Africa's next major iron company

EQUATORIAL RESOURCES LTD


Developing Large Scale Iron Projects in the Republic of Congo

ASX: EQX

December 2011

Mines & Money Conference London

EQUATORIAL RESOURCES LTD

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- Some of the statements contained in this release are forward-looking statements. Forward looking statements include but are not limited to, statements concerning estimates of recoverable copper and gold, expected copper and gold prices, expected costs, statements relating to the continued advancement of the Company's projects and other statements which are not historical facts. When used in this document, and on other published information of the Company, the words such as "aim" "could," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements.
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- *Exploration Targets: The estimates of exploration target sizes mentioned in this document should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there have been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.
- 3D and 2D modelling of new aeromagnetic survey data over the Company's Mayoko-Moussondji iron project in the Republic of Congo has indicated a global exploration target estimate of between 2,300Mt to 3,900Mt. Of this, 1,800 to 3,000Mt represents primary itabirite and 500Mt to 900Mt represents potentially enriched hematite cap mineralisation above the primary bedrock itabirite iron mineralisation. The enriched hematite cap mineralisation could potentially grade between 40% - 65% Fe and the itabirite mineralisation from 30% - 45% Fe.
- 3D and 2D modelling of new aeromagnetic survey data over the Company's Badondo iron project in the Republic of Congo has indicated a global exploration target estimate of between 1,300Mt to 2,200Mt. Of this, 1,100Mt to 1,900Mt represents primary itabirite and 200Mt to 300Mt represents potentially enriched hematite cap mineralisation above the primary bedrock itabirite iron mineralisation. The enriched hematite cap mineralisation could potentially grade between 40% - 65% Fe and the itabirite mineralisation from 30% - 45% Fe.
- The information mentioned in this report 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.

AFRICA'S NEXT MAJOR IRON COMPANY

- ✓ 3.6 – 6.1 BILLION tonne Iron Exploration Target* across two 100% owned projects
- ✓ Access to existing operational rail and port
- ✓ A$78.5M[1] in cash and securities
- ✓ Extensive drilling campaign underway
- ✓ Board and management with proven track record in Africa

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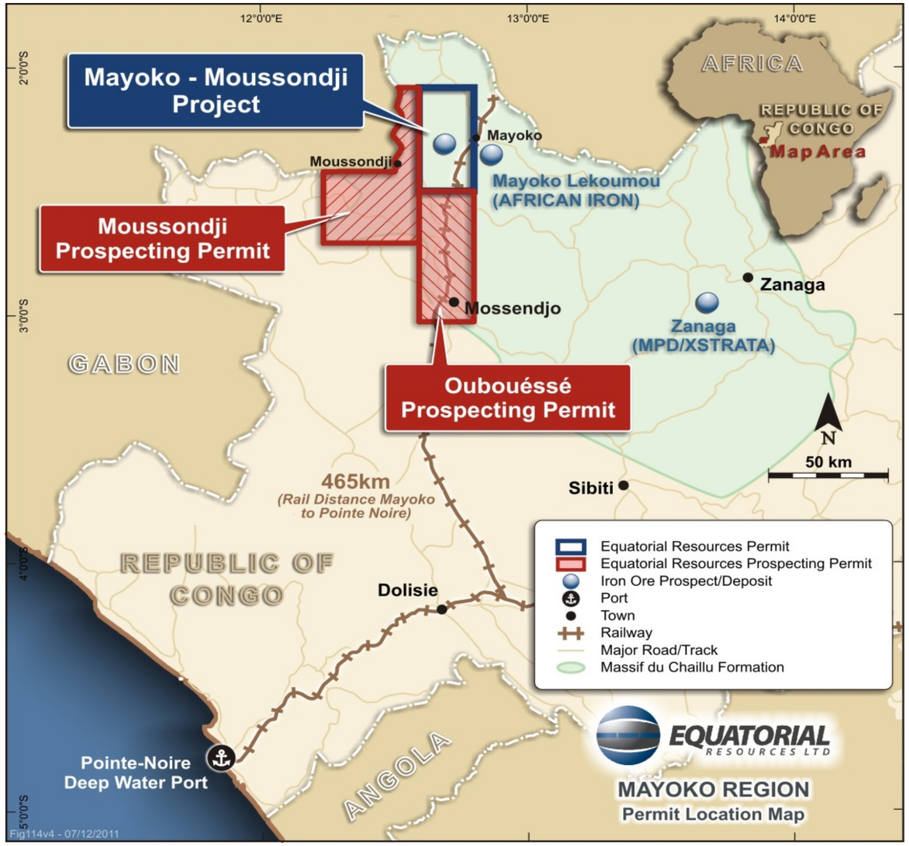
[1] Post acquisition of 19.9% of AKI

