MINING LICENCE AWARDED FOR MAYOKO-MOUSSONDIJ

HIGHLIGHTS

- Exclusive Mining Licence awarded for the Mayoko-Moussondji Iron Project by the Republic of Congo Government.
- Mining Licence is valid for an initial period of 25 years and is renewable, upon application by Equatorial, for further periods of 15 years.

Equatorial Resources Limited ("Equatorial" or the "Company") is pleased to advise that at the March 2014 meeting of the Ministerial Council of the Republic of Congo ("ROC") Government, the Company's application for a Mining Licence to develop and mine the Mayoko-Moussondji Iron Project ("Mayoko-Moussondji" or the "Project") was approved.

The approval of the Mining Licence for Mayoko-Moussondji by the ROC Government follows the submission of Equatorial's application in December 2013 (refer ASX Announcement 11 December 2013). The application included a detailed technical feasibility study, an environmental and social impact assessment, community development plans, and the completion of technical reviews by relevant government agencies.

Mayoko-Moussondji, located in the southwest region of the ROC, currently has total Indicated and Inferred Resources of 917 million tonnes at 31.4% Fe which includes a Hematite Resource of 182 million tonnes at 35.7% Fe. The near surface Hematite Resource mineralisation has been shown to readily upgrade, using simple processing techniques, to "Mayoko Premium Fines", a 64.1% Fe product. The Mining Licence includes the entire area containing the Mineral Resource and covers an area of 615.5 km², approximately 62% of the existing Exploration Licence of 1,000 km². Under the ROC Mining Code, the holder of a Mining Licence has the exclusive right to mine within the boundaries of the licence area for an initial period of 25 years. The Mining Licence may be renewed for further periods of 15 years each subject to further application.

Equatorial's Managing Director & CEO, Mr John Welborn, commented on the Mining Licence approval: "The timely approval continues to demonstrate the government's support for Equatorial and for the Mayoko-Moussondji Iron Project. Securing the Mining Licence is an extremely positive step in the development of the Project and puts Equatorial in a strong position to advance discussions and negotiations with potential partners and financiers. We look forward to continuing to work with the ROC Government to quickly conclude the associated Mining Convention Agreement for Mayoko-Moussondji."

The Mining Code of the ROC stipulates that, following the grant of a Mining Licence, a Mining Convention Agreement ("Mining Convention") is signed between the holder and the government. The Mining Convention defines the fiscal rights and responsibilities of both the government and the holder with respect to the operation of the relevant Mining Licence. Equatorial is greatly encouraged by the ROC Government's strong commitment to expanding the Country's mining industry and its strong support for Equatorial's development activities. The Company will now commence negotiations with the ROC Government of the Mining Convention for the Mayoko-Moussondji Mining Licence. The Mining Convention is expected to advance the Company’s existing agreements with the rail and port agencies into final definitive commercial agreements and will thus complete all government approvals required to develop and mine the Project.
Mayoko-Moussondji is expected to contribute significantly to the ROC’s economy and will directly and indirectly employ and train a significant number of Congolese nationals.

Figure 1: Equatorial’s permit locations in the Mayoko region including the Mayoko-Moussondji Mining Licence

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ABOUT EQUATORIAL RESOURCES

Equatorial Resources Limited (ASX:EQX) ("Equatorial" or the "Company"), is focused on the exploration and development of two 100% owned 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 total Indicated and Inferred Resources of 917 million tonnes ("Mt") at 31.4% Fe which includes a Hematite Resource of 182Mt at 35.7% Fe. The resource contains indicated and inferred resource classifications as follows: Indicated Hematite 55Mt, Inferred Hematite 127Mt, Indicated Magnetite 2Mt, Inferred Magnetite 733Mt. For full details of the Mineral Resource Estimate including resource classifications, refer to ASX announcement dated 4 December 2013.

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. A Scoping Study completed for the project has delivered excellent results demonstrating low capital intensity and an initial mine life of 23 years for production of 2Mtpa of “Mayoko Premium Fines”, a 64.1% Fe product, with operating costs expected to average $41 per tonne FOB.

Production targets and the cost forecasts are from Scoping Study results (see ASX Announcement 16 July 2013). There is a low level of geological confidence associated with inferred resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The Scoping Study is based on low-level technical and economic assessments which are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case, or to provide certainty that the forecasts and production targets will be realised.

The Badondo Iron Project is located in the northwest region of the ROC within a regional cluster of world-class iron ore exploration projects including Sundance Resources’ Mbalam-Nabeba project, Core Mining’s Avima Project, and the Gabonese Belinga Project. The Project has an estimated Hematite Exploration Target of between 370 and 620 million tonnes at a grade of between 58% and 67% Fe as part of a Total Exploration Target of 2.8 to 4.6 billion tonnes at a grade of between 35% and 67% Fe. It should be noted that the potential quantity and grade of the Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource, and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.
Competent Persons Statements

The information in this report that relates to Exploration Results (other than Metallurgical Test Results) and Mineral Resources for Mayoko-Moussondji was extracted from the Company’s ASX announcement dated 4 December 2013 entitled “Resource Upgrade at Mayoko-Moussondji” and is available to view on the Company’s website at www.equatorialresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented in this presentation have not been materially modified from the original ASX announcement.

The information in this report that relates to Production Targets for Mayoko-Moussondji was extracted from the Company’s ASX announcement dated 10 March 2014 entitled “Half Year Accounts” which in turn was a summary of the material assumptions included in the Company’s ASX Announcement dated 16 July 2013 entitled “Scoping Study for Mayoko-Moussondji” and both are available to view on the Company’s website at www.equatorialresources.com.au. The Company confirms that all material assumptions underpinning the Production Target, and forecast financial information derived from the Production Target, in the original ASX announcements continue to apply and have not materially changed.

The information in this report that relates to Exploration Results and Exploration Targets for Badondo was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Exploration Targets for Badondo is based on, and fairly represents, information compiled by Mr Mathew Cooper, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Cooper is employed by Core Geophysics Pty Ltd who was engaged by the Company to provide geophysical consulting services. Mr Cooper has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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 this presentation of the statements based on his information in the form and context in which it appears.