EQUUS MINING LIMITED
ABN 44 065 212 679

ASX: EQE
31 October 2017

Equus Mining at a Glance

Equus Mining is an ASX listed Resource Company focused on developing natural resource projects strategically located near existing mine and other infrastructure. Exploration is progressing at the company's flagship Los Domos gold and silver project located in Chile's XI Region, adjacent to the Cerro Bayo gold and Silver 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 (30 Oct 2017):	**$0.038**
Shares on Issue:	**739M**
Market Capitalisation:	**A$28M**

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

Cameron Peacock
Investor Relations and Business Development

Quarterly Activities Report September 2017

Equus Mining Limited ('Equus' or 'Equus Mining') (ASX: EQE) is pleased to report on its activities for the quarter ended 30 September 2017.

Summary of Activities

Los Domos Epithermal Project

- Drilling at the Los Domos gold-silver project continued during the September quarter.
- At the T7 Target, follow-up drilling of 5 holes further delineate the geometry of base and precious metal mineralisation at shallow depth with a mineralised west-north west trending strike length extending over 400m. This occurrence is interpreted to represent part of a multiphase, Intermediate Sulphidation epithermal style of mineralisation. Assays from 4 drill holes are outstanding.
- At the T2 Target, 5 holes were drilled along a 240m strike length which intercepted multiple, strongly mineralised, wide (up to 4.2m), south-west dipping breccia-quartz veins with high Au-Ag grade intervals. The high grade intervals are interpreted to represent the shallow levels of northwest plunging mineralization hosted in the bounding fault of a major NW trending, +3km long graben structure.
- At the T5 Target, one hole was drilled which intersected a large scale (70m wide), multiphase, intensely hydrothermally brecciated and veined zone with highly anomalous levels of precious, base metal and pathfinder elements. This zone is interpreted as representing an early stage phreatic (explosive) breccia cut by later stage, weakly banded epithermal quartz veins up to 3.2m wide, in the upper epithermal levels of a large, north-south trending host structure extending over more than 600m.
- To date, 9 prospect drill targets, exhibiting characteristic epithermal metal zonation, have been defined by mapping and geochemical sampling of epithermal veins and breccias. The Los Domos epithermal project is located in Chile's XI Region and adjacent to the Cerro Bayo gold and silver mine.

EQUUS MINING LIMITED
ABN 44 065 212 679

ASX: EQE
31 October 2017

Los Domos T7 Target Drilling

Subsequent to the discovery of significant high grade mineralisation at shallow depth in the maiden drill hole at the T7 Target, follow up drilling totalling 649.8m in 5 holes has been completed to further delineate the geometry of mineralization at shallow depth along strike. Mineralization intersected in Drill holes LDD-003, LDD-009, LDD-0011 and- LDD-012 during the September quarter together with the previously reported LDD-001 and 3 surface channel samples indicate that the steep to moderate northeast dipping mineralised structure trends approximately 295° with a mineralised strike length of over 400m, and the overall host west-northwest trending fault structure can be traced for at least 800m. See Table 1 & Figure 1.

The mineralisation consists of brecciated, sphalerite and galena rich, banded epithermal quartz veins and hydrothermal breccias hosted in quartz crystal rich tuff. This mineralization is interpreted as representing part of a multiphase, Intermediate Sulphidation epithermal style of mineralisation.

The next phase will comprise drill testing the T7 Target over an 800m strike length with a series of shallow, 80m spaced holes in order to define the geometries of the higher grade shoots prior to drill testing of their potentially more precious metal rich levels deeper in the epithermal system. See Figure2. Good potential exists for additional subparallel mineralised structures in the hanging wall to the mineralised structure defined by drilling to date.

Table 1. T7 Target Saw channel (CH) and Drill (LDD) Intercepts

Hole, Channel ID	From m	To m	Intercept m	True Width M	PbEq %	AgEq g/t	Au g/t	Ag g/t	Pb %	Zn %
CH 7A	0.0	6.0	**6.00**	6.00	**8.53**	**340**	2.52	123	1.32	0.08
CH 7B	0.0	7.7	**7.70**	7.70	**5.28**	**211**	1.18	42	2.21	0.11
CH 7C	0.0	7.0	**7.00**	7.00	**4.81**	**192**	0.82	18	1.40	1.26
LDD-001	35.2	54.1	**18.94**	18.29	**18.11**	**722**	0.48	117	9.65	3.62
incl.	45.8	54.1	**8.39**	8.10	**37.37**	**1490**	0.71	248	20.72	7.07
LDD-003	68.0	76.5	**8.45**	7.94	**4.29**	**171**	0.32	15	1.18	1.68
incl.	68.0	70.2	**2.20**	2.07	**13.51**	**539**	0.19	48	4.37	5.82
	138.8	140.1	**1.30**	1.22	**3.03**	**121**	0.62	11	0.26	1.14
LDD-009	43.5	54.5	**11.00**	10.63	**Intervals of visible base metal mineralization logged - Results Pending**					
LDD-010	45.3	49.0	**3.75**	3.25						
LDD-011	85.0	102.5	**17.50**	16.90						
LDD-012	97.0	107.0	**10.00**	9.85						

Figure 1. Drilling, mineralised intercepts and mineralisation trend at the T7 Target

