



ASX: EQX | 4 February 2013 | ASX RELEASE

# MAIDEN HEMATITE RESOURCE OF 102 MILLION TONNES AT MAYOKO-MOUSSONDJI

## HIGHLIGHTS

- Initial JORC Hematite Resource of 102 million tonnes at 40.6% Fe for Mayoko-Moussondji.
- Total JORC Mineral Resource Estimate (Hematite and Magnetite) for Mayoko-Moussondji of 767 million tonnes at 31.9% Fe.
- Metallurgical test work demonstrates the potential for the Hematite Resource to deliver premium iron products grading above 63% Fe with low impurities using simple beneficiation techniques and with high overall mass recoveries.
- The maiden Mineral Resource Estimate covers only 35%, or 16km, of the more than 46km of mineralised strike at Mayoko-Moussondji.
- Drilling program is continuing and the potential exists to substantially increase the resource base with further work.
- The Mineral Resource Estimate will be incorporated into Equatorial's Scoping Study for Mayoko-Moussondji which is anticipated to be completed by mid 2013.

Mayoko-Moussondji Iron Project					
Indicated and Inferred Mineral Resource Estimate - February 2013					
Rock type	Tonnes (Millions)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
Colluvial Hematite	44.2	43.9	19.0	9.6	0.069
Friable Hematite	40.2	38.6	34.9	5.3	0.066
Hard Hematite	17.4	36.7	42.2	2.6	0.063
<b>Total Hematite</b>	<b>101.8</b>	<b>40.6</b>	<b>29.2</b>	<b>6.7</b>	<b>0.067</b>
Magnetite BIF	665.0	30.6	47.4	3.1	0.056
<b>Total Resource</b>	<b>766.8</b>	<b>31.9</b>	<b>45.0</b>	<b>3.6</b>	<b>0.057</b>

**Table 1: Summary of Maiden Mineral Resource Estimate – Indicated and Inferred**

## HIGHLIGHTS (Continued)

Equatorial Resources Limited ("Equatorial" or the "Company") is pleased to announce a 767 million tonne maiden Mineral Resource Estimate ("MRE") for its 100% owned Mayoko-Moussondji Iron Project ("Mayoko-Moussondji" or "the Project") in the south-west of the Republic of Congo ("ROC") (refer Figure 1).

The total MRE of 767 million tonnes at 31.9% Fe comprises an Indicated and Inferred Hematite Resource component of 102 million tonnes at 40.6% Fe ("Hematite Resource") and an Indicated and Inferred Magnetite Resource component of 665 million tonnes of Fresh Magnetite Banded Iron Formation ("BIF") at 30.6% Fe ("Magnetite Resource").

The Hematite Resource is made up of the three ore types identified at Mayoko-Moussondji: Colluvial Hematite, Friable Hematite, and Hard Hematite. Based on the metallurgical test work completed to date the hematite material is expected to readily produce premium lump and fines iron products grading above 63% Fe with low impurities through simple processing techniques with high overall mass recovery. The maiden Hematite Resource will be used as the initial resource base for Equatorial's Scoping Study and on-going feasibility studies focused on early production from Mayoko-Moussondji using the Project's access to existing transport infrastructure. The target product specifications for Mayoko-Moussondji are presented below in Table 2.

Mayoko-Moussondji Iron Project						
Target Product Specifications						
Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	TiO <sub>2</sub> %	LOI <sub>1000</sub>
>63.0	<5.0	<2.4	<0.080	<0.025	<0.07	<2.5

**Table 2: Target Product Specifications**

The MRE has been prepared by independent consultants CSA Global Pty Ltd ("CSA") and reported in accordance with the JORC Code (2004). The MRE is based on data from 43,743 metres of drilling from 383 drill holes. Drilling to date has extended over a strike length of 16km which represents only 35% of the identified magnetic strike at the Project. Accordingly, the reported maiden MRE is considered an initial resource and potential exists to substantially increase the resource base with on-going drilling.

Equatorial's Managing Director and CEO, Mr John Welborn, said: "The maiden JORC Resource for Mayoko-Moussondji is a significant milestone for Equatorial. The Hematite Resource of more than 100 million tonnes represents a large inventory of upgradeable material that we are targeting to deliver premium iron products to global markets using the existing railway and port which service the Project. The maiden resource is the result of excellent work by our technical team and will immediately be incorporated into the Scoping Study which we expect to be completed by mid-year. The total resource of 767 million tonnes, with substantial opportunity for further growth, clearly demonstrates the scale and long term potential of the Project".

## PROJECT LOCATION AND BACKGROUND

Mayoko-Moussondji is located in the south-west region of the ROC in the Department of Niari. The Project has access to an existing and operational railway line that links the project area to the deep water port of Pointe-Noire.

Equatorial's exploration strategy at Mayoko-Moussondji has been to identify near surface hematite mineralisation to enable the development of a start-up project based on the Company's access to transport infrastructure.

