

EQUATOR

RESOURCES LIMITED

ASX RELEASE:
28 April 2017

ASX: EQU

CORPORATE DIRECTORY

Executive Director
Jason Bontempo

Non-Executive Chairman
Paul Matysek

Non-Executive Director
Nicholas Rowley

Non-Executive Director
Alexander Passmore

Company Secretary
Michael Naylor

CONTACT DETAILS

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West Perth, WA 6005
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Quarterly Activities Report

For the quarter to 31 March 2017

Highlights

Cobalt Camp, Ontario, Canada

- Shareholders approved the acquisition of 80% of Ophiolite Pty Ltd, which has a 100% interest in high grade, strategic Cobalt properties located in the Cobalt Town region of Ontario, Canada ("Cobalt Mining Camp").
- Acquisition of the Silverfields mining property adding to the company's portfolio of assets in the Cobalt Mining Camp.
- Further ground staked with known Cobalt occurrences in the Cobalt Mining Camp including the Gillies Limit, Lorrain and Cooper Lake areas.
- The ongoing exploration program at the company's Cobalt Mining Camp projects since completion in February 2017 has consisted of:
 - GIS data integration, studying historical exploration including underground drilling and mine workings data.
 - The completion of a combined high-resolution airborne magnetic and VLF-EM survey
- In April 2017, The Company entered into a binding agreement to purchase a cobalt extraction refinery located in Cobalt, Ontario, Canada. The purchase of the refinery is expected to create long term synergies with existing tenure and projects in the cobalt mining camp of Ontario.

Corporate

- As at 31 March 2017, Equator held \$6.4 million in cash.
- Prominent successful Canadian Mining entrepreneur, Mr Paul Matysek appointed as Non-Executive Chairman.
- A \$3m placement was completed at an issue price of \$0.085.
- The company issued 60 million shares from the conversion of the May 2020 \$0.02 shareholder options.

Cobalt Camp, Ontario, Canada (80%)

In February 2017 **Equator Resources Limited** (the "Company" or "Equator"), completed the acquisition of 80% of Ophiolite Pty Ltd, which has a 100% interest in high grade, strategic Cobalt properties located in the Cobalt Town region of Ontario, Canada.

The Cobalt area is an established Tier-1 mining district, with extensive road, rail and port infrastructure, able to target future production to key North American, and export markets. The district is a proven mining region with over 600Moz Ag and 45Mlbs of Co production from previous operating mines. Much of this silver was extracted in early 1900's, with minimal focus on Co or on high grade Co regions which were typically left behind or used as a tracer to track silver.

Mineralisation in the area occurs as silver-cobalt arsenides plus other cobalt arsenides such as skutterudite, cobaltite, smaltite hosted within quartz and calcite veins. Historical sampling from some of these veins (Lang-Caswell) shows exceptionally high grades of cobalt (4-12%). (source: Northern Ontario Ministry of Development and Mines "MNDM")

Within the Assets, up to 80-90% of mineralised zones is related to the Nipissing diabase, Huronian sediments and Keewatin volcanics - particularly near contact points between the diabase and the latter two rock types, which is typical regionally. The Assets cover over 20kms of highly prospective ground along these contact points.

The Project claims include and are adjacent to former operating mines with historic silver and cobalt production. Miners in early 1900s targeted easy to access outcrop due to the lack of geophysical technology that exists today. There has been minimal modern day exploration carried out to date.

The Cobalt Camp Projects include significant exploration upside and further growth opportunities due to minimal modern exploration techniques applied, structures are relatively shallow and amenable to IP analysis and low cost shallow drilling. Former mines provide a significant database for the Company on production assets and for exploration programs to target along strike.



Figure 1: Project Location Map

Acquisition of Silverfields

The Company acquired the historic Silverfields mine property ("Silverfields") a mine previously owned by Teck Corporation Ltd to its extensive portfolio of properties. The operation was historically mined for silver mineralisation with cobalt being an unpaid by-product.

Silverfields was operated by Teck Corporation from 1964 to 1983 and was one its key operations in Canada at the time. It was a prolific silver producer producing 18Moz of Ag at 12.8oz/ ton (362 g/t Ag).¹

Mineralisation at the mine included silver-cobalt arsenides typical of the Cobalt camp. At the time cobalt was used as a tracer to target silver mineralisation and not targeted in its own right. Cobalt production was not tracked separately as the mills which received the ore at the time did not pay for cobalt content so there was no economic incentive to target Co-rich or high Co-low Ag areas.