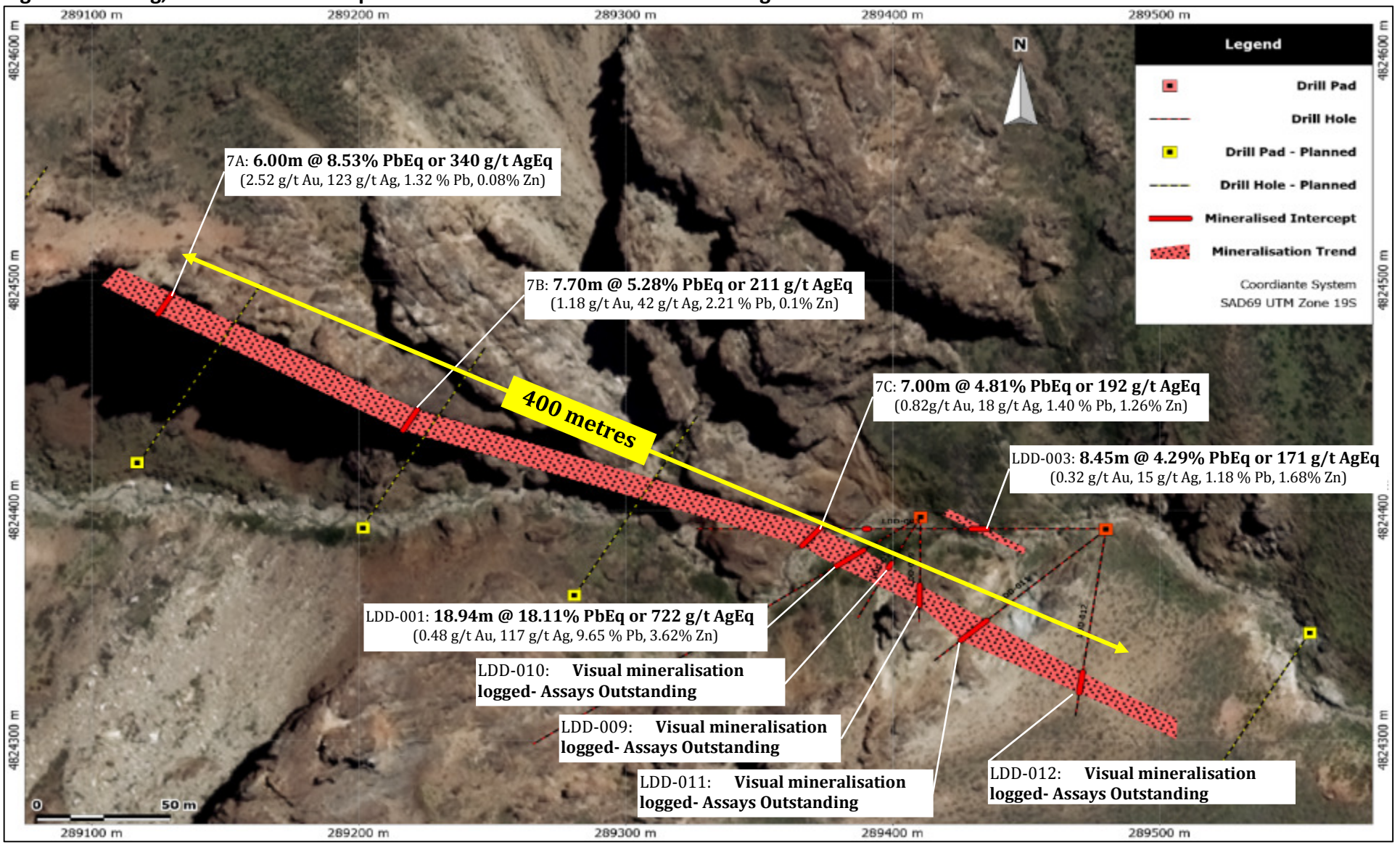
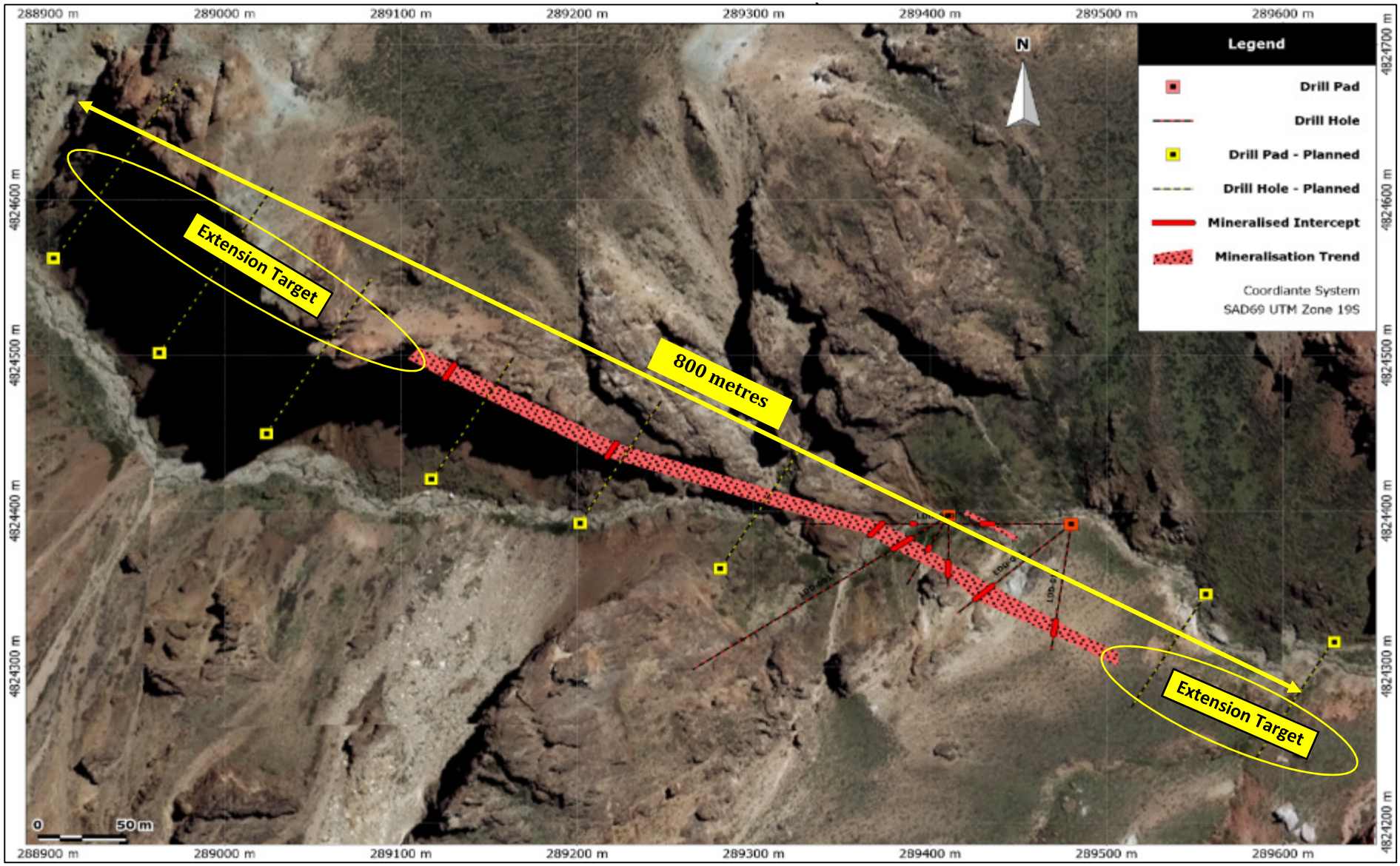


Figure 2. Planned follow up drilling at the T7 Target



Los Domos T2 Target Drilling

During the September quarter a total of 5 holes (LDD-004 - LDD-008) totalling 440.45m were drilled along a 240m strike length of the NW trending T2 Target to test shallow extensions of brecciation and veining at topographic levels generally above 1100m absl (see Figure 3). Multiple, strongly mineralised, wide (up to 4.2m) steep south-west dipping, chalcedonic-jasperoidal breccia-quartz veins were intersected which reported high grade intervals (See Table 2).

The type and texture of quartz in the brecciation and veining and dominantly lower temperature breccia-vein clay alteration selvages (i.e. smectite dominant) is **typical of upper, lower temperature, more oxidised mineralised fluid levels of epithermal systems**. The wide (30m), steeply dipping (75 degree) host structure to brecciation and veining comprises a series of subparallel faults which exhibit large scale (> 50 metre) normal displacement which have juxtaposed less competent, strongly clay altered hanging wall lithologies against the structure. See Figure 3.

This geometry is consistent with the previous structural interpretation that the T1, T2 and T3 Target structures, which have been mapped intermittently over a collective strike length of 3km, represent the NE bounding fault of a large NW trending graben structure. These types of structures are often favourable for hosting large scale epithermal vein systems as they represent zones of enhanced dilation.

