

EQUATOR
RESOURCES LIMITED

ONTARIO COBALT PROJECT

INVESTOR PRESENTATION
DECEMBER 2016



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Investment highlights

- Premier portfolio of **high grade, cobalt projects** located in Canada with historic mining **samples up to 12.3% cobalt**
- Cobalt exposure is the **most efficient leverage to the booming electric vehicle and lithium-ion battery markets** (more cobalt than lithium in lithium-ion batteries)
- Opportunity to use **modern technology on significant historic cobalt producing assets** after a 25 year hiatus on exploration (**600Moz Ag and 45Mlbs Co previously produced**)
- Projects are located in a **Tier One mining jurisdiction adjacent to industry majors** including Teck Resources (TSX: TCK)
- **Limited listed pure play cobalt companies**; EQU one of only a few on the ASX
- **Aggressive 2017 exploration programme** expected to generate substantial news flow
- Strong board and management team with **significant skin in the game**

**A UNIQUE, ASX-LISTED COBALT EXPLORER WITH
HIGH GRADE PROJECTS IN A TIER 1 LOCATION**



Corporate snapshot

Premier pure play cobalt exposure with assets located in Tier 1 mining districts

Financial Information

Share price (19-Dec-16)	A\$0.045
52 week low / high	A\$0.018 / A\$0.063
Number of shares (undiluted) ^{1,2}	310.0m
Market Capitalisation	A\$14.0m
Cash (30-Sep-16) ³	A\$2.9m
Debt (30-Sep-16)	Nil
Enterprise Value	A\$11.1m

Source: IRESS

Notes:

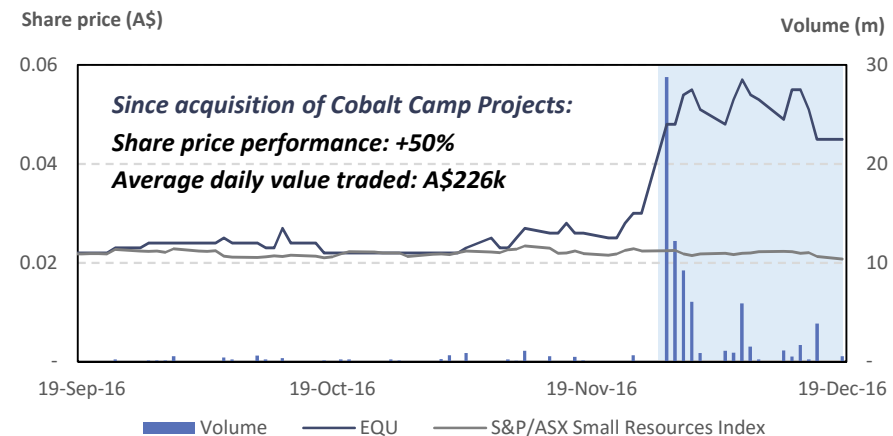
1. Excludes 112.0m unlisted options with an exercise price range of A\$0.02 to A\$0.03 and expiry dates between 30 June 2019 and 25 May 2020
2. 60.0m fully paid ordinary shares subject to a holding lock until a cleansing prospectus is issued
3. Cash adjusted to include A\$1.25m raised in placement announced 28 November 2016

**New energy metals opportunity
providing exposure to the high growth
lithium-ion battery industry**

Acquisition of Ophiolite overview

- Equator Resources has signed a binding term sheet to acquire 80% of Ophiolite Consultants Pty Ltd, with an option over the remaining 20%
 - Ophiolite is the 100% owner of cobalt and silver projects in Canada
- The consideration to acquire an 80% interest in Ophiolite consists of:
 - The issue of 75m ordinary shares in Equator
 - The provision of a A\$500k loan facility to fast track agreed exploration activities on the assets until settlement
- Equator has been granted the option to acquire the remaining 20% of Ophiolite through the vesting 50m options in Equator (exercise price range of A\$0.03 – A\$0.06 and 3 year term) on delivery of the JORC or NI-43-101 compliant resource report

Share price performance (3 months)



