

EQUATOR

RESOURCES LIMITED

ACN: 127 411 796

07 October 2015
EQU0C0R\ASX\ASX203

ASX Market Announcements
Markets Announcement Platform
Australian Securities Exchange
SYDNEY NSW 2000

Independent Technical Expert Report

In May 2015, Equator Resources Limited dispatched to eligible Shareholders a Notice which called for a General Meeting on 24 June 2015 to pass a number of Resolutions. Accompanying the Notice was an Independent Experts Report.

As set out in the Documents, was a reference to an Independent Technical Expert Report (**Report**). It has been brought to the attention of the Board that the Report was not released to the market at that time.

Please find **attached**, a copy of the Independent Technical Expert Report that formed part of the Notice of Meeting package for the shareholder meeting held on 24 June 2015.



Eryn Kestel
Company Secretary

LEVEL 2, SPECTRUM, 100 RAILWAY ROAD, SUBIACO WA 6008
PO BOX 8281, SUBIACO WA 6008
TELEPHONE: +61 (08) 9367 8133 **FACSIMILE:** +61 (08) 9367 8812
EMAIL: info@equatorresources.com.au **WEBSITE:** www.equatorresources.com.au

AL MAYNARD & ASSOCIATES Pty Ltd
Consulting Geologists

www.geological.com.au

ABN 75 120 492 435

9/280 Hay Street,
SUBIACO, WA, 6008
Australia

Tel: (+618) 9388 1000
Fax: (+618) 9388 1768

Mob: 04 0304 9449
al@geological.com.au

Australian & International Exploration & Evaluation of Mineral Properties

INDEPENDENT TECHNICAL VALUATION
OF THE
MINERAL ASSETS OF
EQUATOR RESOURCES LIMITED

Author: Brian J Varndell BSc(SpecHonsGeol), FAusIMM
Peer Review Allen J Maynard BAppSc(Geol), MAIG, MAusIMM
Company; Al Maynard & Associates Pty Ltd
Date: 20th February, 2015

EXECUTIVE SUMMARY

This Independent Technical Valuation Report has been prepared by Al Maynard & Associates (“AM&A”) at the request of Mr. R. Marusco, Company Secretary of Equator Resources Limited (“Equator” – ASX:EQU) to value the Bukon Jedeh mineral asset in Liberia.

The Bukon Jedeh concession is a Mineral Development Area (“MDA”) that covers 252 km². Title documents of Bukon Jedeh Resources (“BJR”) show a 100% interest in the Bukon Jedeh concession.

Local artisanal miners operate inside the concession under Class C mineral rights granted by the government. Should a mine be developed the owners of the concession have precedence over the owners of Class C rights.

A local village, called Government Camp, of approximately 5,000 people is inside the concession which accommodates the local miners and their families. The village social structure includes a mayor, a court of justice, a school, basic medical facilities and churches. If a mine is developed the village is likely to have to be relocated.

The Bukon Jedeh concession is located in the Sinoe County in southeastern Liberia. Government Camp is located approximately 85 km to the east of Greenville (Fig 1). Greenville is approximately 330 km southeast from Monrovia, the capital city of Liberia. Access to site from Greenville is by gravel roads in poor condition.

Free form gold is present in the laterite profile and is associated locally with quartz veins and also a stockwork of veinlets. Anomalous occurrences of gold have been identified over a strike of approximately 4 km by soil sampling. Trenching and drilling has confirmed the presence of gold in the saprolite where mineralisation is mainly present as free gold in the saprolite matrix. The gold grades returned by the current exploration justify additional exploration in the property.

Due to the presence of many artisanal miners in the area, the current instability in the region, the Ebola outbreak and an uncertain Joint Venture relationship the MEE factor selected is 0.25 and the range of values on either side of the Preferred Value has been increased to $\pm 25\%$.

This Report concludes that the current cash value of the 100% of the project is US\$0.94 million from within the range of US\$0.71 million to US\$1.18 million. Using a current conversion of 1A\$=US\$0.78 this value relates to A\$1.21 million from within the range of A\$0.91 million to A\$1.51 million.

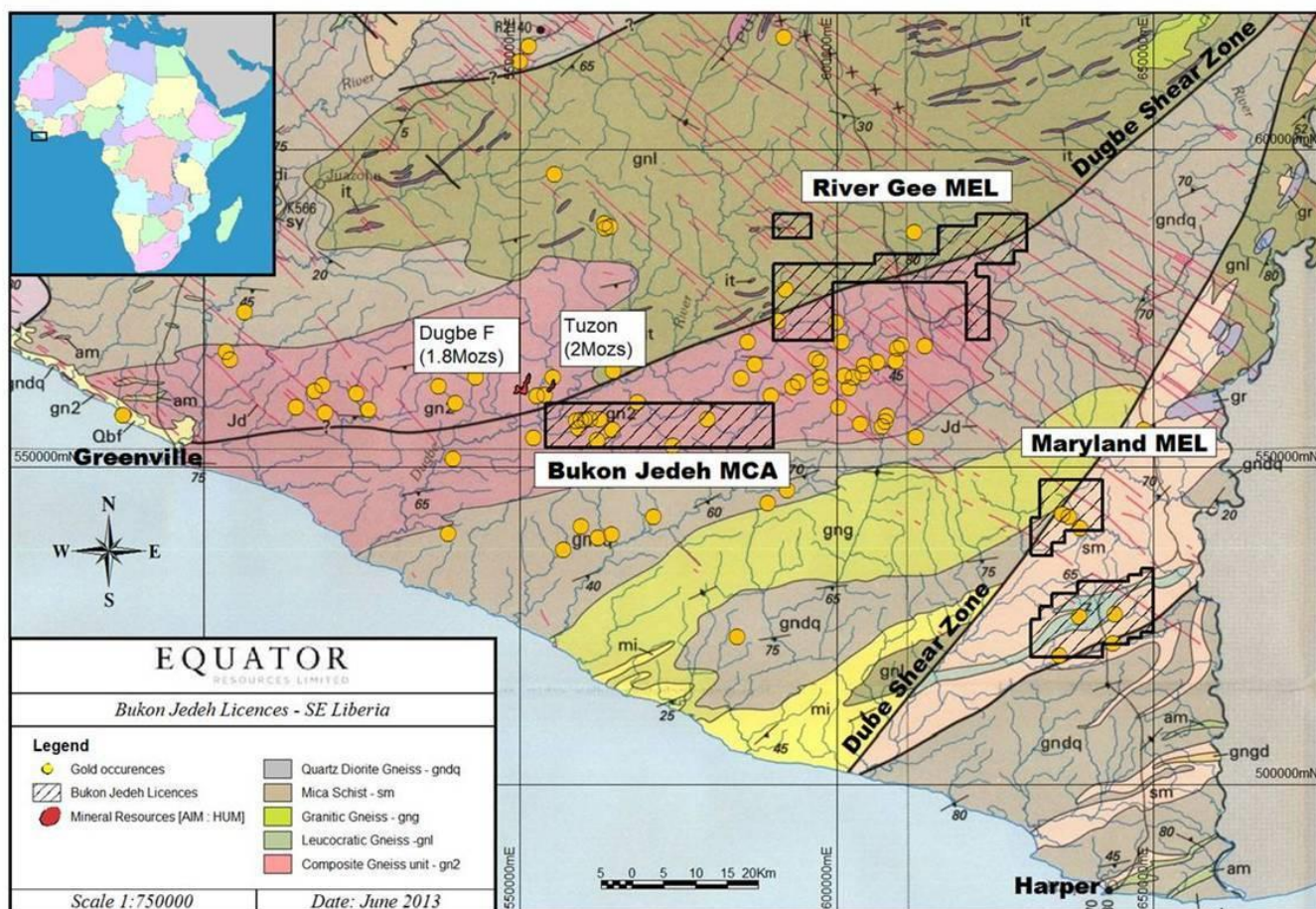


Figure 1: Bukon Jedeh Project Location.

