

ASX: EQX | 18 November 2020 | ASX RELEASE

APPOINTMENT OF JOHN WELBORN AS MANAGING DIRECTOR & CEO

Equatorial Resources Limited (**Equatorial** or **Company**) is pleased to announce the appointment of Mr John Welborn as Managing Director and Chief Executive Officer (**CEO**) effective immediately.

Mr Welborn is a highly accomplished and internationally respected senior executive. A Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Institute of Management, and a member of the Australian Institute of Mining and Metallurgy, Mr Welborn is a former investment banker and mining company director.

Most recently, Mr Welborn was Managing Director and CEO of Resolute Mining Limited over a five year period which saw the company's market capitalisation grow from less than \$200 million to more than \$1 billion corresponding with an increase in the share price during his tenure as CEO of more than 300%. Under Mr Welborn's leadership, Resolute was transformed through the development, acquisition, and operation of new underground and open-pit gold mining operations which resulted in production of more than 1.7 million ounces of gold. Additional achievements included elevation into the S&P/ASX200 Index, the acquisition of the high margin Mako Gold Mine in Senegal, the divestment of the Ravenswood Gold Mine in Australia, comprehensive refinancing and investment activities, and the admission of the company's shares for trading on the main board of the London Stock Exchange.

Mr Welborn has been a Director of Equatorial since August 2010 and was previously responsible for a successful period of transformation which included the acquisition and exploration of the Company's existing iron ore assets in West Africa and the acquisition and divestment of the Company's investment in African Iron Limited.

Mr Welborn is expected to formally commence his new role with Equatorial immediately and, subject to necessary approvals (including shareholder approval) and in addition to the remuneration conditions specified below, will subscribe for 1,500,000 new Equatorial shares at \$0.30 each for a total investment in the Company of \$450,000.

The Board is pleased to have secured an executive of Mr Welborn's experience and market standing as Managing Director and CEO. His decision to commit financially to the Company is a strong positive indication of his motivation and dedication.

About Equatorial

Equatorial is an ASX-listed company focused on advancing its existing projects and assets as well as searching for new opportunities in the resources sector which have the potential to build shareholder wealth. Equatorial is the majority owner of the potentially large scale Badondo Iron Ore Project in the Republic of Congo and also holds a 2% royalty on all future production from the Mayoko-Moussondji Iron Project. As at 30 September 2020 Equatorial had A\$41.2 million in cash and listed investments with 124.4 million shares on issue.

For further information contact:

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This announcement has been authorised for release by the Company's Board of Directors.

Terms and Conditions of Mr Welborn's Appointment

Mr Welborn will be engaged as Managing Director and Chief Executive Officer under an executive service agreement with a term which continues until terminated by either the Company or Mr Welborn.

Subject to necessary approvals, the remuneration terms for the Managing Director & CEO include a fixed remuneration component, a short term incentive component, and a long term incentive component. The remuneration package is designed to link reward to Company performance and to align the interests of the Managing Director with the interests of shareholders through significant at-risk performance based components. The Board has ensured that the long term incentive components of the Managing Director & CEO's remuneration conditions will only provide reward in circumstances where shareholders have benefited from significant growth in value.

Mr Welborn will receive fixed remuneration in the form of an annual salary of A\$300,000 plus compulsory superannuation and will be eligible for short term incentive bonus payments based upon the successful completion of specific key performance indicators as determined by the Board. Fixed remuneration will be subject to annual review.

Mr Welborn (or his nominee) will be granted the following long term incentive securities subject to necessary approvals (including shareholder approval) under a employee equity incentive plan to be established by the Company:

Incentive Options:

- 2,000,000 incentive options exercisable at \$0.40 each, expiring five years from the date of issue and vesting 6 months from the commencement date.
- 2,000,000 incentive options exercisable at \$0.50 each, expiring five years from the date of issue and vesting 12 months from the commencement date.

Performance Rights:

- 2,000,000 performance rights expiring five years from issue and vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$0.60 per share.
- 2,000,000 performance rights expiring five years from issue and vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$0.80 per share.
- 2,000,000 performance rights expiring five years from issue and vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$1.00 per share.

Mr Welborn's executive service agreement may be terminated by Mr Welborn on 3 months' written notice. The Company may terminate the agreement without cause by providing 6 months' written notice. Termination by the Company without notice may be made on the basis of serious misconduct or other circumstances which justify summary dismissal.