

Equatorial Resources Ltd

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Equatorial Resources heads into 2014 on a platform of strong progress

Equatorial Resources (ASX:EQX) has published the company's quarterly report for December 2013 highlighting major achievements completed during 2013 as it continues its bid to fast track the Mayoko-Moussondji iron project in the Republic of Congo into production.

At Mayoko, Equatorial plans to produce 2mtpa of a premium quality 64.1% iron fines product, with low operating costs of just \$41 per tonne and exceptionally low capital intensity. Total capex for the development is only \$231m, which is well below its African peers.

Most importantly, Equatorial ended the year with A\$45.4m (around £24.1m) in cash and no debt, a healthy treasury balance that will allow the company to progress with confidence. Key achievements during the December quarter included an upgrade to the mineral resource at the project and the lodging of a mining licence application with the government.

At Mayoko-Moussondji the total iron resource, in both the indicated and inferred category, increased to 917 million tonnes at 31.4% iron. The haematite resource, which will form the basis of the company's near term production plans, increased by 78% to 182 million tonnes at 35.7% iron.

This updated resource consisted of work at the Majkengui and Mbinda prospects; however, to date, drilling has covered less than half of the identified iron strike length of the project.

The mining licence application was lodged in December last year along with terms sheets for rail and port usage and the company's environmental and social impact assessment for the project.

Approval of these key permits is essential to secure financing and kick start production at Mayoko-Moussondji. The company has a very positive relationship with the government and is working to secure approvals.

Management is progressing financing discussions and the potential for strategic partnership with the aim of securing the relatively low capital required to develop Mayoko-Moussondji into production.

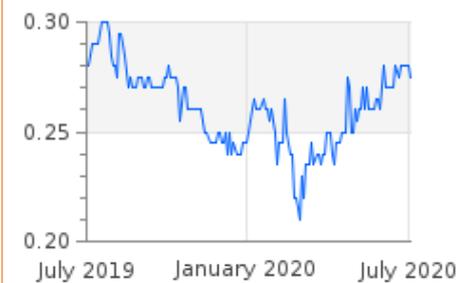
At its Badondo iron project in the north of the Republic of Congo, the company announced a significant increase in its exploration target for both direct shipping ore (DSO) and itabarite during the December quarter.

A number of regional developments were noted by neighbouring companies Sundance Resources, IMIC, Afferro and Core Mining that demonstrate a significant progress towards unlocking a potentially globally significant iron ore region in Africa to match the Pilbara.

Price: 0.28

Market Cap: \$34.84 m

1 Year Share Price Graph



Share Information

Code: EQX

Listing: ASX

52 week	High	Low
	0.3	0.21

Sector: General mining & base metals

Website: www.equatorialresources.com.au

Company Synopsis:

Equatorial Resources Ltd (ASX:EQX) listed on the Australian Securities Exchange. .

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