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FURTHER DRILL RESULTS CONFIRM DSO POTENTIAL AT MAYOKO-MOUSSONDI

Highlights

- Assay results continue to confirm high grade iron up to 61.4% Fe from current drilling program at Mayoko-Moussondji.
- Significant downhole intersections received from the current batch of assay results include:

Direct Shipping Ore ("DSO"):

- 12m at 61% Fe from surface in MMKDD020;
- 13m at 58% Fe from surface in MMKDD021;
- 25m at 61% Fe from 31m in MMKRC023;

Enriched Hematite ("pDSO"):

- 20m at 55% Fe from 2m in MMKRC001;
- 14m at 54% Fe from surface in MMKRC002;
- 38m at 46% Fe from 12m in MMKDD021;

Magnetite Banded Iron Formation:

- 241m at 32% Fe from 128m in MMKDD012;

- DSO has now been confirmed along 2.5km of strike at the Makengui Prospect.
- Results continue to confirm the robust geological model for Mayoko-Moussondji where extensive zones of enriched hematite overlay magnetite Banded Iron Formation ("BIF").
- Infill resource definition drilling has now commenced with three drill rigs active.
- Metallurgical testing program in progress with initial results on hematite and magnetite samples to be released in the coming weeks.

Equatorial Resources Limited's Managing Director and CEO, Mr John Welborn, said: "These assay results confirm the continuity of the DSO hematite caps at Makengui with high grade intercepts now extending several kilometers along strike and open in both directions. The massive scale and robust geological model of the project continues to be demonstrated by the current drilling program. I am very pleased with the progress we have made to complete initial wide-spaced reconnaissance drilling and that we have now commenced infill resource definition drilling."