Drill results to date suggest that the higher grade mineralization at the T2 prospect comprises a moderately, NW plunging mineralised shoot as shown in the long section in Figure 4. The results from this 1st phase of scout drilling are considered to be highly encouraging in relation to **the potential for higher Au-Ag grades in larger scale breccia-veining both at depth and along strike,** especially in light of the relatively shallow depth of drilling completed to date at levels interpreted to be high in the paleo-epithermal levels (i.e. predominantly above 1100m absl) and the interpreted deeper favourable, more competent host stratigraphy.

Table 2. T2 Target Drill Intercepts

Hole ID	From m	To m	Intercept m	AuEq g/t	Au g/t	Ag g/t	Description
LDD-004	26.80	30.50	**3.70**	**1.91**	0.47	98	3.7m wide brecciated chalcedonic-jasperoidal quartz vein
incl.	29.80	30.50	**0.70**	**5.77**	1.08	318	
	43.20	44.40	**1.20**	**2.42**	1.01	96	1.2m wide chalcedonic-jasperoidal quartz vein
incl.	43.50	43.90	**0.40**	**5.79**	2.38	231	
LDD-005	42.35	43.89	**1.54**	**0.99**	0.60	26	1.5m wide brecciated chalcedonic-jasperoidal quartz vein & crosscutting veinlets
LDD-006	32.15	32.80	**0.65**	**1.64**	0.78	58	0.65m wide oxidised chalcedonic-jasperoidal quartz veinlets
	38.20	42.40	**4.20**	**1.04**	0.52	35	4.2m wide brecciated chalcedonic-jasperoidal quartz vein
incl.	41.85	42.40	**0.55**	**4.72**	2.86	126	
LDD-007	27.60	27.90	**0.30**	**0.07**	0.04	2	0.3m wide brecciated chalcedonic-jasperoidal quartz vein
LDD-008	81.5	82.2	**0.7**	**0.98**	0.52	31	Part of 3.85m silicified-brecciated chalcedonic veining

Figure 3. T2 Target cross section showing vein development model

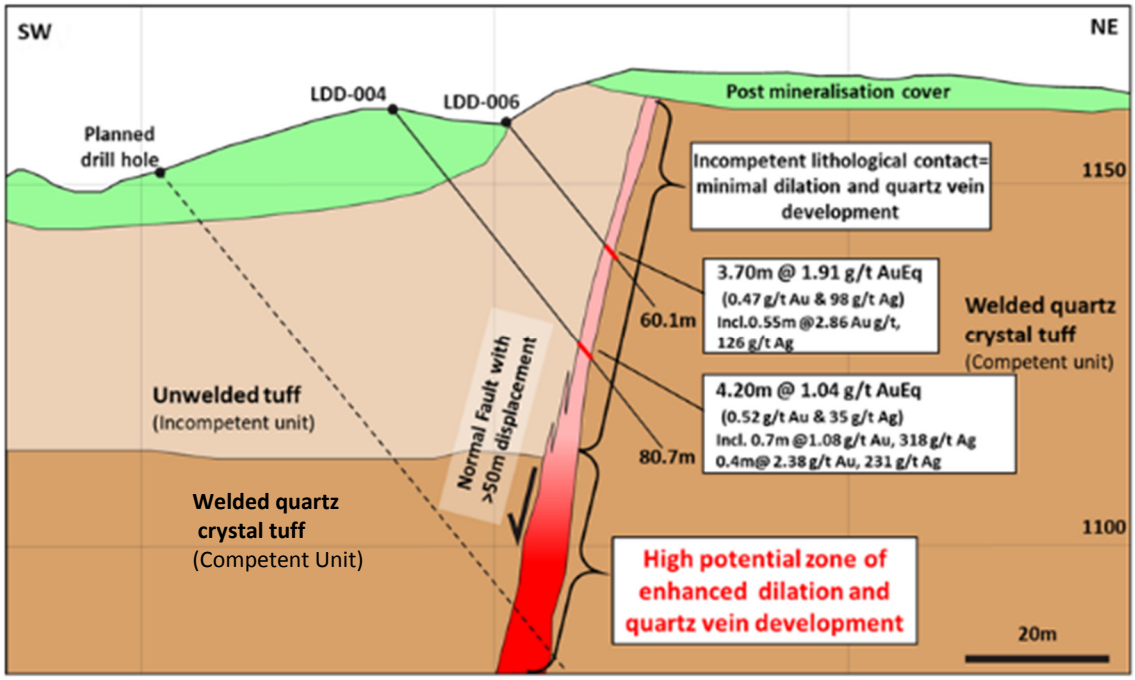
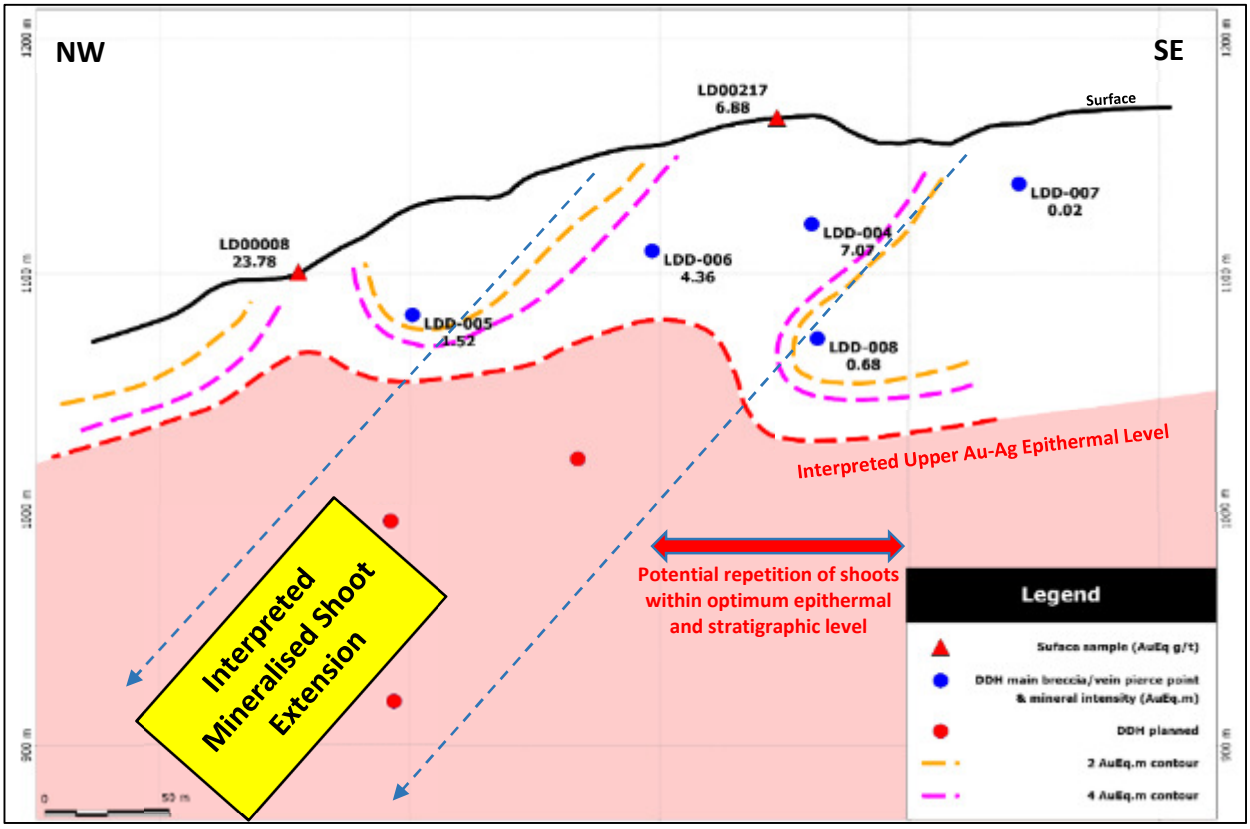


Figure 4. T2 Target Long Section



EQUUS MINING LIMITED
ABN 44 065 212 679

ASX: EQE
31 October 2017

Los Domos T5 Target Drilling

During the September quarter one initial scout DDH hole (LDD-002- totalling 182.55m drilled -45 degrees towards 280 degrees) was drilled on the T5 Target which was designed to test the upper levels (approximately 1100m absl) of the central portion of a strongly silicified, north-south trending, weakly veined structure that extends over a 600m strike length, the interpreted extensions of which are obscured by shallow post mineral aged cover rocks.