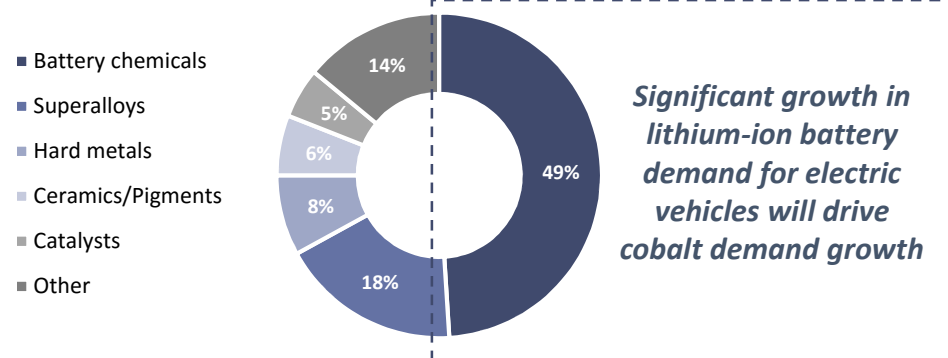
Cobalt demand overview

Market demand for cobalt underpinned by rapid growth in lithium-ion batteries

Cobalt demand overview

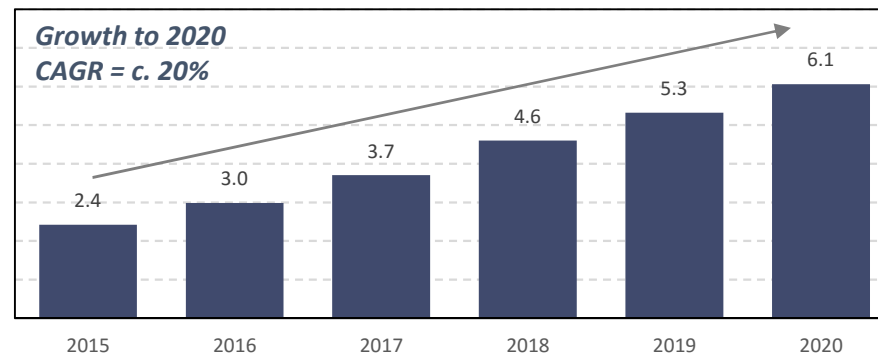
- Lithium-ion batteries are used in electric vehicles, consumer electronics and energy storage
 - There is more cobalt by \$ value contained in modern lithium-ion battery chemistries than lithium
- Cobalt is a shiny, brittle metal, the 27th element in the periodic table, with a variety of traditional industrial applications:
 - Metallurgical super alloying (18% of 2015 demand)
 - Hardening agent for steel (8%)
 - Ceramics (6%)
- Battery chemicals (49%) is the largest and fastest growing cobalt application
- The surge in battery chemicals demand is driven by the rapidly growing lithium-ion battery market

Cobalt demand by applications (2015)



Source: Darton Commodities

Forecast global EV unit sales per annum (millions)



Source: Broker consensus

Cobalt supply overview – security of supply

Deficit expected to intensify towards the end of decade, fostering a robust pricing outlook

Cobalt supply overview

Global supply of cobalt is heavily concentrated from the Democratic Republic of Congo

- c. 60% of supply derives from the politically and economically unstable Democratic Republic of Congo (“DRC”)
- Anticipated c. 15% decrease in 2016 supply as a consequence of mines being shut down and stricter ethical controls (e.g. Glencore’s Katanga)
- Historically, 93% of DRC cobalt exported to China for conversion

Cobalt is traditionally mined as a by-product of copper and nickel

- Only c. 2-6% of cobalt is sourced from primary sources; low concentrations make large scale primary mining hard to justify
- Supply dictated by the economics of these other metals; falling commodity prices and low growth in demand for these metals set to put downward pressure on existing cobalt production

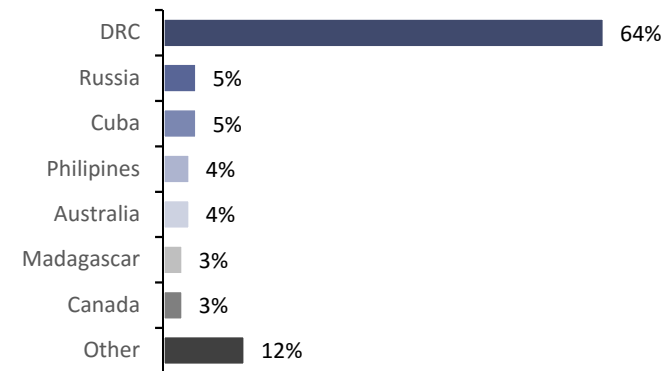
Increased focus on ethical mining and eliminating child labour

- There is an increasing awareness of human rights abuses through artisanal cobalt mining in the DRC
- Artisanal mining accounts for c. 22% of mined production in DRC

Cobalt is a critical metal that has no substitute in multiple applications

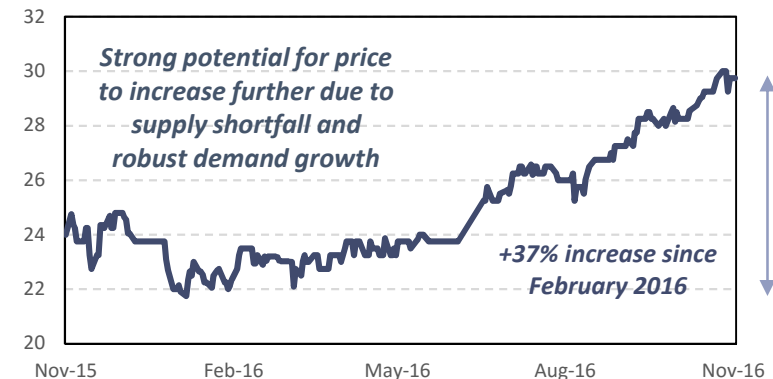
- Jet engines and wind turbines are examples where cobalt cannot be substituted as a super alloy