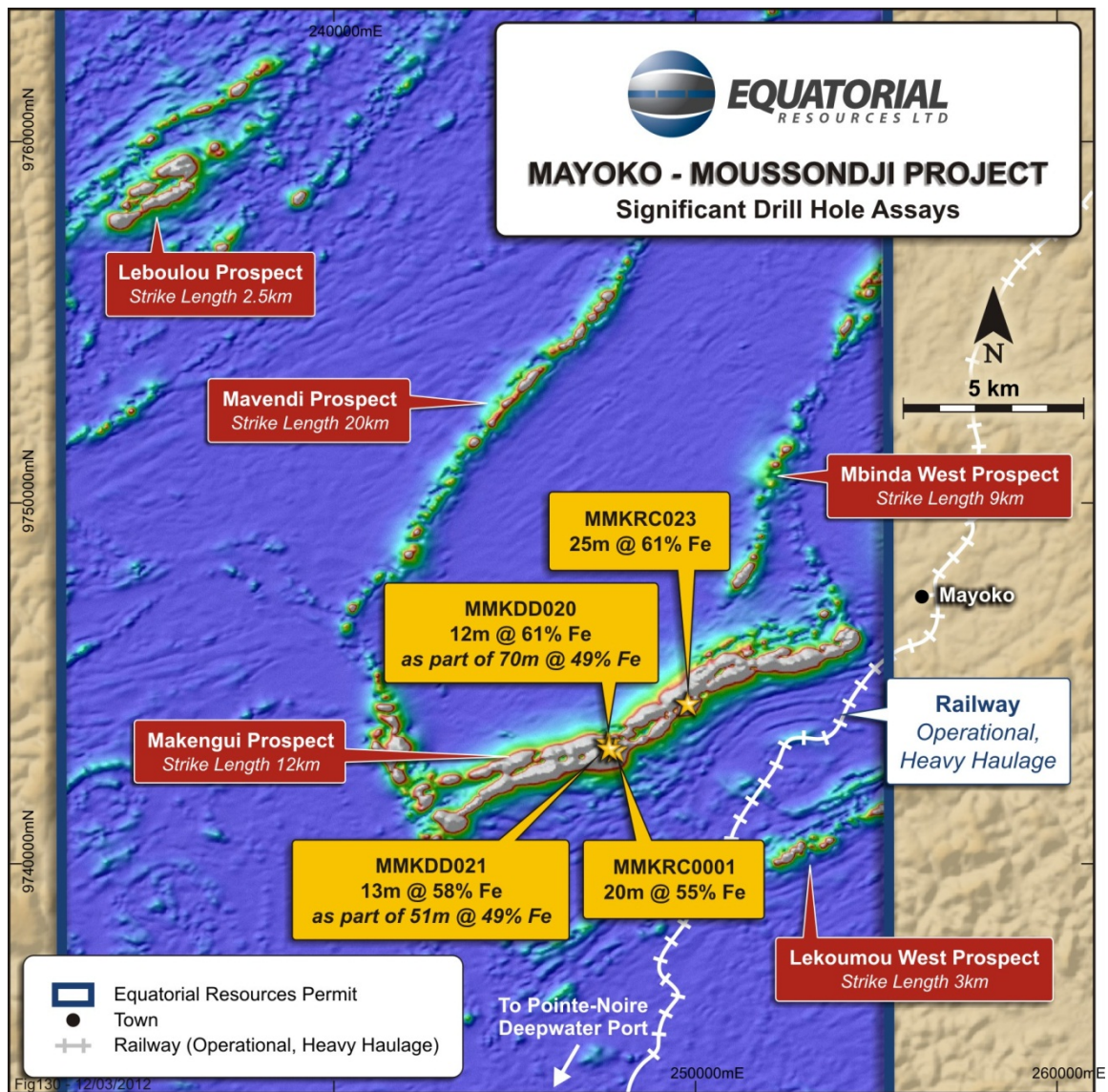


Figure 1: DSO Intersections at Mayoko-Moussondji

Equatorial Resources Limited (“Equatorial” or “Company”) is pleased to provide an update on the ongoing drilling program at its 100% owned Mayoko-Moussondji Iron Project (“Mayoko-Moussondji” or the “Project”) in the Republic of Congo (“ROC”).

Drilling Program and Assay Results

The drilling program at Mayoko-Moussondji is designed to target hematite mineralization contained within the enriched weathered zone of the substantial BIF mineralisation at the Makengui Prospect (“Makengui”). Makengui is over 12km long and is one of five main prospects at Mayoko-Moussondji that total over 46km of identified magnetic anomalies with potential for iron mineralisation. Makengui is located 500 metres from an operational railway line that leads directly to the deep water port of Pointe-Noire.

Three drilling rigs are operational at Makengui (two specialist diamond rigs and one multi-purpose RC/ diamond rig). As of 12 March 2012, a total of 15,700 metres of drilling had been completed at Makengui in 111 holes (8,400m of diamond drilling in 47 holes and 7,300 metres of RC drilling in 64 holes). Equatorial has contracted SGS Mineral Services (“SGS”) to provide assay services to the Company. Previous assay results were announced to the market in October 2011 (refer to ASX announcement 5 October 2011). The assay results announced today relate to samples which were freighted to the SGS laboratory in Johannesburg for analysis during the December 2011 quarter. Full results are given in Table 1 at the end of this announcement.

The results received to date are highly encouraging as the drilling program continues to define the extent and structural setting of the hematite and magnetite mineralisation, with particular focus on the identification of shallow enriched hematite and potential DSO. Exploration of the entire Project is still at an early stage and drilling to date has covered a small proportion of the total potential strike length of the Project.



Figure 3 & 4: RC drill rig in operation at Makengui Prospect; Mayoko-Moussondji Project Location Map

Geological Model

The current assay results and the ongoing drilling program continue to confirm the geological model for Mayoko-Moussondji, with all expected types of iron mineralisation present over wide areas of Makengui. Mineralisation in the area drilled has been found to vary in width from approximately 20m to close to 200m and remains open to the east and west along strike.

Mineralisation consists of well-developed enriched hematite caps with the potential to host DSO, formed as a result of deep tropical leaching overlaying magnetite BIF.

The following potential ore types are now recognised at Makengui:

- **DSO:** Enriched hematite mineralisation which will produce a saleable product after simple crushing and screening;
- **pDSO:** Enriched hematite mineralisation with a grade of between 40% Fe and 55% Fe that has the potential to be beneficiated to a saleable product. This includes detrital transported enriched hematite ("colluvial mineralisation") eroded from ridge tops and deposited on valley sides.
- **Transition** – weakly weathered magnetite BIF with a grade of between 30% Fe and 40% Fe with partial replacement of magnetite by hematite.
- **Magnetite** – fresh magnetite BIF with a grade of between 30% Fe and 40% Fe.

Independent On-Site Sample Preparation Laboratory

Equatorial is currently commissioning the independently (SGS) operated sample preparation laboratory procured to prepare future assay samples from Mayoko-Moussondji. The laboratory is expected to significantly reduce freight costs and the timeline for future assay results. The sample preparation laboratory is the only one of its kind in the Mayoko region.