TABLE OF CONTENTS

1.0 Introduction	1
1.1 Scope and Limitations	1
1.2 Statement of Competence	3
2.0 Valuation of the Mineral Assets – Methods and Guides	3
2.1 General Valuation Methods	3
2.2 Discounted Cash Flow/Net Present Value	3
2.3 Joint Venture Terms	4
2.4 Similar or Comparable Transactions	4
2.5 Multiple of Exploration Expenditure	4
2.6 Ratings System of Prospectivity (Kilburn)	4
2.7 Empirical Methods (Yardstick – Real Estate)	4
2.8 General Comments	5
2.9 Environmental implications	5
2.10 Indigenous Title Claims	5
2.11 Commodities-Metal prices	5
2.12 Resource/Reserve Summary	5
2.13 Previous Valuations	5
2.14 Encumbrances/Royalty	5
3.0 Background Information	5
3.1 Introduction	5
3.2 Specific Valuation Methods	6
4.0 Bukon Jedeh Project	6
4.1 Introduction	6
4.1.1 Location and Access	6
4.1.2 Tenure	7
4.2 Geological Setting	8
4.2.1 Regional Geology	8
4.2.2 Local Geology	9
4.2.3 Mineralisation	10
4.3 History	10
4.3.1 Previous Exploration	11
4.4 Bukon Jedeh Project Conclusions	14
5.0 Valuation of the Projects	15
5.1 Selection of Valuation Methods	15
5.2 Valuation Methods	15
5.3 Valuation Conclusions	16
6.0 References	17
5.0 Glossary of Technical Terms and Abbreviations	19

List of Figures

Figure 1: Bukon Jedeh Project Location.	2
Figure 2: Bukon Jedeh access from Monrovia.	6
Figure 3: Bukon Jedeh Local Geological Map with Tenements.	9
Figure 4: Bukon Jedeh Local Geology.	10
Figure 5: Bukon Jedeh Soil Sampling Cover.	12
Figure 6: Bukon Jedeh Gold in Soil Anomalous trends.	12
Figure 7: 2012 RC Highlight Intersections.	13
Figure 8: 2013 RC Drillholes.	14

List of Tables

Table 1: Bukon Jedeh Concession Corner Co-ordinates.	8
Table 2: Summary Range of Current Values.	16

Appendices

Appendix 1: Valuation Estimate Workings.	18
---	----

The Directors
Equator Resources Limited
Level 2, 100 Railway Road
Subiaco WA 6008

20th February, 2015

Dear Directors,

VALUATION OF THE MINERAL ASSET OF EQUATOR RESOURCES LIMITED

1.0 Introduction

This Independent Technical Valuation Report ("Report") has been prepared by Al Maynard & Associates ("AM&A") at your request to provide an independent valuation of the mineral assets currently held by Equator Resources Limited ("Equator"). The only mineral asset of value held by Equator is its 100% interest in the Bukon Jedeh Project located in southeastern Liberia. All other tenements may be surrendered over time so no value is ascribed to them.

An IER is being prepared to report on the fairness and or reasonableness of a proposed share issue the subject of shareholder approval under the Notice of Meeting. This Report is for inclusion in the IER.

1.1 Scope and Limitations

This Report has been prepared in accordance with the requirements of the Valuation of Mineral Assets and Mineral Securities for Independent Expert's Reports (the 'Valmin Code') (2005) as adopted by the Australian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM').

This Report is valid as of 20th February, 2015 which is the date of the latest review of the data and technical information. The valuation can be expected to change over time having regard to political, economic, market and legal factors. The valuation can also vary due to the success or otherwise of any mineral exploration that is conducted either on the mineral assets concerned or by other explorers on prospects in the near environs. The valuation could also be affected by the consideration of other exploration data, not in the public domain, affecting the mineral assets which have not been made available to the writer.

In order to form an opinion as to the value of any mineral asset, it is necessary to make assumptions as to certain future events, which might include economic and political factors and the likely exploration success. The writer has taken all reasonable care in formulating these assumptions to ensure that they are appropriate to the case. These assumptions are based on the writers' technical training and experience in the mining industry. Whilst the opinions expressed represent the writer's fair and reasonable professional opinion at the time of this Report, these opinions are not however, forecasts as it is never possible to predict accurately the many variable factors that need to be considered in forming an opinion as to the value of any mineral asset.

The valuation methodology of mineral assets is exceptionally subjective. The values obtained are estimates of the amount of money, or cash equivalent,

which would be likely to change hands between a willing buyer and a willing seller in an arms' length transaction, wherein each party had acted knowledgeably, prudently and without compulsion. This is the required basis for the estimation to be in accordance with the provisions of the Valmin Code. There are a number of generally accepted procedures for establishing the value of mineral assets with the method employed depending upon the circumstances of the mineral asset. When relevant, AM&A uses the appropriate methods to enable a balanced analysis. Values are presented as a range and the preferred value is identified. The readers should therefore form their own opinion as to the reasonableness of the assumptions made and the consequent likelihood of the values being achieved.

The information presented in this Report is based solely on technical reports, ASX reports and other data provided by Equator supplemented by our own inquiries. At the request of AM&A copies of relevant technical reports and agreements were readily made available. Some information is available in the public domain and relevant references are listed in Sect. 6.0 –References.

Equator will be invoiced and expected to pay a fee between A\$5,000 to A\$9,000 for the preparation of this Report. This fee comprises a normal, commercial daily rate plus expenses. Payment is not contingent on the results of this report or the passing of the relevant resolution the subject of the IER under the Notice of Meeting. Except for these fees, neither the writer nor any associates have any interest, nor the rights to any interest in Equator nor the mineral assets reported upon. Equator has confirmed in writing that all technical data known to the public domain is available to the writers.

The valuation presented in this Report is restricted to a statement of the fair value of the mineral asset package. The Valmin Code defines fair value as “The estimated amount of money, or the cash equivalent of some other consideration, for which, in the opinion of the Expert reached in accordance with the provisions of the Valmin Code, the mineral asset or security shall change hands on the Valuation date between a willing buyer and a willing seller in an arms' length transaction, wherein each party had acted knowledgeably, prudently and without compulsion”.

It should be noted that in all cases, the fair valuation of the mineral assets presented is analogous with the concept of “valuation in use” commonly applied to other commercial valuations. This concept holds that the assets have a particular value only in the context of the usual business of the company as a going concern. This value will invariably be significantly higher than the disposal value, where, there is not a willing seller. Disposal values for mineral assets may be a small fraction of going concern values.

In accordance with the Valmin Code, we have prepared the “Range of Values” as shown in Table 2, section 5.3. Regarding the Projects it is considered that more than sufficient geotechnical data has been provided from the reports covering the previous exploration of the relevant area to enable an understanding of the geology. This provides adequate information to enable an informed opinion as to the current value of the mineral assets. No site visit has been undertaken but the authors are familiar with this type of West African terrain.

1.2 Statement of Competence

This Report has been prepared by Allen J. Maynard and Brian J. Varndell. Allen J. Maynard is the Principal of AM&A, a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy (“AusIMM”) (No 104986) and a Member of the Australian Institute of Geoscientists (“AIG” #2062). He has had 35 years’ experience in mineral exploration and evaluation and more than 30 years’ experience in mineral asset valuation. Brian J. Varndell BSc (SpecHonsGeol), FAusIMM (No111022), is a geologist with over 40 years in the industry and 35 years in mineral asset valuation. The writers each hold the appropriate qualifications, experience and independence to qualify as an independent “Expert” under the definitions of the Valmin Code.

2.0 Valuation of the Mineral Assets – Methods and Guides

With due regard to the guidelines for assessment and valuation of mineral assets and mineral securities as adopted by the AusIMM Mineral Valuation Committee on 17 February 1995 – the Valmin Code (updated 1999 & 2005) – we have derived the estimates listed below using the appropriate method for the current technical value of the mineral assets as described.