Cobalt production by geography



Source: Darton Commodities

Cobalt prices ('000s US\$/MT)



Source: LME

Silver overview

Silver is not just gold's poorer cousin; its industrial applications are extensive and its use in these applications is growing rapidly

The Silver price trading upwards in CY2016

- The silver price is up 20% and has been as high as up 49% in CY2016
- As has historically been the case, the silver price lagged the large increases in the gold price that occurred late CY2015 and early CY2016
- Average historical ratio to the gold price is 66x, burgeoning industrial applications could be responsible for current premium to the long term average (currently 71x)

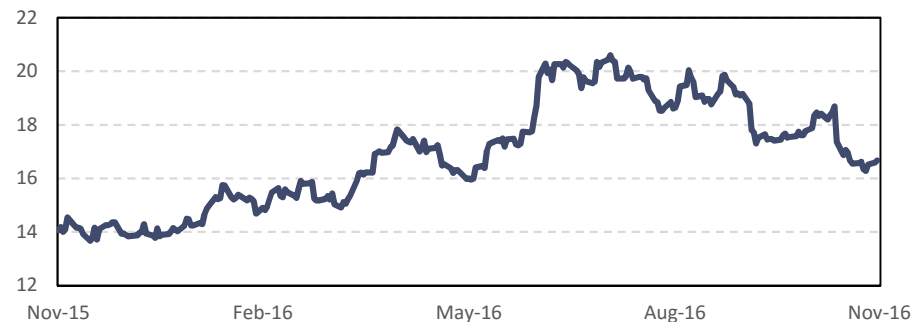
Supply pressures continue to build

- Global mine production is projected to fall in CY2016 by as much as 5%
- Largely due to the reduction in base metals output (around 60% of silver supply is from by-product production)

Demand is strengthening, particularly for silver's industrial applications

- Silver is a primary ingredient in photovoltaic cells for solar panel installations
- Its photovoltaic cell application is responsible for more than 7% of total silver industrial demand in CY2015
- Silver is used in the production of ethylene oxide (EO); EO is critical in the production of plastics, solvents and detergents

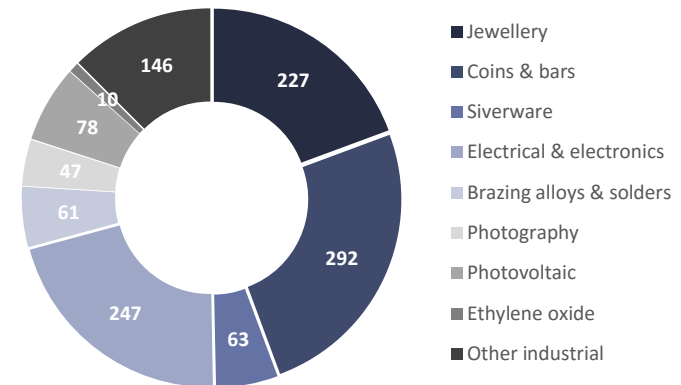
Spot silver price performance (US\$)



Source: IRESS

Silver applications (2015)

Demand growth potential in photovoltaic cells for solar panel installations and expanding EO use

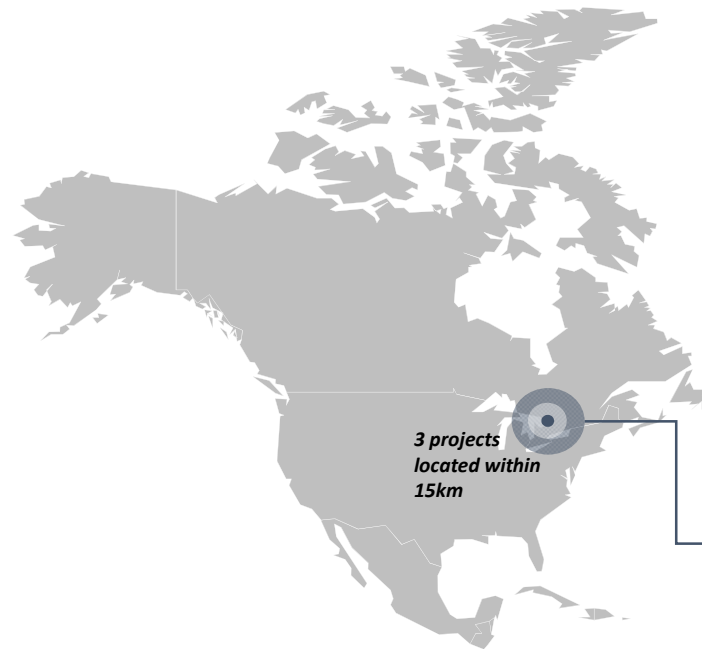


Source: The Silver Institute

Portfolio overview – Cobalt Camp Projects, Ontario

Significant portfolio of high grade cobalt and silver projects in a Tier 1 location

