

31 March 2017

Equus Mining at a Glance

ASX listed Resource Company focused on developing natural resource projects strategically located near existing mine infrastructure. Exploration is progressing at the company's Los Domos Gold and Silver project located adjacent to the operating Cerro Bayo mine.

The company's Mina Rica thermal coal project, located adjacent to ship loading facilities, is focused on developing thermal coal resources for the Chilean power generation market and replacing the high level of thermal coal imports.

Facts

ASX Code:	EQE
Share Price (26 April 2017):	\$0.012
Shares on Issue:	578M
Market Capitalisation:	A\$7.0M

Directors and Officers

Mark Lochtenberg Non-Executive Chairman

Ted Leschke Managing Director

Juerg Walker Non-Executive Director

Robert Yeates Non-Executive Director

Marcelo Mora Company Secretary

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Quarterly Activities Report March 2017

Equus Mining Limited ('Equus' or 'Equus Mining') (ASX: EQE) is pleased to report on its activities for the quarter ended 31 March 2017.

Summary of Activities

Los Domos Gold-Silver Project

- The Los Domos gold-silver project located in Chile's XI Region and adjacent to the operating Cerro Bayo mine.
- To date, 8 prospect drill targets, exhibiting characteristic epithermal metal zonation, have been defined by mapping and geochemical sampling of epithermal veins and breccias
- Four of these targets have returned high grade gold and silver mineralisation from quartz veins outcropping at surface and are considered to represent the upper exposed levels of a mineralized epithermal system. Results can be summarised as follows:
 - T1 Structure Prospect: 15.02 g/t AuEq average sample grade 430 m strike length
 - T2 Structure Prospect: 3.99 g/t AuEq average sample grade 250 m strike length
 - T7 Structure Prospect: 5.24 g/t AuEq average sample grade 270 m strike length
 - T8 Structure Prospect: 7.59 g/t AuEq average sample grade 100 m strike length
- Another four prospects have returned anomalous gold and silver values and elevated epithermal pathfinder metals typically found above epithermal precious metal zones.
- Drill preparations are progressing well with track construction underway and rig mobilisation expected in the next few weeks.



Los Domos Gold-Silver Project

Equus Mining Limited (ASX: EQE) has rights to 100% of the Los Domos gold-silver project located in the XI Region of Chile. See Map 1 for the project's location. The project area is located 15km southeast of the operating Cerro Bayo gold-silver mine and treatment plant (500ktpa capacity) which is owned by Mandalay Resources. Current production is around 2 Mozpa of silver and 20 Kozpa gold and reserves as of December 2016 were 8.9 Moz of silver and 72 Koz gold. (Source: http://www.mandalayresources.com)



Map 1. Los Domos Gold-Silver Project Location

Previous mapping and rock chip sampling throughout the Los Domos Project area has delineated multiple structural corridors hosting chalcedonic - saccaroidal quartz veins and hydrothermal breccias. Apart from reconnaissance style mapping and sampling, these newly discovered structural corridors have never received any modern systematic exploration and hence have never been drill tested. Vein mapping and sample assay results have shown typical vertical precious metal, pathfinder element and quartz texture zonation whereby:

- High grade gold and silver grades are reported predominantly in saccaroidal veins which outcrop at lower altitudes throughout the Los Domos Project area typically below 1100m. See areas T1 and T7 in Map 2.
- Areas where both relatively higher antinomy and arsenic and intermittent grade gold and silver grades have been recorded typically occur between 1100m and 1200m. See area T2 and the newly discovered T8 area in Map 2.
- Areas where relatively higher antinomy and arsenic and other pathfinder element values are reported with anomalous precious metal values are typically in veins at higher altitude above 1200m. See areas T3, T4, T5, and T6 in Map2.