The ASIC publications “Regulatory Guidelines ’111 & 112” have also been duly referred to and considered in relation to the valuation procedure. The subjective nature of the valuation task is kept as objective as possible by the application of the guideline criteria of a “fair value”. This is a value that an informed, willing, but not anxious, arms’ length purchaser will pay for a mineral (or other similar) asset in a transaction devoid of “forced sale” circumstances.

2.1 General Valuation Methods

The Valmin Code identifies various methods of valuing mineral assets, including:-

- Discounted cash flow,
- Joint Venture and farm-in terms for arms’ length transactions,
- Precedents from similar asset sales/valuations,
- Multiples of exploration expenditure,
- Ratings systems related to perceived prospectivity,
- Real estate value and,
- Rule of thumb or yardstick approach.

2.2 Discounted Cash Flow/Net Present Value

This method provides an indication of the value of a mineral asset with identified reserves. It utilises an economic model based upon known resources, capital and operating costs, commodity prices and a discount for risk estimated to be inherent in the project.

Net present value (‘NPV’) is determined from discounted cash flow (‘DCF’) analysis where reasonable mining and processing parameters can be applied to an identified ore reserve. It is a process that allows perceived capital costs, operating costs, royalties, taxes and project financing requirements to be analysed in conjunction with a discount rate to reflect the perceived technical and financial risks and the depleting value of the mineral asset over time. The NPV method relies on reasonable estimates of capital requirements, mining and processing costs.

2.3 Joint Venture Terms

The terms of a proposed joint venture agreement may be used to provide a market value based upon the amount an incoming partner is prepared to spend to earn an interest in part or all of the mineral asset. This pre-supposes some form of subjectivity on the part of the incoming party when grass roots mineral assets are involved.

2.4 Similar or Comparable Transactions

When commercial transactions concerning mineral assets in similar circumstances have recently occurred, the market value precedent may be applied in part or in full to the mineral asset under consideration.

2.5 Multiple of Exploration Expenditure

The multiple of exploration expenditure method ('MEE') is used whereby a subjective factor (also called the prospectivity enhancement multiplier or 'PEM') is based on previous expenditure on a mineral asset with or without future committed exploration expenditure and is used to establish a base value from which the effectiveness of exploration can be assessed. Where exploration has produced documented positive results a MEE multiplier can be selected that take into account the valuer's judgment of the prospectivity of the mineral asset and the value of the database. PEMs can typically range between 0 to 3.0 and occasionally up to 5.0 where very favourable exploration results have been achieved, applied to previous exploration expenditure to derive a dollar value.

2.6 Ratings System of Prospectivity (Kilburn)

The most readily accepted method of this type is the modified Kilburn Geological Engineering/Geoscience Method and is a rating method based on the basic acquisition cost ('BAC') of the mineral asset that applies incremental, fractional or integer ratings to a BAC cost with respect to various prospectivity factors to derive a value. Under the Kilburn method the valuer is required to systematically assess four key technical factors which enhance, downgrade or have no impact on the value of the mineral asset. The factors are then applied serially to the BAC of each mineral asset in order to derive a value for the mineral asset. The factors used are; off-property attributes, on-property attributes, anomalies and geology. A fifth factor that may be applied is the current state of the market.

2.7 Empirical Methods (Yardstick – Real Estate)

The market value determinations may be made according to the independent expert's knowledge of the particular mineral asset. This can include a discount applied to values arrived at by considering conceptual target models for the area. The market value may also be rated in terms of a dollar value per unit area or dollar value per unit of resource in the ground. This includes the range of values that can be estimated for an exploration mineral asset based on current market prices for equivalent assets, existing or previous joint venture and sale agreements, the geological potential of the mineral assets, regarding possible potential resources, and the probability of present value being derived from individual recognised areas of mineralisation. This method is termed a "Yardstick" or a "Real Estate" approach. Both methods are inherently subjective according to technical considerations and the informed opinion of the valuer.

2.8 General Comments

The aims of the various methods are to provide an independent opinion of a “fair value” for the mineral asset under consideration and to provide as much detail as possible of the manner in which the value is reached. It is necessarily subjective according to the degree of risk perceived by the mineral asset valuer in addition to all other commercial considerations. Efforts to construct a transparent valuation using sophisticated financial models are still hindered by the nature of the original assumptions where a known resource exists and are not applicable to mineral assets without an identified resource or reserve.

The values derived for this Report have been concluded after taking into account the general geological environment of the mineral asset under consideration with respect to the exploration potential.

2.9 Environmental implications

Information to date is that there are no identified existing material environmental liabilities on the mineral assets. Accordingly, no adjustment was made during this Report for environmental implications.

2.10 Indigenous Title Claims

The Company is not aware of any such claims within the mineral assets.

2.11 Commodities-Metal prices

Metal prices have been considered in assessing the in situ values and are sourced from www.kitco.com where applicable.

2.12 Resource/Reserve Summary

No JORC Code compliant reserves and resources have been used for this valuation.

2.13 Previous Valuations

No previous valuations have been declared within the last two years.

2.14 Encumbrances/Royalty

The Projects may be subject to state royalties as stipulated by the respective Governments from time to time but none are currently applicable.

3.0 Background Information

3.1 Introduction

This valuation has been provided by way of a detailed study of information provided by Equator and other independent consultants for the mineral assets. Refer to Sect 6.0.

The area under review comprises a project that hosts primarily gold mineralisation in Liberia. The licence is in good standing (subject to periodic renewals).

3.2 *Specific Valuation Methods*

There are several methods available for the valuation of a mineral prospect ranging from the most favoured DCF analysis of identified Proved & Probable Reserves to the more subjective rule-of-thumb assessment when no Reserves have yet been calculated but Resources may exist. These are discussed above in Section 2.0.

For the Project the MEE Method has been applied to determine a current value range. No comparable market transactions have been located.

4.0 **Bukon Jedeh Project**

4.1 **Introduction**

Bukon Jedeh Resources Inc (“BJR”) is a gold exploration company registered in Monrovia, Liberia. The company originally held three gold exploration concessions in south eastern Liberia, however the eastern two were surrendered, so that the remaining area is 252 km². The Concessions contain gold occurrences, areas of artisanal mining and also host major, regional shear zones, commonly recognized as significant loci for possible economic gold deposits.

This report is based on exploration to date including 80 Reverse Circulation holes (“RC”), geochemical soil sampling, and 3 unlogged or sampled DD holes.

4.1.1 **Location and Access**

The Bukon Jedeh exploration permit covers an area of 252 km² and is located 75 km northeast of Greenville. The exploration area is within the Bukon Jedeh statutory district of Sinoe County.



Figure 2: Bukon Jedeh access from Monrovia.

Access from Greenville is 45 km east on a well-established, non-bitumen logging road and then, 2 km after crossing the Dugbe river, ENE for 26 km which was refurbished for the exploration program. Access to the eastern portion of the lease is via a southerly logging road.

The Bukon Jedeh concession is located in the Sinoe County in southeastern Liberia (map below). Government Camp, the settlement located inside the concession area and headquarters of the many artisanal miners, is located approximately 85 km to the east of Greenville which is approximately 330 km southeast from Monrovia, the capital of Liberia. There is an international airport in Monrovia and regular flights are available from Brussels, Belgium. BJR headquarters in Liberia are located in Monrovia.

The property is accessed by road from Monrovia. The road from Monrovia to Greenville is a laterite surfaced road that requires the use of a 4WD vehicle. It takes approximately 9 hours to reach Greenville. A 4WD pickup truck with a high clearance is then required to reach the Dugbe River. It takes approximately 7 hours to cover the distance between Greenville and the Dugbe River (76 km). The Dugbe River is crossed by a pedestrian wooden bridge and further access is by using motorcycles. It takes approximately 30 minutes to cover the 9km. The trip from Monrovia to the property requires two days with an overnight in Greenville.

The climate in Liberia is tropical with an annual rainfall of 470 cm along the coastal belt and 225 cm inland. Liberia lies in the rain forest belt of West Africa. The climate is characterized by a wet season from May to October and a dry season from November to April.

The local topography is generally rather flat with gently rolling hills. The elevation in the area of the exploration activity ranges from 80-150 m above sea level.

