EQUATOR

RESOURCES LIMITED

ACN: 127 411 796

28 September 2016

Project Update

Equator Resources Limited (ASX:EQU) ("Equator" or "the Company") provides the following update on exploration activities at the Acacia Frazer project located in the Northern Territory, approximately 50kms south of Darwin. The Company has recently completed a reconnaissance mapping and surface sampling program assessing a number of target areas generated from desktop studies and a revised interpretation of historical results following integration of various datasets.

The reconnaissance program has affirmed structural interpretations, and identified a number of areas containing quartz veining associated with moderate hydrothermal alteration, including the Acacia North prospect. Mapping of veins on surface have demonstrated limited continuity and low density of quartz veining and results of surface sampling has not identified substantial metal anomalism associated with them. Surface rock chip sampling at the Q-02 Prospect evaluating favourable lithology and structure has returned no anomalous values.

Sampling of sedimentary targets identified for Uranium potential have returned low level anomalism, however no areas tested to date are of sufficient anomalism to justify follow-up exploration activity at this time.

A group a second tier targets remain for base metal potential with insufficient surface geochemistry to evaluate, which the company will review in context of recent results and define a plan for the Acacia Frazer project in the coming months.

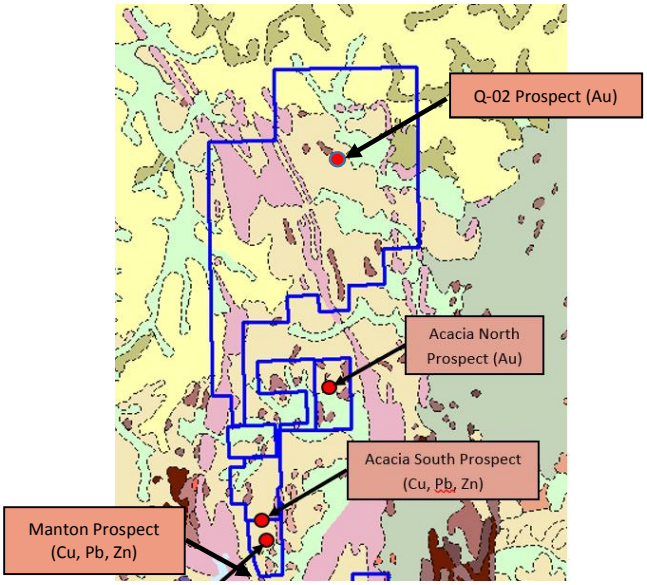

Figure 1: Targets reviewed in Reconnaissance field program.

About the Acacia Frazer Project:

The project area is situated within the northern part of the Pine Creek Orogen, which is host to several occurrences of gold, uranium and base metal mineralisation. The Company believes the Acacia Frazer Project area has potential to host an economically viable mineralisation with substantial benefit to both exploration and potential development with excellent infrastructure, proximity and availability of skilled labour within a favourable mining jurisdiction.