The understanding the vertical metal zonation within the epithermal vein system at Los Domos is key to guiding future exploration including drill testing, which is due to commence shortly. Increased recognition of geochemical, vein quartz texture and alteration zonation of epithermal Au-Ag systems is delivering the next generation of discoveries of concealed deposits, such as those of Cerro Bayo (Mandalay) and Cerro Negro (Goldcorp).



Map 2. Los Domos Gold-Silver Geochemical Sampling Results Summary





Sampling High Grade Gold and Silver Mineralisation Continues at Los Domos

Field work to better define and extend known multiphase high grade gold-silver mineralisation continued during the March 2017 quarter. Rock channel sampling is predominantly carried out using a diamond saw to give continuous, representative results (see Photo 1). The aim of this systematic sampling and mapping of surface mineralised vein (see Photo 2) and breccia structures and peripheral stockwork zones is to better define potential extensions to mineralised structures at surface and provide vectors to mineralization at depth for subsequent drill testing.

Photo 1. Diamond Saw Cutting





T1 Structure Prospect

Surface sampling and mapping of the T1 Structure Prospect have now defined a mineralised strike length of at least **430m with assay results from 25 samples averaging 15.02 g/t AuEq** (see below and Section 1). These high grade results reaffim the T1 Structure Prospect as being within the eipthermal precious metal zone at surface and therefore a high priority drill target. T1 assays reported to date are stated below as gold equivalent or AuEq:

LD00013 - 0.40m @ **111.40 g/t AuEq** (81.10 g/t Au & 1996 g/t Ag) LD00007 - 0.40m @ **55.63 g/t AuEq** (50.68 g/t Au & 326 g/t Ag) LD00400 - 0.40m @ **44.09 g/t AuEq** (10.85 g/t Au & 2190 g/t Ag) LD00035 - 0.40m @ **36.18 g/t AuEq** (32.73 g/t Au & 227 g/t Ag) LD00081 - 0.40m @ **26.01 g/t AuEq** (5.67 g/t Au & 1340 g/t Ag) LD00398 - 0.20m @ **25.36 g/t AuEq** (8.06 g/t Au & 1140 g/t Ag) LD00347 - 0.40m @ **9.38 g/t AuEq** (3.52 g/t Au & 386 g/t Ag)

Photo 2. Outcropping Quartz Vein



LD00344 - 0.33m @ 9.31 g/t AuEq (2.81 g/t Au & 428 g/t Ag) LD00339 - 0.78m @ 8.00 g/t AuEq (2.38 g/t Au & 370 g/t Ag) LD00338 - 0.60m @ 7.89 g/t AuEq (2.96 g/t Au & 325 g/t Ag) LD00356 - 1.40m @ 6.21 g/t AuEq (2.35 g/t Au & 254 g/t Ag) LD00359 - 0.20m @ 5.44 g/t AuEq (1.63 g/t Au & 251 g/t Ag) LD00345 - 0.50m @ 4.09 g/t AuEq (1.31 g/t Au & 183 g/t Ag) LD00349 - 0.40m @ 3.38 g/t AuEq (1.33 g/t Au & 135 g/t Ag) LD00333 - 1.00m @ 3.05 g/t AuEq (0.79 g/t Au & 149 g/t Ag) LD00354 - 0.45m @ 3.01 g/t AuEq (1.04 g/t Au & 130 g/t Ag) LD00334 - 1.20m @ 2.08 g/t AuEq (0.61 g/t Au & 144 g/t Ag) LD00363 - 1.20m @ 2.76 g/t AuEq (1.18 g/t Au & 104 g/t Ag) LD00348 - 0.90m @ 2.61 g/t AuEq (0.58 g/t Au & 134 g/t Ag) LD00351 - 1.50m @ 2.27 g/t AuEq (0.60 g/t Au & 110 g/t Ag) LD00353 - 0.50m @ 1.60 g/t AuEq (0.55 g/t Au & 69 g/t Ag) LD00355 - 0.50m @ 1.49 g/t AuEq (0.52 g/t Au & 64 g/t Ag) LD00365 - 0.50m @ 1.34 g/t AuEq (0.71 g/t Au & 49 g/t Ag) LD00350 - 0.70m @ 1.45 g/t AuEq (0.39 g/t Au & 61 g/t Ag) LD00367 - 0.22m @ 0.78 g/t AuEq (0.54 g/t Au & 16 g/t Ag)