An airborne geophysical survey was carried out over the entire project area in late 2010 and identified five anomalous iron prospects with a combined estimated strike length of more than 46km. Subsequent surface rock chip sampling identified high grade hematite at surface with grades up to 61.7% Fe (refer ASX announcement 30 November 2010). A diamond and reverse circulation ("RC") drilling campaign commenced at Mayoko-Moussondji in March 2011 (refer ASX announcement 31 March 2011) targeting shallow hematite mineralisation.

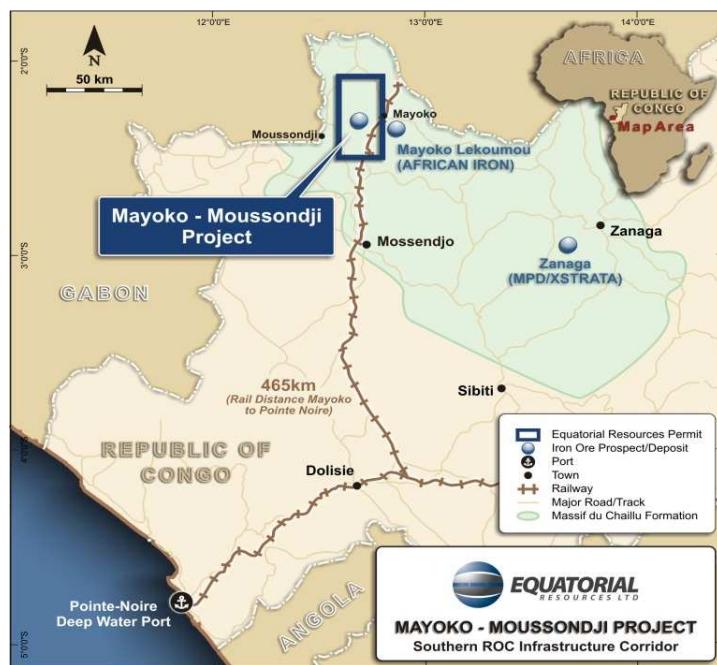


Figure 1: Mayoko-Moussondji Project Location Plan

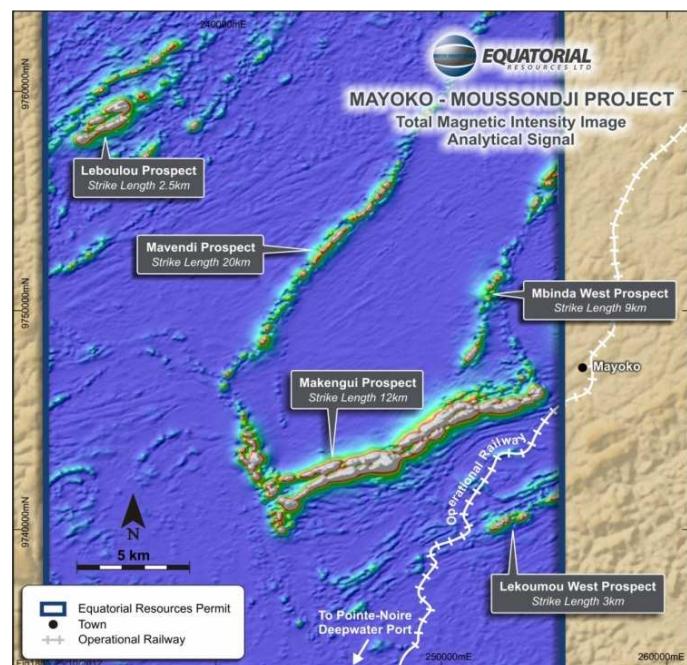


Figure 2: Mayoko-Moussondji Project Total Magnetic Analytical Signal

The focus of exploration and drilling has been on the Makengui Prospect, the largest of the five identified prospects at Mayoko-Moussondji. Makengui is 12km long, up to 2km wide and lies 500m from the operational railway line.

The railway line that links Mayoko-Moussondji to the deep water port of Pointe-Noire extends along 465km of track and is under the control of the state owned railway company Chemin de Fer Congo Ocean ("CFCO"). The port of Pointe-Noire is one of Africa's largest deep water ports and a major transport hub for Central and West Africa. The existing port was developed and used by COMILOG, the French manganese producer who constructed the Mayoko railway system, to transport up to 3mtpa of ore between 1962 and 1991. The port of Pointe-Noire is controlled and operated by the Port Authority of Pointe-Noire ("PAPN"), a state owned entity.

Equatorial is aiming to commence initial operations at Mayoko-Moussondji by utilising the railway line and exporting ore through the existing port of Pointe-Noire. Production is targeted to increase in stages and the Company will seek to collaborate with other bulk commodity producers in the development of future large scale rail and port solutions.

