

CHILEAN GOVERNMENT DECLARES LOS DOMOS AS CRITICAL TO LOCAL ECONOMY

Equus Mining Limited ('Equus') (ASX: EQE) is pleased to inform investors that the Los Domos project has been identified by the Chilean Ministry of the Economy as a key investment project for sustaining economic growth in Chile's XI region.

Los Domos Project Well Positioned

The Los Domos gold-silver-zinc-lead project is located 15km south of the township of Chile Chico in the XI Region of Chile and adjacent to the Cerro Bayo gold-silver mine which was producing approximately 2 Mozpa of silver and 20 Kozpa gold or approximately two thirds nominal flotation plant capacity of 500ktpa throughput. Production was suspended indefinitely and *force majeure* declared following a mine flooding event in June 2017 resulting in crippling unemployment throughout the region (>50% unemployment in Chile Chico). Unlike Australia, the system of unemployment benefits is very limited. For these reasons, the Chilean Ministry of the Economy has identified Los Domos as a sustainable investment project and one that is key for generating economic growth in Chile's XI region. See www.economia.gob.cl/oficina-de-gestion-de-proyectos-sustentables.

Los Domos is a High-Grade Discovery

EQE carried out reconnaissance work from mid-2016 to mid-2017 and identified at least 10 major target structures with a cumulative strike length approximately 12km. These structures hosted epithermal sheeted and stockwork veins and hydrothermal breccias and showed classic epithermal vertical zonation. A total of 8,000 has been drilled to date of which just over half has focussed on the T7 Target where a significant Au-Ag-Zn-Pb mineralised body has been discovered. Numerous high-grade drill intercepts include:

- LDD-035 intercepted down hole **44.85m @ 6.37 g/t AuEq**
Including **23.30m @ 10.84 g/t AuEq**
Including **9.70m @ 17.92 g/t AuEq**
- LDD-001 intercepted down hole **25.89m @ 9.82 g/t AuEq**
Including **18.94m @ 13.28 g/t AuEq**
Including **8.39m @ 27.43 g/t AuEq**
- LDD-032 intercepted down hole **14.80m @ 4.80 g/t AuEq**
Including **6.90m @ 9.45g/t AuEq**
Including **2.70m @ 23.46g/t AuEq**
- LDD-033 intercepted down hole **8.25m @ 5.99 g/t AuEq**
Including **2.35m @ 17.91g/t AuEq**
- LDD-031 intercepted down hole **24.80m @ 1.96 g/t AuEq**
Including **2.90m @ 12.97g/t AuEq**
- LDD-040 intercepted down hole **20.90m @ 1.96 g/t AuEq**
Including **7.50m @ 4.19 g/t AuEq**
Including **3.95m @ 7.29 g/t AuEq**
- LDD-012 intercepted down hole **26.05m @ 1.40 g/t AuEq**
Including **5.80m @ 3.56g/t AuEq**
- LDD-039 intercepted down hole **40.18m @ 0.90 g/t AuEq**
Including **16.50m @ 1.32g/t AuEq**
- LDD-029 intercepted down hole **21.51m @ 1.62 g/t AuEq**
Including **4.55m @ 4.05g/t AuEq**