Gold Equivalent Calculation Formula (AuEq)

$$AuEq(g/t) = Au(g/t) + Ag(g/t) \times \frac{Price \ per \ 1 \ Ag(g) \times Ag \ Recovery \ (\%)}{Price \ per \ 1 \ Au(g) \times Au \ Recovery \ (\%)}$$

ie Ag:Au = 68:1

Gold Equivalent Calculation Assumptions

Gold Price:	US\$1244 per ounce	US\$40 per gram	The metallurgical recoveries for Au and Ag are based on the recoveries		
Silver Price:	US\$18.35 per ounce	US59c per gram	achieved by a neighbouring Cerro Bayo mine which is operating in the same		
2016 Gold Recovery*:	84.93%		geologic setting as the Los Domos project. It is EQE's opinion that a		
2016 Silver Recovery*:	87.40%		potential to be recovered and sold.		

*Source: http://www.mandalayresources.com/wp-content/uploads/2013/09/Cerro Bayo Operating Statistics Q4 2016.pd

Strong Ag and Au mineralisation with comparatively lower As, Sb and Hg values indicates that the surface expression of the T1 Structure Prospect is within the epithermal precious metal deposition zone. Vein mapping and sampling results to date from Los Domos indicate a strong vertical precious metal, pathfinder element and quartz texture zonation typical of epithermal systems. The zonation at Los Domos demonstrates that precious metal mineralisation is generally better developed at lower topographic levels throughout the project area, indicating enhanced Au-Ag depositional levels of the paleo-epithermal system and vein development in favourable host stratigraphy. The T1 Structure Prospect is interpreted to be centered on the northeast bounding fault of a large-scale graben structure. See Figure 1 and Figure 2.

Graben structures are related to tensional structural zones and thus are conducive to dilatant vein development. The 30m wide zone of silification and brecciation that envelopes veining at the T1 Structure Prospect may indicate wider veining at depth where more competent stratigraphy has been interpreted to extend. This widening is likely to be caused by brittle fracturing and more open space development within the more competent host rock unit.



Figure 1. Los Domos T1, T2 & T4 Structure Prospects' Interpreted Controls on Mineralisation Conceptual Cross Section of 3.5km long Graben Structure



Figure 2. Conceptual Lithological Controls on Quartz Vein Development







Section 1. Longitudinal Section of T1, T2, and T3 Prospects Showing Vertical Epithermal Zonation



T2 Structure Prospect

Surface sampling and mapping of the T2 Structure Prospect have now defined the mineralised strike length to be at least **250m with assay results from 12 samples averaging 3.99 g/t AuEq** (see below and Section 1). Chalcedonic silica flooded-crackle breccias with pyrite and high grade Au and Ag quartz veining occur within a 30m wide structural corridor. T2 assays reported todate are stated below as gold equivalent or AuEq:

