

# EQUATOR

## RESOURCES LIMITED

ACN: 127 411 796

11 November 2015

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

### Corporate Update & Board Restructure

Equator Resources Limited (ASX:EQU) (**Equator** or **the Company**) is pleased to announce details of a proposal to recapitalise the Company and provide funding to evaluate its existing exploration assets in the Northern Territory, for administrative and working capital purpose in order to reinstating quotation of the Company's securities (**Reinstatement**).

#### Corporate Update

Equator has appointed 708 Capital Pty Ltd as its corporate advisor to assist the Company in the restructure process and raise new capital.

The material terms of the restructure and recapitalisation proposal are as follows:

- The Company intends to raise up to \$250,000 via convertible loans from sophisticated and professional investors to fund continuing operations of the Company and the costs of Reinstatement (**Debt Raising**). The convertible loans will convert at the same price as the Capital Raising up to 60 million attaching unlisted options (\$0.02; 4 years) will be issued to lenders at the date of conversion subject to shareholder approval.
- The Company currently has existing debt of approximately \$900,000 (**Existing Debt**) and estimated costs and expenses associated with the Reinstatement will be approximately \$250,000. The Company has agreed with the large majority of creditors, being approximately \$800,000, to convert their existing debt to shares in the Company. The remaining creditors will be paid out in cash.
- The Company would then seek to raise a further \$1.75m at \$0.01 pursuant to a rights issue and placement to sophisticated investors under a prospectus subject to shareholder approval (**Capital Raising**). In addition, the Company intends to seek shareholder approval for the issue of securities in satisfaction of Existing Debt and conversion of the Debt Raising as well as for a consolidation of capital of its existing shares on a 50 for 1 basis as set out in the indicative capital structure below. Following which the Company's market cap will be approximate \$2.2m with approximately \$1.5 million in cash.

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Indicative Capital Structure	
Issued Capital <sup>1</sup>	Shares
Shares currently on issue	2,138,537
Shares to issued in satisfaction of Existing Debt	20,845,832
Shares to issued on conversion of Debt Raising <sup>2</sup>	25,000,000
Shares to issued pursuant to Capital Raising	175,000,000
<b>Total</b>	<b>222,984,369</b>

1. Capital Structure prepared on a post-consolidation (1:50) basis.
2. 60 million attaching unlisted options (\$0.02; 4 years)
3. Further 15 million unlisted options (\$0.02; 4 years) issued to directors and consultants, subject to shareholder approval

- An indicative timetable is set out below which is subject to confirmation from the ASX and may change at the Company's discretion.

Indicative Timetable	
Item	Date
Debt Raising	November 2015
Lodge Reinstatement Reports and Documents	December 2015
Lodge Notice of Shareholder Meeting	January 2016
Commence Rights Issue and Capital Raising	January 2016
EGM	February 2016
Complete Rights Issue and Capital Raising, Issue of Shares on Conversion of Debt and Complete Consolidation	February 2016
Reinstatement on ASX	February 2016

**Board Restructure**

The Company is pleased to announce the appointment to the board Non-Executive Directors Jason Bontempo and Shannon Robinson effective immediately.

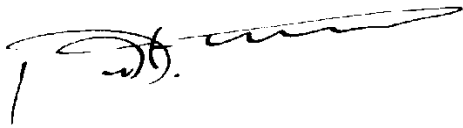
Jason Bontempo has 18 years experience in public company management, corporate advisory, investment banking and public company accounting, qualifying as a chartered accountant with Ernst & Young. Mr Bontempo has worked primarily in Australia and the UK providing corporate advice and the financing of resource companies on both the ASX and AIM markets including resource asset acquisitions and divestments. Mr Bontempo has also served on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development. Jason is also currently a director of ASX listed companies Red Emperor Resources and Orca Energy Ltd

Shannon Robinson (LLB, B.Com, AAICD, ACIS) is a former corporate lawyer specialising in providing corporate and strategic advice in relation to acquisitions and mergers, capital raisings, listing of companies on stock exchanges (ASX & AIM), due diligence reviews and legal compliance and managing legal issues associated with activities undertaken by clients. Shannon is also currently a director of Spookfish Limited.

Mr Michael Roberts has resigned from the board. The Board expresses its sincere appreciation to Michael for his valuable contribution since his appointment and the Company wishes him the very best in his future endeavours.

Ms Eryn Kestel has resigned as company secretary and Robert Marusco has been appointed as company secretary. The Company takes this opportunity to thank Eryn for her dedication and hard work in the Company since her appointment.

The Company also advises that its principal place of business has moved to 35 Richardson Street, West Perth, Western Australia.



**Robert Marusco**  
**Non-Executive Director**