Los Domos T7 Target in Detail

- Drilling to date has defined significant and continuous mineralisation over a strike length of 600m and an average true width of approximately 7m for the main intercepts. Importantly, the higher-grade mineralised interval is contained within a 15-30m wide, true width interval of strongly anomalous precious and base metal rich mineralisation. This indicates the potential for significant magnitude, particularly at depth and along strike of portions of the host structure, which remains untested. Several significantly mineralised, parallel structures were also intersected.
- The majority of drilling completed at the target, has been in the upper levels of the T7 structure predominately less than 100m depth below surface, with the deepest intercept to date recorded at approximately 250m below surface. Average weighted grade to date of the main intercepts in all T7 drill holes is 5.3g/t AuEq. See T7 Target long section in Figure 1 and intercept assay detail in Table 1.
- The T7 target structure hosts a polymetallic multiphase, Intermediate Sulphidation epithermal style of mineralisation with significant values of Au, Ag, Pb, Zn and Cu, and in more recent deeper drill holes, increasing proportions of Zn and Cu. Preliminary interpretations of metal zonation from the more recent results suggest that a Au and Zn rich mineralisation phase is becoming increasingly dominate to the northwest, towards an anticlinal hinge zone, and at depth along the T7 target structure in more competent lithologies which are more favourable for hosting wider, high grade mineralisation.
- Assay results to date have intercepted mineralisation where either Au or Zn (previously Pb) is the dominant metal by value. This, together with recently completed flotation tests, allows assays to be reported in both Au and Zn equivalents so as to more simply demonstrate overall metal values.
- The T7 target structure is a major west-northwest trending, steeply north east dipping fault structure that has been mapped over an approximate strike length of 1,000m. The T7 target structure remains open along strike in both directions, and particularly at depth down plunge towards north-west.
- The T7 target structure is one of at least 10 major structures defined throughout the Los Domos project that host a cumulative strike length of mapped epithermal veining of approximately 12km. To date, these structures have returned wide, highly anomalous mineralised intervals from scout drilling (individual intervals of up to 3.46 g/t Au and 318 g/t Ag) which were intersected at relatively higher elevations as compared to those at T7. The understanding of the zonation of high grade mineralisation at T7 will be used to guide future drilling at optimum elevations throughout these structures. This exploration methodology has been successfully executed recently at the Silica Cap prospect of Goldcorp's Cerro Negro Mine, Argentina¹.
- The broad dimensions of the mineralisation outlined to date at Los Domos is becoming increasingly analogous to a number of other well known, large epithermal deposits such as the La Blanca epithermal vein deposit (Palmarejo project, Mexico). As outlined in Figures 2 and 3.
- Results from the recently completed 7,500m drill program will be released progressively. The Company also advises that rock chip sampling continues at Cerro Diablo, with drilling scheduled to commence shortly.

¹(www.goldcorp.com/English/investors/news-releases/news-release-details/2018/Goldcorp-Provides-Second-Quarter-2018-Exploration-Update/default.aspx)

Figure 1. Long section of T7 Target with interpreted true widths and Au equivalent grades