LD00008 - 0.70m @ 23.98 g/t AuEq (449 g/t Ag & 17.16 g/t Au) LD00225 - 0.25m @ 1.77 g/t AuEq (56 g/t Ag & 0.92 g/t Au) LD00325 - 1.00m @ 0.90 g/t AuEq (37 g/t Ag & 0.34g/t Au) LD00330 - 1.50m @ 1.27 g/t AuEq (46 g/t Ag & 0.57 g/t Au) LD00217 - 0.80m @ 6.26 g/t AuEq (201 g/t Ag & 3.21 g/t Au) LD00260 - 1.30m @ 1.41 g/t AuEq (51 g/t Ag & 0.64 g/t Au) LD00262 - 1.00m @ 2.72 g/t AuEq (106 g/t Ag & 1.11 g/t Au) LD00263 - 0.80m @ 1.68 g/t AuEq (59 g/t Ag & 0.78 g/t Au) LD00253 - 0.25m @ 0.96 g/t AuEq (28 g/t Ag & 0.53 g/t Au) LD00208 - 1.00m @ 1.41 g/t AuEq (15 g/t Ag & 1.18 g/t Au) LD00215 - 1.00m @ 1.53 g/t AuEq (31 g/t Ag & 1.06 g/t Au) LD00214 - 0.85m @ 1.70 g/t AuEq (60 g/t Ag & 0.79 g/t Au)

Comparatively high As and Hg values coinciding with strong Ag and Au mineralisation indicates that the surface expression of the T2 Structure Prospect is at the transitional epithermal level and potentially just above the epithermal precious metal depositional zone. The T2 Structure Prospect is interpreted to be centered on the same NE bounding fault of a large-scale graben structure as that of the T1 Structure Prospect.

T4 Structure Prospect

Initial field work has discovered an **8m wide zone of low temperature chalcedonic quartz stockwork veining and breccia which has been mapped and, so far, has been found to extend over a strike length of approximately 150m**. Three reconnaissance samples from this zone returned anomalous gold and silver values averaging 0.36 g/t AuEq and highly anomalous As and Sb values, indicating that the surface expression of this prospect is at the upper epithermal zone. Further samples have been taken and assay are due shortly. Importantly, the T4 structure is interpreted to correspond to the southwestern bounding fault of a major west north west trending graben structure that can be traced for approximately 3.5km

T7 Structure Prospect

Surface sampling and mapping of the T7 Structure Prospect have now defined the mineralised strike length to be at least **270m with assay results averaging 5.24 g/t AuEq** (see below and Section 2). T7 assays reported to date are stated below as gold equivalent or AuEq:

	1 10m @ 11 00 a/t AuEa (7 55 a/t Au & 121 a/t Aa)
LUT 14 -	1.40m @ 14.09 g/t Auly (7.55 g/t Au & 451 g/t Ag)
LD00086 -	2.50m @ 7.36 g/t AuEq (5.60 g/t Au & 116 g/t Ag)
LD00065 -	1.50m @ 6.79 g/t AuEq (4.76 g/t Au & 134 g/t Ag)
LDT 04 -	4.00m @ 5.99 g/t AuEq (2.71 g/t Au & 216 g/t)
LD00082 -	1.00m @ 5.59 g/t AuEq (3.60 g/t Au & 131 g/t Ag)
LDT 07 -	4.70m @ 2.45 g/t AuEq (1.72 g/t Au & 48 g/t Ag)
LDT 2/3 -	3.00m @ 2.34 g/t AuEq (1.16 g/t Au &48 g/t Ag)
LDT 10/13 -	2.30m @ 1.57 g/t AuEq (1.16 g/t Au & 27 g/t Ag)
LDT 05 -	4.00m @ 0.96 g/t AuEq (0.79 g/t Au & 11 g/t Ag)

Strong Ag and Au mineralisation with high Pb and Zn values and comparatively low As, Sb and Hg values indicates that the surface expression of the T7 Structure Prospect is within the epithermal precious metal deposition zone.