The property is located next to a village that houses 5,000 people, mainly working in the local mining activities. There is no electrical power available from the national network. Water is readily accessible either by wells or from nearby rivers and creeks. Manpower for exploration needs is available amongst local miners. For more advanced exploration and evaluation a better road is essential for full access to the property.

4.1.2 Tenure

The 252 km² Licence for the Bukon Jedeh Concession was 100% granted to Bentley International Trading Company on 23rd May 1978 for a period of 20 years for gold and associated minerals. Since that time, there have been two periods when the Concession ceased to operate; firstly during the civil war between 1989 and 1996 and secondly between 1998 and 2006 when the Concession was erroneously granted to Freedom Gold Inc.

As a result, a combined force majeure period of 15 years was declared by the Government of Liberia and the effective term of the Licence was extended by 15 years, beginning 1st November 2006 for 15 years through to November

2021. Bukon Jedeh Resources Inc is the new holder of 90% rights of Bentley International Trading Company.

There are no expenditure commitments under the old licencing regime however annual surface rent is US\$10,378.41, annual license fees are US\$5,000, annual social obligations are US\$12,000 and no annual environmental audit is required under the old licencing regime. The anniversary date is stated as 31st July.

The concession is defined by a rectangle with the following WGS84 UTM corner coordinates and shown in Figure 1.

Point	East	North
1	554,000	560,000
2	590,000	560,000
3	590,000	553,000
4	554,000	553,000

Table 1: Bukon Jedeh Concession Corner Co-ordinates.

4.2 Geological Setting

4.2.1 Regional Geology

Liberia is underlain mostly by crystalline Precambrian rocks that are a part of the West African Craton. Phanerozoic rocks including Palaeozoic and Cretaceous sandstones and unconsolidated Quaternary deposits occur locally. Jurassic diabase dikes occur largely along northwest trending faults.

Three age provinces are recognized in the Precambrian of Liberia; these are the Liberian, Eburnean and the Pan African. Rocks of the Liberian province stretch westerly from the Cestos Shear Zone to the western frontier of Liberia. These rocks were metamorphosed and intruded by plutonic rocks between 3.2-2.7Ga. East of the Cestos shear zone, lenses of Proterozoic greenstones occur surrounded by rocks of probable Archean age. Rocks of Pan African age extend northwest along most of the Liberian coastline from the Cestos shear zone. The Todi shear zone represents the terrain boundary between the Liberian and Pan African age provinces. The Liberian age province is made up dominantly of granitic, granodioritic and leucocratic gneisses.

A composite gneiss unit that includes siliceous-banded iron formations (itabirites) and schist occur throughout the Liberian age province. Granulite facies metamorphism, with localized anatexis of meta-sedimentary rocks, is reported for Archean rocks of Liberia. A number of kimberlite pipes, some of them diamondiferous, occur within the Archean gneisses.

Rocks of the Eburnean age province are of Lower Proterozoic age and are characterized by an abundance of quartz diorite gneiss, schists, migmatite, graphitic gneisses and syn-kinematic granitoids. Thin horizons of Mn formation commonly occur in the Eburnean rocks.

High grade metamorphic rocks comprising mafic granulites, kyanite, sillimanite schist, minor granitic gneisses and migmatites underlie much of the Pan African age province.

The dominant fabric of rocks in the Liberian and Eburnean age provinces is oriented northeast. In the Pan African, the structural grain is northwest. Multiple episodes of deformation including several generations of folding, shearing and faulting are recorded by the Precambrian rocks. Isoclinal folding with steeply dipping limbs and gentle to moderately plunging axes are common at the micro and macro scales. Major NNE to NE trending faults and shear zones characterized by broad zones of mylonite occur in the Liberian and Eburnean age provinces of Liberia. Many of the major rivers in Liberia flow along these structures. These structures terminate abruptly against northwest trending Todi shear zone, defined by a series of faults with broad zones of mylonitization.

Other northwest trending structures occur away from the Todi shear zone. These commonly offset the northeast trending structures and typically have restricted mylonite zones associated with them.

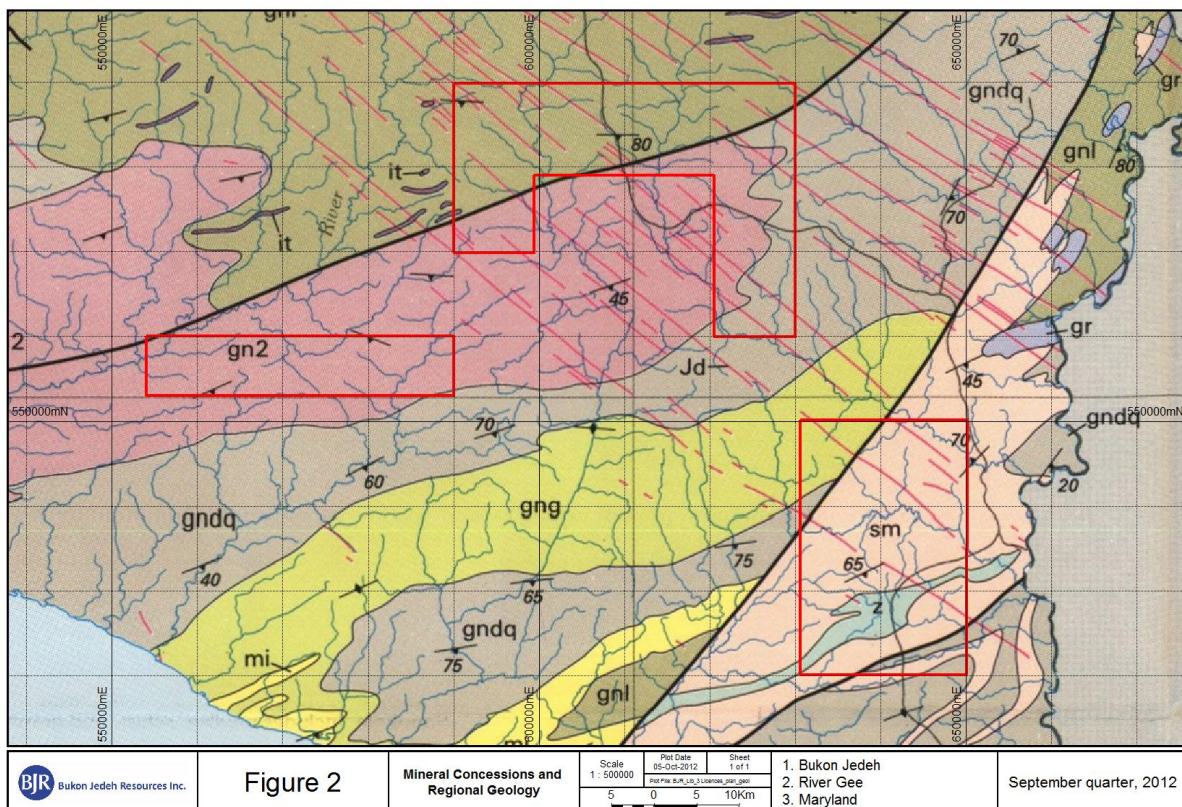


Figure 3: Bukon Jedeh Local Geological Map with Tenements.

4.2.2 Local Geology

Three major mapped units are described for Bukon Jedeh (Fig 4). The first, composite gneiss unit (gn2) is a garnet and/or pyroxene bearing graphitic gneiss. Rocks of this unit underlie the entire BJR license area and may contain up to 5% graphite. Narrow linear magnetic anomalies occur within this unit associated with magnetite bearing gneisses and migmatites. Small quartzite and amphibolite bands, locally with Mn formations, are common in the unit.

The second unit, leucocratic gneiss (gnl), consists predominantly of banded quartz – biotite gneiss with dioritic composition. Muscovite gneiss with granodioritic to granitic composition occurs locally within this unit. A common occurrence of itabirite characterises the unit as an itabirite province.