## PROJECT GEOLOGY

Mayoko-Moussondji is located within the north-west margin of the Achaean African Congo Craton. The north-west margin is comprised of an assemblage of granitoids known as the Chaillu Block which extends from the ROC through Gabon and the southern Cameroon. The Chaillu Block is comprised of banded gneiss, greenstones and banded iron formations or magnetite banded iron formations.

The BIF at the Makengui Prospect comprises 2 sub-parallel, steeply dipping bands within an amphibolite. The banded magnetite units have undergone supergene enrichment to produce ochreous goethite, and hematite/martite and subordinate goethite mineralisation. On the crest of hills and down slope hematite enriched scree is exposed in thicknesses up to ~20m thick. This unit is comprised of well-preserved angular BIF, cemented with hematite and ochreous goethite.

The BIF unit is inter-bedded with an amphibolite unit which is comprised of plagioclase and amphibole with occasional garnet and rare magnetite. Pegmatite swarms are commonly seen to cross cut all lithologies within the project area and are composed of quartz, pink K-feldspar, euhedral magnetite and garnet. The pegmatites swarm in structural corridors which cross cut the geological packages. Where the pegmatites exist away from structural corridors they tend to conform with bedding. Granite is seen within the drill core and is composed of equigranular medium-grained quartz, K-feldspar, plagioclase and biotite.

The BIF ridge has a dominant sub-vertical dip to the north-north-west with occasional dips to the south-south-east. On the south-western edge of the BIF unit, the unit strikes abruptly to the north-north-west as a consequence of granite intrusion. The north-eastern edge of the BIF units would appear to terminate against a north-north-west trending fault.

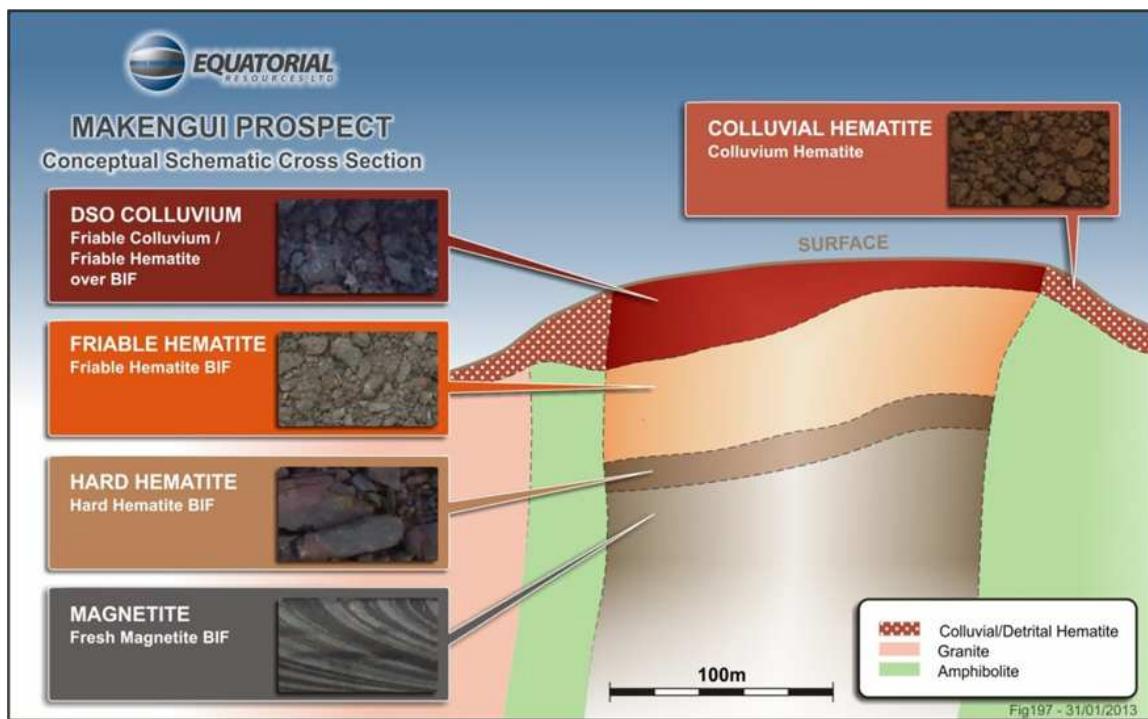


Figure 3: Conceptual Schematic Section

Drilling has identified zones of mineralisation grading from a DSO/colluvium zone (Colluvial Hematite) which overlays an oxidized hematite zone (Friable Hematite) which passes through a transition zone (Hard Hematite) into unoxidized Magnetite BIF. A Conceptual Cross Section of the Makengui Prospect is shown above in Figure 3. Narrow steeply dipping Pegmatite waste lenses are not shown. Mineralised zones have previously been identified by Equatorial as DSO, pDSO, Colluvium and Magnetite BIF. For the purposes of the MRE the ore types at Mayoko-Moussondji have been classified according to geology and metallurgy as Friable Hematite, Hard Hematite, Colluvium, and Magnetite BIF. These zones have been identified as having the potential to produce premium iron ore products.