T8 Structure Prospect

Recently reported early stage mapping and sampling has defined gold-silver epithermal mineralisation at the T8 Structure Prospect (see Photo 3). Intense quartz veining hosting Au and Ag mineralisation occurs within a 70m wide, strongly silicified and clay altered structural corridor zone which outcrops over a strike length of at least 150m and has returned assay results from **7 samples averaging 7.59 g/t AuEq.** T8 assays reported to date are stated below as gold equivalent or AuEq:

LD00391 - 0.20m@ **40.92 g/t AuEq** (36.10 g/t Au & 254 g/t Ag) LD00388 - 1.00m@ **1.10 g/t AuEq** (1.02 g/t Au & 11 g/t Ag) LD00279 - 0.50m@ **5.34 g/t AuEq** (4.27 g/t Au & 149 g/t Ag) LD00280 - 0.60m@ **2.11 g/t AuEq** (1.79 g/t Au & 45 g/t Ag) LD00274 - 1.00m@ **2.08 g/t AuEq** (1.96 g/t Au & 17 g/t Ag) LD00380 - 0.25m@ **0.88 g/t AuEq** (0.59 g/t Au & 40 g/t Ag) LD00387 - 1.00m@ **0.74 g/t AuEq** (0.54 g/t Au & 28 g/t Ag)

These gold and silver results together with the elevated As and Sb values indicate that outcropping upper portions of veining at the T8 Structure Prospect occur potentially just above the epthermal preicous metal zone and comprise a high priority drill target. See Section 3.

Photo 3. Outcropping hematite rich, brecciated quartz vein T8 structure at Los Domos





NNW SSE S Ν Average grade 7.59 g/t AuEq 851ppm As, 32ppm Sb Parallel veins with high - 486ppm As, 7ppm Sb - 336ppm As, 5ppm Sb Multiple veins with high 5 ppm So $\begin{array}{c} 0.25 & \textcircled{0} & 0.88 & (0.59, 40) \\ 0.20 & \textcircled{0} & 40.92 & (36.10, 254) \\ 1.00 & \textcircled{0} & 1.10 & (1.02, 11) \\ 1.00 & \textcircled{0} & .74 & (0.54, 28) \\ 0.50 & \textcircled{0} & \overrightarrow{3}4 & (4.27, 149) \\ 0.60 & \textcircled{0} & \overrightarrow{3}1 & (1.79, 45) \\ 1.00 & \textcircled{0} & 2.08 & (1.96, 17) \\ \end{array}$ 383ppm As,6ppmSb pathfinder elements pathfinder elements 549ppm As, 17ppm Sb 247ppm As, 22ppm Sb 376ppm As, 14ppm Sb Average grade 5.24 g/t AuEq) As 356ppm avg As 477ppm avg Sb 7ppm avg Sb 20ppm avg 316ppm As, 13ppm Sb 1.40 @ 14.09 (755, 431) 1.00 @ 5.59 (3.01,31) 4.70 @ 2.45 (1.72, 48) 4.00 @ 0.96 (0.79, 11) 2.50 @ 7.96 (5.60, 116) 1.50 @ 6.79 (4.76, 134) 4.00 @ 5.99 (2.71, 216) 431) 16,27) <mark>2.34</mark> (1.16,48) 1200m 1200m **Upper Epithermal Zone Transitional Epithermal Zone** 8 3.00 @ <mark>2</mark> **Upper Epithermal Zone** 30 1100m 1100m **Transitional Epithermal Zone** Multiple quartz veins have been sampled T8 Drill Target with assays pending 1000m 1000m Interpreted TZ Drill Target 370 m Interpreted **Epithermal Precious Epithermal Precious** -Metal Depositional 900m 900m **Metal Depositional** Zone Zone 800m 800m >3 AuEq g/t 0 >3 AuEq g/t 0 100m 200m 300m 400m 100m 200m 300m Interval Explanation 500r Interval Explanation 400m 500 • 2-3 AuEq g/t • 2-3 AuEq g/t 1.20m @ 2.80 AuEqg/t, (0.61 Au g/t, 144 Ag g/t) 1.20m @ 2.80 AuEqg/t, (0.61 Au g/t, 144 Ag g/t) <2 AuEq g/t</p> <2 AuEq g/t</p>

Section 2 . Longitudinal Section of T7 Showing Vertical Epithermal Zonation

Section 3. Longitudinal Section of T8 Showing Vertical Epithermal Zonation



Corporate

Exploration Expenditure

During the quarter ended 31 March 2017 Equus invested a total of \$92k in exploration

Capital raising

During the quarter, the Company raised \$521K before costs in the first of a two-tranche placement. Subsequent to end of the March quarter Shareholders approved the second placement tranche which is expected to raise approximately an additional \$1M.