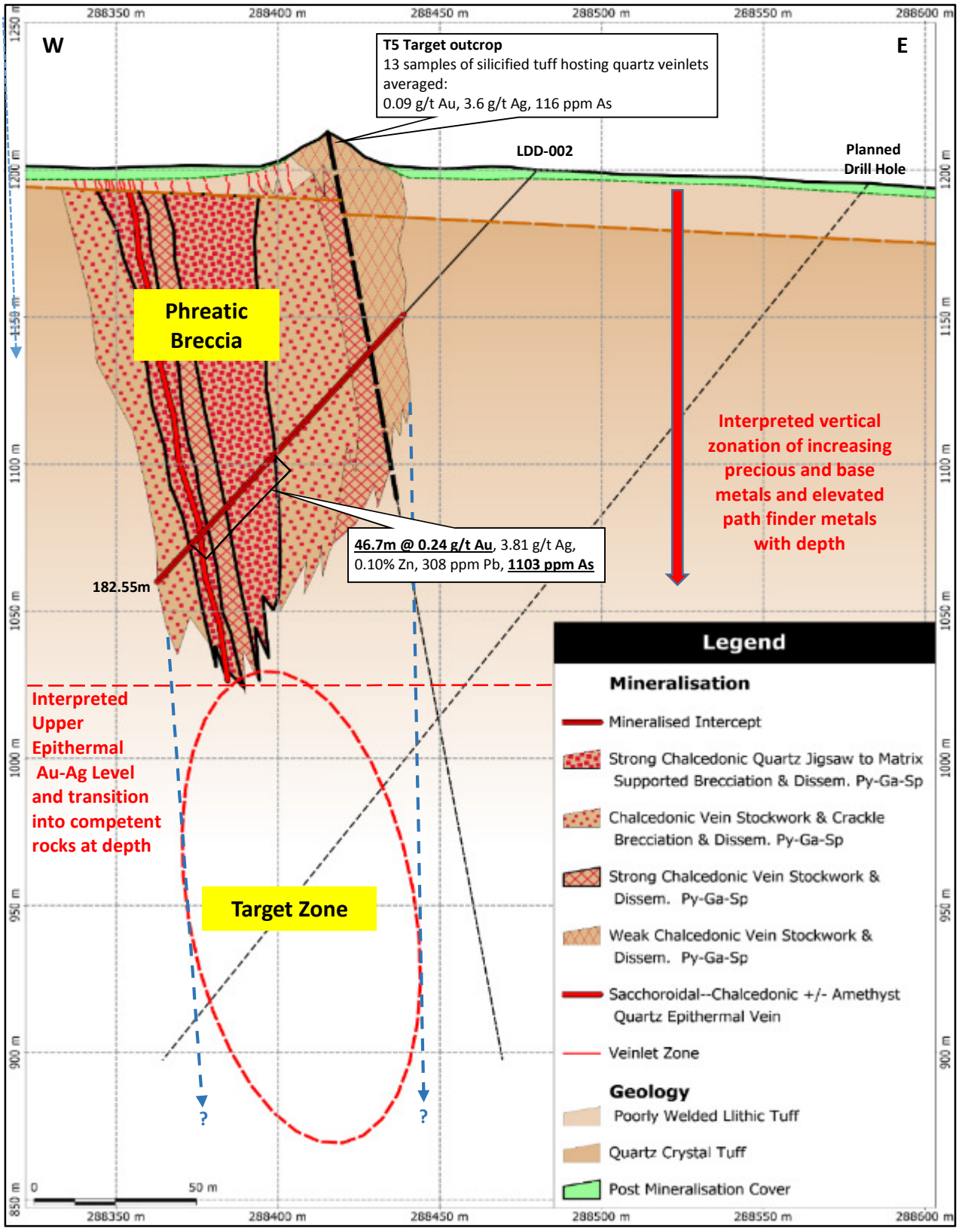
This hole intersected a concealed, large scale (70m wide), multiphase, intensely hydrothermally brecciated and veined zone which is interpreted as representing a tabular, **steep easterly dipping, early stage phreatic (explosive) breccia.** This breccia is cut by later stage, cooler, weakly banded epithermal quartz veins up to 3.2m wide in what is interpreted from quartz textures and elevated pathfinder geochemistry (e.g. As, Sb) to represent **the upper levels of a large epithermal vein/breccia structure**. See Photo 1 and Figure 5.

Significantly, widespread individual 0.15 to 1m wide sample intervals **throughout the 123.55m interval between 59m to 182.55m EOH reported highly anomalous levels of precious and base metal and pathfinder elements** with maximum values of: Au 0.84 g/t, Ag 14.6 g/t, Zn > 1%, Pb 2720ppm and As 2650ppm. The core interval of explosive brecciation and veining between 125-171.7m reported 46.7m @ 0.24 g/t Au, 3.81 g/t Ag, 0.1% Zn, 306 ppm Pb and 1103 ppm As.

The vast width and apparent strike extent of the explosive breccia, combined with the breccia and vein quartz textures, low temperature clay selvage and highly anomalous Au-Ag, As, Pb and Zn (low Fe variety) geochemistry **indicate that it may represent the upper level of a large, productive Intermediate Sulphidation (IS) style vein system with potential for higher Au-Ag grades at depth**, similar to other both Low and Intermediate deposits (e.g. Favona-New Zealand 0.63 Moz AuEq, Arcata-Peru +447Moz AgEq , Mina San Jose-Argentina 2.87Moz AuEq, Cerro Morro-Argentina 2.3Moz AuEq). Planned follow-up drilling will target potential for high grade ginguro style epithermal vein and breccia Au-Ag mineralization, approximately 200m below surface, hosted in more competent rocks where rapid epithermal fluid pressure loss, boiling and cooling occurred towards the base of the explosive brecciation.