## MINERAL RESOURCE ESTIMATE

The maiden MRE for Mayoko-Moussondji has been prepared by independent consultants CSA as at 1<sup>st</sup> February 2013 and reported in accordance with the JORC Code (2004).

Mayoko-Moussondji Iron Project									
Mineral Resource Estimate - February 2013									
Resource Class	Material Type	Tonnage (Mton)	Fe grade (%)	P grade (%)	SiO <sub>2</sub> grade (%)	Al <sub>2</sub> O <sub>3</sub> grade (%)	LOI grade (%)	S grade (%)	In-Situ Dry Bulk Density
Indicated	Colluvial Hematite	12.2	48.3	0.066	15.8	8.2	6.0	0.04	2.65
	Friable Hematite	7.3	42.7	0.067	33.5	2.7	2.1	0.02	2.80
	Hard Hematite	5.7	38.5	0.060	40.9	1.7	1.1	0.01	2.97
	Magnetite BIF	1.4	35.1	0.063	44.2	2.2	-0.7	0.06	3.20
	Sub-Total	26.6	44.0	0.065	27.5	5.0	3.5	0.03	2.78
Inferred	Colluvial Hematite	32.0	42.3	0.070	20.3	10.1	8.1	0.08	2.65
	Friable Hematite	32.9	37.7	0.066	35.2	5.9	4.4	0.05	2.80
	Hard Hematite	11.6	35.8	0.064	42.8	3.1	1.9	0.08	2.97
	Magnetite BIF	663.6	30.6	0.056	47.4	3.1	-0.3	0.15	3.20
	Sub-Total	740.2	31.5	0.057	45.6	3.6	0.3	0.14	3.15
Total Indicated + Inferred	Colluvial Hematite	44.2	43.9	0.069	19.0	9.6	7.5	0.07	2.65
	Friable Hematite	40.2	38.6	0.066	34.9	5.3	4.0	0.04	2.80
	Hard Hematite	17.4	36.7	0.063	42.2	2.6	1.6	0.06	2.97
	Hematite Sub-Total	101.8	40.6	0.067	29.2	6.7	5.1	0.06	2.76
	Magnetite BIF	665.0	30.6	0.056	47.4	3.1	-0.3	0.15	3.20
Total Indicated and Inferred		766.8	31.9	0.057	45.0	3.6	0.4	0.14	3.13
* Note: Totals may not add up due to rounding. Hematite material is reported at a 32% Fe cut-off grade and Magnetite bearing BIF reported at a 15% Fe cut-off grade									

Table 3: Total Resource Table

Drilling data used for the MRE consisted of 383 holes for 43,773m of diamond core and RC drilling. All holes were drilled during the period May 2011 to December 2012. Approximately 28% of the total drilling metres are diamond core. The average hole depth was 114m with the deepest hole being 388.2m. The nominal assay sample length is 2m. Samples were analyzed by SGS Laboratories in Perth, Beau Veritas Laboratory (Ultra trace) in Perth, or SGS Johannesburg using X Ray Fluorescence (XRF) and a three point Loss of Ignition ("LOI") thermo gravimetric analysis.

All drill hole data was collected and stored in digital format with appropriate validation checks to ensure integrity of the database. Quality assurance and quality control ("QA/QC") techniques were applied as per all Equatorial operations, being an average of five standards per hundred samples submitted to the laboratory and an average of five duplicates taken per hundred samples. Sample preparation screen size testing is carried out daily and laboratory umpire sampling is also routinely carried out. All QA/QC measures show the data to be of high quality.

Density measurements have been calculated from diamond core, test pits and from metallurgical samples. Average bulk densities were assigned to the resource model rock type.

## MINERAL RESOURCE ESTIMATE (Continued)

Drill collars were surveyed by differential GPS, and down hole surveys were completed using a reflex gyroscope, showing little deviation. The majority of drill holes were collared at an inclination of -60 degrees. The orientation of the holes is variable and related to the geological interpretation of the strike and dip of the BIF horizons at the time.

Figure 4 shows a plan view of the drill hole collars used in the updated MRE.