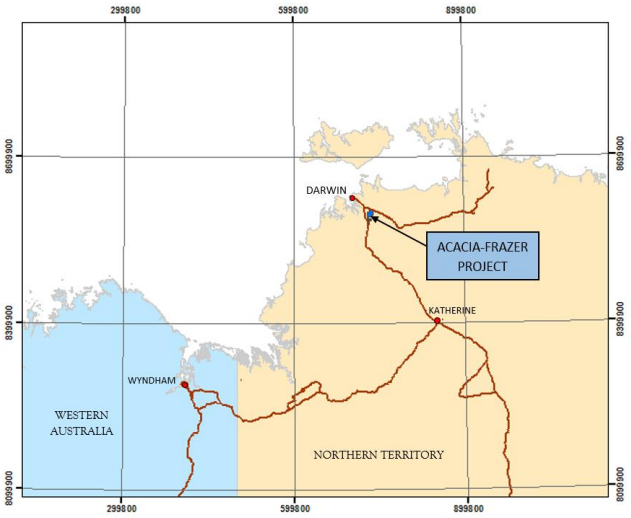

Figure 2- Location Map

For and on behalf of the Board

Jason Bontempo

Director

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Travis Schwertfeger, who is a Member of The Australian Institute of Geoscientists. Mr Schwertfeger is Chief Geologist for the Company. Mr Schwertfeger has sufficient 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 Schwertfeger consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used* • *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Surface sampling is collected by random chips for the purpose of identifying anomalism and lithogeochemistry analysis. • No measures are taken to ensure sample representivity at the reconnaissance stage as samples are not intended for use in quantifying metal content. • Selective rock chip sampling of outcropping and surface float rock material was used to obtain 250 gram to 1000 gram samples from which 250g was pulverised to produce a 40g charge for fires assay for Au, and a 5g charge is produced for aqua regia digest and analysed for an additional 34 elements.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No Drilling Techniques included in the reported exploration results
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No Drilling Techniques included in the reported exploration results
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Chip samples have not been logged to support minerals resource estimation at the reconnaissance stage of exploration. • Logging of surface sample characteristics is both qualitative and quantitative in nature, with qualitative observations made in reference to colour, alteration, alteration intensity and composition. Quantitative structural orientation measurements are collected and efforts made at quantifying vein and sulphide content by visual estimation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No sub-sampling techniques applied in the field. Samples collected are submitted for laboratory analysis in their entirety. • The nature and quality of sample preparation for reconnaissance rock chip samples is deemed appropriate for the purpose of reconnaissance stage exploration activity. • No Quality control to maximise representivity of samples is applied, as there is no intent to quantify metal content for the purpose of mineral resource estimation in the reconnaissance stage exploration activity reported. • No heterogeneity studies to assess appropriateness of sample sizes has been completed for the current stage of exploration.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The laboratory technique is considered total for gold and partial for all other elements and considered appropriate for early stage reconnaissance assessment of potential anomalism. • No Geophysical tools used in the reported exploration activity. • Field and lab duplicates indicate an acceptable level of relative accuracy amongst sample, with no effort in establishing precision for the stage and style of exploration activity reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No significant intersection reported requiring verification • No drilling reported requiring the use of twinned holes • Data entry is done in a field book and data entry completed in Excel software. • No adjustments to data made.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used* • *Quality and adequacy of topographic control.*	• No reported exploration results related to locations used in Minerals Resource Estimation • GDA94/Zone 52 • Elevation data collected from handheld GPS unit and estimated at 10m vertical accuracy and is adequate for reconnaissance phase exploration
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Irregular spaced sampling on 1m to 2km spacing. • Data spacing, distribution and results are completely insufficient and inappropriate to contemplate establishing a mineral resource estimation of any kind. • No sample compositing has been applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling is biased based on orientations of veins and sediment being sampled •
Sample security	• *The measures taken to ensure sample security.*	• Samples collected and transported by Company personnel
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of sampling completed to date.

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Acacia Frazer project is held by Equator's wholly owned subsidiary Acacia Minerals Limited and consists of five tenements: EL25027, EL26777, EL27282, EL27349 and EL27747
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration by previous management of Acacia Minerals includes an aerial geophysical survey completed in 2010, and an orientation drilling program of 103 rotary air blast holes testing Frazer North prospect for Uranium and Base Metal anomalism
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The project area is situated within the northern part of the Pine Creek Orogen which is host to several occurrences of gold, uranium and base metal mineralisation. The Project is predominantly hosted by Lower Proterozoic metasediments of the Mt. Partridge Group with Most of the project area covered by tertiary and Quaternary sediments with the outcropping Proterozoic Acacia Gap Quartzite Member and Whites Formation striking in a north-south direction in the western portion of the tenements. The Acacia Gap Quartzite Member is mainly quartzite, commonly pyritic, with interbedded shales and phyllites. The Whites Formation consists of calcareous and carbonaceous pyritic argillites, dololutite and calcareous para-amphibolite.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• No drill hole results are included in the reported exploration results. Material information is included in the body of the report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated .* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade*	• No weight averaging techniques or cut-offs are used in the reported exploration results. • No metal equivalent reporting is applicable to this announcement

Criteria	JORC Code explanation	Commentary
	results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalent values reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Due to the early stage of exploration at the Acacia Frazer project the determination of true widths and definition of mineralized directions is not defined. • No drill hole results are reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Included in body of report as deemed appropriate by the competent person
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Gold results for the reported exploration results are at or below detection limits of 5ppb for all samples
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Meaningful observations included in the body of the report
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• No further work for extensions to tested prospects planned at time of reporting. • No areas of possible extension requiring diagrams.