Infill Resource Definition Drilling

Infill resource definition drilling has commenced at the Makengui Prospect, targeting areas of identified high grade hematite and extensive associated colluvial mineralisation. A maiden resource estimate is expected to be completed in the second half of 2012.

Expansion of Wallis Drilling Contract

Based on the positive results of drilling and geophysics programs to date at Mayoko-Moussondji, Equatorial has further expanded its drilling contract with Wallis Drilling Pty Ltd ("Wallis") of Australia. The revised contract includes:

- Mobilisation of an additional tracked RC rig to Mayoko by April 2012;
- Increase in the Wallis contracted RC metres from 20,000 to 50,000; and
- Conversion of the multi-purpose Wallis rig at Mayoko from a wheeled to a tracked rig.

Upon commissioning of the additional rig, Wallis will be operating three rigs at Mayoko-Moussondji (one diamond drill rig and two RC drill rigs). An additional multi-purpose drill rig is on site under contract with Partners Drilling International.



Figure 5: Wallis Drilling tracked RC drill after conversion at Mayoko

Metallurgical Testing Program

Equatorial's metallurgical testing program has been designed to demonstrate the potential for the various ore types identified at Mayoko-Moussondji to produce a range of premium iron ore products. Highly experienced iron ore consultant Dr John Clout has been engaged as Metallurgical Consultant to Equatorial to direct the testing program. Dr Clout has over 19 years of experience in iron ore characterisation, beneficiation, process plant flowsheet design, sintering, lump quality for the blast furnace, pelletising as well as iron ore technical marketing. Dr Clout has worked for the CSIRO conducting industry-focused projects and more recently played a leading role in the development of Fortescue Metals Group Ltd as Head of Resource Strategy and General Manager R & D.

The ore types within the geological model for Mayoko-Moussondji are being tested as follows:

- DSO: Crushing and screening of different size fractions for product quality assessment;
- pDSO: Simple beneficiation testing and product quality assessment; and
- Magnetite BIF: Davis Tube Recovery ("DTR") testing to assess the quality and quantity of concentrate that can be produced from magnetite mineralisation by simple magnetic separation.

Equatorial has completed wide diameter PQ diamond drilling at Makengui to collect core samples for the metallurgical testing of the DSO and pDSO mineralisation (refer figure 6). This core is being transported to Perth, Australia for initial testing and product quality assessment at SGS Lakefield Oretest Pty Ltd ("SGS Lakefield") and Nagrom & Co ("Nagrom").

Initial testing of the pDSO is being conducted on bulk samples of the colluvial iron mineralisation that blankets the hillsides at Makengui. These bulk samples have arrived in Perth and are the subject of current testing and assessment at SGS Lakefield and Nagrom under the guidance of Dr Clout.

Test work has been conducted on 33 fresh magnetite BIF samples taken from diamond drilling at Mayoko-Moussondji. Samples were selected for DTR testing based on geological logging data and field magnetic susceptibility test results.

Results from the metallurgical testing program are expected to be released by the end of the current quarter.



Figure 6: Enriched Hematite - PQ Metallurgical Hole from Mayoko-Moussondji (awaiting assay)