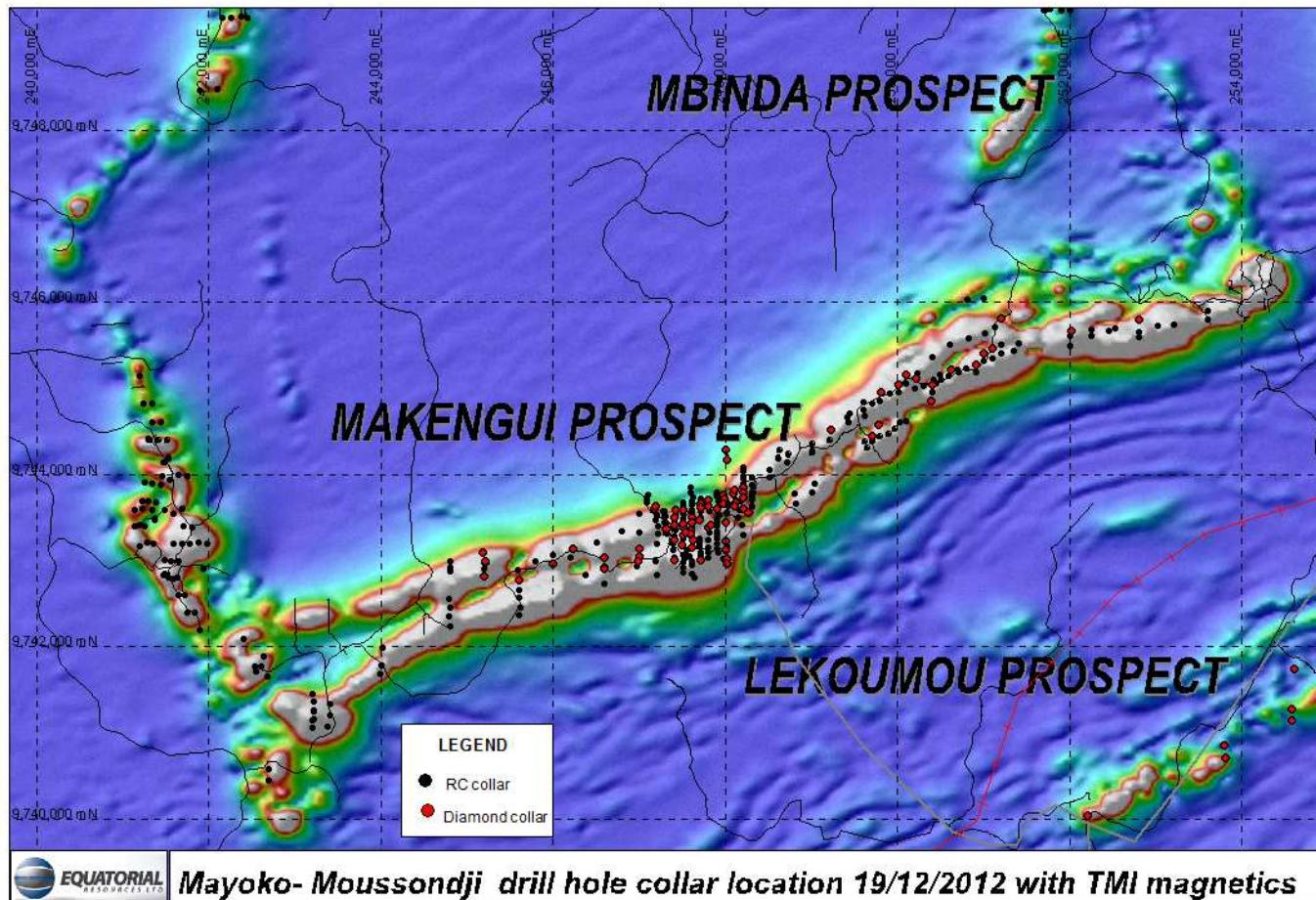


Figure 4: Drill Collar Location Map

Equatorial provided CSA with 3D wire frame envelopes representing the various iron and waste pegmatite units, namely Colluvial Hematite, Friable Hematite, Hard Hematite and fresh magnetite bearing BIF. In addition digital terrain models ("DTM") of topography and weathering boundaries were provided. CSA reviewed the Equatorial interpretation against down hole geology and chemical assay data. Some alterations were made to the wire frames.

A volume block model was constructed in Datamine, using the material type wireframes defining colluvium, hematite, BIF and pegmatite, together with the DTM surfaces representing the topography and weathering profiles. Grade estimation of Fe, P, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, LOI\_1000, S, TiO<sub>2</sub>, K<sub>2</sub>O, Na<sub>2</sub>O and MgO was completed using Ordinary Kriging ("OK") based on variography derived for Fe and P. Resource classifications were determined by a combination of OK estimation confidence (determined from the regression slope value), sample search pass number combined with geological confidence and drill hole spacing.

The MRE has been classified and is reported as Indicated and Inferred based on guidelines specified in the JORC code (2004).

## HEMATITE RESOURCES

The Hematite Resource of 102 million tonnes of Colluvial Hematite, Friable Hematite, and Hard Hematite will provide the resource base for Equatorial's feasibility studies on initial production.