The third unit, quartz diorite gneiss, is encountered south of the MDA and northwest across the Dugbe shear zone. Dominant rock type in this unit is weakly to strongly foliated hornblende, (biotite), quartz, plagioclase and K-feldspar gneiss of dioritic composition. Small inclusions of amphibolite, schist and migmatite occur in the unit.

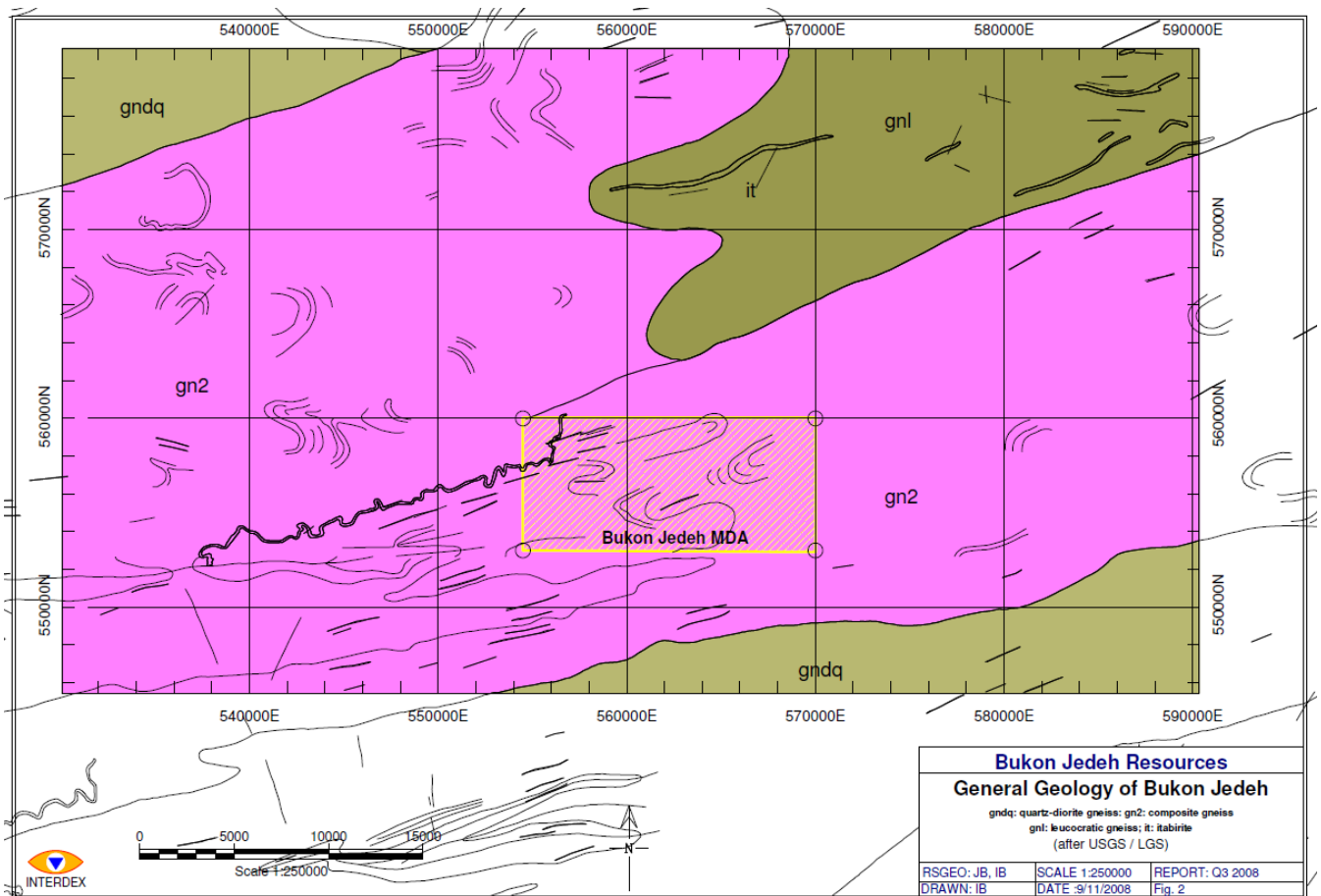


Figure 4: Bukon Jedeh Local Geology.

4.2.3 Mineralisation

Gold in Bukon Jedeh is present in the laterite profile mainly in free form. It is associated locally with quartz veins and also as a stockwork of veinlets.

Anomalous occurrences of gold have been identified over a length of approximately 4km in soil samples. Trenching has confirmed the presence of gold in the saprolite. Mineralisation is mainly present as free gold in the saprolite matrix.

4.3 History

Artisanal mining has occurred at Bukon Jedeh for nearly a century and is still widespread in the district. Early mining was centred on the Tardubo Creek and its tributaries. As high grade placers were depleted in streams and flood plains, mining shifted to the top lateritic soils. Over large areas in Bukon Jedeh, the top

soil has virtually been stripped off and artisanal mining is now largely centred on saprolite.

BJR acquired the permit in the early 1980s as part of a mineral concession agreement with the Government of Liberia. In addition to the Bukon Jedeh permit, the concession agreement included properties in Grand Gedeh and Grand Kru counties. They explored for lateritic gold deposits in Bukon Jedeh from 1986 to 1989 and experimented with hydraulic mining on a pilot scale. Exploration was suspended due to the outbreak of the civil war in 1989.

During the civil conflict in Liberia, then President Charles Taylor awarded Bentley's mineral properties to Freedom Gold. From 1998 to 2003 Freedom Gold conducted exploration and drilled at least eight diamond drill holes in the Government Camp area.

In May 2006, the Supreme Court of Liberia ruled that Mr. Taylor's action was unlawful and thus returned to BJR what it previously owned. Bentley International Trading Company assigned 90% of its rights, interests, responsibilities and obligations relative to the concession to Bukon Jedeh Resources Inc in April 2007 with the remaining 10% irrevocably assigned in January 2009. Recent work on the concession commenced in July 2007 with trips to Greenville and to Bukon Jedeh by BJR representatives to meet with local government officials.

4.3.1 Previous Exploration.

In September 2007 a number of radiometric lows were identified in the project area. Some of these anomalies are coincident with catchment areas of streams with known placer occurrences. The radiometric lows also generally coincide with mafic to intermediate volcanogenic rocks that in other parts of Liberia show close spatial association with gold mineralisation.

Work included 47 stream sediment samples, 3,413 soil samples on a 200 m x 50 m grid, 1,311 pits with 144 rock chip samples from artisanal pits and 1272 samples from new pits.

Soils outlined a coherent 50ppb Au anomaly up to 500 m wide and trending roughly east – west over a strike length of approximately 4.5 km. A second anomaly located near the northeastern corner of the explored area is also 500m wide with a strike of 1.0 km.

