

EQUATOR

RESOURCES LIMITED

ACN: 127 411 796

14 February 2017

ASX:EQU

MR PAUL MATYSEK APPOINTED CHAIRMAN AND NEW FUNDING SECURED

- SIGNIFICANT NEW BOARD APPOINTMENT: Prominent Successful Canadian Mining Entrepreneur Mr. Paul Matysek appointed to the board of Equator Resources as Non-Executive Chairman.
- PROVEN COMPANY BUILDER: Mr. Matysek has held senior executive and director positions with several natural resource exploration and development companies and is a proven company builder, including Energy Metals Corporation, Potash One, Goldrock Mines, Lithium X and Lithium One (now Galaxy Resources).
- FURTHER FUNDING SECURED: Equator to raise \$3m in new capital at an issue price of \$0.085 to Canadian and Australian investors. The Placement will bolster funding for immediate work programs on its Canadian cobalt assets.
- OPTION CONVERSION: The company has also issued 60m new shares from the full conversion of the May 2020 \$0.02 shareholder options, adding a further \$1.2m to cash reserves, and substantially simplifying the company's capital structure. The new shares have been placed to Canadian and Australian investors. The cash position post transaction will be approximately \$6.5m.
- PROPOSED NAME CHANGE: Equator Resources will seek shareholder approval to change its name to Cobalt One Limited to reflect its increased focus on its Canadian high grade Cobalt assets.
- CAPITAL RAISING: Canaccord Genuity Australia facilitated the execution of the Placement on behalf of Equator Resources and provided facilitation services for the conversion of 60m shareholder options into new shares.

Equator Resources Limited (ASX: EQU) (the "Company" or "Equator") is pleased to announce the appointment of Mr. Paul Matysek, M.Sc. as Non-Executive Chairman effective 15th February 2017. Mr. Matysek is a mining entrepreneur, geochemist and geologist with over 35 years of experience in the mining industry. He has held senior executive and director positions with several natural resource exploration and development companies and is a proven company builder.

Mr. Matysek was the Founder, President and CEO of Energy Metals Corporation ("EMC"), a premier uranium company that traded on the New York and Toronto Stock Exchanges. Mr. Matysek led EMC as one of the fastest growing Canadian companies in recent years, increasing its market capitalization

from \$10 million in 2004 to approximately \$1.8 billion when it was acquired by a larger uranium producer, Uranium One Inc, in 2007.

Mr. Matysek is also the Executive Chairman and on the Board of Directors of Lithium X (TSX-V:LIX), a lithium resource explorer with projects in Salta, Argentina and Clayton Valley, Nevada. Previously, Mr. Matysek was the President and CEO of Lithium One Inc., which developed a high-quality lithium project in northern Argentina. In July 2012, Lithium One and Galaxy Resources merged with a \$112 million plan to create a fully integrated lithium company. Prior to Lithium One, Mr. Matysek was the President and CEO of Potash One Inc. where he was the architect of the \$434 million friendly takeover of Potash One by K+S Ag, which closed in early 2011. Mr. Matysek was also formally the President and CEO of Goldrock Mines Corp. (TSX-V:GRM) which on July 28, 2016 was acquired by Fortuna Silver Mines (NYSE:FSM) (TSX:FVI). Goldrock's principal asset was the 100% owned Lindero Project located in Salta Province, Argentina and the transaction valued Goldrock at \$178 million on a fully-diluted basis.

Equator Resources Executive Director, Jason Bontempo commented, "We are very pleased that Paul Matysek has agreed to join the Equator board. He is an incredibly well respected leader in the resource industry and his expertise will be invaluable to the future development of the Company and our portfolio of projects in the Cobalt province of Ontario Canada. On behalf of Equator Resources Board of Directors, we welcome Paul to our team."

The company has agreed to grant Mr. Matysek 15,000,000 unlisted options at \$0.08 subject to shareholder approval at a proposed shareholder meeting planned to be held in March 2017.

Capital Raising:

Equator has received firm commitments to raise \$3 million at \$0.085 per share ("Placement") to bolster funding for immediate work programs on its Canadian cobalt assets.

The Company will complete the Placement under a section 708 (10) cleansing prospectus which will be released as soon as possible. The shares will be issued using the Company's available capacity under Listing Rule 7.1.

Canaccord Genuity Australia facilitated the execution of the Placement on behalf of Equator Resources and provided facilitation services for the conversion of 60m shareholder options into new shares.

Option Conversion and Cash Position:

The company has also issued 60m new shares from the full conversion of the May 2020 \$0.02 shareholder options, adding a further \$1.2m to cash reserves, and substantially simplifying the company's capital structure. The new shares have been placed to Canadian and Australian investors. The cash position post transaction will be approximately \$6.5m.

Shareholder Meeting:

The company will also seek shareholder approval to change the Company name to Cobalt One Limited and cleanse the company's 15% issuing capacity. A notice of meeting will be circulated before the end of February 2017 and the Shareholders meeting is expected to be held in March 2017.

Board Changes:

Mr Michael Naylor has resigned from the board. The Board expresses its sincere appreciation to Mr Naylor for his valuable contribution, dedication and hard work in the Company since his appointment. Mr Naylor will continue on with Equator Resources in the capacity as Company Secretary.

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For more information, please contact:

Corporate

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