ASX RELEASE: 8 DECEMBER 2011

EQUATORIAL SECURES TWO NEW IRON PERMITS IN REPUBLIC OF CONGO



New iron permits extend Company's footprint Republic of Congo by 270%

Dominant land holder in the Mayoko region

Focus on extending exposure along existing rail corridor

Both tenements 100% owned

Highly prospective geology within the Chaillu Massif region (hosts Mayoko Moussondji, Zanaga, Mayoko Lekoumou)

AFRICA'S NEXT MAJOR IRON COMPANY

EQUATORIAL RESOURCES LTD (ASX: EQX)	2 December 2011
Fully Paid Ordinary Shares	114.3 million
Unlisted Options (Various Expiry and Exercise Prices)	9.9 million
Vendor Milestone Shares (100Mt JORC Mineral Resource)	2.0 million
Market Capitalization Undiluted (@ A$2.00)	**A$228.6 million**
Cash and Listed Securities	A$78.5 million
Top 20 Shareholders:	77.3%
Directors & Associates	10.6%
M&G Investments (UK)	14.3%
Blackrock Group (UK)	10.5%
JP Morgan	7.0%
Other Top 20	34.9%

CENTRAL & WEST AFRICAN IRON ORE:

Globally Significant Undeveloped Iron Ore Region

- ✓ Massive Scale
- ✓ High Quality resources
- ✓ Coarse Grained Ore Bodies
- ✓ Low cost of production

