



EQUATORIAL
RESOURCES LTD

ABN 50 009 188 694

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 21 January 2011 at 10.00am (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9322 6322.

EQUATORIAL RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Equatorial Resources Limited ("**Company**") will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 21 January 2011 at 10.00am (WST) ("**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 19 January 2011 at 5pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 6 of the Explanatory Memorandum.

AGENDA

1. **Resolution 1 – Ratification of Issue of First Tranche Shares**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 11,200,000 Shares each at an issue price of \$1.80 (**First Tranche Shares**) which raised \$20,160,000 before costs, on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by a person (or any associate of such a person) who participated in the issue of the First Tranche Shares and who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Resolution 2 – Authority to Issue Second Tranche Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 3,000,000 Shares each at an issue price of \$1.80 (**Second Tranche Shares**) to raise \$5,400,000 before costs, on the terms and conditions in the Explanatory Memorandum accompanying this Notice"*

Voting Exclusion

The Company will disregard any votes cast on this resolution by a person or their associate, who may participate in the issue of the Second Tranche Shares and might obtain a benefit, (except a benefit solely in their capacity as holder of ordinary securities), if the resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 20 December 2010

BY ORDER OF THE BOARD



GREG SWAN
Company Secretary

EQUATORIAL RESOURCES LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 21 January 2011 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2: Action to be taken by Shareholders

Section 3 Background

Section 4: Resolution 1 – Ratification of Issue of First Tranche Shares

Section 5: Resolution 2 – Authority to Issue Second Tranche Shares

Section 6: Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a “proxy”) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

3. Background

On 2 December 2010 the Company announced that it would undertake a placement of up to 14,200,000 shares at \$1.80 per Share to raise \$25,560,000 before costs (**Placement**).

The Placement will be completed in two tranches as follows:

- (a) The first tranche of the Placement, consisting of 11,200,000 Shares at an issue price of \$1.80 per Share (being the First Tranche Shares), was completed on 14 December 2010 and were issued under the Company's 15% placement capacity pursuant to Listing Rule 7.1. Resolution 2 seeks Shareholder ratification of the issue of the First Tranche Shares; and
- (b) The second tranche of the Placement, consisting of 3,000,000 Shares at an issue price of \$1.80 per Share (being the Second Tranche Shares), is subject to Shareholder approval. Resolution 1 seeks Shareholder approval to issue the Second Tranche Shares.

The funds raised from the Placement will be used to accelerate the Company's drilling and other exploration activities at both the Mayoko-Moussondji Iron Project and the Badondo Iron Project in the Republic of Congo and for working capital.

4. Resolution 1 – Ratification of Issue of First Tranche Shares

4.1 General

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of the First Tranche Shares to sophisticated and professional investors who are not related parties or associates of related parties of the Company.

4.2 Listing Rule 7.4

The First Tranche Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval. The effect of Shareholders passing Resolution 1 by ratifying the issue of the First Tranche Shares will be to restore the Company's ability to issue securities within that limit, to the extent of the 11,200,000 Shares.

4.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval for the prior issue of the First Tranche Shares pursuant to Listing Rule 7.4:

- (a) The First Tranche Shares were allotted prior to this Meeting.
- (b) The First Tranche Shares were issued at a price of \$1.80 per Share.
- (c) The First Tranche Shares are fully paid ordinary shares in the capital of the Company.
- (d) The First Tranche Shares were allotted to sophisticated and professional investors who are clients of Morgan Stanley Smith Barney, Azure Capital Limited, GMP Securities Europe LLP and Argonaut Securities Limited

(pursuant to sections 708(8) and 708(11) of the Corporations Act) and are not related parties or associates of related parties of the Company.

- (e) The funds raised will be used to accelerate the Company's drilling and other exploration activities at both the Mayoko-Moussondji Iron Project and the Badondo Iron Project and for working capital.
- (f) A voting exclusion statement is included in the Notice.

5. Resolution 2 – Authority to Issue Second Tranche Shares

5.1 General

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Second Tranche Shares to sophisticated and professional investors who are not related parties or associates of related parties of the Company.

5.2 Listing Rule 7.1

The effect of passing Resolution 2 will be to allow the Directors to issue the Second Tranche Shares during the three month period after the Meeting (or a longer period, if allowed by ASX).

5.3 Specific Information Required by Listing Rule 7.3

For the purposes of Shareholder approval of the Second Tranche Placement and the requirements of Listing Rule 7.3, information is provided as follows:

- (a) The maximum number of Shares the Company can issue under Resolution 2 is 3,000,000 Shares.
- (b) The Second Tranche Shares will be issued no later than three months after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 7.3.2).
- (c) The Second Tranche Shares will be issued at a price of \$1.80 per Share.
- (d) The Second Tranche Shares will be issued to sophisticated and professional investors who are clients of Morgan Stanley Smith Barney, Azure Capital Limited, GMP Securities Europe LLP and Argonaut Securities Limited (pursuant to section 708(8) and 708(11) of the Corporations Act), who are not related parties or associates of related parties of the Company.
- (e) The Second Tranche Shares to be issued are ordinary shares and rank equally with the Company's existing listed Shares.
- (f) The funds raised will be used to accelerate the Company's drilling and other exploration activities at both the Mayoko-Moussondji Iron Project and the Badondo Iron Project and for working capital.
- (g) The issue of the Second Tranche Shares will occur progressively.
- (h) A voting exclusion statement is included in the Notice.

6. Definitions

In this Explanatory Memorandum and Notice

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the board of Directors.

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equatorial and **Company** means Equatorial Resources Limited ABN 50 009 188 694.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

First Tranche Shares has the meaning in Resolution 1 of this Notice.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Placement has the meaning in Section 3.1 of the Explanatory Memorandum.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Second Tranche Shares has the meaning in Resolution 2 of this Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

EQUATORIAL RESOURCES LIMITED

ABN 50 009 188 694

PROXY FORM

The Company Secretary
Equatorial Resources Limited

By delivery:

Level 9, 28 The Esplanade
PERTH WA 6000

By post:

PO Box Z5083
PERTH WA 6831

By facsimile:

+61 8 9322 6558

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint ² _____

or failing such appointment the chairman of the general meeting as my/our proxy to vote for me/us on my/our behalf at the general meeting of the Company to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth on 21 January 2011 at 10.00am (WST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Instructions as to Voting on Resolutions

The chairman of the Meeting intends to vote undirected proxies in favour of the Resolutions.

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Ratification of Issue of First Tranche Shares			
Resolution 2	Authority to Issue Second Tranche Shares			

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

²Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the general meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that general meeting. If the Shareholder is entitled to cast 2 or more votes at the general meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that general meeting, the representative of the body corporate to attend the general meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the general meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA, 6000, or by post to PO Box Z5083, Perth, WA, 6831 or Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).