Cobalt Camp Projects – Ontario, Canada



Overview

- ✓ Equator Resources has the largest claim area in the region of 13,470 acres and over 20km of highly prospective ground
- ✓ Over 600Moz Ag and 45Mlbs of Co from previous production
 - Historical production grades estimated at 620-780 g/t Ag and 0.5% Co
- ✓ High grade cobalt is present in cobaltite, erythrite (“Cobalt Bloom”), nickel-cobalt arsenides and silver-cobalt arsenides
- ✓ Recent agreements with Temagami First Nation land claims have allowed work to re-commence in the area
 - Equator Resources will undertake the first significant activity since Agnico-Eagle closed its mines in 1991 due to low silver prices
- ✓ Accelerated drilling program will leverage extremely competitive regional drilling costs (~C\$20/m compared to ~A\$100/m rates in Australia)

Cobalt Town project

- 80%-owned (+20% option)
- 5,437 acres held
- High grade cobalt exploration project
- South of Teck Corp (TSX: TCK) cobalt/silver operations
- **Completing aeromag and ground IP work in Q1 2017**
- **Targeting work on resources**

Silver Centre project

- 80%-owned (+20% option)
- 4,257 acres held
- Cobalt and silver project
- Along strike of Keeley Frontier mine (19Moz Ag and 3Mlbs Co)
- **Completing aeromag and ground IP work in Q1 2017**
- **Cooper Lake is the most advanced project in this package**

Lorrain Valley project

- 80%-owned (+20% option)
- 3,776 acres held
- Very high grade cobalt exploration project
- Samples of 12.3% Co and 3.8% Ni taken from historic mine workings
- **Completing aeromag and ground IP work in Q1 2017**

Historical exploration in cobalt region

Despite the historic presence of global large-cap miners, the Cobalt Camp Project remains severely underexplored using modern day exploration techniques

Overview

- Silver-bearing veins at Cobalt Central were discovered in 1905
 - Located near town named Cobalt in Ontario, Canada
- Agnico Eagle (TSX: AEM, C\$10.9bn market capitalisation) was the most prominent previous owner of the Cobalt Camp
 - Formerly held c. 70% of the current Cobalt Camp Projects with multiples mines, mills and the refinery
 - Held control of the camp for over 30 years
 - Ultimately closed the operations due to low silver prices
- Outside of the Cobalt Camp, Teck Corp (TSX: TCK, C\$16.2bn market capitalisation) was the largest silver producer in the region from the 1960's to 1980's from its Silverfields operation
- No detailed attempt has been made to exact the ultimate source of the silver and cobalt mineralisation or investigate the possibility of a large-scale open pit operation
- Lack of modern day exploration techniques provides a significant opportunity for Equator's accelerated exploration program
 - No historical IP geophysical surveying has historically been used
 - No gravity geophysical methods used
 - No comprehensive geotechnical compilation
 - Very little grassroots exploration conducted

Cobalt Central mine (1908)



Source: Geological Survey of Canada report

Application of modern exploration technologies the key immediate focus for Equator Resources to define targets for an accelerated 2017 drilling program