Photo 1. LDD-002 Drill core from 159.03 – 161.20m down hole

Figure 5. T5 Target - Geological Cross Section



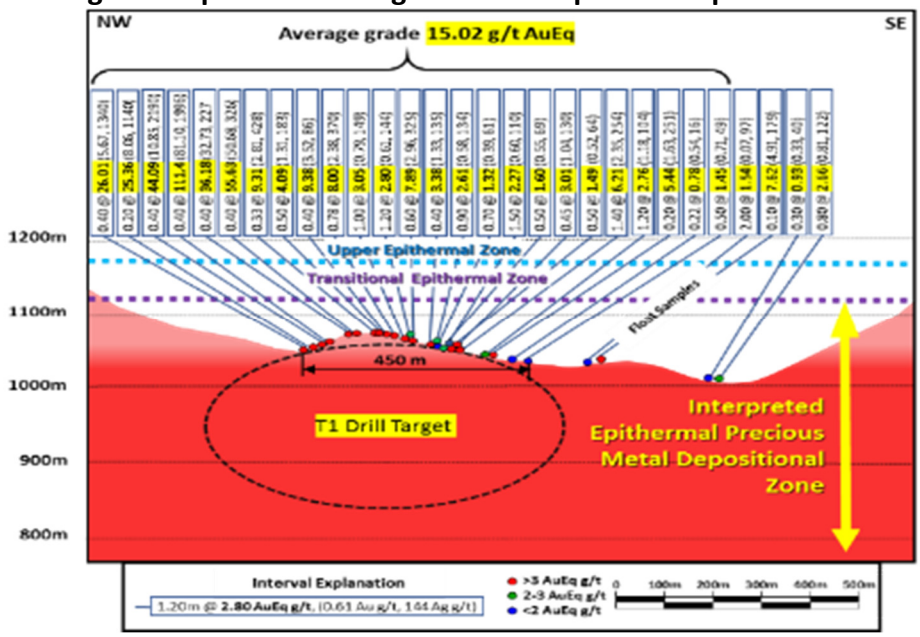
T1 Target – A High Priority Drill Target

Drill rig access was completed to the T1 Target during the September quarter. This target is now ready for 1st phase scout drill testing of high grade Au-Ag vein mineralisation defiend by previous rock chip sampling and mapping. As previously reported (see ASX release dated 31 March 2017) rock chip geochemical results (see Table 3 and Figure 6) from elevations below approximately 1050m absl are interpreted as corresponding to the upper levels of the prospect wide, paleo-epithermal precious metal zone interval. The mineralised strike length of the T1 Target is **430m as defined by 23 samples which averaged 15.02 g/t AuEq** which qualifies it as a high priority drill target.

Table 3. T1 Target Surface Sample Results

Sample Number	Assay Results
LD00013	0.40 @ **111.40 g/t AuEq** (81.10 g/t Au & 1996 g/t Ag)
LD00007	0.40 @ **55.63 g/t AuEq** (50.68 g/t Au & 326 g/t Ag)
LD00400	0.40 @ **44.09 g/t AuEq** (10.85 g/t Au & 2190 g/t Ag)
LD00035	0.40 @ **36.18 g/t AuEq** (32.73 g/t Au & 227 g/t Ag)
LD00081	0.40 @ **26.01 g/t AuEq** (5.67 g/t Au & 1340 g/t Ag)
LD00398	0.20 @ **25.36 g/t AuEq** (8.06 g/t Au & 1140 g/t Ag)
LD00347	0.40 @ **9.38 g/t AuEq** (3.52 g/t Au & 386 g/t Ag)
LD00344	0.33 @ **9.31 g/t AuEq** (2.81 g/t Au & 428 g/t Ag)
LD00339	0.78 @ **8.00 g/t AuEq** (2.38 g/t Au & 370 g/t Ag)
LD00339	0.60 @ **7.89 g/t AuEq** (2.96 g/t Au & 325 g/t Ag)
LD00356	1.40 @ **6.21 g/t AuEq** (2.35 g/t Au & 254 g/t Ag)
LD00359	0.20 @ **5.44 g/t AuEq** (1.63 g/t Au & 251 g/t Ag)
LD00345	0.50 @ **4.09 g/t AuEq** (1.31 g/t Au & 183 g/t Ag)
LD00349	0.40 @ **3.38 g/t AuEq** (1.33 g/t Au & 135 g/t Ag)
LD00354	1.00 @ **3.05 g/t AuEq** (0.79 g/t Au & 149 g/t Ag)
LD00354	0.45 @ **3.01 g/t AuEq** (1.04 g/t Au & 130 g/t Ag)
LD00334	1.20 @ **2.08 g/t AuEq** (0.61 g/t Au & 144 g/t Ag)
LD00363	1.20 @ **2.76 g/t AuEq** (1.18 g/t Au & 104 g/t Ag)
LD00348	0.90 @ **2.61 g/t AuEq** (0.58 g/t Au & 134 g/t Ag)
LD00351	1.50 @ **2.27 g/t AuEq** (0.60 g/t Au & 110 g/t Ag)
LD00353	0.50 @ **1.60 g/t AuEq** (0.55 g/t Au & 69 g/t Ag)
LD00355	0.50 @ **1.49 g/t AuEq** (0.52 g/t Au & 64 g/t Ag)
LD00365	0.50 @ **1.34 g/t AuEq** (0.71 g/t Au & 49 g/t Ag)
LD00350	0.70 @ **1.45 g/t AuEq** (0.39 g/t Au & 61 g/t Ag)
LD00367	0.22 @ **0.78 g/t AuEq** (0.54 g/t Au & 16 g/t Ag)

Figure 6. T1 Target interpreted as being within the epithermal precious metal zone



Los Domos T7 Preliminary Metallurgical Testwork

A preliminary flotation test program was carried out on a composite sample from drill hole LDD-001 during the September quarter. As previously outlined Hole LDD-001 recorded a high grade intercept of **8.39m at 20.72% Pb, 7.07% Zn, 248 g/t Ag and 0.71 g/t Au** from 45.75m down hole.

The purpose of the preliminary metallurgical test program was to determine initial flotation performance of the main metals of economic interest. A 37 kg composite sample was made up from the crushed coarse sample reject component generated from core splits prior to assaying.

The initial test work was a rougher stage flotation test carried out by ALS Canada. Flotation is a standard mineral beneficiation process, where after crushing and grinding, the minerals of value are concentrated and separated from minerals of no value by taking advantage of mineral hydrophobicity differences. Refer to Figure 7. Rougher flotation is the first stage of the flotation process where the maximum amount of the valuable mineral, at as coarse a particle size as practical, is concentrated. The rougher flotation results are outlined in Table 4.

- **Lead and Silver Rougher Flotation Recoveries:** The rougher flotation test resulted in very high lead and silver recoveries and concentrate grades by industry standards. **First stage lead rougher flotation resulted in 97.7% Pb recovery to a concentrate grading 69.8% Pb.** The high lead recoveries and product grade demonstrates the fast flotation kinetics within the first stage of rougher flotation. Refer Photo 2.

  In addition, **first stage lead rougher flotation resulted in 93.5% Ag recovery reporting to the lead concentrate grading 930 g/t Ag**. The high lead and silver recoveries and grades of this composite sample indicates the possibility for a one-stage lead rougher circuit producing a high quality lead/silver concentrate product with no need for regrinding and cleaning.

- **Zinc Flotation Rougher Recoveries**: The first stage zinc rougher floatation resulted in 64.8% Zn recovery to a concentrate grading 39.8% Zn with 21.3% Zn having been recovered in the first stage lead rougher concentrate where no zinc depressant reagents were applied. The possibility of producing a silver-lead rich bulk concentrate will be investigated as part of follow-up test work given the **combined zinc recovery for both zinc, lead and pyrite rougher circuits is 99.4%** with only 0.6% of the feed zinc being lost to the final rougher tail. It is worth noting that certain lead smelters will pay for zinc content in lead concentrates exceeding certain thresholds. In addition, pyrite is only 2.5% of the overall feed or 7% of the sulphide component. Refer Table4.