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Collar Location					Hole Details			Significant Intersections										Ore Type
Hole ID	Type	Easting	Northing	RL	Dip	Azimuth	Length	From	To	Interval	Fe	SiO ₂	Al ₂ O ₃	P	S	LOI		
UTMWGS84 Z33SH					Degrees		Metres	Metres			%	%	%	%	%	1000 ^o C		
MMKDD001	Diamond	246235	9743142	698	-70	360	99				No Significant Assays						pDSO colluvial	
MMKDD008	Diamond	245212	9742984	683	-60	180	57				No Significant Assays							
MMKDD009	Diamond	245184	9743102	673	-60	360	156				No Significant Assays							
MMKDD010	Diamond	247396	9743250	722	-61	180	154	0	10.3	10.3	44.3	18.5	10.1	0.06	0.04	7.3	pDSO colluvial	
MMKDD011	Diamond	245211	9742990	683	-60	360	209	5.6	11.8	6.2	38.8	13.8	17.5	0.06	0.05	12.5	pDSO colluvial	
MMKDD012	Diamond	247399	9743249	722	-52	360	388	4.8	11.8	7	48.0	15.1	8.7	0.06	0.04	6.4	pDSO colluvial	
								127.7	368.4	240.7	31.7	46.2	3.0	0.06	0.02	-0.3	Magnetite	
MMKDD013	Diamond	247417	9743595	683	-50	360	199				No Significant Assays						pDSO	
MMKDD014	Diamond	245197	9742817	679	-60	360	213	26.9	34.5	7.6	43.8	27.2	5.8	0.07	0.00	3.5		
MMKDD015	Diamond	247398	9743509	688	-50	360	125	2.7	15.6	12.9	53.8	11.6	6.1	0.07	0.02	5.3		pDSO colluvial
MMKDD016	Diamond	247174	9743602	671	-50	360	188				No Significant Assays						Transition	
MMKDD017	Diamond	247005	9743149	690	-60	180	314				No Significant Assays							
MMKDD018	Diamond	246603	9743035	693	-60	180	261	42.2	61	18.8	35.3	45.0	1.8	0.05	0.01	0.3		
MMKDD019	Diamond	247002	9743050	231	-60	180	231				No Significant Assays						pDSO	
MMKDD020	Diamond	247590	9743357	785	-60	360	357	0	70	70	48.7	26.6	1.5	0.08	0.00	1.8		
including								0	12	11.9	61.3	6.5	2.5	0.11	0.00	2.9		DSO
								70	151.5	81.5	34.2	44.9	3.0	0.06	0.01	1.3	Transition	
								151.5	201.1	49.6	32.1	46.9	2.9	0.06	0.01	-0.8	Magnetite	
								211.4	314.0	102.7	34.8	44.7	1.5	0.06	0.00	-0.9	Magnetite	
MMKDD021	Diamond	247612	9743249	783	-61	180	174	0	50.8	50.8	48.9	25.4	2.2	0.06	0.01	2.3	pDSO	
including								0	12.8	12.8	57.6	7.6	5.1	0.07	0.02	4.6	DSO	
								50.8	80.4	29.6	37.5	44.1	0.8	0.06	0.02	0.4	Transition	
MMKRC001	RC	247786	9743154	720	-60	180	129	2	22	20	54.9	8.2	6.8	0.07	0.01	5.5	pDSO colluvial	
MMKRC002	RC	247799	9743247	716	-60	180	100	0	14	14	53.5	8.9	7.9	0.08	0.01	6.0	pDSO colluvial	
MMKRC003	RC	247807	9743339	703	-60	180	105	0	6	6	45.2	19.0	8.8	0.07	0.03	6.0	pDSO colluvial	
MMKRC004	RC	247398	9743043	683	-60	180	204				No Significant Assays						pDSO colluvial	
MMKRC005	RC	247220	9743310	685	-60	360	141	6	24	18	42.9	29.3	4.5	0.05	0.02	4.2		
MMKRC006	RC	247218	9743408	672	-60	360	187	2	8	6	49.1	12.9	9.0	0.09	0.03	7.1		pDSO colluvial
MMKRC007	RC	247975	9743028	679	-59	180	123	2	10	8	51.8	8.9	9.0	0.07	0.06	7.5	pDSO colluvial	
MMKRC008	RC	248004	9743557	653	-60	180	141	0	10	10	42.9	20.0	9.6	0.07	0.01	8.1	pDSO colluvial	
MMKRC009	RC	247603	9743651	714	-61	180	105	3	9	6	44.8	12.7	12.3	0.08	0.04	10.4	pDSO colluvial	
MMKRC010	RC	248198	9743954	685	-60	180	237	5	13	8	39.2	19.5	12.6	0.06	0.04	9.7	pDSO colluvial	
								179	207	28	32.0	46.5	3.1	0.05	0.00	-0.6	Magnetite	
MMKRC011	RC	247203	9743194	690	-60	360	153				No Significant Assays						pDSO colluvial	
MMKRC012	RC	247203	9743194	690	-61	180	240				No Significant Assays							
MMKRC013	RC	242697	9740442	643	-60	180	87				No Significant Assays							
MMKRC014	RC	242687	9740578	629	-60	360	51				No Significant Assays							
MMKRC015	RC	246230	9743126	699	-60	180	123				No Significant Assays							
MMKRC016	RC	248150	9743502	639	-60	180	147	0	5	5	46.3	21.9	14.7	0.06	0.01	8.3	pDSO colluvial	
MMKRC017	RC	248165	9743695	684	-60	180	93	14	40	26	40.9	37.4	1.5	0.06	0.02	1.9	pDSO	
MMKRC018	RC	248998	9744253	682	-60	180	105	8	18	10	37.7	22.5	13.0	0.06	0.01	9.6	pDSO	
MMKRC019	RC	248999	9744350	691	-60	180	130	18	36	18	33.8	42.7	5.6	0.06	0.01	3.2	pDSO	
								36	44	8	39.0	36.0	4.9	0.09	0.01	2.6	Transition	
MMKRC020	RC	250450	9745052	642	-60	180	117	0	28	28	40.7	37.5	2.2	0.08	0.01	2.1	pDSO	
								28	38	10	33.6	47.2	2.0	0.07	0.02	0.4	Transition	
MMKRC021	RC	249796	9744850	683	-61	180	130	4	32	28	42.6	34.7	2.4	0.06	0.01	2.2	pDSO	
MMKRC022	RC	250398	9744946	629	-61	180	154				No Significant Assays						DSO	
MMKRC023	RC	249785	9744436	647	-60	180	129	31	56	25	61.4	5.2	4.3	0.10	0.00	2.3		
								56	66	10	49.6	25.4	1.2	0.06	0.01	-1.0		pDSO
MMKRC024	RC	250414	9745099	630	-60	180	165	60	73	13	36.8	44.1	1.3	0.06	0.01	-0.8	Magnetite	
MMKRC025	RC	251134	9745708	710	-60	180	194				No Significant Assays						Transition	
MMKRC026	RC	251204	9745496	716	-60	180	250				No Significant Assays							
MMKRC027	RC	251199	9745402	701	-61	180	250	24	44	20	35.1	39.6	6.2	0.06		3.7		Magnetite
								44	66	22	32.8	46.5	2.4	0.06		-0.7		
MMKRC028	RC	252003.7	9745490	643	-61	180	189				No Significant Assays						pDSO	
MMKRC029	RC	252008.2	9745602	641	-60	180	129	3	21	18	44.2	21.6	6.9	0.06		7.1		
								21	27	6	35.0	40.6	5.2	0.05		3.6		Transition
								38	55	17	35.5	43.4	2.4	0.06	0.08	1.1	Transition	
MMKRC030	RC	252809.3	9745589	661.02	-60	180	105	4	10	6	49.2	9.5	11.9	0.06	0.04	7.5	pDSO	

