



ASX: *EQX* / 29 April 2013 / *ASX RELEASE*

## MARCH 2013 QUARTERLY REPORT

Equatorial Resources Limited (“Equatorial” or the “Company”) is pleased to present its quarterly report for the period ended 31 March 2013.

### HIGHLIGHTS

#### Mayoko-Moussondji Iron Project

- Maiden JORC Hematite Resource of 102 million tonnes at 40.6% Fe for Mayoko-Moussondji was announced on 4 February 2013 as part of a Total JORC Mineral Resource Estimate for Mayoko-Moussondji of 767 million tonnes at 31.9% Fe.
- Metallurgical test work continued to demonstrate the potential to deliver premium iron products grading above 63% Fe with low impurities using simple beneficiation techniques.
- Drilling is continuing and there is potential to substantially increase the initial resource base. Equatorial continues to focus on near term production potential based on access to existing rail and port infrastructure.
- The Company’s Development Plan for Mayoko-Moussondji was presented to the Republic of Congo government and transport authorities in a series of meetings in March 2013.
- The Development Plan currently envisages a staged production ramp up commencing with 300,000 tonnes per annum in Stage 1, 2 million tonnes per annum in Stage 2, and 5-10 million tonnes per annum in Stage 3.
- Equatorial is completing a Scoping Study which will detail the expected timeline, capital expenditure requirements, operating costs and financial outcomes of the Company’s preferred development plan.
- The Scoping Study is expected to be finalised by mid-2013 and will enable Equatorial to advance discussions with potential financiers and strategic partners to support the funding of the preferred development scenario.

#### Badondo Iron Project

- Scout drilling campaign completed at the Badondo Prospect with excellent initial results.
- Equatorial to remodel Exploration Target for Badondo once all exploration data is received including detailed mapping and final drilling results from the scout drilling program.
- Based on encouraging exploration results to date, infrastructure development options are being assessed to enable access for larger track mounted drill rigs to conduct a future resource definition drilling program.

### Corporate

- Equatorial remains in a strong financial position with significant cash reserves and no debt. As at 31 March 2013, the Company held \$56.7 million in cash.
- Following completion of the Scoping Study for Mayoko-Moussondji Equatorial expects to significantly reduce the Company’s cash burn rate and focus on the progression of financing and strategic partnership opportunities intended to support project development.

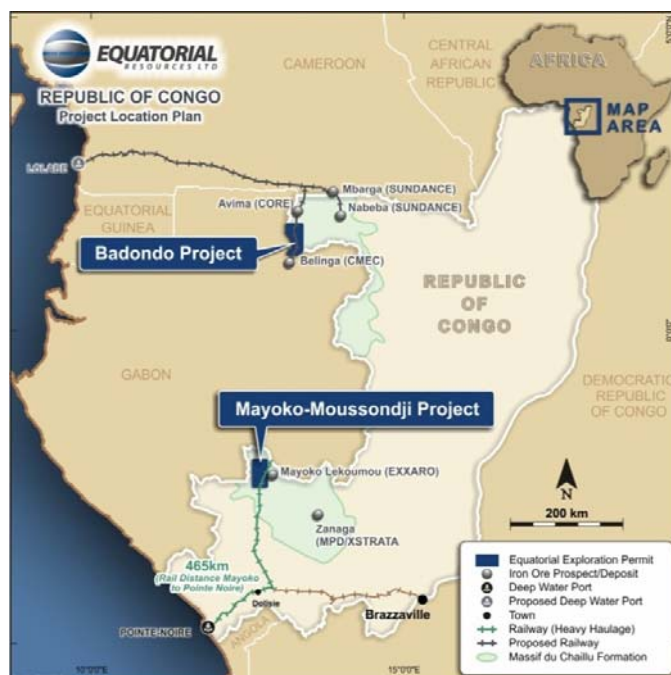


Figure 1: Project Location Plan

## MAYOKO-MOUSSONDJI IRON PROJECT

The Mayoko-Moussondji Iron Project ("Mayoko-Moussondji" or "the Project") is located in the southwest region of the Republic of Congo ("ROC") and has access to an existing railway line running directly to the existing deep water port of Pointe-Noire (Fig. 1).