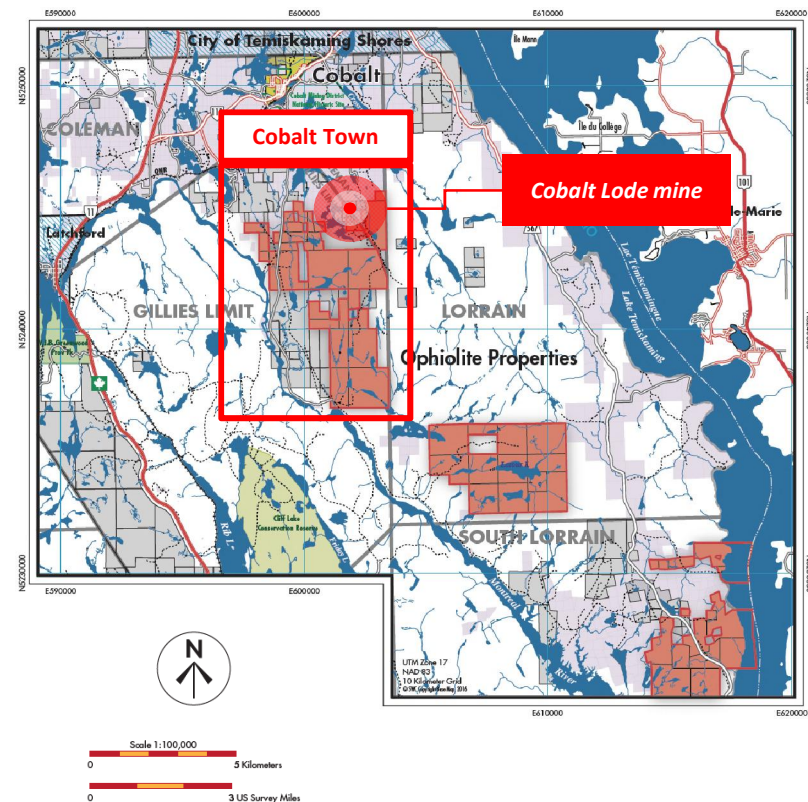
Cobalt Town Project

Highly prospective cobalt exploration project with significant exploration upside around historic workings

Overview

- Project is located south of a historic Teck Corp (TSX: TCK) mine with similar geology that has produced 18Moz Ag and 3Mlbs Co (Silverfields)
 - There are also former operations at the Gillies Limit and Coleman townships
 - Equator tenements also include the Ophir mine
- Cobalt mineralisation in the area occurs as silver-cobalt arsenides plus other cobalt arsenides
- The district has access to extensive road, rail and port infrastructure
- There has been minimal modern exploration especially if covered with shallow overburden as historic miners were typically targeting visibly outcropping veins
 - Historic mining in the 20th century was focused on silver rather than cobalt
 - Most historic mines were shallow (ie. within 100m of surface)
- Equator Resources will be targeting greater than 12km of contact points of Nipissing diabase, Keewatin volcanics and Huronian sediments

Project location



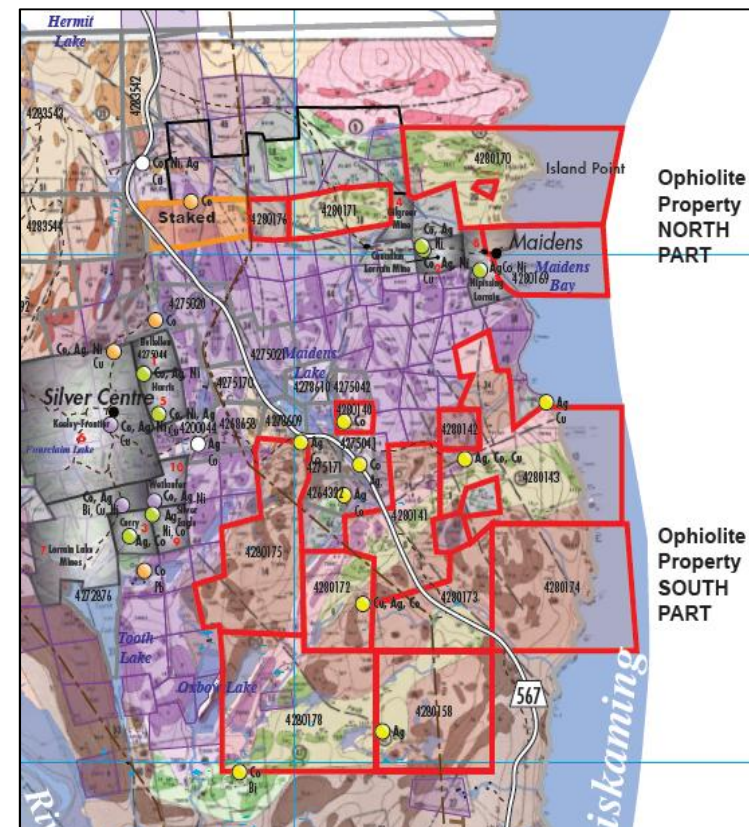
Silver Centre Project

The Silver Centre project was a key satellite region of the cobalt camp and contains a number of former high grade cobalt and silver mines

Overview

- Project is located near the Keeley Frontier mine which produced 19Moz of Ag (at 58 g/ton) and 3.3Mlbs of Co (at 0.5% Co)
 - Little modern exploration has been undertaken due to native title permitting
- The current tenement packages sit along the contact of the Nipissing diabase and Keewatin volcanics
- Equator Resources is targeting contact points of Nipissing diabase (light purple on the tenement location chart), Keewatin volcanics (green) and Huronian sediments (brown)
- Cooper Lake is the most advanced project owned by Equator
 - Cooper Lake has a strong IP anomaly over a 500m strike
 - Historic shaft indicates a 0.5m wide cobalt bearing vein

Tenement location



Lorrain Valley Project

Very high grade cobalt exploration project with assay results with cobalt grades up to 12.3%

