82.0 million |
| Top 20 Shareholders: | | 77.3% |
| Directors & Associates | | 11.1% |
| M&G Investments (UK) | | 14.4% |
| Blackrock Group (UK) | | 10.9% |
| JP Morgan | | 7.1% |
| Other Top 20 | | 33.8% |

ASX: EQX

www.equatorialresources.com.au

AUSTRALIA:

Level 9, BGC Centre
28 The Esplanade
Perth WA 6000
Australia
Tel: +61 8 9322 6322
Fax: +61 8 9322 6558

REPUBLIC OF CONGO

03 Avenue de Loango, 2eme.
Etage, Ndjindji, Arrondissement 1
EP Lumumba, Pointe-Noire
Republic of Congo

UNITED KINGDOM:

18 Pall Mall
London SW1Y 5LU
United Kingdom
Tel: +44 207 389 5021
Fax: +44 207 389 5011