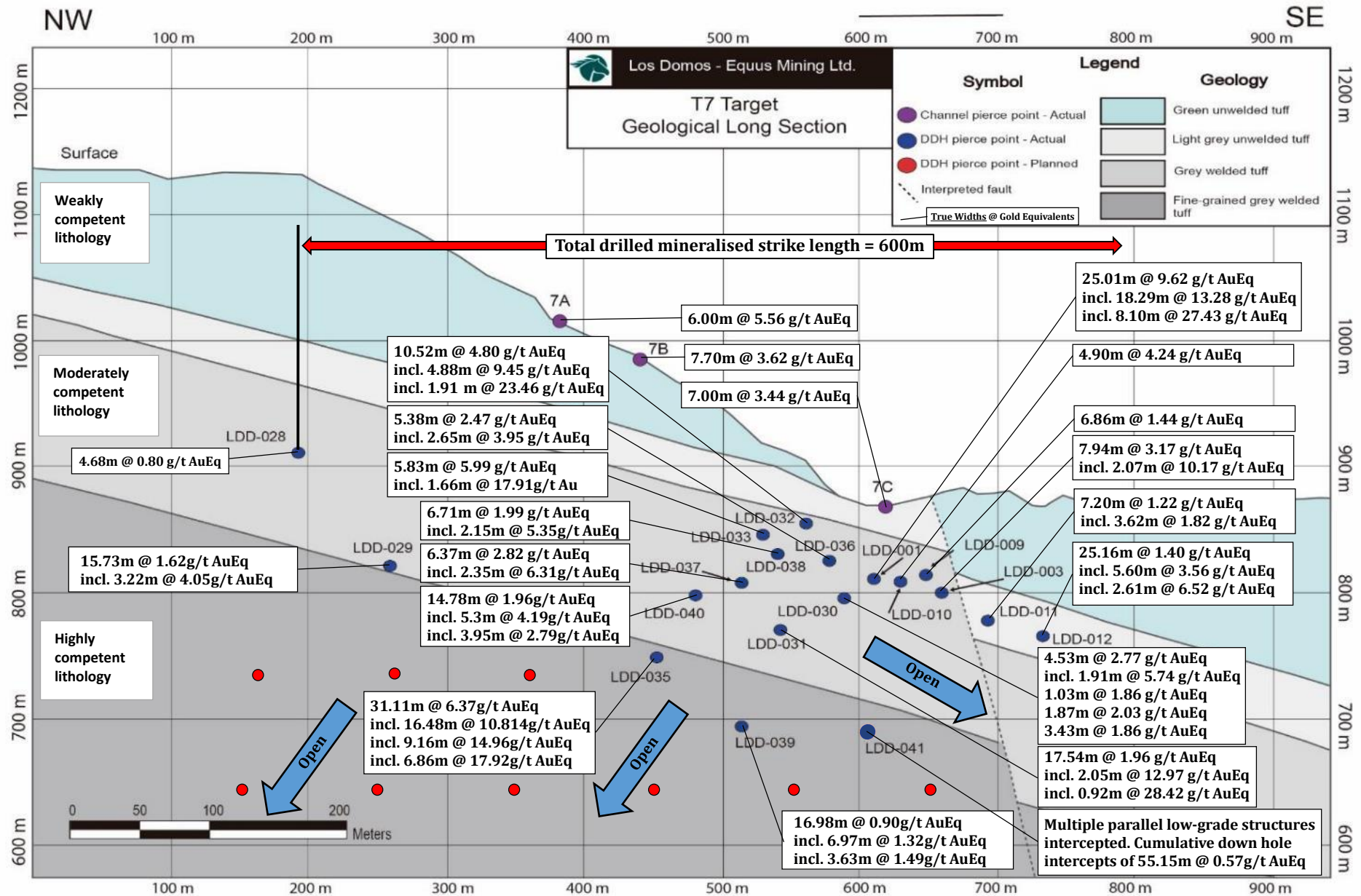


Figure 2. Long Section of T7 Target, Los Domos project – preliminary Au equivalent grade x m distribution