THE RACE TO PRODUCTION…

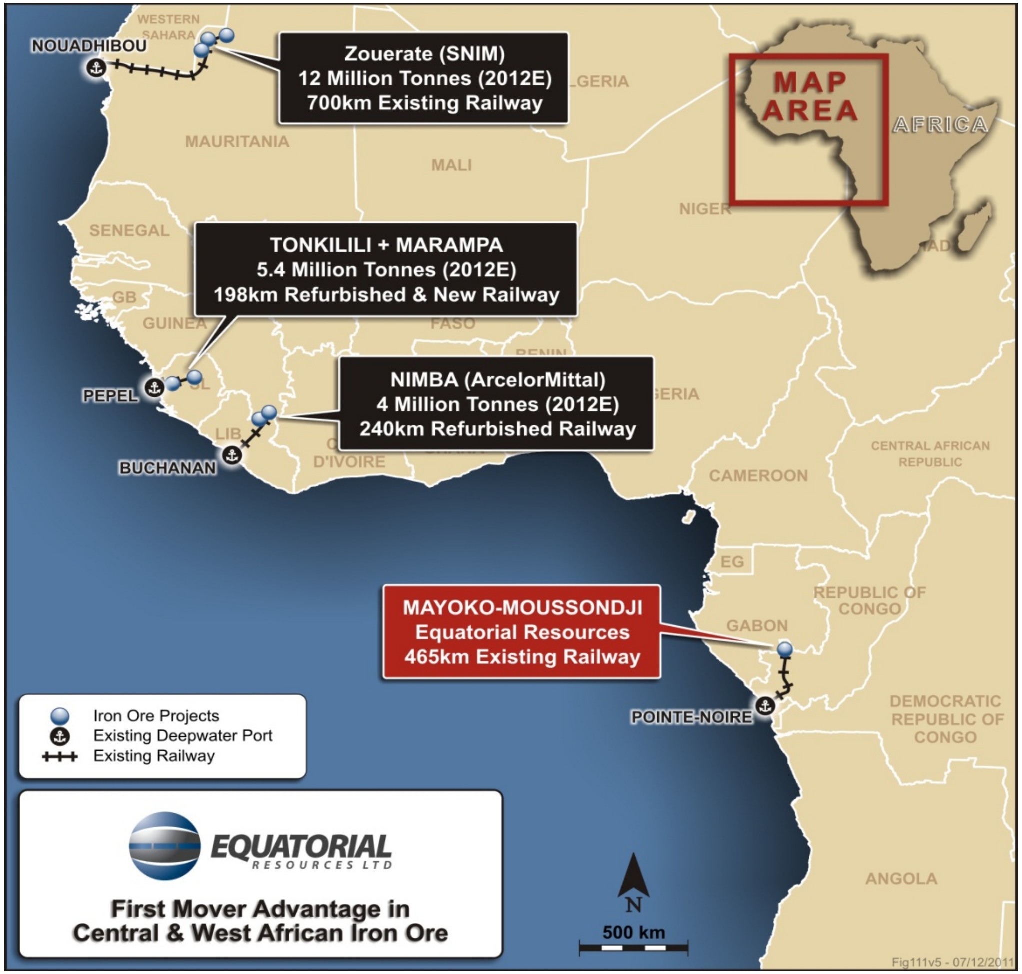
THE INFRASTRUCTURE REALITY

New iron production in Africa is coming on stream where two conditions exist:

1. Ore bodies are in proximity to existing railway lines; and

2. Presence of high grade oxide/hematite caps overlaying large magnetite ore bodies

Existing infrastructure allows Phase 1 cash flows with low capex to then drive the development of large scale future production



REPUBLIC OF CONGO

NOMINATION: COUNTRY AWARD, MINING JOURNAL OUTSTANDING ACHIEVEMENTS AWARDS 2011

- ✓ Congo Brazzaville now on the investor radar and is attracting significant inward investment
- ✓ Economic diversification away from dependence on oil
- ✓ New mining code adopted in 2005
- ✓ Favourable fiscal terms for miners
  - 3% Royalty on Revenues
  - 10% government participation on conversion to Mining Permit

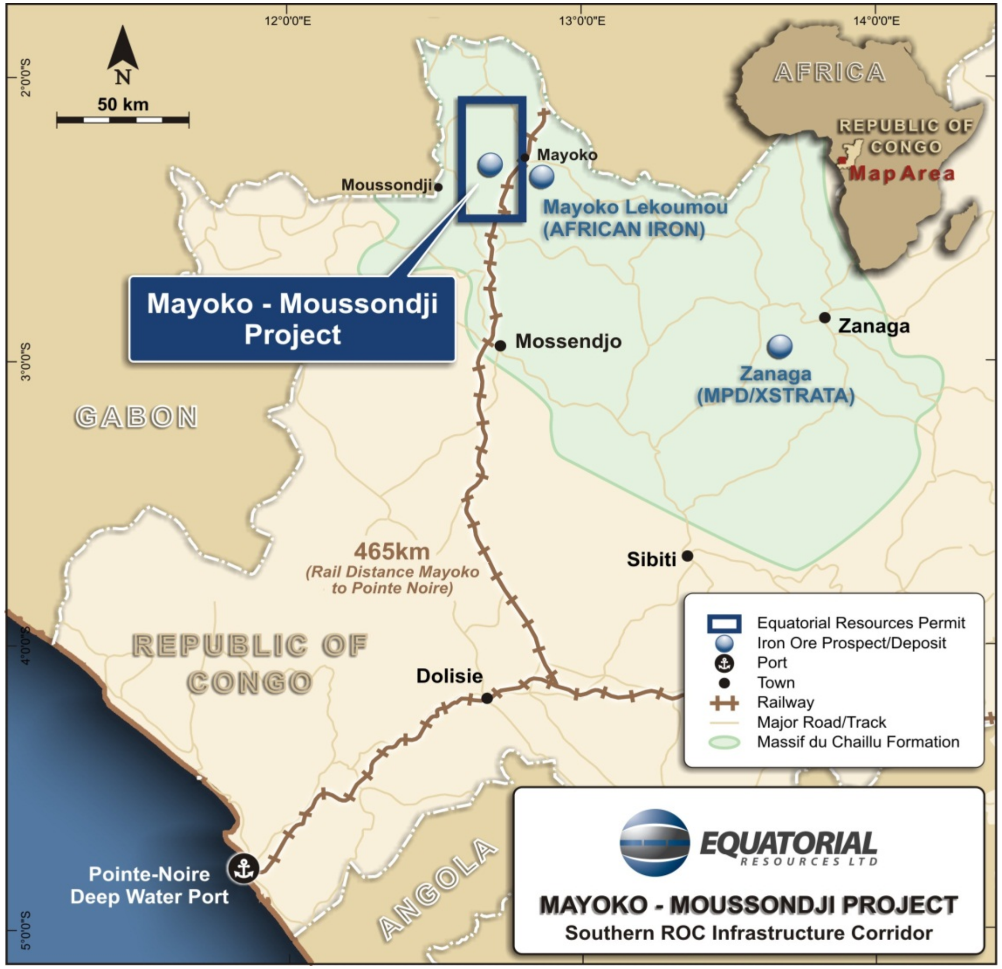
John Welborn, MD & CEO and Minister Pierre Oba, Minister of Mines ROC