- **Gold Flotation Rougher Recoveries:** The possibility of a bulk concentrate would allow for a reasonable recovery of gold given that the **combined gold recoveries of the lead, zinc and pyrite rougher circuits is 93.2%**.

Photo 2. Lead Rougher Flotation

Figure7. Rougher Flotation Flow Sheet

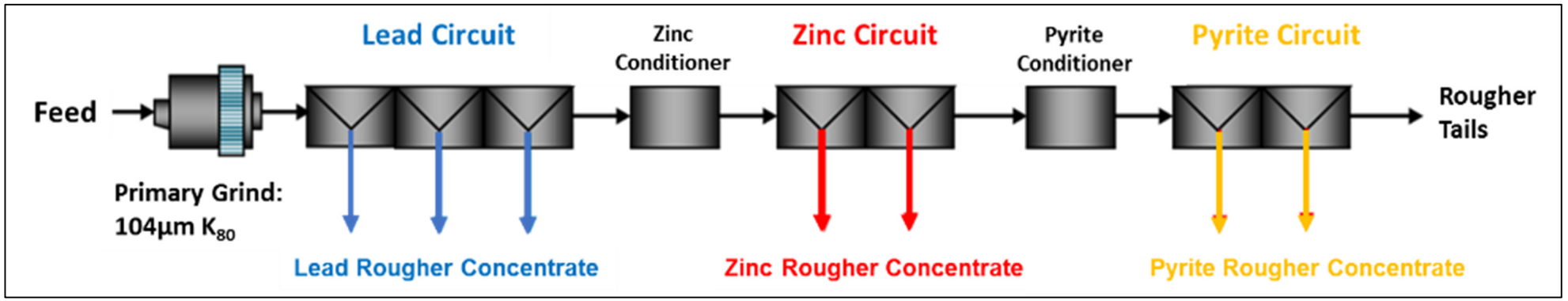


Table 4. Rougher Flotation Metallurgical Result

Metal Grade	Lead Rougher Circuit 1	2	3	Weighted Average	Zinc Rougher Circuit 1	2	Weighted Average	Pyrite Rougher Circuit 1	2	Weighted Average	Rougher Circuit Weighted Average	Rougher Tails	Average
Lead (%)	69.8	10.2	3.7	62.2	0.5	1.0	0.6	0.7	1.1	0.8	**45.5**	0.1	20.3
Silver (g/t)	930	216	114	838	96	66	91	42	22	36	**633**	2	283
Zinc (%)	4.5	21.7	14.1	6.4	44.4	15.8	39.8	0.9	0.6	0.8	**13.5**	0.1	6.1
Gold (g/t)	0.97	3.71	3.81	1.31	0.27	0.74	0.35	4.68	0.96	3.50	**1.21**	0.07	0.58
Conc. Weight (%)	28.4	2.9	1.1	32.4	8.3	1.6	9.8	1.5	0.7	2.2	44.5	55.5	100

Metal Recovery	Lead Rougher Circuit 1	2	3	Total	Zinc Rougher Circuit 1	2	Total	Pyrite Rougher Circuit 1	2	Total	Rougher Circuit Total	Rougher Tails	Total
Lead (%)	**97.7**	1.5	0.2	99.3	0.2	0.1	0.3	0.1	0.0	0.1	**99.7**	0.3	100
Silver (%)	**93.5**	2.2	0.4	96.2	2.8	0.4	3.2	0.2	0.1	0.3	**99.6**	0.4	100
Zinc (%)	**21.3**	**10.5**	2.5	34.4	**60.7**	4.1	64.8	0.2	0.1	0.3	**99.4**	0.6	100
Gold (%)	**47.9**	**18.9**	7.2	74.0	3.9	2.0	5.9	**12.2**	1.2	13.4	**93.2**	6.8	100