### Maiden Mineral Resource Estimate

On 4 February 2013 Equatorial announced a 767 million tonne maiden JORC Mineral Resource Estimate ("MRE") for its 100% owned Mayoko-Moussondji in the south west of the Republic of Congo ("ROC") (Fig. 1).

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 %
Colluvium 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>
<i>* 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. The resource contains indicated and inferred resource classifications.</i>					

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

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 Inferred Magnetite Resource component of 665 million tonnes of Fresh Magnetite Banded Iron Formation ("BIF") at 30.6% Fe ("Magnetite Resource").

The Hematite Resource will be used as the 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 MRE was been prepared by independent consultants CSA Global UK Ltd 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. Approximately 28% of the total drilling was diamond core. The average hole depth was 114m with the deepest hole being 388m.

Drilling to date has extended over a strike length of 16km which represents only 35% of the identified prospective iron 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.

Figure 2 shows a plan view of the drill hole collars used in the MRE.

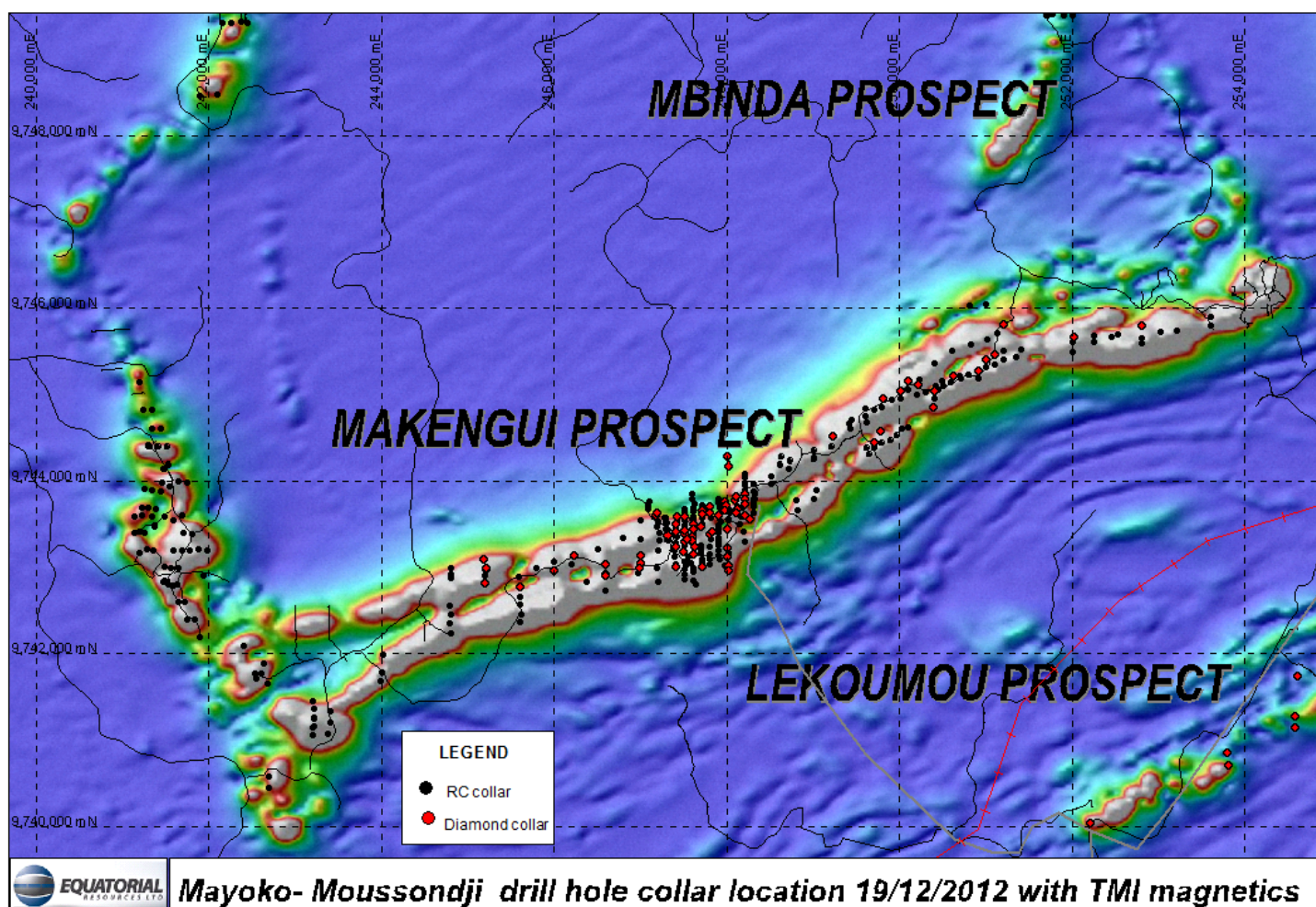


Figure 2: Drill Collar Location Map

## Target Product Specifications

Equatorial's 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 Company expects to readily produce a premium lump and fines product through simple processing techniques.



Metallurgical upgrading test work and product quality development work is continuing 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 Colluvial and Friable Hematite mineralisation as well as medium term production from the lower grade hematite and longer term from the hard hematite underlying magnetite BIF.

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**

## On-Going Exploration

The maiden resource is comprised largely from drilling carried out at the Makengui Prospect. Equatorial has conducted limited test drilling at four other target prospects, Lekoumou West, Mavendi, Mbinda and Leboulou. The initial geophysical survey, subsequent on-ground reconnaissance work, and the test drilling at these prospects indicates the potential for significant resource inventory growth as further drilling is completed.

Drilling continued during the quarter. As of 31 March 2013 a total of 54,500m of drilling had been completed at Mayoko-Moussondji from 471 holes, with 45 drill holes completed during the quarter. Drilling activity was predominantly focused on the Mbinda area of the project (Fig. 2).

