Mining Licence Awarded For Mayoko-Moussondji

HIGHLIGHTS
- Exclusive Mining Licence awarded for the Mayoko-Moussondji Iron Project by the Republic of Congo Government.
- Mining Licence is valid for an initial period of 25 years and is renewable, upon application by Equatorial, for further periods of 15 years.

Equatorial Resources Limited ("Equatorial" or the "Company") is pleased to advise that at the March 2014 meeting of the Ministerial Council of the Republic of Congo ("ROC") Government, the Company’s application for a Mining Licence to develop and mine the Mayoko-Moussondji Iron Project ("Mayoko-Moussondji" or the "Project") was approved.

The approval of the Mining Licence for Mayoko-Moussondji by the ROC Government follows the submission of Equatorial’s application in December 2013 (refer ASX Announcement 11 December 2013). The application included a detailed technical feasibility study, an environmental and social impact assessment, community development plans, and the completion of technical reviews by relevant government agencies.

Mayoko-Moussondji, located in the southwest region of the ROC, currently has total Indicated and Inferred Resources of 917 million tonnes at 31.4% Fe which includes a Hematite Resource of 182 million tonnes at 35.7% Fe. The near surface Hematite Resource mineralisation has been shown to readily upgrade, using simple processing techniques, to "Mayoko Premium Fines", a 64.1% Fe product. The Mining Licence includes the entire area containing the Mineral Resource and covers an area of 615.5 km$^2$, approximately 62% of the existing Exploration Licence of 1,000km$^2$. Under the ROC Mining Code, the holder of a Mining Licence has the exclusive right to mine within the boundaries of the licence area for an initial period of 25 years. The Mining Licence may be renewed for further periods of 15 years each subject to further application.

Equatorial’s Managing Director & CEO, Mr John Welborn, commented on the Mining Licence approval: “The timely approval continues to demonstrate the government’s support for Equatorial and for the Mayoko-Moussondji Iron Project. Securing the Mining Licence is an extremely positive step in the development of the Project and puts Equatorial in a strong position to advance discussions and negotiations with potential partners and financiers. We look forward to continuing to work with the ROC Government to quickly conclude the associated Mining Convention Agreement for Mayoko-Moussondji.”

The Mining Code of the ROC stipulates that, following the grant of a Mining Licence, a Mining Convention Agreement ("Mining Convention") is signed between the holder and the government. The Mining Convention defines the fiscal rights and responsibilities of both the government and the holder with respect to the operation of the relevant Mining Licence. Equatorial is greatly encouraged by the ROC Government’s strong commitment to expanding the Country’s mining industry and its strong support for Equatorial’s development activities. The Company will now commence negotiations with the ROC Government of the Mining Convention for the Mayoko-Moussondji Mining Licence. The Mining Convention is expected to advance the Company’s existing agreements with the rail and port agencies into final definitive commercial agreements and will thus complete all government approvals required to develop and mine the Project.
Mayoko-Moussondji is expected to contribute significantly to the ROC’s economy and will directly and indirectly employ and train a significant number of Congolese nationals.

**Figure 1: Equatorial’s permit locations in the Mayoko region including the Mayoko-Moussondji Mining Licence**

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