

ASX: EQX | 25 AUGUST 2011 | *ASX RELEASE*

## DRILLING PROGRAM ACCELERATES AT MAYOKO-MOUSSONDJI

### HIGHLIGHTS

- Wallis Drilling Pty Ltd are now fully operational at Equatorial Resources Limited's 100% owned Mayoko-Moussondji Iron Project in the Republic of Congo. Wallis have commenced an initial 28,000m drilling program with two drill rigs working at the Makengui Prospect.
- Initial observations of the drilling completed to date at Makengui have confirmed the Company's geological model and support the potential for hematite iron mineralisation and direct shipping ore ("DSO").
- The addition of the two Wallis drill rigs will accelerate the current drilling program at Mayoko-Moussondji which is focused on the definition of a maiden hematite resource.
- The first batch of drill core samples have arrived at the SGS Mineral Services laboratory in Johannesburg and assay results are expected to be released in late September.

### WALLIS DRILLING AT MAYOKO-MOUSSONDJI

Equatorial Resources Limited ("Equatorial" or "the Company") is pleased to announce that Wallis Drilling Pty Ltd ("Wallis") have commenced drilling at the Makengui Prospect ("Makengui") within the Mayoko-Moussondji Iron Project ("Mayoko-Moussondji").

Wallis have been on site at Mayoko-Moussondji since early August 2011 with two drill rigs, associated support vehicles, and a large stock of equipment. Drilling has now commenced with one multi-purpose (RC and diamond) drill rig and one specialist diamond drill rig.

Wallis have been contracted by Equatorial for an initial 28,000m drilling program consisting of 20,000m of reverse circulation ("RC") drilling and 8,000m of diamond drilling. The addition of the two Wallis drill rigs is expected to accelerate the delineation of the hematite cap at Makengui and allow for the definition of a maiden JORC-compliant hematite resource.



Figure 1: Partners drill rig at Makengui



Figure 2: Orientating drill bit



Figure 3: Wallis rig in action at Makengui

## DRILLING PROGRAM UPDATE

Three drill rigs are now operational at Makengui. Drilling commenced in April 2011 with an initial diamond drill rig operated by Partners Drilling International (“PDI”). Oxide iron mineralisation has now been observed over at least 800m of strike length and at depth of up to 80m. In addition, the drilling to date has confirmed the presence of fresh magnetite banded iron formation (“BIF”) beneath the oxide cap. The Makengui Prospect is more than 12km in length and up to 2km wide and the identified hematite cap mineralisation remains open to the northeast and southwest along strike from the area where drilling has taken place.

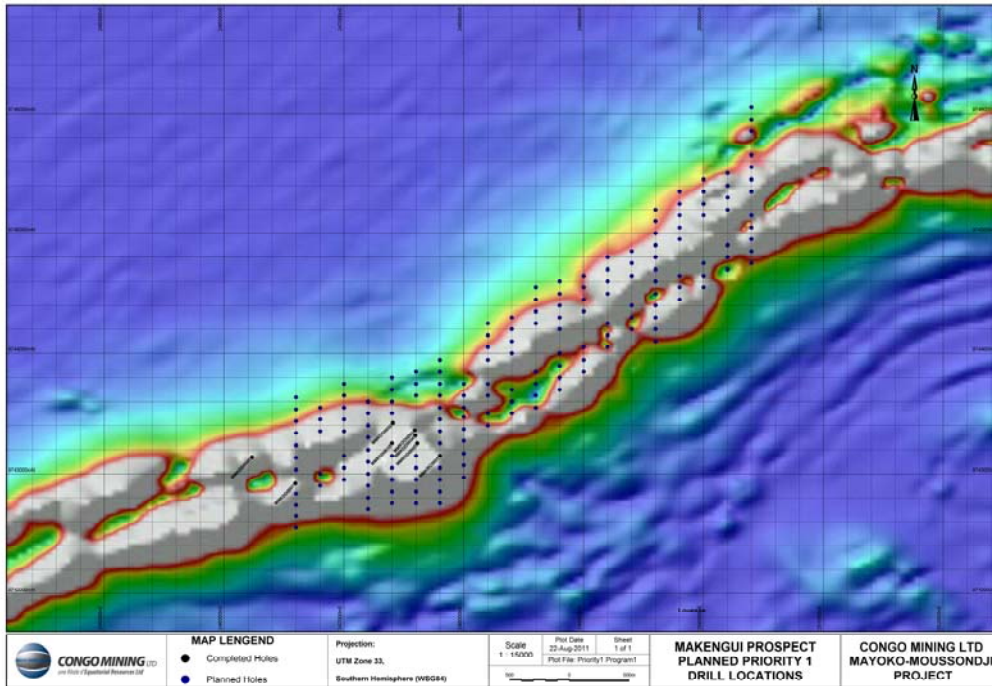


Figure 4: Makengui Prospect Priority 1 Planned Drillholes with analytical signal magnetics