Mayoko-Moussondji Iron Project									
Hematite Mineral Resource Estimate – February 2013									
Resource Class	Material Type	Tonnage (Mton)	Fe grade (%)	P grade (%)	SiO <sub>2</sub> grade (%)	Al <sub>2</sub> O <sub>3</sub> grade (%)	LOI grade (%)	S grade (%)	In-Situ Dry Bulk Density
Indicated	Colluvial Hematite	12.2	48.3	0.066	15.8	8.2	6.0	0.04	2.65
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	Hard Hematite	5.7	38.5	0.060	40.9	1.7	1.1	0.01	2.97
	Sub-Total	25.2	44.5	0.065	26.6	5.1	3.7	0.03	2.77
Inferred	Colluvial Hematite	32.0	42.3	0.070	20.3	10.1	8.1	0.08	2.65
	Friable Hematite	32.9	37.7	0.066	35.2	5.9	4.4	0.05	2.80
	Hard Hematite	11.6	35.8	0.064	42.8	3.1	1.9	0.08	2.97
	Sub-Total	76.6	39.3	0.067	30.1	7.2	5.6	0.07	2.76
Total Indicated + Inferred	Colluvial Hematite	44.2	43.9	0.069	19.0	9.6	7.5	0.07	2.65
	Friable Hematite	40.2	38.6	0.066	34.9	5.3	4.0	0.04	2.80
	Hard Hematite	17.4	36.7	0.063	42.2	2.6	1.6	0.06	2.97
Total Indicated and Inferred		101.8	40.6	0.067	29.2	6.7	5.1	0.06	2.76
* Note: Totals may not add up due to rounding. Hematite material is reported at a 32% Fe cut-off grade									

Table 4: Hematite Resource Table

## METALLURGY

Equatorial's Metallurgical Testing program is being conducted under the supervision of the Company's Chief Metallurgical Consultant and highly experienced iron ore metallurgist Dr John Clout. Detailed metallurgical test work in support of the resource definition work has been previously reported to the ASX for each of the Colluvial Hematite, Friable Hematite and Hard Hematite material types (refer ASX announcement 26 April 2012 and 16 October 2012 for details) as well as Davis Tube Recovery ("DTR") results for the BIF (refer ASX announcement 24 April 2012 for details).

The metallurgical testing of material types to date has included:

### Colluvial Hematite and Friable Hematite:

- Upgraded from 50.5% Fe blended head grade to a premium **64.1% Fe** high grade fines product at 60.7% mass recovery;
- Both material types were upgraded using a simple process of crushing, wet scrubbing and screening and two-stage gravity processing with a typical Pilbara desanding circuit;
- The average tested head grade of 50.5% Fe is close to the indicated mineral resource head grade of 48.3% Fe;
- These results are consistent with previously announced upgrading results (refer ASX announcement 26 April 2012 for details) for Colluvial mineralisation showing a 63.4% Fe product grade with low impurities at a 61% mass recovery from a 51.0% Fe head grade; and

## METALLURGY (Continued)

- Ongoing metallurgical testing is in the process of establishing an overall mass recovery for the Colluvium and Friable Hematite material types targeting a 63-64% Fe product grade.

### Hard Hematite (Transitional):

- Two samples were upgraded using the same simple wet screening-gravity process using a weighted average head grade of 40.8% Fe to give a product with **64.2% Fe**, 6.2% silica and 0.65% alumina at a mass recovery of 33.2%; and
- Ongoing test work suggests a higher mass recovery and product grade could also be obtained from the hard hematite through a wet magnetic separation-gravity process as is currently proposed for the BIF.

### Fresh Magnetite BIF:

- DTR results have been reported previously to the ASX for two fresh magnetite BIF intersections drilled at Mayoko-Moussondji as follows;
  - 82m from 141m at an average recovery of 49.5% mass to concentrate and a concentrate grade of 68.6% Fe, 4.1% silica and 0.14% alumina from hole MMKDD002;
  - 50m from 93m at an average recovery of 50.2% mass to concentrate and a concentrate grade of 69.4% Fe, 3.2% silica and 0.06% alumina from hole MMKDD005;
- Overall average for the two holes of 36.3% Fe head grade with an average DTR of 49.8% mass to concentrate and a concentrate grade of **68.9% Fe**, 3.7% silica and 0.11% alumina by using a relatively coarse grind size of 80% passing 63 microns ( $\mu\text{m}$ ) and simple magnetic separation; and
- The average DTR head grade of 36.3% Fe is close to the total indicated and inferred mineral resource grade of 30.6% Fe for the fresh magnetite BIF.

## TARGET PRODUCT SPECIFICATIONS

Metallurgical upgrading test work and product quality development work is continuing with the aim to design a process flow sheet that has the potential to process all ore types from Mayoko-Moussondji and produce premium iron products grading above 63% Fe with low impurities and with high overall mass recovery. The final flow sheet will form part of the staged development approach within the Scoping Study which will assess early production from the shallow higher grade Colluvium and Friable Hematite mineralisation as well as medium term production from the lower grade hematite and longer term from the hard hematite and underlying magnetite BIF. Details of Equatorial's target product specifications for iron products from Mayoko-Moussondji are presented in Table 2 (above on page 2).