EQUATORIAL:
BUILDING A TRACK RECORD OF SUCCESS

MINES & MONEY LAST YEAR

- ✓ Commence drilling at Mayoko-Moussondji
- ✓ Commence metallurgical test work
- ✓ Sign initial agreements with rail and port authorities
- ✓ Complete initial rail feasibility study
- ✓ Complete initial port feasibility study
- ✓ Complete airborne geophysics at Badondo
- ✓ Design drill program at Badondo

MAYOKO-MOUSSONDJI IRON PROJECT



PATHWAY TO RESOURCE DEFINITION

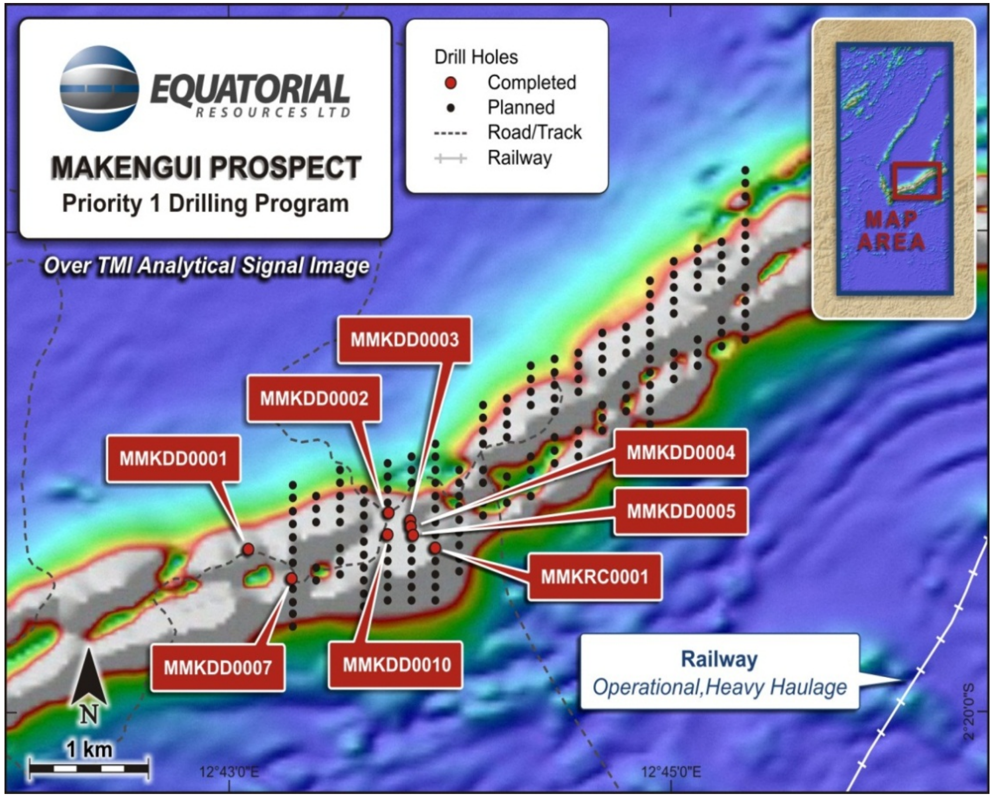
- ✓ Drill program designed to delineate high grade direct shipping ore ("DSO")
- ✓ Focus of drilling is the hematite cap at Makengui prospect
- ✓ Two drilling contractors currently operating three rigs for a total contracted program of ~70,000m
- ✓ Sample prep lab being commissioned on site to reduce assay lead time
- ✓ Begin preparation of a maiden JORC resource estimate by mid-2012