The resident geologist from the Kirkland Lake Northern Ontario Mines Department reported in the early 1980s that cobalt was grading 1.0% Co in the ore and historic maps and other notes indicate the presence of cobalt throughout the mine operations².

Silverfields comprises four patented mining claims (surface rights included) near the town of Cobalt. The mine, an underground operation, was historically accessed via an adit (Meteor Ramp) and a shaft (Alexandra Shaft).

Underground workings related to silver mining are significant at the operation across 6 levels down to a depth of approximately 200m below surface. The company believes these underground workings will, following rehabilitation allow access for modern exploration targeting cobalt mineralisation.



Plate 1: Historic Headframe at Silverfields

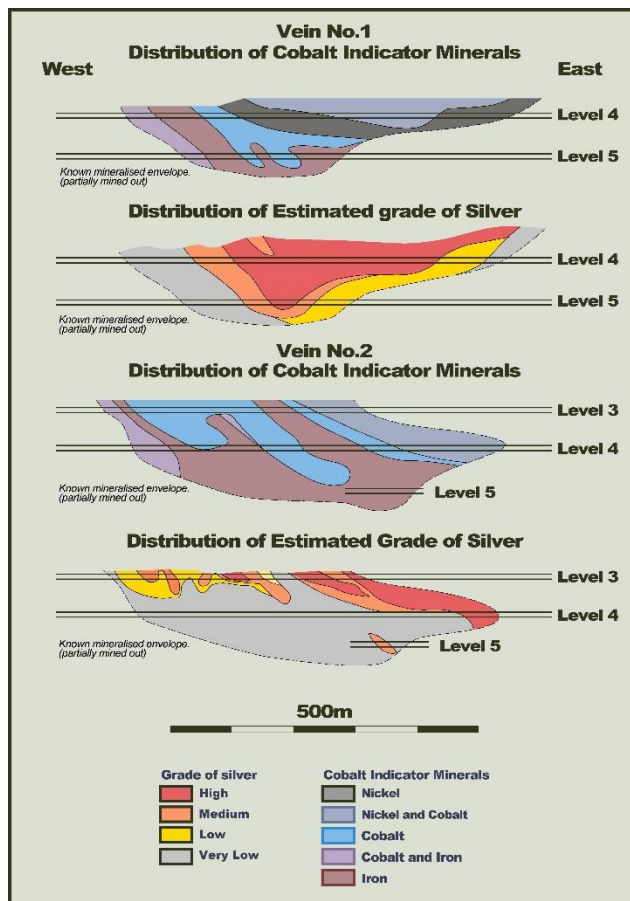
Historical estimates of past production sourced from the Northern Ontario Mines Department indicate that 1.42Mt of silver ore was mined over 19 years to 1983. This implies an endowment of about 8,500t of mineralised material per vertical metre and an average annualised production rate of 81,400t per annum.

The company considers this highly encouraging given the principal method of mining employed to recover the silver rich veins was small scale (air leg mining) which may potentially be increased via mechanised methods.

The Silverfields deposit is composed of principal ore veins, cross-veins, masses of mineralized Keewatin interflow rocks, and disseminated minerals in the Coleman Formation. Only the principal ore veins contain silver ore and they occur primarily in the Coleman Formation.

The veins also contain cobalt indicator minerals such as arsenides and native silver (principal metal veins). The arsenides, including nickel, cobalt, and iron varieties, occur as massive lenses and disseminated grains in the carbonate veins. Some massive lenses extend across the entire widths of the veins, others present as irregular bodies in the centers of the veins, and still others occur at the edges of the veins.

Silver grades exhibit a very different zonation implying that previous production has excluded multiple areas of cobalt mineralisation.



Implications for Co Targets

- Cobalt and silver mineralisation occurs in calcite veins in close association
- Cobalt indicator minerals are not correlated to silver grades - high grade zones cross cut indicator mineral zones
- Historical production targeting silver didn't focus on cobalt mineralisation – low grade silver zones likely to have Co-mineralisation in-situ
- Re-entry of the mine workings considered possible with establishment of drill platforms to follow rehabilitation
- Drill out of interpreted cobalt rich zones to follow

Figure 2. Idealised Long Section of Veins 1 & 2 showing separate zonation of silver and cobalt mineralisation