Table 1: Assay Intersections

Notes:

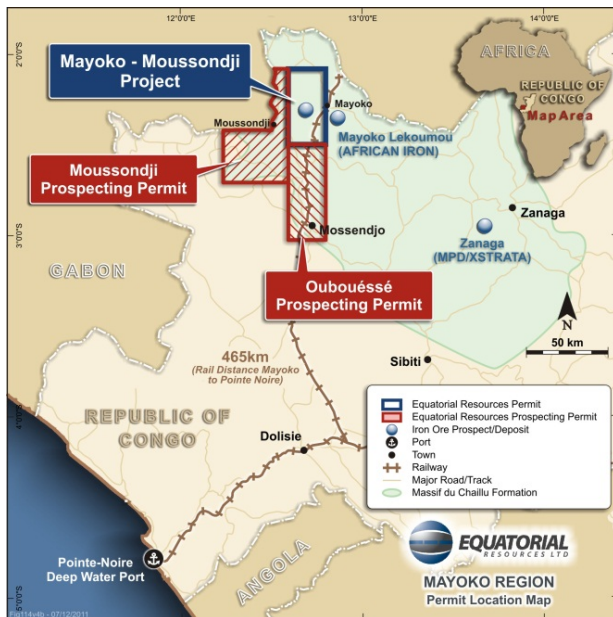
- Collar coordinates surveyed by DGPS.
- Diamond core samples are half sawn HQ core for DSO and pDSO and half sawn NQ core for transition and magnetite.
- RC samples are 2m composites collected with a 75:25 riffle splitter.
- DSO and pDSO 2m diamond core composites adjusted where necessary to match lithological boundaries.
- Transition and Magnetite diamond core 4m composites adjusted where necessary to match lithological boundaries.
- Samples analysed by XRF by SGS Johannesburg.
- Reduced core recovery experienced in certain intervals but not considered to materially affect intersection grades.
- All holes geologically logged.
- Quality control standards and field duplicates included with drill samples prior to submission to the laboratory, where further laboratory control samples are added.
- All QA/QC data analysed to confirm assay precision.
- Intervals are downhole measurements and may not represent true thickness.

ABOUT EQUATORIAL RESOURCES

Equatorial Resources Limited (ASX:EQX), is focused on the exploration and development of two 100% owned large-scale iron ore projects located in the politically stable and investment friendly Republic of Congo 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 operational 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' Mbalam and Nabeba projects.



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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.