## Project Development Plan Submitted to Government

Equatorial's strategy for Mayoko-Moussondji is to deliver premium iron ore products to global markets in the near term using existing transport infrastructure. Equatorial has appointed a project management team of highly experienced industry experts to complete feasibility studies and supervise the Project's development. The Company has investigated the potential for a staged approach to production in order to accelerate initial production timelines and minimise initial capital expenditure. This approach has identified a fast track to initial low volume production utilising the available existing rail and port infrastructure. Production will then be ramped up in stages as the transport infrastructure is upgraded and capacity is expanded.

The Development Plan submitted to the ROC government modelled a staged approach to production as follows:

- **Stage 1:** Initial production of 300,000 tonnes per annum (hematite only) with one train set operating along the existing railway and with export facilities at the existing port of Pointe-Noire;
- **Stage 2:** Ramp up production to 2 million tonnes per annum over a 3 year period from first production (hematite only) by adding further train sets and investing to increase capacity on existing rail and port infrastructure; and
- **Stage 3:** Production of 5-10 million tonnes per annum (hematite and magnetite) utilising new transport infrastructure including new port facilities at Pointe-Indienne.

The Company is currently completing a Scoping Study which is expected to be finalised and published by mid 2013. The staged approach described above has been based on the assessment and feasibility work conducted by Equatorial as

part of the Scoping Study. The Development Plan is a presentation of Equatorial's potential requirements for rail and port capacity as required by the ROC government and is based on a number of assumptions with regard to possible production. As such, the Development Plan does not represent a production target or forecast and should not be relied upon by investors as a prediction when making investment decisions. Further evaluation work and appropriate studies are required to establish that the assumptions therein are valid and to determine appropriate production targets for the Project. At this stage there is no certainty the Company will determine any production targets or forecasts for Mayoko-Moussondji or if any production target, if determined, will be in line with the Development Plan as provided to the ROC government and outlined in this announcement.