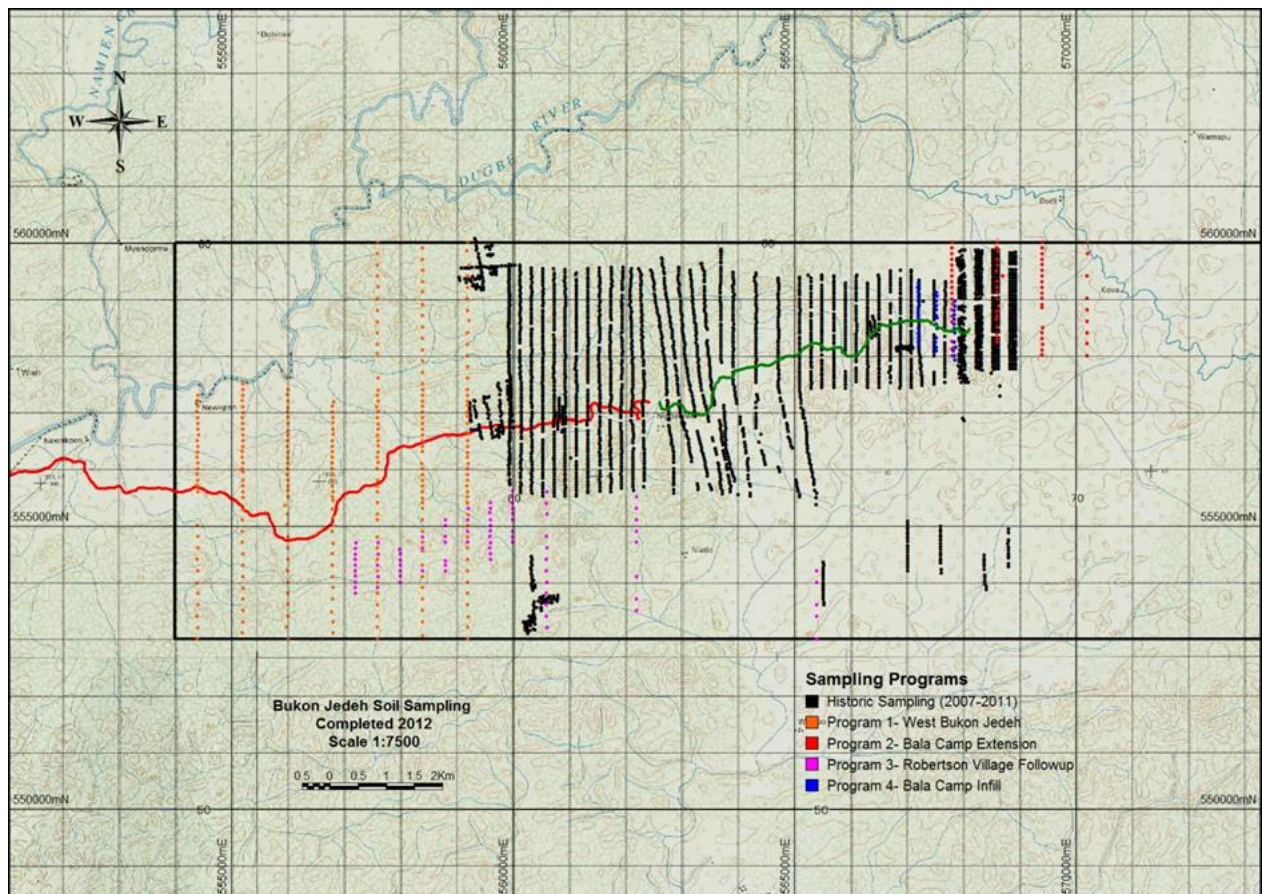


Figure 5: Bukon Jedeh Soil Sampling Cover.

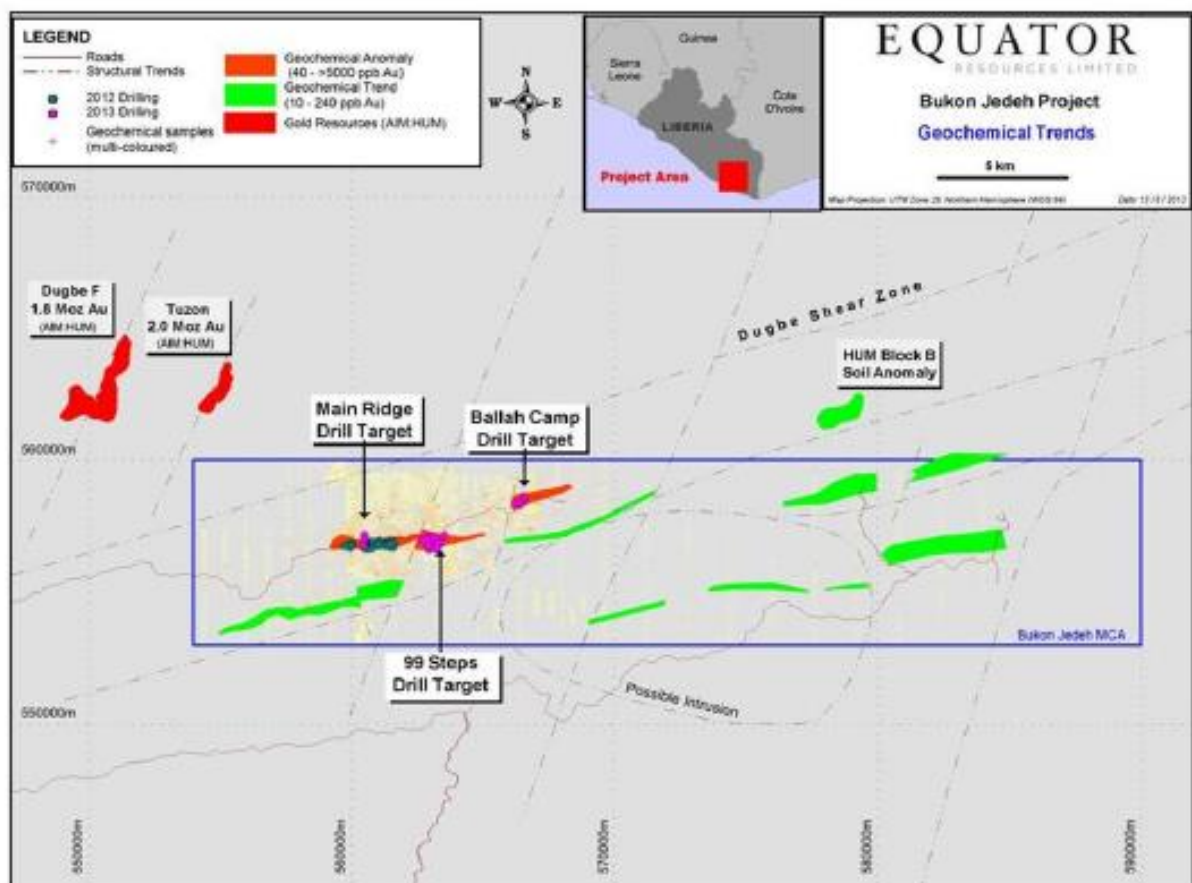


Figure 6: Bukon Jedeh Gold in Soil Anomalous trends.

The pits program was planned to further explore the soil anomalies. Pits were generally 1x2 m and dug to an average depth of 2.5 m. Two metre channel samples, each weighing between 2.5-3.0 kg, were collected from the pits and sent to SGS Laboratories in Ghana for gold analysis. Most pit samples were collected horizontally about 15 cm above the floor. Results show anomalous to ore grade levels of gold in most pits located within soil anomalies. Such areas typically coincide with the crest of gently rolling hills.

In all 54 trenches covering 2988 m with 1578 samples were also dug to check anomalous zones. The trench data show well-defined 0.5-1.5 g/t Au zones with reasonable widths. The zones of gold mineralisation are open ended along strike.

Assay results from this work strongly suggest the presence of a significant primary gold mineralisation source in the area explored.

In 2012-13 the access road was improved and a RC drilling program of 80 drillholes for 7,251 m were completed along with three diamond drillholes for 277.5 m (these later three holes remain to be split and sampled) Drill hole locations are shown in Figures 7 and 8. Drilling tested a strike length of 1.9 km on an intermittent grid generally 40 m x160 m with infill and omissions largely determined by topographical constraints.