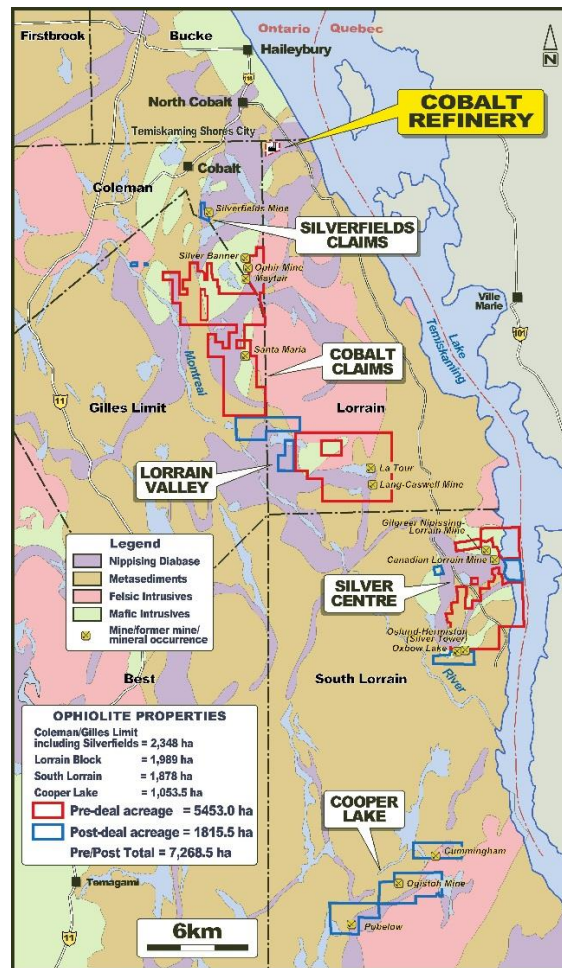


Figure 3: Equator's latest Ground Position in the Historic Cobalt Mining Camp

Acquisition of Cooper Lake

The company has staked further known Cobalt occurrences in the Cooper Lake area. The claims include the historic Co-Ag mineralised Ogistoh exploration mine with a small past production history where ore was reported to contain 5% Co. The Ogistoh shaft was approximately 80 ft deep and 40 feet of drifting was completed on its northwest side. The Cooper Lake properties also contain the Cunningham and Pubelow Co-Ag occurrences.

Acquisition of Gillies Limit, Lorrain and South Lorrain

Claims were also staked in the Gillies Limit and Lorrain Twp effectively tying both major claim groups together which covers more cobalt mineral prospective ground. In the South Lorrain/Silver Centre area, more claims were staked making the two claim groups located in that area contiguous which are nearby the Canadian Lorrain mine. Further claims staked include Co prospective land south of the Oxbow Lake and Oslund-Hermiston Co-AG occurrences. Assays from a historic diamond drilling program adjacent to Oxbow Lake returned results including, 3.25% Co over 3.1 ft. DDH 8 yielded , 1.41% Co over 2.8 ft. ³

The company continues to assess further potential cobalt mineral rich properties via acquisition and staking.

Exploration and Work Programs

The ongoing exploration program at the company's Cobalt camp projects since completion in February 2017 has consisted of:

- GIS data integration, studying historical exploration including underground drilling and mine workings data.
- The completion of a combined high-resolution airborne magnetic and VLF-EM survey to better map main geological contacts, known veins and their extent and to locate new veins distribution, and gain an understanding of the structural control on the vein intrusion and metal deposits.

Cobalt Refinery

In April 2017, Equator entered into an asset purchase agreement with 36569 Yukon Inc ("Yukon") and its parent company, Yukon Refinery AG, ("Agreement") whereby the Company will, subject to certain conditions precedent, buy properties, permits, assets and rights, including intellectual property and goodwill, from Yukon relating to or held for use in connection with the operation of the cobalt concentrates refinery located in North Cobalt, Ontario, Canada, on an "as is" basis ("Refinery Assets") (together the "Transaction").

The Company believes the purchase of the Refinery Assets is an appropriate long term strategic addition to the Company's existing cobalt project portfolio in the Cobalt Mining Camp of Ontario, Canada.

The acquisition will confirm Equator as a major player in the Cobalt Mining Camp to take advantage of future processing of potential cobalt resources from the Company's own land holdings. In addition, it will also include meeting the potential demand of third parties actively exploring and developing their own cobalt resources in the region, with the potential to result in a significant North American based primary cobalt producing region. The refinery is not currently operating, and will require upgrades to meet the Company's potential future processing demands.

