

ASX: EQX | 18 December 2020 | ASX RELEASE

TREASURY UPDATE

Equatorial Resources Limited (**Equatorial**) is pleased to announce the Company's participation in the recent successful share placement conducted by Salt Lake Potash Limited (ASX:SO4) (**SO4**). Equatorial subscribed for an additional 10,000,000 ordinary shares in SO4 at an issue price of A\$0.40 per share for total consideration of A\$4 million. Following the placement Equatorial's total shareholding in SO4 is now 44.2 million shares.

Equatorial's subscription for shares in SO4 is an opportunistic use of available treasury funds designed to provide the Company with higher returns on existing cash reserves. The capital management decision in relation to SO4 was progressed by the independent directors of Equatorial (Mr John Welborn and Mr Robert Behets). The investment in SO4 is considered to be in the best interests of Equatorial's shareholders.

Equatorial remains in a strong financial position with significant cash reserves available to progress exploration and development activities at the Company's existing iron ore project as well as pursue additional business opportunities in the resources sector.

About Equatorial

Equatorial is an ASX-listed company focused on advancing its existing mineral resource assets in Africa as well as searching for new opportunities in the resources sector which have the potential to build shareholder wealth. Equatorial's primary project focus is the potentially large scale Badondo Iron Ore Project in the Republic of Congo (**RoC**). The Company also holds a 2% royalty on all future production from the Mayoko-Moussondji Iron Project in the RoC.

About SO4

SO4 plans to produce premium, organic SOP from salt lakes in the Goldfields region of Western Australia. SOP is the premium source of potassium favoured by high value, chloride intolerant crops. SO4 is currently constructing its Lake Way project, an operation that could produce 245kt of SOP per annum with operating costs of A\$302 per tonne, placing it in the first quartile of global SOP operations. Construction of Lake Way commenced in Q1 2019 and the overall project is now approximately 80% complete with first production expected in March 2021 and first sales revenues expected in April 2021.

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This announcement has been authorised for release by the Company's Board of Directors.