During March 2013 Equatorial's Managing Director and CEO Mr John Welborn conducted a series of meetings in Brazzaville and Pointe-Noire with senior officials from the ROC government to present the Company's Development Plan for Mayoko-Moussondji. The following meetings were held with senior government officials:

- **Minister of Mines & Geology Mr Pierre Oba:** Equatorial presented the Project Development Plan from pit to port. The meeting was conducted as part of a site visit by Mr Oba to Mayoko-Moussondji where he reviewed Equatorial's development progress and provided his support for the Company's on-going development plans.
- **Minister for Transport, Mr Rodolphe Adada:** Presentation of Equatorial's plans to utilise the existing rail and port transport infrastructure with a focus on the requirements for, and timing of, initial Stage 1 production. Mr Adada confirmed the Transport Ministry's support for framework agreements that provide third party access to the government owned infrastructure.
- **State owned rail company, Chemin de Fer Congo Ocean ("CFCO"):** Meeting with the Director General of the CFCO, Mr Vincent Morel and a technical panel of CFCO staff to deliver the final rail feasibility study for Mayoko-Moussondji. Included in the completed study were the technical specifications of the locomotives, wagons, and other railway equipment which Equatorial has issued for tender.
- **State owned port authority, Port Autonome de Pointe-Noire ("PAPN"):** Meeting with Commercial Director of the PAPN, Mr Itsalou-Mombo and other senior officials to review Equatorial's preferred port solution. The PAPN have accepted the plan and are assisting the Company with lease negotiations for available space within the existing port of Pointe-Noire which will be used for Stage 1 and Stage 2 export operations.



**Figure 3: Mr John Welborn, Managing Director & CEO with Mr Pierre Oba, Minister for Mines and Mr Rodolphe Adada, Minister for Transport at the Transport Summit, Pointe-Noire, December 2012**



**Figure 4: Mr John Welborn, Managing Director & CEO and Mr Florent Deckous, Government Liaison Manager meeting with Mr Morrel and Mr Yengo Gaston at the CFCO office in Pointe-Noire, January 2013**

## Final Railway Feasibility Study

Mayoko-Moussondji is serviced by an existing railway line that links the project directly to the deep water port of Pointe-Noire along 465km of rail track. The ROC railway system is under the control of the Chemin de Fer Congo-Ocean ("CFCO"), the state owned and operated railway company administered by the ROC Ministry of Transport.

During December 2012 Equatorial's Rail Studies Manager, Mr John Dorotich, completed a Railway Feasibility Study for Mayoko-Moussondji. Mr Dorotich has considerable experience in bulk commodity railways having served previously as head of rail at Fortescue Metals Group Ltd and at African Minerals PLC.

The scope of the study included the following:

- Conditional assessment of the line, proposed refurbishment program and resulting capacity assumptions;
- Targeted production rates and capacity augmentation over time;
- Train configuration, train movements and rolling stock specifications;
- Presentation of tenders for rolling stock and harbour cranes; and
- Capital and operating cost estimates.

The study identified that the refurbishment and upgrading of the rail line required to increase capacity is best achieved via a staged approach involving incremental development. This approach is in line with Equatorial's own staged approach to production from Mayoko-Moussondji and greatly reduces the requirement for initial capital expenditure.

The study and associated appendices have now been submitted to the CFCO for analysis and will form the basis for the on-going negotiations over a commercial contract between Equatorial and CFCO for the use of the railway line for Mayoko-Moussondji. The commercial contract is expected to include a per tonne tariff charge and outline the responsibility of the parties in relation to operations, maintenance and investment in the above and below rail infrastructure.

## Port Solution

The Port Autonome de Pointe-Noire ("PAPN") operates the port of Pointe-Noire, 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.

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 six potential port solutions at the existing port of Pointe-Noire as well as longer term, larger scale solutions at Pointe-Indienne.

Equatorial's project management team have recently completed further studies including:

- A detailed wave study;
- Completion of a transshipment study to assess various options of barging, onshore and offshore storage, reclaiming and ship loading;
- Redrafting of proposed port layouts; and
- An assessment of port development costs.