INITIAL DRILLING HAS CONFIRMED OUR GEOLOGICAL MODEL

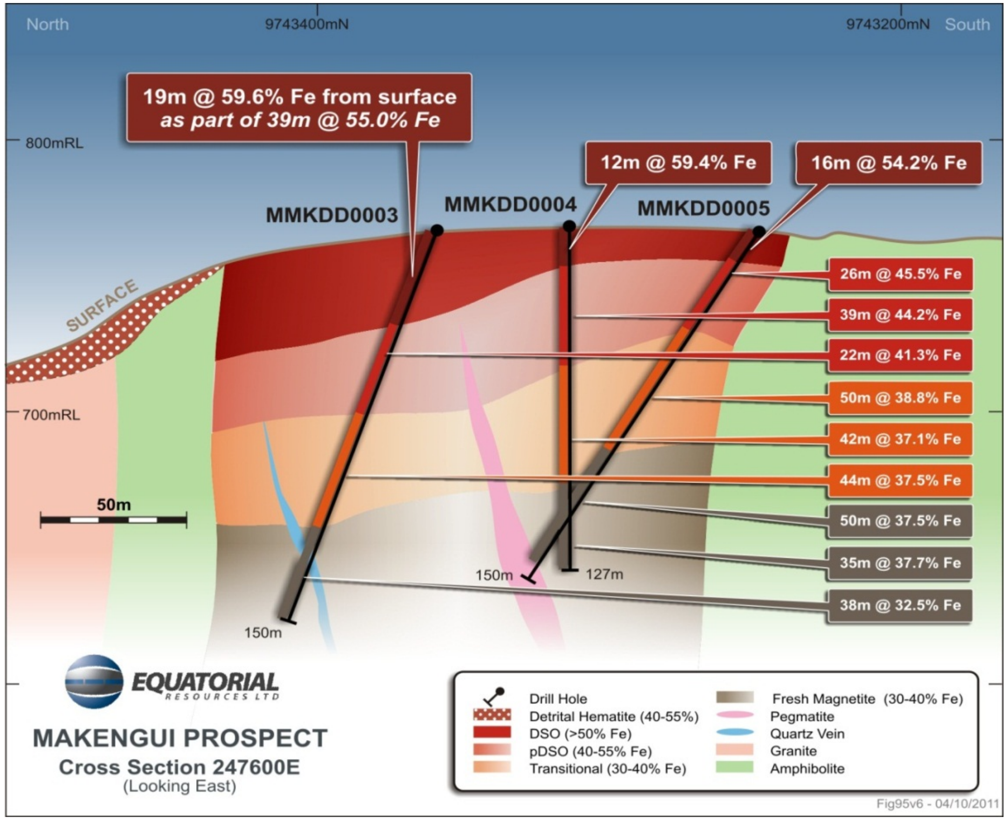
Geological model based on existence of enriched hematite caps overlaying extensive zones of magnetite BIF

The following potential ore types are now recognised at Makengui:

- ✓ **DSO**: Enriched hematite, +50% Fe
- ✓ **pDSO**: Enriched hematite 40% - 50% Fe that has potential to be beneficiated to DSO grade equivalent
- ✓ **Transition:** Weakly weathered magnetite BIF 30-40% Fe
- ✓ **Magnetite**: Fresh magnetite BIF 30% - 40% Fe



DSO POTENTIAL CONFIRMED BY INITIAL ASSAY RESULTS



- ✓ Enriched material extends over at least 1km of strike, up to 60m in depth from the surface, over 150m in width
- ✓ Caps are open to the northeast and southwest along strike
- ✓ Assay results indicate no significant levels of deleterious elements in any of the potential ore types