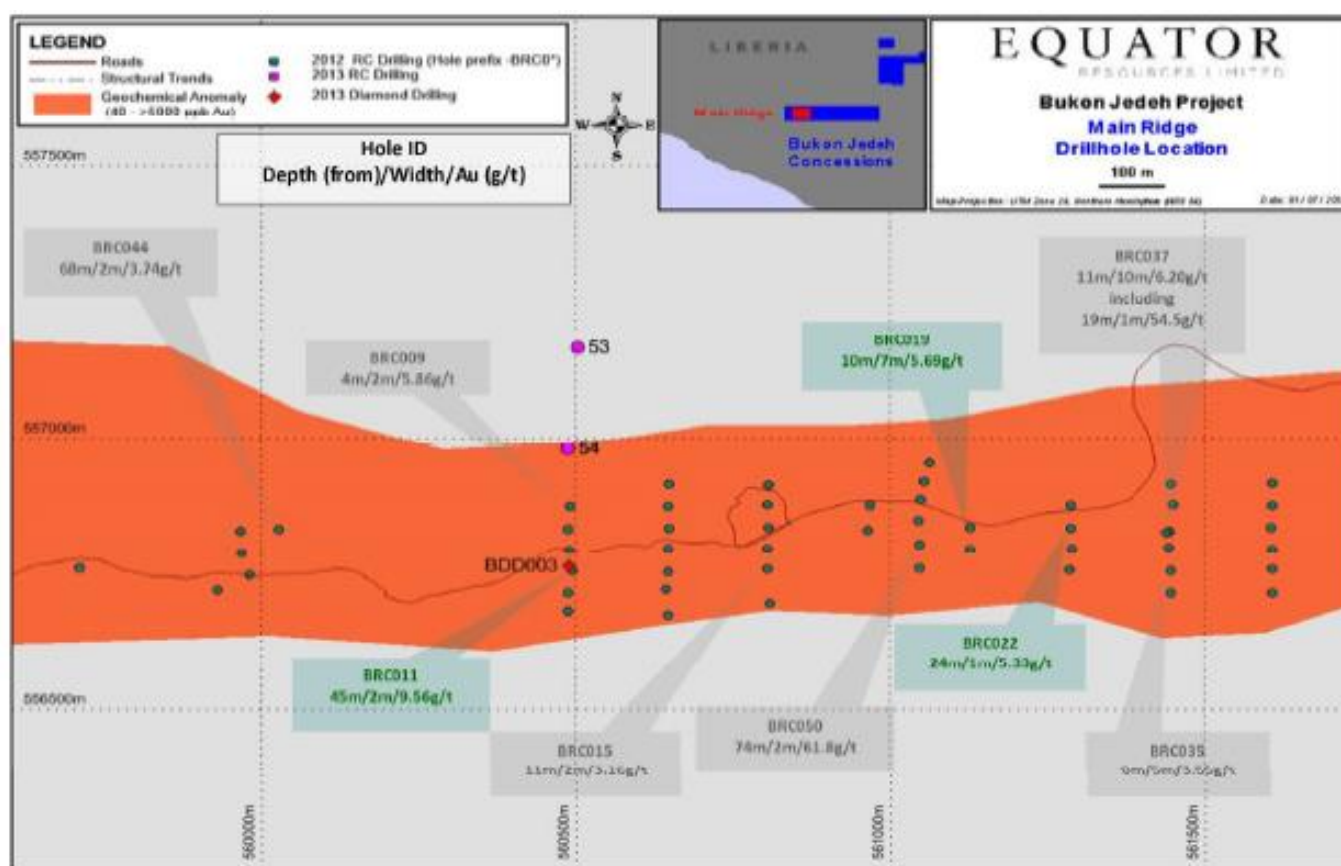


Figure 7: 2012 RC Highlight Intersections.

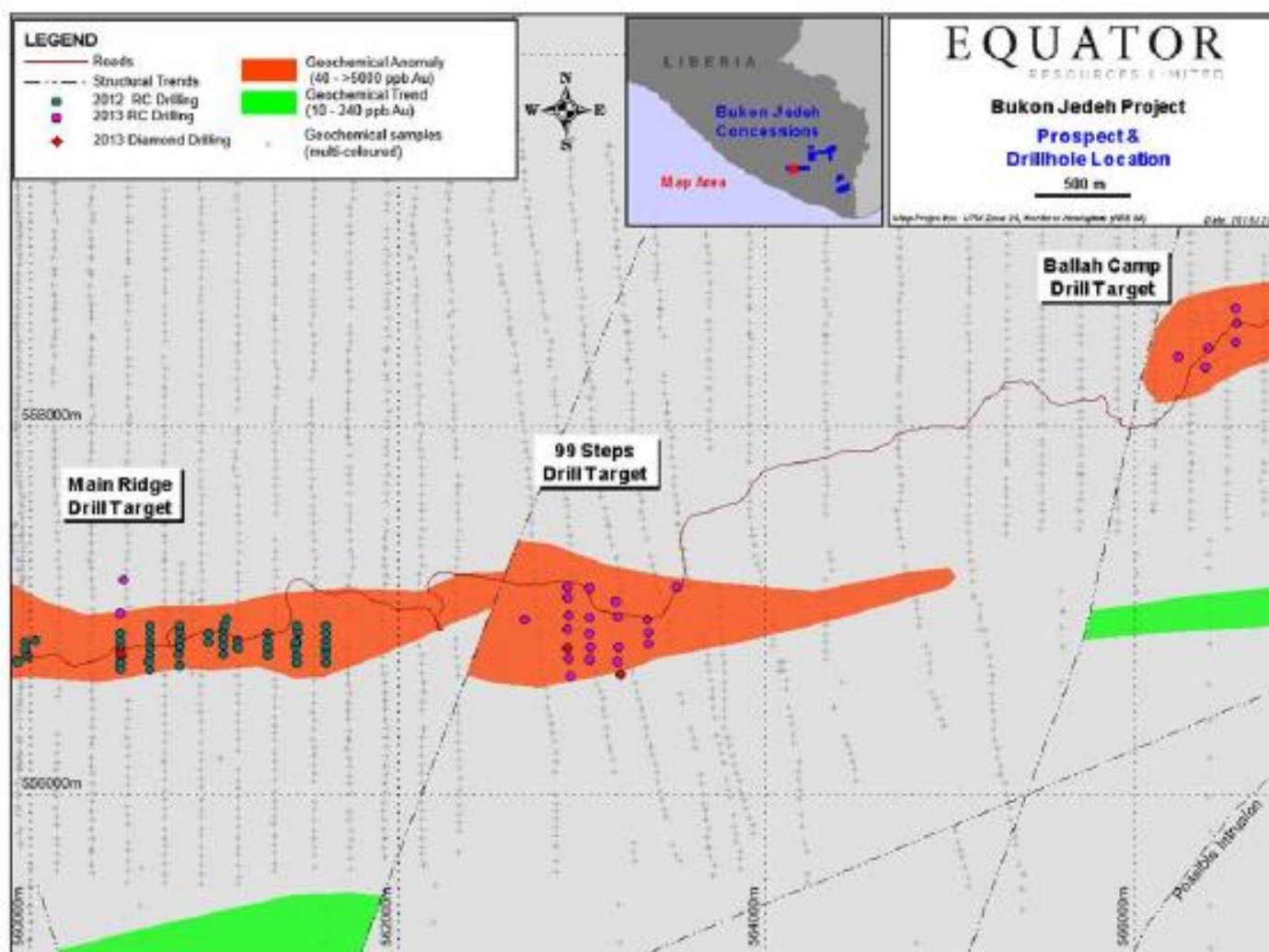


Figure 8: 2013 RC Drillholes.

4.4 Bukon Jedeh Project Conclusions

The initial exploration covered some 40% of the licence area and identified several soil anomalies worthy of drill testing. Early RC drilling returned a combination of high grade intercepts and wider anomalous zones in both the weathered and fresh rock zones of the target area.

The second phase of RC drilling successfully identified economic mineralisation but drillhole density is insufficient to yet define deposit outlines and consequently no resource estimates have yet been attempted.

All the assay results from this work strongly suggest the presence of a significant primary gold mineralisation source in the area explored.

Ongoing exploration will be dependent on continued amicable relations between the company and the artisanal miners.

5.0 Valuation of the Projects

When valuing any mineral asset/project it is important to consider as many factors as possible that may either assist or impinge upon the cash value estimates of the mineral asset/project under consideration. In this Report AM&A considers the primary features to be taken into account are the Mineral Licence Security; Mineral Resource/Ore Reserve Estimates; Sovereign Risk; Available Infrastructure; Relevant Expenditure and the general geological setting.

Basically, most of these “Boxes are Ticked” as described above with regards to mineral licence security, access to infrastructure, previous artisanal mining and a very favourable geological environment.