Figure 8. Multiple drill targets at Los Domos

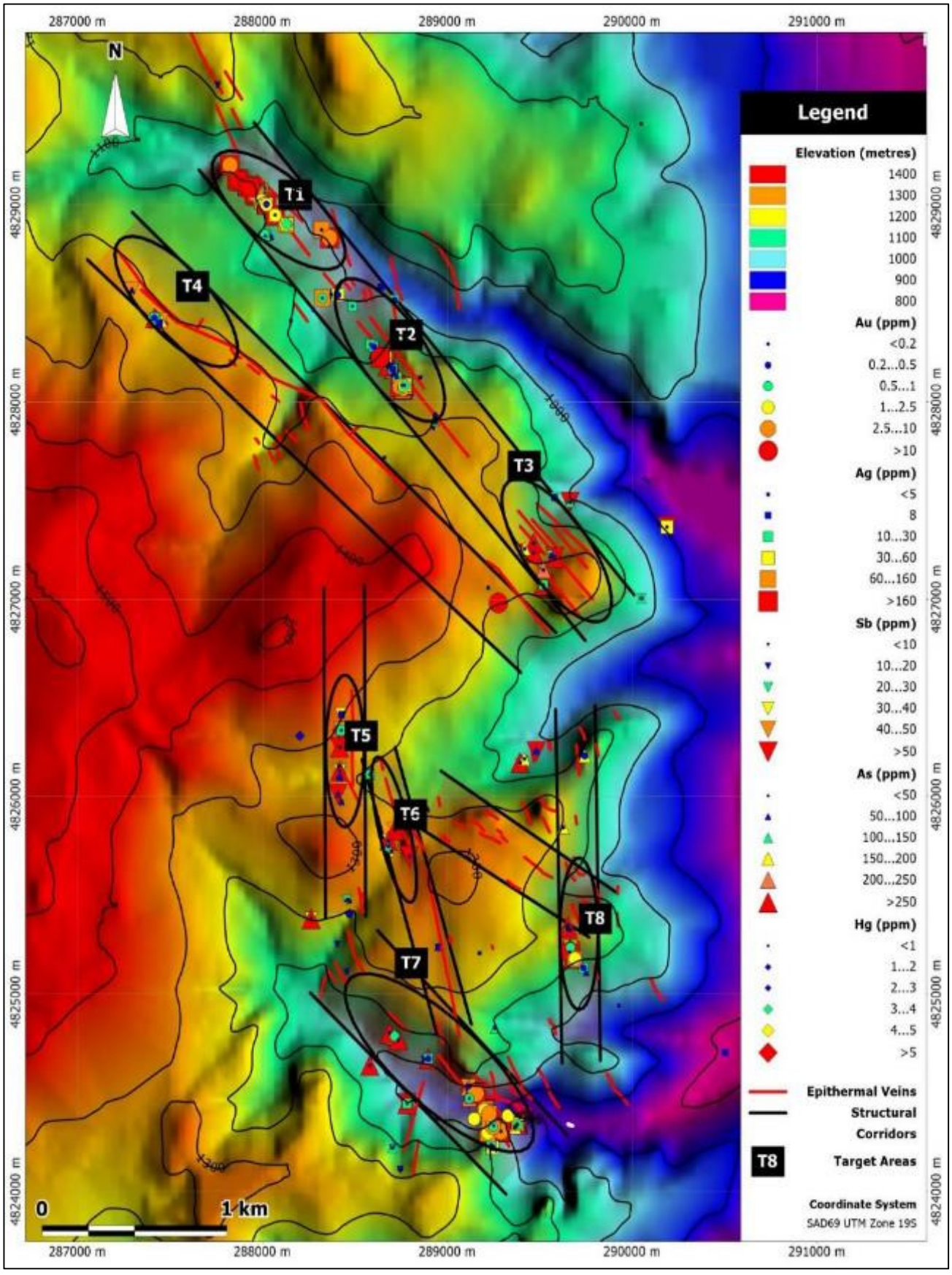
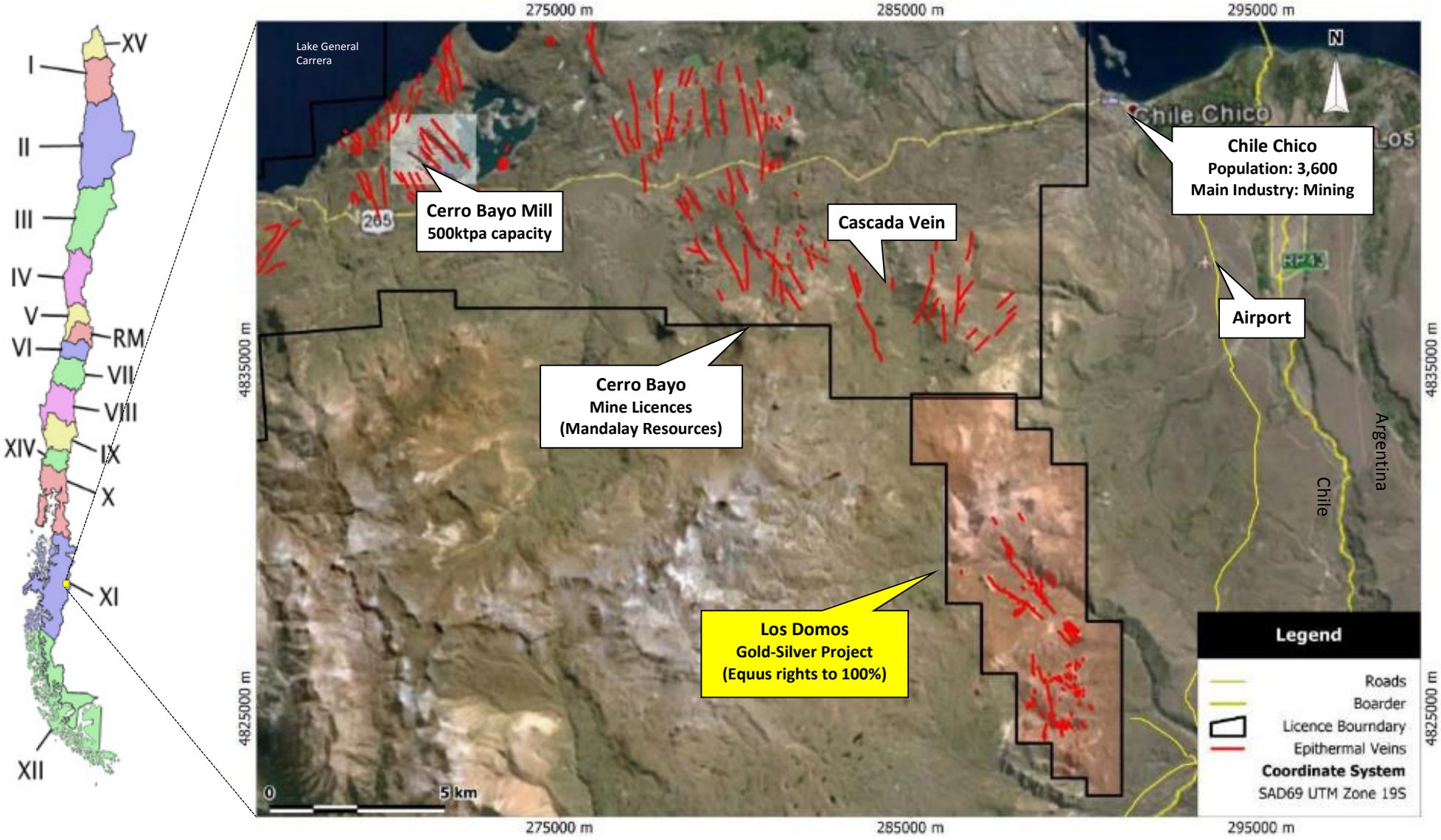


Figure 9. Los Domos Epithermal Project Location



Revised acquisition agreement for the Los Domos Precious and Metal Project

As previously announced Equus Mining Limited (ASX: EQE) has secured the rights to acquire 100% of the Los Domos gold-silver project via an earn-in and purchase agreement with Terrane Minerals SpA.

Under the agreement Equus was to fund a programme of systematic surface sampling and 2,000m of drilling. On completion of the drilling program, Terrane Minerals Spa ('Terrane') would be required to transfer its Los Domos project assets into a newly formed Joint Venture Company ('JV') with Equus having secured an initial 51% interest in the JV Company.

Terrane has now agreed to reduce the 2,000m of drilling requirement to 1,000m. To date Equus has drilled 1,483m in total and therefore will have 51% project ownership of the Los Domos Project once the JV Company has been incorporated.

Equus then has a two-year option to buy the remaining 49% interest in the JV by issuing Terrane A$450,000 worth of Ordinary shares in capital of Equus Mining Limited at an issue price of 1.2 cents equivalent to 37.5m shares. Upon exercising this option Equus will own 100% of the project. The shares will be voluntarily escrowed for a period of 12 months.

Mina Rica

No work was undertaken at the Company's Mina Rica thermal coal project during the September quarter. The Company continues to review its strategic options in relation to this asset.

Corporate

Exploration Expenditure: During the quarter ended 30 September 2017 Equus invested a total of $636k in exploration.

Capital Raising: Subsequent to quarter end the Company announced it had raised $2.81m (before costs) from sophisticated investors to fund further exploration activities across the Los Domos Project and for general working capital purposes. (For further details refer ASX announcement 18th October 2017)

For further information, please contact:

Ted Leschke
Managing Director
+61 2 9300 3366
tleschke@equusmining.com

Cameron Peacock
Investor Relations and Business Development
+61 439 908 732
cpeacock@equusmining.com

Website: www.equusmining.com

About Equus Mining and the Los Domos Gold-Silver Project

Equus Mining Limited (Equus, ASX: EQE) has acquired the rights to acquire 100% of the Los Domos gold-silver project located in the XI Region of Chile from Terrane Minerals SpA under a staged earn-in agreement. With the completion of an initial 1,000m drill programme Terrane is now to transfer the Los Domos project assets into a Joint Venture (JV) Company in which Equus will hold an initial 51% (previously the requirement was 100m). Equus then has a two-year option period to buy the remaining 49% interest in the JV Company by issuing Terrane $450,000 worth of Ordinary Shares at an issue price of 1.2c

The Los Domos gold-silver project is well located 15km south of the township of Chile Chico and adjacent to the Cerro Bayo gold-silver mine. See Figure 9. This mine was until recently producing approximately 2 Mozpa of silver and 20 Kozpa gold or approximately two thirds nominal flotation plant capacity of 500ktpa throughput, however production has been suspended indefinitely and *force majeure* declared following a mine flooding event in June 2017 [(a)]. With an altitude range of 800m to 1,200m and a dry, moderate climate, the Los Domos Project is able to be explored year-round.

pjn9126

(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.