## ON-GOING EXPLORATION

The maiden resource is comprised largely from drilling carried out at the Makengui Prospect at Mayoko-Moussondji. The Resource area is shown in Figure 5 (below on page 9). Equatorial has conducted very limited test drilling at the other four target prospects at the Project; Lekoumou West, Mavendi, Mbinda and Leboulou. The initial geophysical survey, subsequent on-ground reconnaissance work, and the limited test drilling at these prospects indicates the potential for significant resource inventory growth over time as further drilling is completed. Drilling to date has only covered approximately 16km of a total 46km of identified magnetic strike.

## ON-GOING EXPLORATION (Continued)

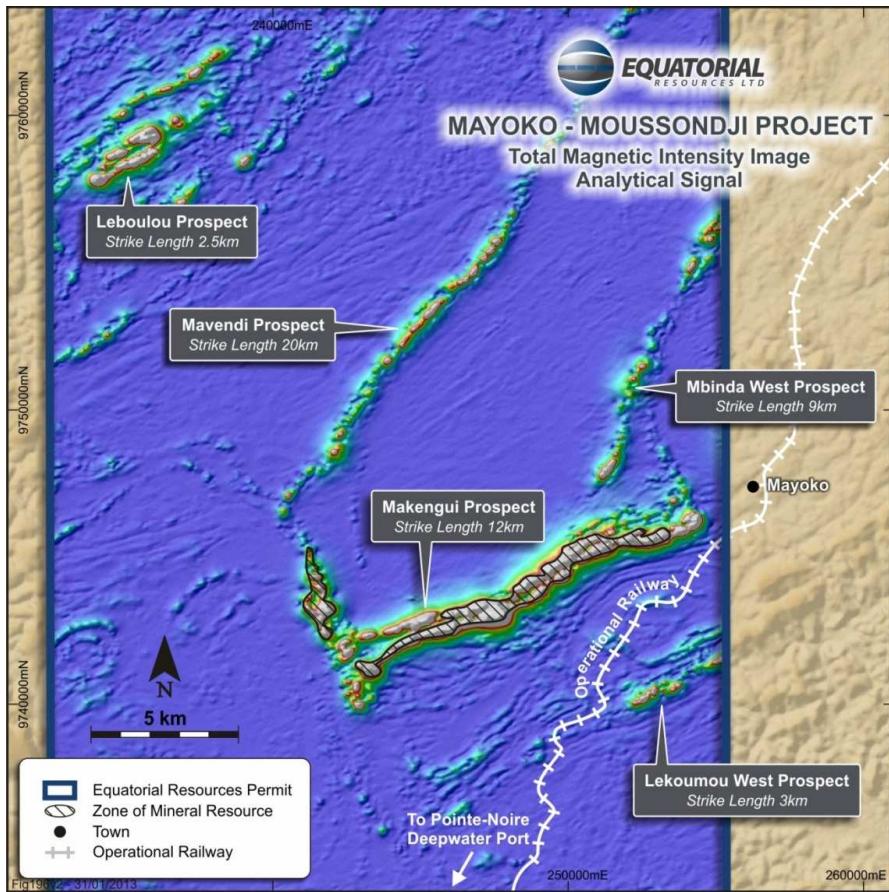


Figure 5: Mayoko-Moussondji Project Total Magnetic Analytical Signal Showing Resource Area

## SCOPING STUDY

Equatorial's feasibility studies for Mayoko-Moussondji are being conducted under the supervision of the Company's Project Manager for Mayoko-Moussondji, Mr Rainer Dreier and through the engagement of Camco Dreico Industrial Services (Pty) Ltd ("CDIS"). Mr Dreier and CDIS have a strong track record in the management of all aspects of mine-to-ship feasibility. CDIS and its engineers were previously involved in the design and commissioning of major facilities of Fortescue Metals Group Limited's Cloudbreak plant as well as the feasibility studies for Royal Resources Limited's Razorkback Iron Project in Australia, AUROX's (now Forge Resources) Balla Balla Iron Project in Australia and Ferrum Crescent Moonlight Magnetite Project in South Africa.

The Scoping Study will incorporate the initial MRE into the Company's completed feasibility work and will investigate a staged ramp up of operations, recognising the ability to commence operations using the existing rail and port infrastructure that service the project, and will allow for incremental investment to increase capacity over time.

### Rail

During 2011, Equatorial worked with the CFCO to complete an initial railway engineering study. The Company then commissioned R&H Railway Consultants (Pty) Ltd ("R&H") from South Africa to conduct a critical review of the study and to design an Operations Blueprint outlining key parameters for commercial bulk commodity transport from Mayoko to Pointe-Noire. This work allowed Equatorial's Rail Studies Manager, Mr John Dorotich, to prepare a detailed Railway Feasibility Study. Mr Dorotich has considerable experience in bulk commodity railways having served previously as Head

## SCOPING STUDY (Continued)

of Rail at Fortescue Metals Group Ltd and at African Minerals PLC. The detailed Railway Feasibility Study was completed in December 2012 and is based on the phased ramp up of rail operations servicing Mayoko-Moussondji.