In a series of meetings in October 2012 Equatorial presented the results of the completed studies to the PAPN, focusing on the opportunity to develop small scale mobile iron ore export facilities at either of two of the six sites previously identified by Murray & Roberts within the existing port of Pointe-Noire. The PAPN subsequently requested further information in relation to the layout and equipment of the proposed facilities which was submitted to the PAPN in the meetings in March 2013.

The Company has commenced negotiations for wharf access and storage facilities at the port of Pointe-Noire to facilitate the Stage 1 and Stage 2 plans for Mayoko-Moussondji.

## Scoping Study

As discussed above, Equatorial is currently completing a Scoping Study which will detail the feasibility work undertaken to support the Company's preferred staged development plan. 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 managing the construction of major facilities of Fortescue Metals Group Limited's Cloudbreak plant as well as the feasibility studies for Royal Resources Limited's Razorback Iron Project in Australia, AUROX's (now Forge Resources) Balla Balla Iron Project in Australia and Ferrum Crescent Moonlight Magnetite Project in South Africa.

Equatorial's Development Plan, Final Rail Feasibility Study, and Port Solution are components of the Company's Scoping Study for Mayoko-Moussondji. The Scoping Study is based on the maiden inferred and indicated MRE and will assess the various development opportunities investigated by the Company including the preferred staged development plan and will detail the expected timeline, capital expenditure requirements, operating costs and financial outcomes of the Project. All components of the Scoping Study are expected to be finalised and published by mid-2013.

## Environmental & Social Impact Assessment

Completion and approval of an Environment and Social Impact Assessment ("ESIA") is a pre-requisite to the granting of a Mining Permit under the ROC Mining Code. Equatorial's Terms of Reference for the ESIA for Mayoko-Moussondji were prepared by a joint team of environmental and social scientists from SRK Consulting (UK) Ltd and Genivar in partnership with local consultancy Eco Durable. The Terms of Reference were submitted to the Ministry of Sustainable Development, Economic Forestry during 2012 and were formally approved by government by way of Authorisation No. 0014 in December 2012.

Following the approval of the ESIA Terms of Reference, Equatorial has appointed Eco Durable to complete the Company's ESIA under the direction of Equatorial's project management team. Work on the ESIA continued during the quarter with the majority of the required baseline studies now complete for Mayoko-Moussondji. Work completed to date has not identified any significant environmental or social factors which would delay or be problematic to the rapid development of Mayoko-Moussondji as per Equatorial's Development Plan.

The Company expects to complete the ESIA by mid-2013 and will lodge the study with the ROC government for approval.

## Strategic Partnership and Financing

Completion of the Scoping Study and ESIA is intended to detail the expected timeline, capital expenditure requirements, operating costs and financial outcomes for Mayoko-Moussondji. The definition of a proposed timeline to production and the Company's expected requirements for capital will enable Equatorial to advance discussions and negotiations with potential financiers and strategic partners. Equatorial continues to explore opportunities for collaboration and partnership with significant mining houses and potential financiers in order to fast track the development of and the financing alternatives for Mayoko-Moussondji. Given current market conditions Equatorial intends to secure project financing, or the development support of a suitable strategic partner, to enable the funding of the preferred development scenario for Mayoko-Moussondji. Currently, no binding agreements have been concluded with any party nor has any opportunity sufficiently progressed to be announced to the market. There is no guarantee that any agreement or transaction will eventuate from the Company's current discussions



## BADONDO IRON PROJECT

The Badondo Iron Project ("Badondo") is located in the northwest region of the ROC within an emerging cluster of world class iron projects including Sundance Resources Ltd's (ASX:SDL) Mbalam project, Core Mining's Avima project and CMEC's Belinga project (Fig. 1).

### Drilling Program

During the previous quarter Equatorial completed an initial scout diamond drilling program at Badondo. The scout drilling program was designed to test the thickness, quality and extent of the high grade hematite mineralisation along the strike of the Badondo prospect. The program consisted of a total of 1,093m of NQ diamond drilling in 14 holes along 3km of the strike length of the Badondo prospect.