(iv)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.

(v)All the material assumptions underpinning exploration results for sample numbers LDD0001 to LDD00050 are outlined in Table 1 in the report titled Significant High Grade Assays From Shallow Depth Intercept In First Drill Hole At Los Domos Gold-Silver Project (see ASX release dated 12 July 2017) continue to apply and have not materially changed.

(vi)Metallurgical recoveries for Intermediate Sulphidation epithermal mineralisation are based on initial metallurgical tests as outlined in a report titled Initial Metallurgical Tests Show Potential for High Recoveries and Grades of Silver, Lead and Zinc in Concentrates (see ASX release dated 7 August 2017).

(vii)All the material assumptions underpinning exploration results for sample numbers LDD0051 to LDD00572 are outlined in Table 1 in the report titled First Phase Drilling Confirms Potential For Large Scale Intermediate Sulphidation Mineralised System At Los Domos Precious And Base Metal Project (see ASX release dated 10 October 2017) continue to apply and have not materially changed.

(viii) **Lead Equivalent Calculation Formula & Assumptions (PbEq) – Intermediate Sulphidation Epithermal**

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

Metal	Price *	Recovery	
Gold	US$1244 per ounce	93.2%	Metallurgical recoveries are based on initial metallurgical tests as outlined in a report titled Initial Metallurgical Tests Show Potential for High Recoveries and Grades of Silver, Lead and Zinc in Concentrates (see ASX release dated 7 August 2017). It is EQE's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Across the three targets drilled in the recently completed diamond program (T7, T2, T5) differing dominant metal bearing zones were intersected. The varying distribution of the different dominant metals is interpreted to be largely a function of the differing vertical depth within the epithermal system across the various prospects, within which the respective mineralization was intersected. As such, management have opted to report results on a metal equivalent basis in the metal that is currently the most dominant at the respective target in accordance with JORC reporting standards. If subsequent drilling intersects mineralization whereby a new dominant metal emerges for a target, equivalent metal reporting will change to reflect that new dominant metal. *Metal prices are of July 2017 Pb% : Au g/t = 1 : 0.63 Pb% : Ag g/t = 1 : 39.9 Pb% : Zn% = 1 : 0.76
Silver	US$18.35 per ounce	99.6%	
Lead	US$2350 per tonne	99.7%	
Zinc	US$3100 per tonne	99.4%	

(ix) **Gold Equivalent Calculation Formula & Assumptions (AuEq)**

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

Metal	Price *	Recovery	
Gold	US$1244 per ounce	84.9%	The metallurgical recoveries for Au and Ag are based on the recoveries being achieved by the neighbouring Cerro Bayo mine which is operating in the same geologic setting as the Los Domos project [a)]. It is EQE's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. (www.mandalayresources.com) *Metal prices are of July 2017 Au g/t : Ag g/t = 1 : 65.9
Silver	US$18.35 per ounce	87.4%	

a) www.mandalayresources.com

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

Project	Tenement As at 30 June 2017	Tenements Added during the quarter	Tenements disposed during the quarter	Tenement As at 30 Sept 2017	% interest	Type of Tenement
Mina Rica	Mina Rica 12			Mina Rica 12	100	Exploration
	Mina Rica 15			Mina Rica 15	100	Exploration
	Mina Rica 16			Mina Rica 16	100	Exploration
	Mina Rica 19			Mina Rica 19	100	Exploration
	Mina Rica 20			Mina Rica 20	100	Exploration
	Mina Rica 23			Mina Rica 23	100	Exploration
	Mina Rica 26			Mina Rica 26	100	Exploration
	Mina Rica 29			Mina Rica 29	100	Exploration
	Mina Rica 30			Mina Rica 30	100	Exploration
	Mina Rica 31			Mina Rica 31	100	Exploration
	Mina Rica 32			Mina Rica 32	100	Exploration
	Mina Rica 33			Mina Rica 33	100	Exploration
	Mina Rica 34			Mina Rica 34	100	Exploration
	Mina Rica 35			Mina Rica 35	100	Exploration

	Mina Rica 36			Mina Rica 36	100	Exploration
	Mina Rica 37			Mina Rica 37	100	Exploration
	Mina Rica 38			Mina Rica 38	100	Exploration
	Mina Rica 39			Mina Rica 39	100	Exploration
	Mina Rica 40			Mina Rica 40	100	Exploration
	Mina Rica 41			Mina Rica 41	100	Exploration
	Mina Rica 42			Mina Rica 42	100	Exploration
	Mina Rica 43			Mina Rica 43	100	Exploration
	Mina Rica 44			Mina Rica 44	100	Exploration
	Mina Rica 45			Mina Rica 45	100	Exploration
	Mina Rica 46			Mina Rica 46	100	Exploration
	Mina Rica 47			Mina Rica 47	100	Exploration
	Brunswick 3A			Brunswick 3A	100	Exploration
	Brunswick 4A			Brunswick 4A	100	Exploration
Rubens	Glo 1			Glo 1	100	Exploration
	Glo 2			Glo 2	100	Exploration
	Glo 3			Glo 3	100	Exploration
	Glo 4			Glo 4	100	Exploration
	Glo 5			Glo 5	100	Exploration
	Glo 6			Glo 6	100	Exploration
	Glo 7			Glo 7	100	Exploration
	Glo 8			Glo 8	100	Exploration

Project	Tenement As at 30 June 2017	Tenements Added during the quarter	Tenements disposed during the quarter	Tenement As at 30 Sept 2017	% interest	Type of Tenement
Los Domos	Electrum 1			Electrum 1A	see note 1 below	Exploration
	Electrum 2			Electrum 2A	see note 1 below	Exploration
	Electrum 3			Electrum 3A	see note 1 below	Exploration
	Electrum 4			Electrum 4A	see note 1 below	Exploration
	Electrum 5			Electrum 5A	see note 1 below	Exploration
	Electrum 6			Electrum 6A	see note 1 below	Exploration
	Electrum 7			Electrum 7A	see note 1 below	Exploration
	Electrum 8			Electrum 8	see note 1 below	Exploration
	Electrum 9			Electrum 9	see note 1 below	Exploration
	Electrum 10			Electrum 10	see note 1 below	Exploration
	Electrum 11			Electrum 11	see note 1 below	Exploration
	Electrum 12A			Electrum 12A	see note 1 below	Exploration
	Pedregoso I			Pedregoso I	see note 2 below	Mining Concessions
	Pedregoso VII			Pedregoso VII	see note 2 below	Mining Concessions
	Honda 20			Honda 20	see note 2 below	Mining Concessions
Ghana	Osenace			Osenace	90%	Exploration
	Asamankese			Asamankese	90%	Exploration
	Pramkese			Pramkese	90%	Exploration
	Kwatechi			Kwatechi	7%	Exploration

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