Overview

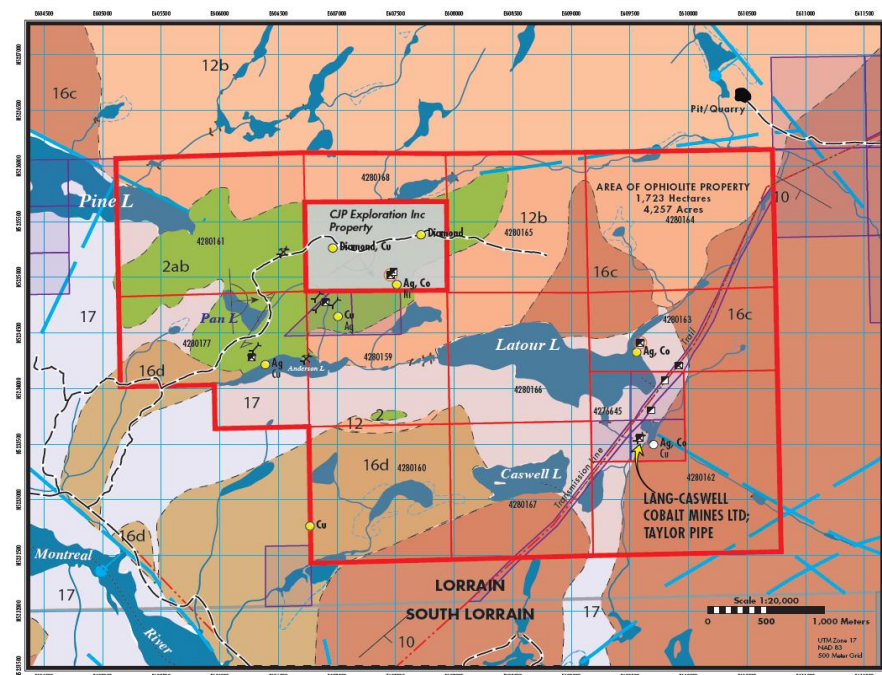
- The project is contained within a significant area with former cobalt and silver mines
- Little modern exploration work has been undertaken
- Targeting contact points of Nipissing diabase (light purple), Huronian sediments (brown) and Keewatin volcanics (green)

Assay results

Sample #	Ag (oz/t)	Co (%)	Cu (%)	Ni (%)
1967	0.08	9.98	0.01	2.78
1968	0.23	10.76	0.10	3.74
1969	0.16	9.20	0.23	1.74
1970	0.42	8.91	0.11	1.76
1971	0.14	4.56	0.16	1.25
1972	0.11	7.14	0.02	1.65
1973	0.09	4.81	0.03	0.83
1974	0.28	6.57	0.12	1.28
1975	0.13	3.02	0.14	0.47
1976	0.13	2.64	0.21	0.34

High grade
cobalt samples

Tenement location

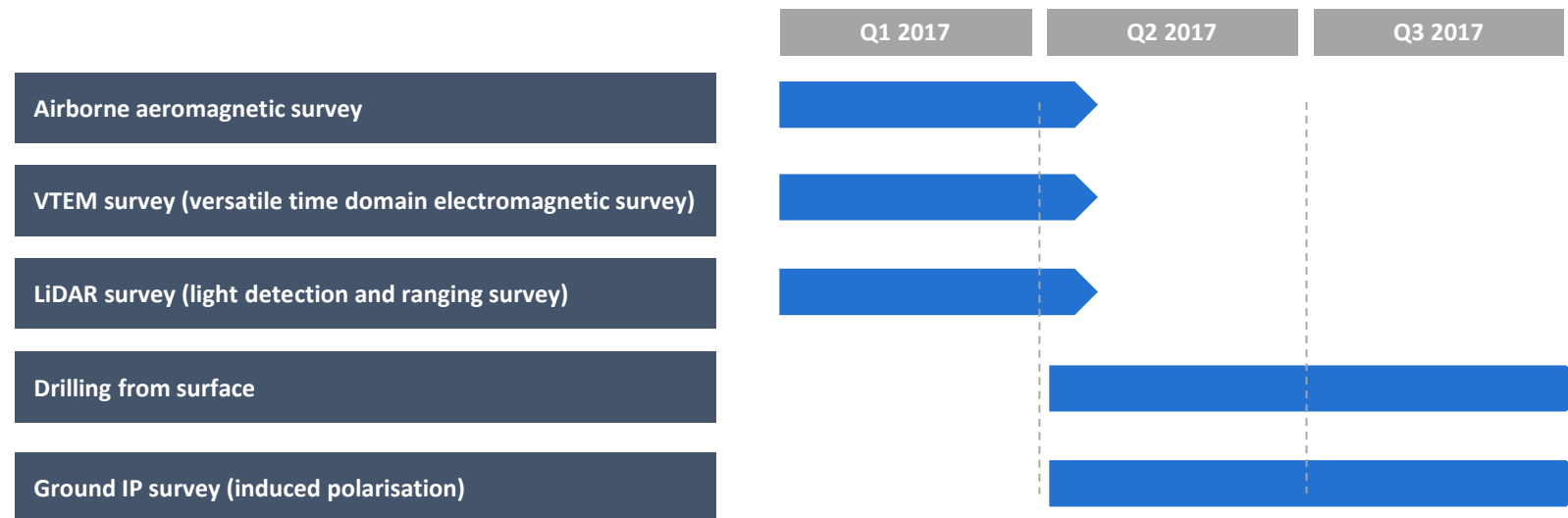


2017 exploration programme

Equator has a targeted exploration programme in 2017 for its portfolio of advanced and “grass roots” properties across its three claims areas