## ASSAY SAMPLES

Equatorial has contracted SGS Mineral Services (“SGS”) to provide assay services to the Company and to procure and run an onsite sample preparation laboratory at Mayoko-Moussondji. The installation of an independently operated laboratory on site will significantly reduce freight and timeline for assay results. The SGS run laboratory will be the first of its kind in the Mayoko region and is expected to be operational in November 2011. Prior to this the Company will freight samples to Johannesburg for assay.

The first batch of diamond drill core samples from the completed PDI holes at Makengui have arrived at the SGS laboratory in Johannesburg South Africa. Assay results are expected to be received and released in late September 2011.

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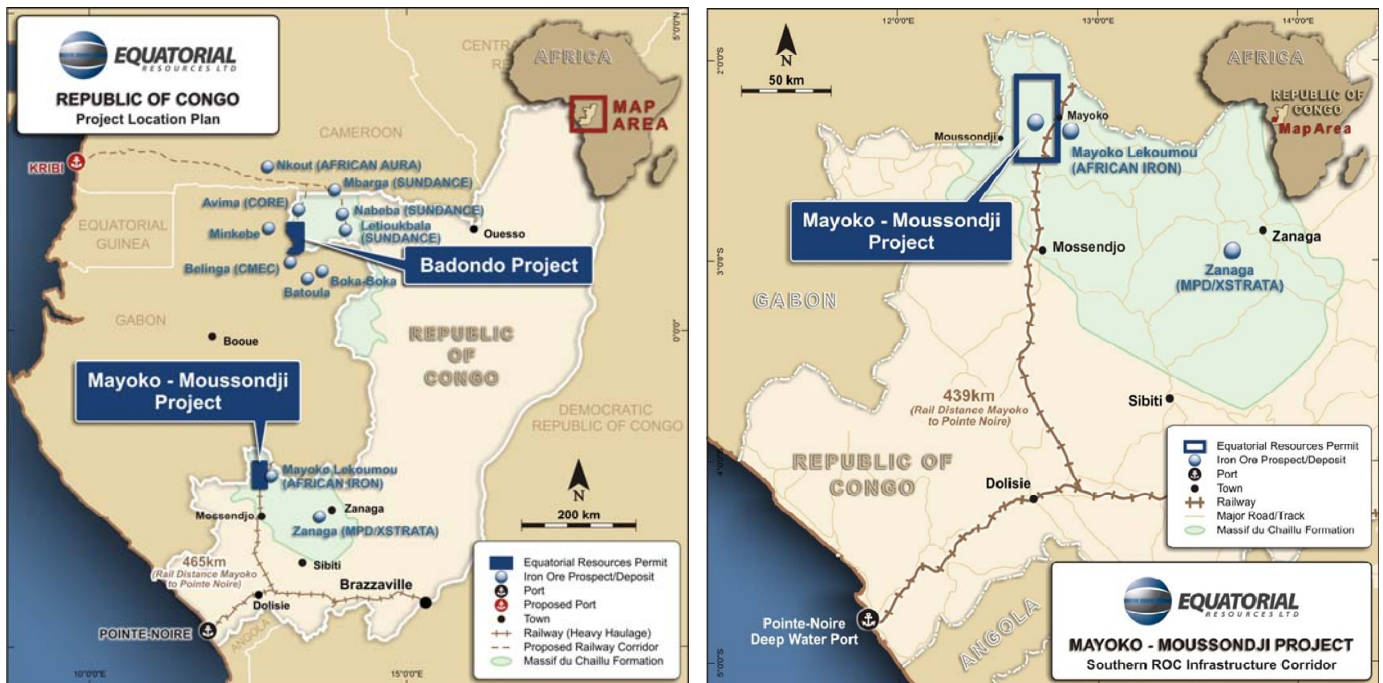


## ABOUT EQUATORIAL RESOURCES

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 tonnes<sup>1</sup> 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 tonnes<sup>1</sup> 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.



<sup>1</sup> 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.