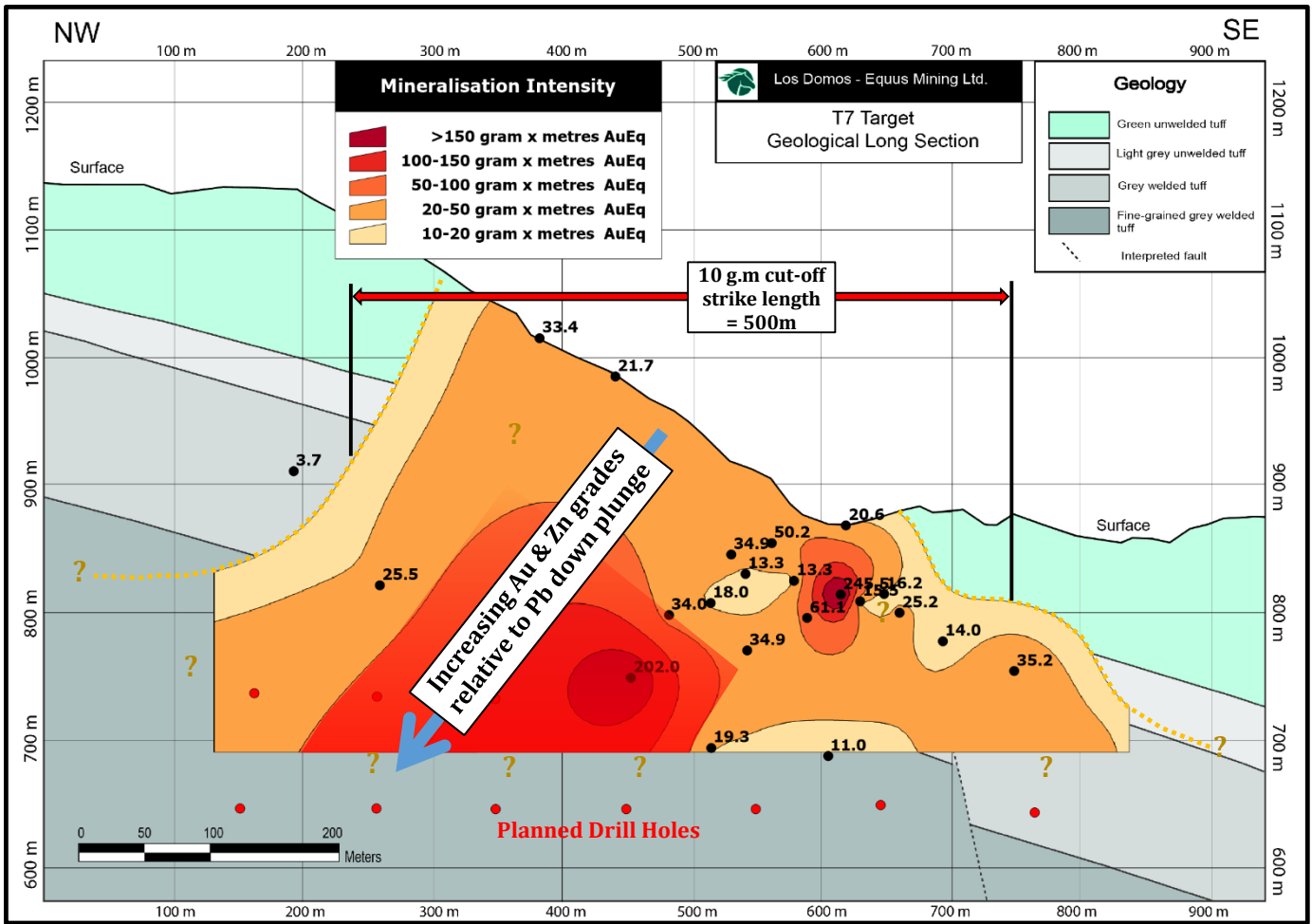
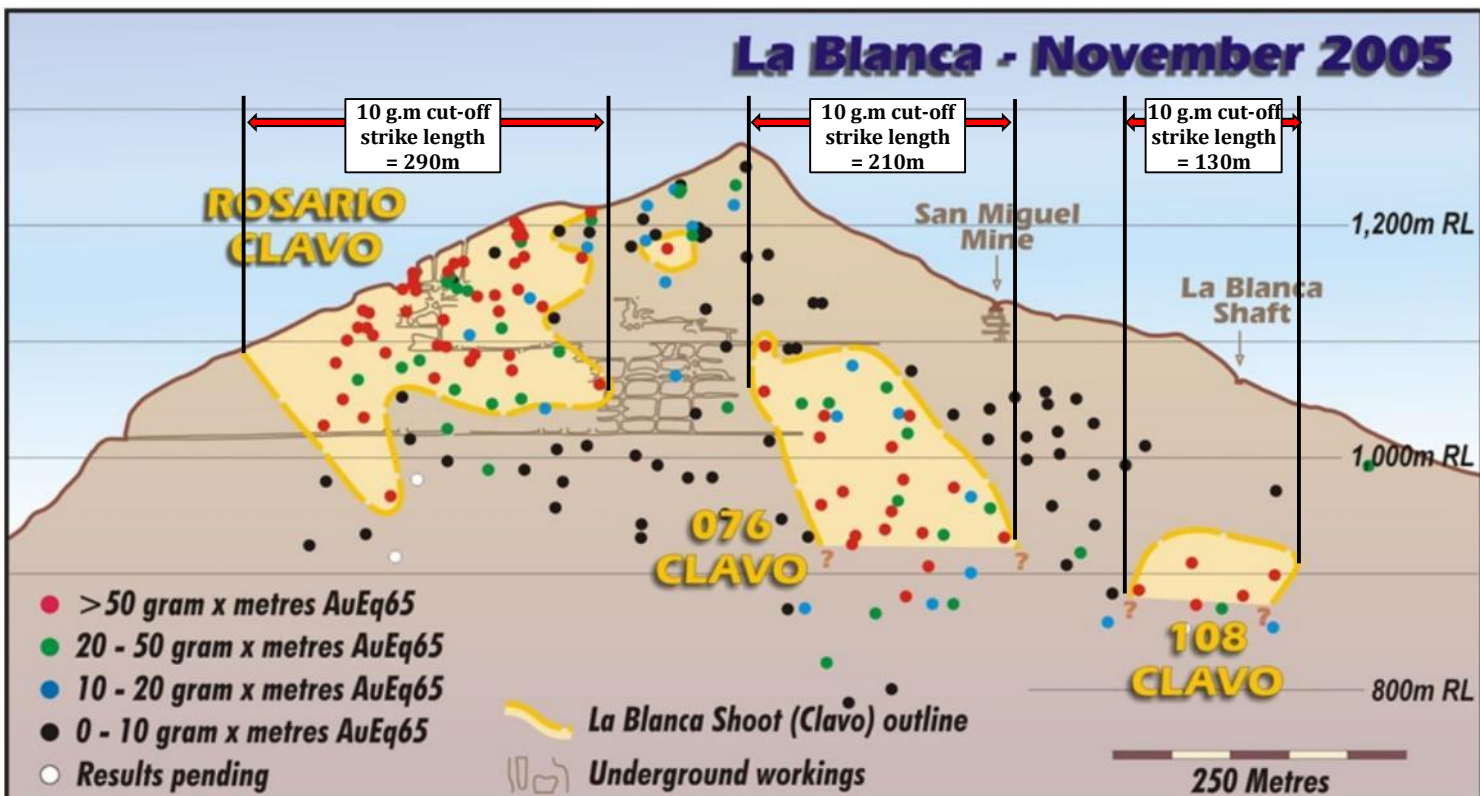