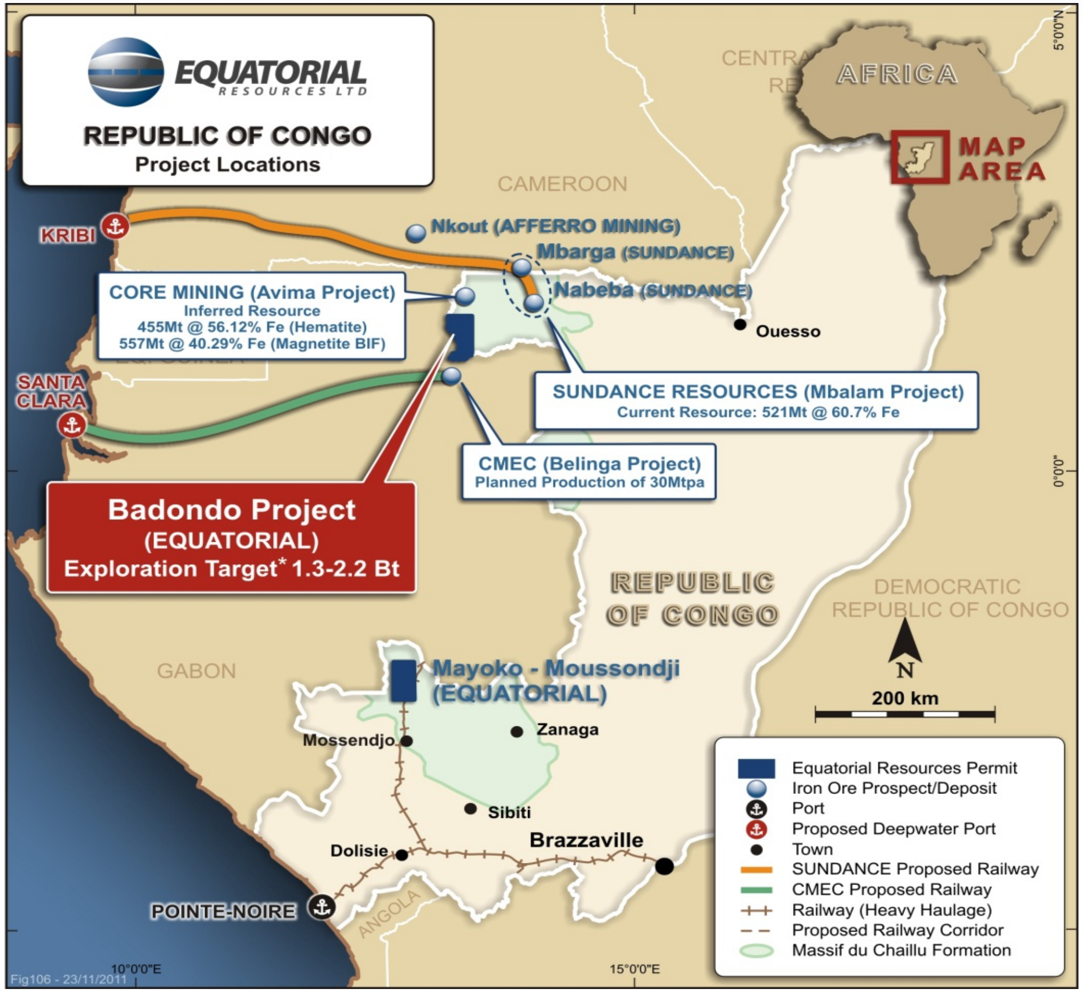
RAILWAY ACCESS AND DEVELOPMENT

- ✓ Heavy Haulage Railway capable of 10Mtpa
- ✓ Equatorial has a current, valid agreement with rail authority (CFCO) allowing access to the railway line
- ✓ Framework in place for 25 year User Agreement
- ✓ Rail Engineering & Investment Study completed by R&H Railway Consultants for the operating parameters of a 5mtpa project
- ✓ Railway Funding Agreement signed with CFCO in October 2011:
  - Commits parties to complete a rail DFS
  - Commits CFCO to treat Equatorial's upfront capex for refurbishment of rail line as a prepayment against future rail charges

PORT OF POINTE-NOIRE
ACCESS AND DEVELOPMENT

- ✓ Port of Pointe-Noire is one of the largest ports in Central & West Africa
- ✓ Agreement signed with port authority (PAPN) to cooperate on studies on the infrastructure required to export iron ore from the existing port
- ✓ Pre-Feasibility study completed by Murray & Roberts Marine and presented to PAPN and Ministry of Transport
- ✓ Six feasible options including one preferred solution identified