Overview

- Advanced projects including the historic Ophir mine and the Copper Lake property are to undergo underground workings surveying and subsequent geomodelling of known high grade Co-Ag orebodies
- Modern IP surveying to be run over both properties to pick up lateral extent and continuations of known structures
- Underground drilling to follow once underground workings have been rehabilitated
- Earlier stage “grass roots” exploration targets will be flown with aeromag/VLAIM/LIDAR combined geophysics in Q1 2017
- Targets generated from airborne geophysics will be further delineated with ground IP in Q2 2017

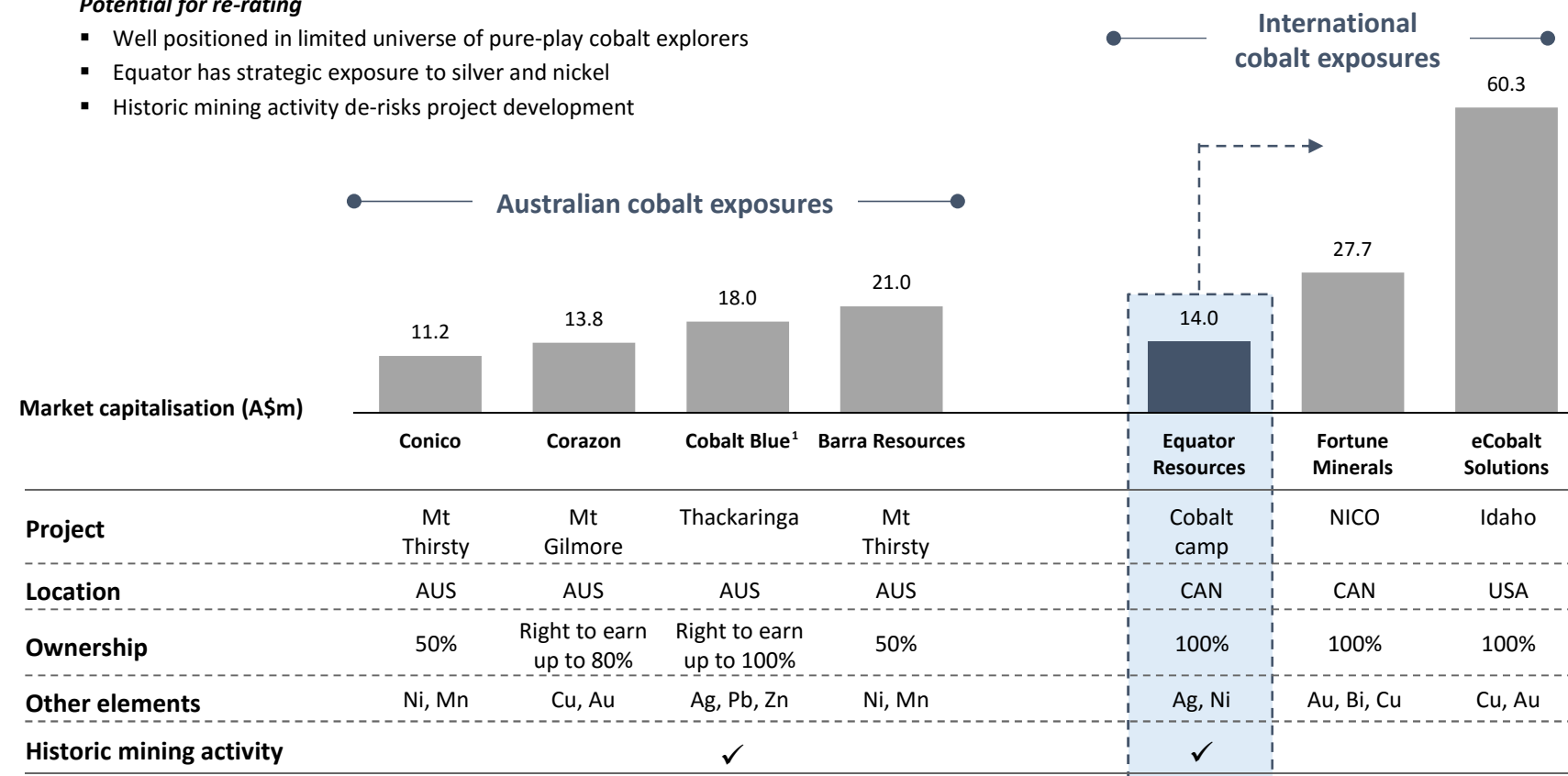


Limited listed cobalt-focused mining peers

Listed exposures to pure-play cobalt explorers and developers are scarce and Equator Resources is well positioned relative to the small peer group