5.1 Selection of Valuation Methods

The following valuation methods, as described in section 2, are not considered applicable for the respective reasons provided:

- The Discounted Cash Flow method can not be used for the Project as no resource estimates have been made to sustain a DCF;
- The Kilburn ‘prospectivity’ method - as the range of values generated is typically too wide to be realistic;
- Joint Venture Terms - as there are no external joint ventures in place;
- Comparable transactions - as no relevant transactions could be located.

Accordingly the MEE method has been accepted for the valuation of the Project.

Various applicable discount factors have been used to apply to the expenditure as described below.

5.2 Valuation Methods

The available Equator exploration expenditures from July 2011 to present have had an exploration success factor of 0.25 applied to the total in order to derive a preferred valuation figure. High and low range values were established by applying factors of $\pm 25\%$ to the preferred value.

The low exploration success factor was selected to reflect the remoteness of the concession, the incomplete exploration coverage and the general lack of long, high grade drill intercepts.

The 25% range in values factor was selected to reflect

- the presence of many artisanal miners in the area,
- the current potential instability in the region,
- the Ebola outbreak and
- an uncertain Joint Venture relationship.

5.3 Valuation Conclusions

The Project, assuming 100% ownership, accordingly has a preferred value of US\$0.94M from within the range of US\$0.71M to US\$1.18M.

Project	US\$M			A\$M		
	Low	High	Preferred	Low	High	Preferred
Bukon Jedah 100%	0.71	1.18	0.94	0.91	1.51	1.21

Table 2: Summary Range of Current Values.

Using a current conversion of 1A\$=US\$0.78 the value relates to A\$1.21 million from within the range of A\$0.91 million to A\$1.51 million.

Yours faithfully,



Allen J. Maynard

BAppSc(Geol), MAIG, MAusIMM.

6.0 References

AusIMM, (2004): "Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code), prepared by the Joint Ore Reserves Committee (JORC) of the AusIMM, the Australian Institute of Geoscientists (AIG) and the Minerals Council of Australia (MCA), effective December 2004.

AusIMM. (2005): "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code)" 2005 Edition.

AusIMM, (1998): "Valmin 94 - Mineral Valuation Methodologies". Conference Proceedings.

Boadi, Isaac September 2009, Internal document, Summary of Exploration Activities, Bukon Jedeh MDA, Bukon Jedeh Resources Inc.

Boadi, Isaac December 1991, New Mexico Institute of Mining and Technology, Origin of mega-gold placer deposits in the light of data on the Bukon Jedeh deposit, Liberia and on the Tarkwa deposit, Ghana.

CIM, (2003): - "Standards and Guidelines for Valuation of Mineral Properties. Final Version, February 2003". Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on Valuation of Mineral Properties (CIMV AL).

Kilburn, LC, 1990: "Valuation of Mineral Properties which do not contain Exploitable Reserves" CIM Bulletin, August 1990.

Rudenno, V (2009): "The Mining Valuation Handbook". 3rd Edition

ASX:EQU. 2013, 2014 Annual Reports.

Appendix 1: Valuation Estimate Workings.

Equator Resources Valuation Worksheet						
Used previous year for CPI adjustment factor to cover mid year situation.						
Acacia NT Tenements Acquisition Exploration Expenditure Cumulative Total						
	Date	Raw	CPI Adjusted	Reserve Bank CPI Factor	MEE Factor	Value
Open	1/07/2009	\$409,132	\$461,528	1.128		
July	Jun-10	\$427,332	\$473,669	1.108		
July	Jun-11	\$930,365	\$1,002,006	1.077		
July	Jun-12	\$70,306	\$73,298	1.043		
July	Jun-13	\$825	\$845	1.024		
July	Jun-14	\$1,015	\$1,015	1.0		
		\$1,838,975	\$2,012,361		0	\$0
BJR - Liberian Tenements Acquisition Exploration Expenditure						
Exploration Assets Value and Expenditure on Acquisition 20/06/2011						
		Raw	Reserve Bank CPI Factor	CPI Adjusted		
Open	Acquisition	\$4,206,541	0.000	\$0		
exp	1/07/2011	\$778,595	1.000	\$778,595		
July	Jun-12	\$1,393,382	1.000	\$1,393,382		
July	Jun-13	\$1,601,701	1.000	\$1,601,701		
July	Jun-14	\$0	1	\$0		
		\$7,980,219		\$3,773,678	0.25	\$943,420
			TOTAL VALUATION	\$943,420	\$707,565	\$1,179,274
				Preferred	Low	High
			Rounded	0.94	0.71	1.18
	A\$:US\$	0.78	A\$	1.21	0.91	1.51

5.0 Glossary of Technical Terms and Abbreviations

Aeromagnetic Survey	A survey made from the air for the purpose of recording magnetic characteristics of rocks.
Alluvial Complex	Transported and deposited by water. An assemblage of rocks or minerals intricately mixed or folded together.
Conformable Conglomerate	Beds deposited upon one another in uninterrupted sequence. Sedimentary rock formed by the cementing together of rounded water- worn pebbles, distinct from breccia.
Diamond drill	Rotary drilling using diamond impregnated bits, to produce a solid continuous core sample of the rock.
Dip	The angle at which a rock layer, fault or any other planar structure is inclined from the horizontal.
Dyke	A tabular intrusive body of igneous rock that cuts across bedding at a high angle.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Felsic	Descriptive of an igneous rock which is predominantly of light coloured minerals (antonym: of mafic).
Footwall	Rocks underlying mineralisation .
Granite	A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase.
Intercept	The length of rock or mineralisation traversed by a drillhole.
JORC	Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves.
Magnetic Survey	Systematic collection of readings of the earth's magnetic field.
Mineralisation	In economic geology, the introduction of valuable elements into a rock body.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Outcrop	The surface expression of a rock layer (verb: to crop out).
Palaeochannel	A drainage channel of the geological past which may be buried.
Palaeozoic	A time period from approximately 590 to 225 million years ago.
Porphyry	A rock with conspicuous crystals in a fine-grained ground mass.
Primary	Mineralisation which has not been affected by near surface mineralisation oxidising process.
Proterozoic	The geological age after Archaean, approximately 570 to 2400 million years ago.
Quartz	A very common mineral composed of silicon dioxide-SiO ₂ .
Quaternary	A division of geological time ranging between 1.8 million years and the present.
RAB	Rotary Air Blast (as related to drilling)—A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.
RC which	Reverse Circulation (as relating to drilling)—A drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Recent	Geological age from about 20,000 years ago to present (synonym: Holocene).
Reconnaissance	A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.

Remote Sensing Imagery combinations.	Geophysical data obtained by satellites processed and presented as photographic images in real or false colour
Reserve	In-situ mineral occurrence which has had mining parameters applied to it, from which valuable or useful minerals may be recovered.
Resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements.
Sandstone	A cemented or otherwise compacted detrital sediment composed predominantly of quartz grains.
Shear (zone)	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
Stratigraphy	The succession of superimposition of rock strata. Composition, sequence and correlation of stratified rock in the earth's crust.
Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.
Subcrop	The surface expression of a mostly concealed rock layer.
Syncline	A fold where the rock strata dip inwards towards the axis (antonym: anticline).
Ultramafic	Synonymous with ultrabasic.
Unconformable	Descriptive of rocks on either side of an unconformity.
Unconformity	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
Volcanic	Relating to the eruption of a volcano.
Volcaniclastic	Describes clastic fragments of volcanic origin.

CHEMICAL SYMBOLS

Ag	Silver	As	Arsenic
Au	Gold	Cu	Copper
Mn	Manganese	Mo	Molybdenum
Ni	Nickel	Pb	Lead
Zn	Zinc		

ABBREVIATIONS

B	billion	cm	centimetre
ha	hectare	km	kilometre
km ²	square kilometre	m	metre
m ²	square metre	m ³	cubic metre
mm	millimetre	M	million
t	tonne	tpa	tonnes per annum

UNITS OF CONCENTRATION

ppb	parts per billion	ppm	parts per million
-----	-------------------	-----	-------------------