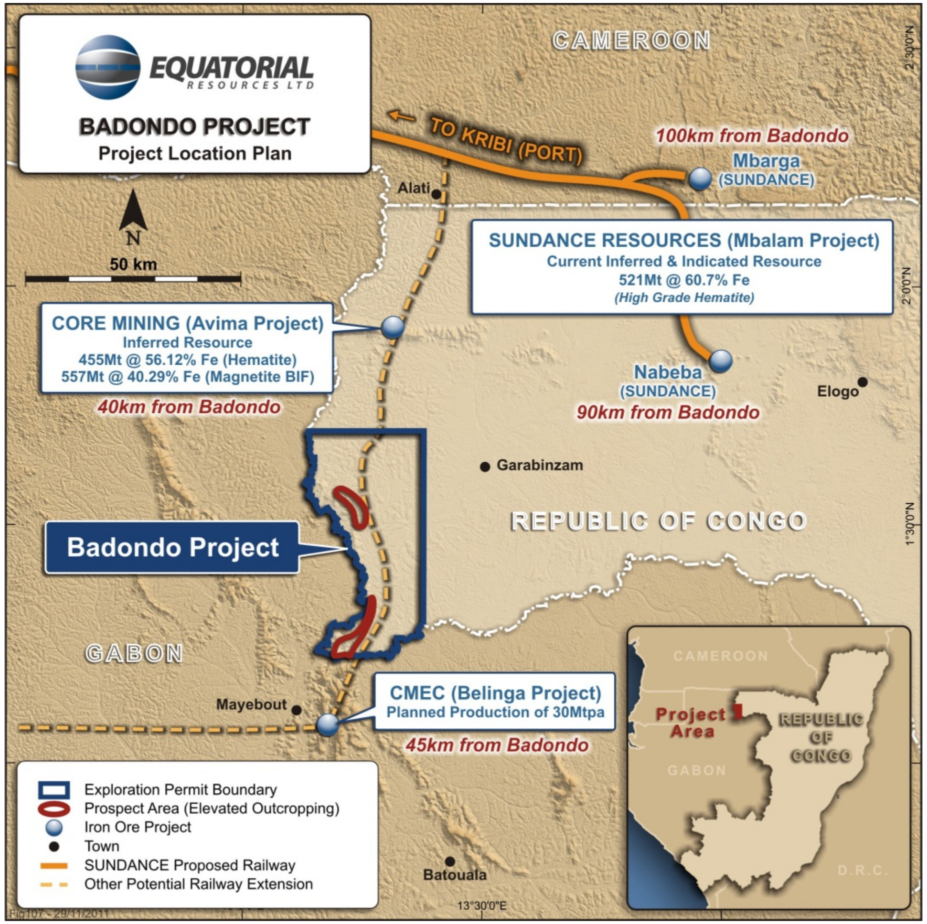
BADONDO IRON PROJECT



BADONDO IRON PROJECT

Key position in emerging iron region

- ✓ **1.3 – 2.2 BILLION TONNES*** exploration target of iron mineralisation (grade 30% - 65% Fe), of which:
  - **200 to 300 MILLION TONNES*** of enriched "hematite cap" potential estimated at a grade of 40% - 65% Fe
- ✓ Recent entry by major mining companies:
  - Hanlong A$1.65Bn bid for Sundance
  - Glencore investment in Core Mining
  - CMEC's Belinga Project ?



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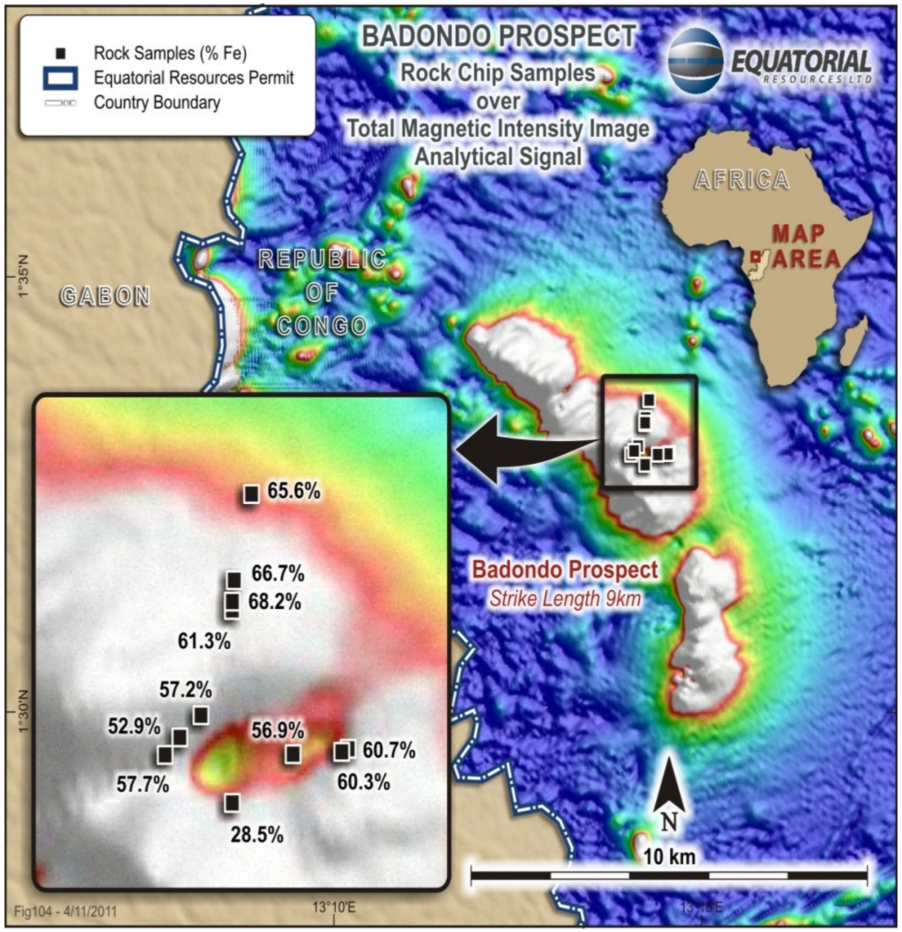
ROCK CHIP ASSAYS CONFIRM HIGH GRADE HEMATITE UP TO 68% IRON