Potential for re-rating

- Well positioned in limited universe of pure-play cobalt explorers
- Equator has strategic exposure to silver and nickel
- Historic mining activity de-risks project development



Source: Company filings, IRESS as at 19 December 2016

Note:

1 Based upcoming market capitalisation post IPO

ASX: EQU

Upcoming share price catalysts

Near term operational, corporate and macro news flows will provide a number of share price catalysts

MAGNETIC SURVEYS <i>1Q 2017</i>	<ul style="list-style-type: none"> – Aeromagnetic surveys to be completed in 1Q 2017 – Results will form basis for accelerated drilling program
DRILLING PROGRAM <i>2Q 2017</i>	<ul style="list-style-type: none"> – Targeting extensions to historical workings at the Ophir mine and Cooper Lake property
COBALT PRICES <i>Ongoing</i>	<ul style="list-style-type: none"> – Further news relating to potential supply constraints and expansion of electric battery applications
CORPORATE INITIATIVES <i>Ongoing</i>	<ul style="list-style-type: none"> – Consolidation of ground packages in the cobalt district – Building an “on the ground” presence in cobalt
SILVER PRICES <i>Ongoing</i>	<ul style="list-style-type: none"> – Further news relating to supply pressures and strengthening demand, particularly for silver’s industrial applications

Appendix



Board of Directors

Highly credentialed Board of Directors with significant industry and directorship experience

Jason Bontempo

Executive Director

- 21 years' experience in company management, corporate advisory, investment banking and public company accounting (CA with Ernst & Young)
- Current director of Red Emperor Resources (ASX/AIM: RMP), Orca Energy (ASX: OGY) and Red Mountain Mining (ASX: RMX)
- Formerly on the board of Glory Resources (ASX: GLY) and Caeneus Minerals (ASX: CAD, formerly Matrix Metals)
- Also has significant international experience providing corporate advice and financing resource companies on ASX and AIM exchanges

Michael Naylor

Non-Executive Director, Company Secretary

- 20 years' experience in corporate advisory and public company management (CA with Ernst & Young)
- Current director of Tawana Resources NL (ASX: TAW) and Helix Resources Limited (ASX: HLX)
- Formerly Managing Director of Coventry Resources Inc (ASX and TSX-V: CYY)
- Career focus on management of mineral and resources public companies

Nicholas Rowley

Non-Executive Director

- Director of Minera Gold Limited (ASX: MIZ) and Director of Corporate Development for Galaxy Resources (ASX: GXY)
- Experience in corporate advisory, M&A and equities markets at Bell Potter Securities (domestic and international institutional sales and HNWs)
- Advised on equity financings of ASX and TSX listed companies in the mining and resources sector

Alex Passmore

Non-Executive Director

- Experienced corporate executive with strong financial and technical background
- Managed WA Natural Resources Business of the Commonwealth Bank of Australia
- Previously held senior roles at Patersons Securities (Director of Corporate Finance and Head of Research)
- Holds a BSc (Hons) in Geology from UWA and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia

Types of lithium ion batteries

Cobalt is an integral metal used in lithium-ion batteries with c.75% of all lithium-ion batteries using a cobalt based cathode

Different types of lithium-ion batteries

- Cobalt is an integral metal used in the cathode (positive terminal) of a lithium-ion battery
- There are a number of different types of cathode compositions, each of which are preferable to different applications
- NMC and NCA are the 2 leading technologies favoured for electric vehicles, due to their exceptional energy density

	Lithium cobalt oxide	Lithium nickel manganese cobalt oxide	Lithium nickel aluminium cobalt oxide	Lithium manganese oxide	Lithium iron Phosphate	Lithium-titanate
Symbol	LCO	NMC	NCA	LMO	LFP	LTO
Cobalt composition	60%	10% – 20%	9%	-	-	-
End uses	High capacity storage: cell phones, iPad, cameras and wearables	Lower capacity but higher specific power and long life: Laptops and EVs	EVs, electric grid storage: Tesla's EVs and Smart Grid/Home Storage, and laptops	Lower capacity but higher specific power and long life: EVs and smart grid storage	Lower capacity but higher specific power and long life: Tools, EVs and smart grid storage	Electric grid storage
Cobalt requirement for battery	1.44kg / kWh	0.36kg / kWh	0.22kg / kWh	-	-	-
Market share	41%	24%	8%	19%	8%	-

Source: Company reports, Avicenne, CRU

ASX: EQU

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Gary Grabowski, who is a member of the Association of Professional Geoscientists of Ontario. Mr Grabowski is a geological consultant for the Company. Mr Grabowski has forty years relevant exploration 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 Grabowski consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.