Highly encouraging results from the initial holes demonstrated the potential of the Badondo prospect to host significant quantities of high grade Direct Shipping Ore ("DSO") mineralisation. The completed drilling has provided Company geologists with an indication of the geology, quality, and scale of the local iron mineralisation.

Hole ID	From	To	Interval	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	LOI
		Metres		%	%	%	%	%	1,000°C
<b>BADDD00001</b>	0	42	<b>42</b>	<b>62.9</b>	2.6	2.97	0.16	0.02	3.9
<b>BADDD00002</b>	1.9	10.0	<b>8.1</b>	<b>65.6</b>	2.86	1.85	0.04	0.003	1.23
<b>BADDD00002</b>	43.8	92.4	<b>48.6</b>	<b>64.2</b>	4.42	2.24	0.05	0.002	1.05

Table 3: Badondo summary assay results from first two drill holes at Badondo

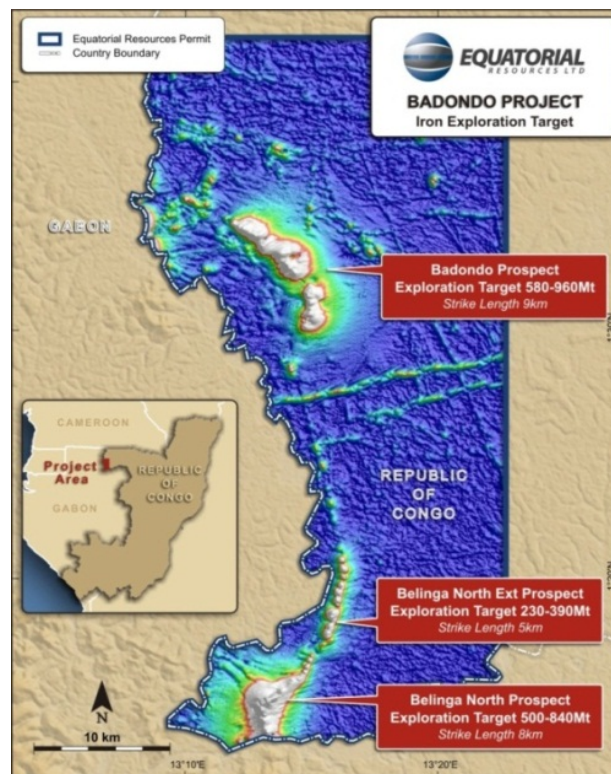


Figure 5: Key Target Prospects at Badondo



## Road Access

Based on the extremely encouraging results received to date Equatorial continued investigating infrastructure development options during the quarter which will enable access for larger track mounted drill rigs. The use of larger rigs will require road access, local infrastructure support, and the development of a permanent camp. This infrastructure development will enable a future resource definition drilling program using larger equipment.

## Regional Development Feasibility Studies

Equatorial continues to work with other companies exploring and developing iron projects in the region to investigate transport infrastructure opportunities that will enable future production to reach international markets.

## HEALTH, SAFETY AND COMMUNITY

### Health and Safety

Equatorial continued its excellent record of health and safety performance at its operations. A key metric used by the Company to assess its safety performance record is the occurrence of Lost Time Injuries ("LTI"). An LTI occurs when a member of staff or a contractor operating at an Equatorial site is injured in the execution of his/her duties and as a result of this injury is unable to perform his/her regular duties for one full shift or more on the day following the day which the injury incurred.

There were no LTI's at any of Equatorial's exploration projects or sites during the March 2013 quarter.

### Congo Mining Community Relations Committee

#### Community Development Projects

Equatorial's Congolese subsidiary company Congo Mining Ltd SARL ("CML") has established the Congo Mining Community Relations Committee ("CRC"). The CRC was established with the ambition to become an industry leader in the ROC in community relations.