Yours sincerely

Edward Leschke Managing Director

pjn8887

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(i)All the material assumptions underpinning exploration results for sample numbers LD00001 to LD00102 are outlined in Table 1 and Appendix 1 in the initial public report titled Los Domos Gold-Silver project (see ASX release dated 25 October 2016) and continue to apply and have not materially changed.

(ii)All the material assumptions underpinning exploration results for sample numbers LD00103 to LD00205 are outlined in Table 1 and Appendix 1 in the December 2016 Quarterly Activities Report (see ASX release dated 31 January 2017) continue to apply and have not materially changed.

(iii)All the material assumptions underpinning exploration results for sample numbers LD00206 to LD00382 are outlined in Table 1 and Appendix 1 in the report titled Los Domos Gold-Silver Project High Grade Assay Results (see ASX release dated 3 March 2017) continue to apply and have not materially changed.

(iii)All the material assumptions underpinning exploration results for sample numbers LD00283 to LD00400 are outlined in Table 1 and Appendix 1 in the report titled Los Domos Gold-Silver Project Yields Further High Grade Assay Results (see ASX release dated 31 March 2017) continue to apply and have not materially changed.

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Exploration Results for the Los Domos Gold-Silver project is based on information compiled by Damien Koerber. Mr Koerber is a geological consultant to the Company. Mr Koerber is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Koerber has a beneficial interest as shareholder and Director of Terrane Minerals SpA ('vendor') in Los Domos Gold-Silver project and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Tenement Information

Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter	Location	Ownership	
		Mina Rica 1, 2, 4, 6, 8, 11, 12, 15, 16, 19, 20, 23, 26, 29 – 31	Mina Rica, Magallanes, Chile	Carbones del Sur	
		Kol 1 to 12, 14 - 16	Mina Rica, Magallanes, Chile	Carbones del Sur	
		Mina Rica 32-39	Mina Rica, Magallanes, Chile	Carbones del Sur	
Mina Rica 40-47		Mina Rica 40-47			
		Brunswick 3A, 4A	Mina Rica, Magallanes, Chile	Carbones del Sur	
		Rio Rubens 1 to 11	Rubens, Magallanes, Chile	Carbones del Sur	
		Rio Rubens Este 1 to 7	Rubens, Magallanes, Chile	Carbones del Sur	
		Rio Perez A to H	Perez, Magallanes, Chile	Carbones del Sur	
		Skyring 1 - 31	Perez, Magallanes, Chile	Carbones del Sur	
Electrum 12A		Electrum 1A-7A ⁽³⁾ Electrum 8-11 Electrum 12.A	Chile Chico, XI Region, Chile	Terrane Minerals SpA ⁽¹⁾	
		Pedregoso I, VIII	Chile Chico, XI Region, Chile	Terrane Minerals SpA ^{(1), (2)}	
		Honda 20	Chile Chico, XI Region, Chile	Terrane Minerals SpA ^{(1), (2)}	
		Osenace	Ghana	Equus 90%	
		Asamankese	Ghana	Equus 90%	
		Pramkese	Ghana	Equus 90%	
		Kwatechi	Ghana	Equus 7% equity interest	

(1) The Company's wholly owned subsidiary, Southern Gold SpA has an option to acquire 100% of the Los Domos Gold project. The Company is earning a 51% interest in the project through the drilling program of 2,000 metres.

(2) As part of Los Domos Gold project, Terrane Mineral SpA has an option to acquire 100% of the Mining Concessions from Patagonia Gold SC.

(3) The Electrum 1-7 licences have been renewed as Electrum 1A-7A