

EQUATOR

RESOURCES LIMITED

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2011

ASX CODE: EQU

LEVEL 2, SPECTRUM • 100 RAILWAY ROAD, SUBIACO WA 6008 • PO BOX 8281, SUBIACO WA 6008

TELEPHONE: (08) 9367 8133 • FACSMILE: (08) 9367 8812 • EMAIL: info@equatorresources.com.au • WEBSITE: www.equatorresources.com.au

Activities Report

During the reporting period Equator Resources has continued its change in focus from its Australian projects to its projects in Liberia, West Africa. In Liberia it has continued exploration activities and made significant progress in the construction of the access road on the Bukon Jedeh licence, while in Australia it has continued to divest its projects in the Northern Territory.

HIGHLIGHTS

- Construction of the access road to Government Camp making progress after wet season delays
- Initial drilling program on the Bukon Jedeh licence on track to commence during the March quarter
- Completion of stream sediment sampling programs on the River Gee & Maryland Mineral Exploration Licences
- Agreement reached with TUC Resources Ltd to purchase the Acacia-Frazer Project
- Appointment of key technical staff in Liberia.

Activities - Liberia

During the December quarter progress was made and advance planning was put in place to significantly increase Equator's exploration activities on all of its highly prospective licences in Liberia. This progress and planning will not only see the company commence initial drill testing of its most advanced targets around Government Camp on the Bukon Jedeh licence, but will also see an increase in "grass roots" level exploration on the Bukon Jedeh, River Gee and Maryland licences over the coming quarters.

Bukon Jedeh Mining Concession Agreement

During the quarter and following some lengthy delays due to mechanical problems and the annual wet season, the company's contractor began to make some significant progress on the construction of the access road to Government Camp. It is expected that a rudimentary track will be open to Government Camp by the end of February, and following this it will be developed into an all-weather road prior to the next wet season. The company's drilling contractor is scheduled to mobilise to the Bukon Jedeh licence and commence work during March. Planning for this initial drilling program is underway and line clearing and drill pad preparation will commence once the bulldozers have opened the track to Government Camp.

During December Equator's Chairman, Rhod Grivas and the CEO, Lyndon Hopkins made a site visit to the licence area. As the company's knowledge of the project area is increasing, it is clear that there is potential to expand the drilling program beyond the originally planned initial 5,000m. It should be possible to extend this program and test more targets in the area while the rig is available. An example of this potential was seen during the field visit that took in Bala Camp, an area of artisanal mining and significant gold in soil anomalism 5 km north east of the main Government Camp anomaly. The photograph below shows the active artisanal mining in the saprolite zone at Bala Camp. The potential to extend the drilling program will be aided by the construction of SGS' laboratory in Monrovia, which should significantly improve sample turnaround times.



Active artisanal mining in the saprolite zone at Bala Camp, 5km north east of Government Camp

In order to support the drilling program on the Bukon Jedeh licence orders were placed for the equipment required to setup a camp. It will consist of accommodation and messing for 30 people, as well as an office with communications, fuel storage and a workshop area. Setup will commence once the road is open and it will be located close to the existing village of Government Camp. This camp will also provide a base for work, in what is a fairly remote and difficult to access area, from which exploration of the unexplored areas of the licence can be undertaken.

Maryland and River Gee Mineral Exploration Licences

During the reporting period the company's contractor completed the planned stream sediment sampling programs on the River Gee and Maryland Mineral Exploration Licences. The samples were submitted to the laboratory and results are expected during the March 2012 quarter. Once the results have been received they will be used to target areas for a geochemical soil sampling program.

Activities - Northern Territory

During the December quarter the company moved ahead with its plans to divest its projects in the Northern Territory.

Acacia - Frazer Project

During the quarter TUC Resources Ltd formally agreed to the purchase of the Acacia-Frazer project from the company. The tenements will be officially transferred to TUC during the March quarter.

Ooratippra Project

The Ooratippra project tenements were officially transferred to CKA Resources Pty Ltd during the reporting period.

Plenty River Project

The Company continued to look at divestment options for this project area.

Corporate

Mr Anthony Barton resigned as a Non-Executive Director of the Company.

During and subsequent to the end of the reporting period two significant expatriate staff appointments were made by the company.

Mr Martin Hills was appointed as the Company's Exploration Manager in Liberia. Mr Hills, who has over 30 years of exploration and mining geology experience, many of those working in Africa, will head up Equator's exploration team in the country and oversee its planned expansion.

Mr Daniel Merrett was appointed to the position of Exploration Geologist in Liberia. Working together with Mr Hills and the Company's local staff, Mr Merrett will play an important role in supervising and advancing the Company's projects during the upcoming drilling phase as well as at the "grass roots" exploration level.

FOR FURTHER INFORMATION CONTACT:

Lyndon Hopkins – Chief Executive Officer

Mobile – Aus +61 (0) 417 951 601

Mobile – Lib +231 (0) 880 958 439

Email - lhopkins@equatorresources.com.au

Competent Persons Statement

The information in this report that relates to exploration results or mineral resources is based on information compiled by Mr Lyndon Hopkins, the CEO, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Hopkins has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Hopkins consents to the inclusion in the report of the matters in the form and context in which it appears.
