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EQUATORIAL SIGNS STRATEGIC ALLIANCE WITH CONGOLESE PARTNER FOR BADONDO IRON PROJECT

Equatorial Resources Limited (**Equatorial** or **Company**) is pleased to announce that it has entered into a strategic alliance agreement with Rock Mining SARL (**Rock Mining**) to advance the development of the Company's Badondo Iron Project (**Badondo**) in the Republic of Congo (**ROC**). Rock Mining is a Congolese company whose management has strong regional business and government relationships and considerable experience in the mining industry in the ROC. The strategic alliance is focused on the advancement of Badondo via securing a valid Mining Licence for the project and progressing the opportunities for regional collaboration that will enable the financing of a future mining operation at Badondo as well as access to the transport infrastructure required.

Badondo is a potentially large-scale iron project in the northwest region of the ROC. Badondo is located within a regional cluster of world-class iron ore exploration projects including the Mbalam-Nabeba project, the Avima project, and the Belinga project. Badondo has a large direct shipping ore hematite Exploration Target based on Equatorial's exploration drilling programs. Drilling results from Badondo have been encouraging and have confirmed the presence of thick high-grade iron mineralisation at, and close to, surface (see ASX Announcement dated 30 October 2013).

Equatorial continues to work with the ROC Government with the aim of securing the Badondo Mining Licence. Subsequent to recent meetings in Brazzaville, ROC, the Company has submitted additional information requested by the ROC Mining Ministry to support the previously submitted Badondo Mining Licence Application (**MLA**).

During presentations to the ROC Government regarding the Badondo MLA, the ROC Government encouraged additional local ownership in Badondo. As part of our social licence to operate in Africa, Equatorial also recognises the importance of having a local partner with established business credentials to progress permitting and other activities in the ROC, and as a result, Equatorial and Rock Mining have entered into the strategic alliance.

Pursuant to the strategic alliance, Rock Mining will assist Equatorial with its ongoing activities in the ROC in relation to Badondo, including logistical support, staffing, and maintaining relationships with the ROC government, local communities and other stakeholders. As consideration for entering into the alliance agreement and provision of the above services, Rock Mining will be granted a 20% indirect economic interest in Equatorial's Congolese subsidiary, Congo Mining Exploration Ltd SARL, which is the legal and beneficial owner of Badondo, in accordance with the strategic alliance and shareholders agreement on usual terms including board composition, pre-emptive transfer rights and drag along provisions based on each party's shareholding.

Equatorial notes the recent increase in market interest in West African iron ore development. Following receipt of the Badondo Mining Licence the Company will finalise its plans for further exploration programs and technical/economic studies at Badondo on the basis that current iron ore prices, and recent regional infrastructure developments, justify new development activities at Badondo. The Company will continue to investigate additional opportunities for partnership and cooperation with strategic investors at a project level, in order to maximise the value of Badondo for shareholders.

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About Rock Mining

Rock Mining is a Congolese company with considerable experience in the mining industry and in conducting business in the ROC. Rock Mining's founder and chief executive is Mr. Florent Deckous, a Congolese-born businessman with over 25 years international management experience in the ROC, UK and Russia. Mr Deckous was one of the original founders of Congo Mining Limited SARL and an original vendor of Equatorial's ROC assets including Badondo. Mr Deckous was formerly Equatorial's Government Liaison & New Projects Manager in the ROC and continues to provide consulting services to Equatorial.

About Badondo

Badondo is a potentially large-scale iron project in the northwest region of the ROC. Following execution of the strategic alliance agreement, Equatorial will retain 80% ownership of Badondo. Badondo has a large direct shipping ore hematite Exploration Target and assay results received to-date are highly encouraging as they confirm the presence of thick high-grade iron mineralisation at, and close to, surface.

This announcement has been authorised for release by the Company's Board of Directors.