The Company has paid Yukon a non-refundable deposit of A\$250,000 upon signing of the Agreement. Under the Agreement, the Company is also required to:

- pay A\$5,750,000 first to Yukon's legitimate creditors with a claim against the Refinery Assets and the remainder to Yukon or its nominee as directed by Yukon ("Cash Consideration"); and
- issue 100,000,000 fully paid ordinary shares in Equator of which 50,000,000 Shares will be escrowed for a period of 24 months from the date of issue, and 50,000,000 will be escrowed for a period of 12 months from the date of issue ("Share Consideration").

within 8 weeks of the date of the Agreement ("Interim Period") and subject to satisfaction or waiver of the conditions precedent noted below.

Equator will seek shareholder approval under ASX Listing Rule 7.1 for the Share Consideration.

Acacia-Fraser Project, Northern Territory

The Company has completed its desktop review of second tier targets subsequent to completing exploration activities on prioritised gold and uranium prospect during the second half of the 2016 calendar year. Based on the assessed potential of the grass roots targets on the project in context of the existing infrastructural setting of the project, the Company has relinquished two tenements.

The remaining tenements are currently under review and results will be available in the coming quarter.

Corporate

Cash

As at 31 March 2017, Equator Resources held \$6.4 million in cash.

Equator raised \$3 million at \$0.085 per share to bolster funding for immediate work programs on its Canadian cobalt assets. In addition the company issued 60 million shares from the conversion of the May 2020 \$0.02 shareholder options.

Canaccord Genuity Australia facilitated the execution of the placement on behalf of Equator.

Refer to Appendix 5B (ASX website) for principle movements in cash for the quarter.

Board Changes

In February 2017, the Company appointed Mr. Paul Matysek, M.Sc. as Non-Executive Chairman effective. 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 Michael Naylor has resigned from the board but remained in the capacity as Company Secretary.

General Meeting

At the General Meeting held on 6 February 2017, the Company shareholders approved the acquisition of 80% of Ophiolite Pty Ltd. The associated shares and options were issued (Refer Appendix 3B on 10 February 2017).

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Gary Grabowski, who is a member of the Association of Professional Geoscientists of Ontario. Mr Grabowski is a geological consultant for the Company. Mr Grabowski has forty years relevant exploration experience, which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grabowski consents to their inclusion in the report of the matters.

Notes

¹ Teck Corporation, Silverfields Mining Division 28 June 1983; Production Certificate & Letter to MDNM

² Marc Gaudreau 6 January 2017; Site Visit and Kirkland Lake MNDM Data Review Report

³ (Ontario Ministry of Northern Development and Mines ("MNDM") report ref : MDI31M03NW00020)

Appendix 1 | Equator Resources Limited Tenements

Tenement	Location	Registered Owner	Structure and Ownership
Acacia Fraser Project, Australia			
EL 27282	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of EQU)	Granted, 100%
EL 27349	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of EQU)	Granted, 100%
EL 27747	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of EQU)	Granted, 100%
Cobalt Camp, Ontario, Canada¹			
4280138	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4283320	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
1230544	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
1230840	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4278446	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280116	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280120	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280130	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280131	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280132	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%

4280133	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280134	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280144	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280145	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280157	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280180	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280181	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280182	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280183	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280184	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280192	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280193	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280194	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280195	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280196	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280197	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280198	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280199	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%

4280200	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4282378	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4282379	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4283319	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4283505	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4276645	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280159	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280160	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280161	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280162	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280163	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280164	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280165	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280166	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280167	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280168	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280177	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4281661	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%

4281662	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4281663	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4275044	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280136	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280137	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280140	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280141	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280142	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280143	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280158	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280169	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280170	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280171	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280172	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280173	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280174	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280175	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280176	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%

4280178	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4281637	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4281639	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4281640	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4281664	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4280135	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4286015	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%
4286016	Ontario, Canada	Ophiolite Pty Ltd (80% subsidiary of EQU)	Granted, 80%

¹: Note these were all acquired during the quarter.

Tenements disposed during the quarter:

Acacia Fraser Project, Australia			
EL 25027	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of EQU)	Granted, 100%
EL 26777	Northern Territory	Acacia Minerals Pty Ltd (100% subsidiary of EQU)	Granted, 100%

Beneficial percentage interests held in farm-in or farm-out agreements during the quarter:

Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed during the quarter:

Nil