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SALE OF MAYOKO-MOUSSONDJI IRON PROJECT COMPLETED

Equatorial receives \$4.7 Million and retains a 2% Life-of-Mine Royalty

Equatorial Resources Limited (“**Equatorial**” or “**Company**”) (ASX:EQX) is pleased to advise that following the approval of the Republic of Congo Mining Minister, it has now completed the sale of the Mayoko-Moussondji Iron Project (“**Mayoko-Moussondji**”) to Midus Global Limited (“**Midus Global**”). The completed sale has resulted in Equatorial receiving net proceeds of A\$4.7m and the right to a 2% royalty on all future production from Mayoko-Moussondji.

On 14 August 2015, Equatorial announced that it had entered into a conditional agreement (“**Agreement**”) for the sale of Mayoko-Moussondji to Midus Global. The Agreement has now been completed following the satisfaction and/or waiver of the relevant conditions precedent and receipt of the net consideration of A\$4.7m, as the Agreement allowed for settlement of CML’s outstanding creditors via Midus Global retaining a sum of A\$267,426. The sale occurred by Midus Global acquiring 100% of Equatorial’s wholly-owned subsidiary Congo Mining Ltd (“**CML**”), which is the legal and beneficial owner of Mayoko-Moussondji. Equatorial has retained a 2% royalty to be paid by CML on all production from Mayoko-Moussondji, calculated on the value of all sales of ore extracted, produced, sold or otherwise disposed of from the Mayoko-Moussondji over the full life of any future mining operations.

Mayoko-Moussondji is an advanced iron ore development opportunity located in the southwest region of the Republic of Congo. Midus Global have advised that they intend to rapidly advance development with the ambition of commencing small scale production in 2016.

Equatorial remains the 100% beneficial owner of the Badondo Iron Project (“**Badondo**”) which is held by a separate Equatorial subsidiary Congo Mining Exploration Ltd (“**CME**”). Badondo is a potentially large-scale iron project located in the northwest region of the Republic of Congo within a regional cluster of world-class iron ore exploration projects including Sundance Resources Limited’s Mbalam-Nabeba project, Core Mining’s Avima project, and the Belinga project in Gabon.

Equatorial is preparing a mining licence application for Badondo and further exploration and development activity at Badondo, which may include a follow-up drilling program, is being considered by the Company in the context of the current iron ore price and the progress of regional infrastructure developments. In addition to further work at Badondo, Equatorial continues to evaluate new opportunities in the resources sector which have the potential to build shareholder value.

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