During the quarter the CRC oversaw the following community relations activities:

- Refurbishment of the Mayoko Primary School (Fig 6);
  - 3 classrooms and an administrative office;
  - provision of academic prizes, school education materials and sporting equipment; and
  - assistance in training for the students.
- Joint community project with Exxaro to repair several road bridges on the road to Mossendjo;
- Waste collection and disposal program underway in the village; and
- Community power program whereby CML provides diesel for the community generator.



**Figure 6: Mayoko Primary School after completion of the refurbishment project by CML**

### Recruitment and Training

Equatorial is committed to skills training and the hiring of Congolese staff. The following training programs were conducted during the quarter:

- MapInfo training for new geologists
- First Aid Kit Training and Management;
- Chainsaw Training;
- Snake bite first aid training for Topograph Field Teams; and
- Driver training for expatriates.



**Figure 7: First Aid Training for local workers at Mayoko Camp**

## GOVERNMENT RELATIONS

### Official Ministerial Visits to Mayoko Camp

Equatorial hosted several key government ministers and delegations at Mayoko Camp during the March quarter including Hon. Mr Pierre Oba, Minister for Mines and Geology and Hon. Mr Mantsoné, Minister for Education.

### Maiden Resource Ceremony

The Hon. Mr Pierre Oba, Minister for Mines and Geology and his delegation travelled from Brazzaville to Mayoko to celebrate the newly published initial maiden resource at Mayoko-Moussondji. This important event reinforced the government's belief in the Company's vision of becoming Africa's next iron ore company and the quality of Mayoko-Moussondji. Prior to the official celebration ceremony, Minister Oba, Minister Mantsoné and their delegations toured the Mayoko camp and facilities with senior company management.



**Figure 8: Mr John Welborn, Managing Director & CEO with Ministers Oba and Mantsoné during technical presentation, Mayoko, February 2013**



**Figure 9: Mr John Welborn, Managing Director & CEO and Mr Pierre Oba, Minister for Mines celebrating the maiden resource at Mayoko**

### Mayoko Primary School Ceremony

Equatorial is a proud member of the Mayoko community and acknowledges the important role of education in developing sustainable communities. The Company undertook to refurbish the local Mayoko Primary School as a major community project and successfully completed this task during the quarter. This is a significant achievement, one that will advance the local community and which has been formally acknowledged by both the ROC Ministry of Mines and Ministry of Education.

Following the Maiden Resource Ceremony, Minister Oba and Minister Mantsoné joined John Welborn, Managing Director & CEO at the Mayoko Primary School for an official handover ceremony. In attendance were other government and local government officials, local dignitaries, school staff, senior Equatorial management, the local community and school children. Minister Mantsoné officially accepted hand over of the refurbished school on behalf of the community with a ribbon cutting ceremony and ringing of the newly installed school bell.





**Figure 10: Hon. Mr Pierre Oba and Mr Simon-Pierre Pembe-Sita, Sous-Prefet de Mayoko greet children at Mayoko Primary School, February 2013**



**Figure 11: Mr Mantson, Education Minister presents official ceremony ribbon to Mr Pierre Oba, Minister of Mines and Mr John Welborn, Managing Director & CEO.**

## CORPORATE

### Cash Position and Shareholder Information

As at 31 March 2013 the Company had 1,760 shareholders and 119,835,353 ordinary fully paid shares on issue with the top 20 shareholders holding 80.2% of the total issued capital.

Equatorial is in a strong financial position with significant cash reserves and no debt. As at 31 March 2013 the Company held A\$56.7 million in cash.