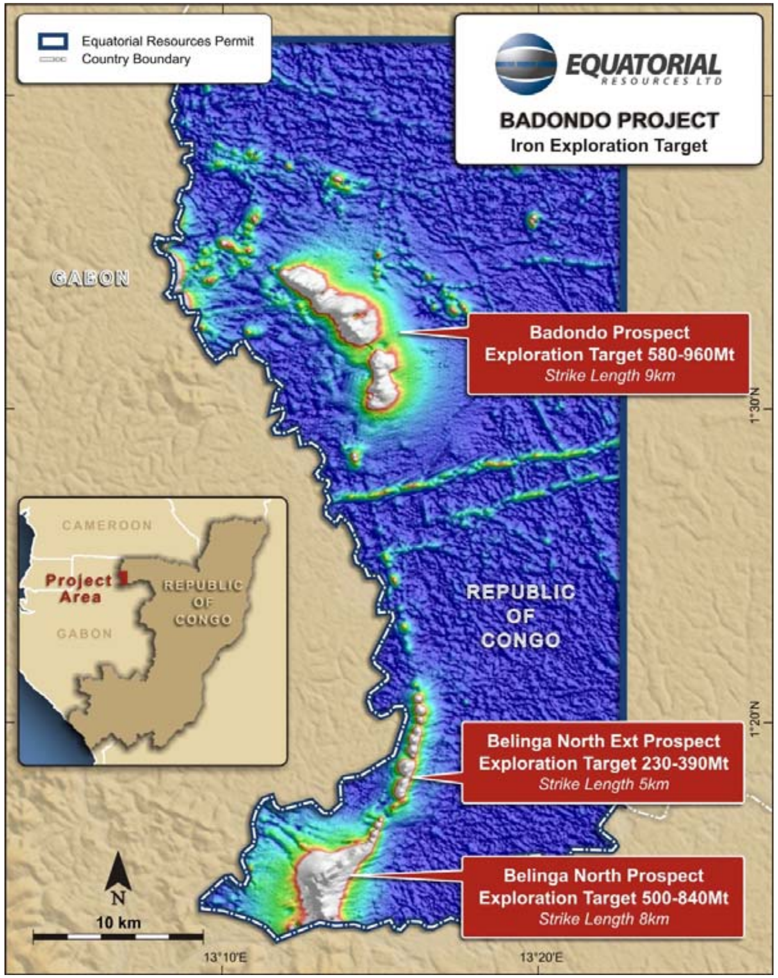
- ✓ Assays confirm the presence of high grade supergene enriched hematite mineralisation at surface
- ✓ Low contaminant levels
- ✓ Detailed SRK mapping and sampling program completed across target prospects with results in the pipeline



BADONDO IRON PROJECT

DRILL PROGRAM

- ✓ Strategy: Low cost, highly efficient scout drill program completed within short time frame
- ✓ EVH diamond drill rig (helicopter transportable) has been constructed and is being mobilised to site
- ✓ Commence drilling at Badondo in Q1 2012



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EQUATORIAL:
CATALYSTS FOR VALUE

- ✓ Port Agreement
- ✓ Mayoko-Moussondji drilling results leading to maiden resource
- ✓ Metallurgical test results – magnetite and pDSO
- ✓ Combined detailed rail and port feasibility studies
- ✓ Badondo reconnaissance results from SRK mapping program
- ✓ Badondo drilling program leading to valuation indicators
- ✓ New permits, geophysics and exploration target modeling

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