



EQUATORIAL
RESOURCES LTD



ASX: **EQX** | 29 August 2011 | **ASX RELEASE**

EQUATORIAL SETTLES ACQUISITION OF 19.9% INTEREST IN AFRICAN IRON LIMITED

Equatorial Resources Limited ("**Equatorial**" or "**Company**") is pleased to advise that it has settled the acquisition of 19.9% of African Iron Limited ("**African Iron**") through the purchase of 95.4 million ordinary shares in African Iron.

The acquisition was previously announced to the market on 30 June 2011 and completion occurred following the issue of 11.4 million Equatorial shares to JP Morgan and BlackRock as consideration for 81.5 million shares in African Iron, as approved by shareholders on 23 August 2011.

African Iron is the holder of an 80% interest in the Mayoko-Lekoumou Iron Project which lies adjacent to Equatorial's 100% owned Mayoko-Moussondji Iron Project in the Republic of Congo. The two projects are intersected by a bulk haulage railway line that leads directly to the deep water port of Pointe-Noire.

Mr John Welborn, Managing Director and CEO of Equatorial, today said "We are pleased to complete our acquisition of this strategic stake in African Iron. The successful transaction demonstrates the strong support we have from our institutional shareholders for our ability to develop projects in an exciting new globally significant iron ore province. There are a number of positive synergies between African Iron's Project and our own and we are confident both companies will continue to benefit from a cooperative approach to exploration and project development, especially in relation to the operation of the existing transport infrastructure"



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, has an estimated global exploration target of between 2.3 and 3.9 billion tonnes¹ 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 tonnes¹ 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' Mbarga and Nabeba projects.



For further information contact:

John Welborn

Managing Director & CEO

Telephone: +61 8 9322 6322

www.equatorialresources.com.au

¹ 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 announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Mathew Cooper (B.App.Sc (Geophysics) Hons.) of Resource Potentials 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.

The information in this report that relates to Exploration Results, other than Geophysical Exploration Results, is based on information compiled by Mr Sean Halpin, who is a member of the Australian Institute of Geoscientists. Mr Halpin is a full time employee of Equatorial Resources Limited. Mr Halpin 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 Halpin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.