*For further information contact:*

**John Welborn** *Managing Director & CEO*

**Telephone:** +61 8 9466 5030

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

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

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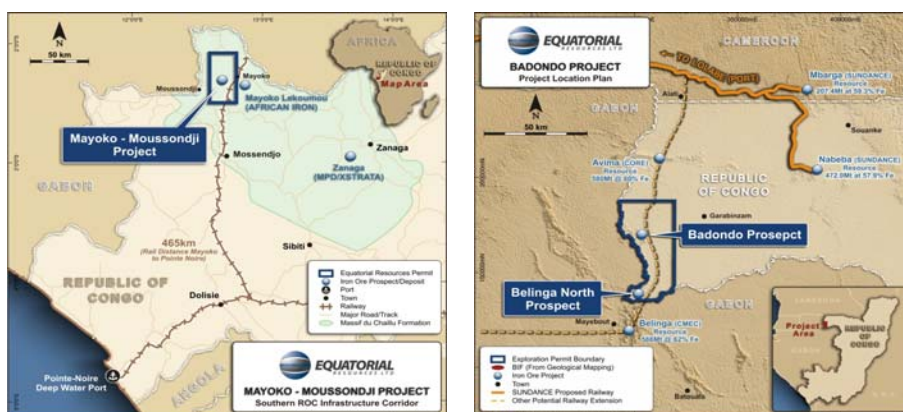
For the **latest news from Equatorial**, subscribe to our email bulletin service via our website at <http://www.equatorialresources.com.au/display/index/subscribe>

## 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' Mbalam and Nabeba projects.



For further information contact:

**John Welborn** Managing Director & CEO

**Telephone:** +61 8 9466 5030

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

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

<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 and the Scoping Study 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 report 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 report that relates to Geophysical Exploration Results is based on information compiled by Mr Mathew Cooper (B.App.Sc (Geophysics) Hons.) of Core Geophysics 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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**Equatorial Resources Limited**

ABN

**50 009 188 694**

Quarter ended ("current quarter")

**31 March 2013**

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for:		
	(a) exploration & evaluation	(5,455)	(21,577)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,086)	(4,217)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	852	3,083
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Business development	(8)	(496)
<b>Net Operating Cash Flows</b>		<b>(5,697)</b>	<b>(23,207)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(55)	(120)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>(55)</b>	<b>(120)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(5,752)</b>	<b>(23,327)</b>

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(5,752)	(23,327)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	40	40
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material): - Capital raising expenses	-	-
	<b>Net financing cash flows</b>	40	40
	<b>Net increase (decrease) in cash held</b>	(5,712)	(23,287)
1.20	Cash at beginning of quarter/year	62,389	79,964
1.21	Exchange rate adjustments to item 1.20	(2)	(2)
1.22	<b>Cash at end of quarter</b>	56,675	56,675

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	183
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include directors' fees, superannuation, company secretarial services and provision of office services.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5,658
4.2 Development	-
4.3 Production	-
4.4 Administration (including estimated tax payment)	1,602
<b>Total</b>	<b>7,260</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,553	1,767
5.2 Deposits at call	53,122	60,622
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>56,675</b>	<b>62,389</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Not applicable			
6.2 Interests in mining tenements acquired or increased	Not applicable			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference <sup>+</sup>securities</b> (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	119,835,353	119,835,353	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	<u>Options:</u> 200,000 150,000 100,000 3,250,000 3,150,000 <u>Rights:</u> 1,100,000 1,900,000	- - - - - - -	<u>Exercise price</u> \$2.00 \$3.00 \$4.00 \$0.40 \$0.60 \$Nil \$Nil	<u>Expiry date</u> 30 Jul 2013 30 Jul 2013 30 Jul 2013 30 Jun 2013 31 Dec 2013 30 Sep 2014 31 Dec 2015
7.8 Issued during quarter	<u>Rights:</u> 30,000 60,000 90,000		\$Nil \$Nil \$Nil	30 Jun 2013 30 Sep 2014 31 Dec 2015
7.9 Exercised/vested during quarter	<u>Options:</u> 100,000 <u>Rights:</u> 500,000		\$0.40 \$Nil	30 Jun 2013 30 Jun 2013
7.10 Expired during quarter	<u>Rights:</u> (210,000) (340,000)	- -	\$Nil \$Nil	30 Sep 2014 31 Dec 2015
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does ~~/does not~~\* [\(delete one\)](#) give a true and fair view of the matters disclosed.

Sign here:..... Date: 29 April 2013  
(~~Director~~/Company secretary)

Print name: Greg Swan

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** [ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic \(if any\) must be complied with.](#)

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+ See chapter 19 for defined terms.