During a recent series of transport meetings in the ROC, Equatorial presented the initial findings from its rail study to the ROC government. These findings and a description of Equatorial's phased development plans, allowed Equatorial to commence negotiation of a commercial contract for the use of the railway.

### Port

Under an MOU between Equatorial and the ROC port authority of Pointe-Noire ("PAPN") signed in February 2011, the parties committed to the completion of a feasibility study for the use of the port for the export of iron ore. A team of engineers from Murray & Roberts in conjunction with materials handling specialists Demcotech Engineering, both from South Africa, completed Equatorial's Port Feasibility Study which identified a number of potential port solutions at the existing port of Pointe-Noire as well as longer term, larger scale solutions at Pointe-Indienne. Subsequent to this study, Equatorial's project management team completed further studies including a wave study; a transhipment study to assess various options of barging, onshore and offshore storage, reclaiming and ship loading; redrafting of proposed port layouts; and a detailed assessment of port development costs.

At the recent series of transport meetings in the ROC, Equatorial discussed the results of the completed studies, focusing on the Company's initial plans to develop small scale iron ore export facilities using mobile loading equipment at the existing port of Pointe-Noire. The PAPN agreed that Equatorial's planned stage 1 transport operation could be possible at the existing port and agreed to work with Equatorial to identify suitable areas for development, berthing and loading capacities, and to define potential commercial terms. The PAPN has agreed to assist Equatorial in negotiations with other existing users to obtain required storage space. Equatorial remains confident the facilities at the existing port of Pointe-Noire will support the Company's plans for initial export operations. Equatorial, along with Xstrata and Exxaro are working with the ROC government on plans for the development of a large scale bulk commodity port at Pointe-Indienne which will provide a long term solution for large scale bulk commodity exports from the region.

### Mining and Processing

The MRE will be incorporated into the mine and process engineering studies for Mayoko-Moussondji. The hematite flow sheet design and the mass balance for the hematite circuit are well advanced under the supervision of Dr John Clout. Oreology (Pty) Ltd are finalising a layout showing all pits and haul roads for phase 1 hematite operations and are calculating operating and capital cost estimates of the required mine fleet. CDIS and PDC Consultants (Pty) Ltd have commenced 3D modelling of equipment and the hematite processing circuit.

All aspects of the Scoping Study are expected to be finalised and published by mid 2013.

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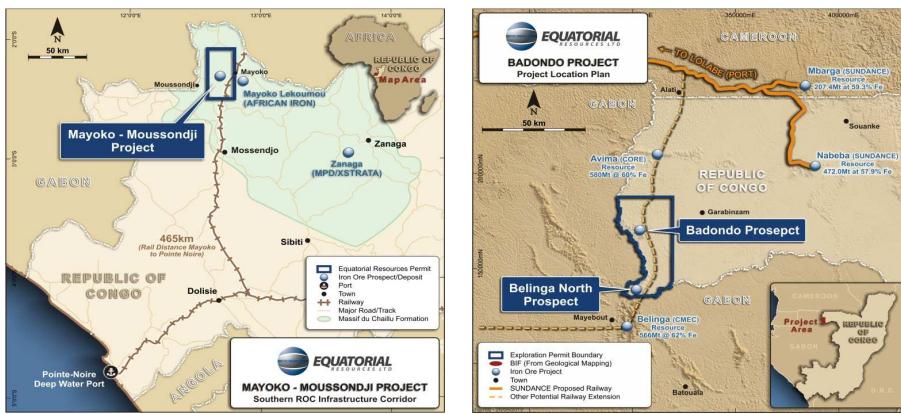
**Web:** [www.equatorialresources.com.au](http://www.equatorialresources.com.au)

## 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, currently has a Hematite Resource of 102 million tonnes at 40.6% Fe as part of initial total Indicated and Inferred Resources of 767 million tonnes at 31.9% Fe. Overall the project has an estimated global exploration target of between 2.3 and 3.9 billion tonnes<sup>1</sup> 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 administrative 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 tonnes<sup>1</sup> 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' Mbaliba and Nabeba projects.



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<sup>1</sup> 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.

The information in this report that relates to Exploration Results, other than Metallurgical Test Results and Geophysical Exploration Results, is based on information compiled by Mr Mark Glasscock, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Glasscock is a full time employee of Equatorial Resources Limited. Mr Glasscock 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 Glasscock 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 Metallurgical Test Results is based on information compiled by Dr John Clout who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Clout is a consultant to Equatorial Resources Limited. Dr Clout 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'. Dr Clout 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 announcement that relates to in-situ Mineral Resources is based on information compiled by Malcolm Titley of CSA Global UK Ltd. Malcolm Titley takes overall responsibility for the Report. He is a Member of the Australasian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM') and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Malcolm Titley consents to the inclusion of such information in this Report in the form and context in which it appears.

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.