Figure 3. Long Section of La Blanca Vein, Palmarejo Project, Mexico 2005

↕ Same scale and lower cut-off limit



Source: Bolnisi Gold NL - 2005 Annual General Meeting Presentation



Table 1. T7 Target Drill Intercepts

Hole ID	From m	To m	Intercept m	True Width m	AuEq ^(k) g/t	ZnEq ^(k) %	Au g/t	Ag g/t	Pb %	Zn %	Cu %
7A	0.00	6.00	6.00	6.00	5.56	5.44	2.52	123	1.32	0.08	
7B	0.00	7.70	6.00	6.00	3.62	3.54	1.18	42	2.21	0.11	
7C	0.00	7.00	6.00	6.00	3.44	3.36	0.82	18	1.40	1.26	
LDD-001	30.16	56.05	25.89	25.01	9.82	9.60	0.38	87	7.10	2.68	
incl	35.20	54.14	18.94	18.29	13.28	12.99	0.48	117	9.65	3.62	
incl	45.75	54.14	8.39	8.10	27.43	26.82	0.71	248	20.72	7.07	
	130.72	137.00	6.28	6.07	1.05	1.17	0.58	9	0.36	0.19	
LDD-003	68.00	76.45	8.45	7.94	3.17	3.10	0.32	15	1.18	1.68	
incl	68.00	70.20	2.20	2.07	10.17	9.94	0.19	48	4.37	5.82	
and	73.50	76.45	2.95	2.77	1.26	1.23	0.62	6	0.12	0.44	
	138.75	140.05	1.30	1.22	2.16	2.12	0.62	11	0.26	1.14	
LDD-009	5.45	6.85	1.40	1.35	2.13	2.09	0.56	12	1.20	0.47	
	20.15	24.70	4.55	4.39	0.78	0.76	0.30	4	0.23	0.24	
	47.50	54.60	7.10	6.86	1.44	1.41	0.49	9	0.45	0.47	
incl	50.75	54.60	3.85	3.72	1.80	1.76	0.65	10	0.64	0.50	
incl	50.75	52.25	1.50	1.45	2.97	2.90	0.75	13	1.31	1.01	
LDD-010	9.00	9.60	0.60	0.52	2.63	2.57	0.26	7	0.58	0.58	
	25.20	26.30	1.10	0.95	1.40	1.37	0.12	6	0.38	0.35	
	29.60	31.35	1.75	1.52	1.35	1.32	0.11	12	0.68	0.39	
	44.25	49.15	4.90	4.24	2.54	2.49	0.11	19	1.17	0.51	
LDD-011	75.90	78.80	2.90	2.80	1.40	1.37	0.26	7	0.58	0.58	
	85.00	86.60	1.60	1.55	0.86	0.84	0.12	6	0.38	0.35	
	89.90	97.35	7.45	7.20	1.22	1.19	0.11	12	0.68	0.39	
incl	93.60	97.35	3.75	3.62	1.82	1.78	0.11	19	1.17	0.51	
LDD-012	104.20	130.25	26.05	25.16	1.40	1.37	0.38	8	0.19	0.74	
incl	104.20	110.00	5.80	5.60	3.56	3.48	0.09	21	0.54	2.67	
incl	104.20	106.90	2.70	2.61	6.52	6.38	0.12	36	0.82	5.10	
	116.00	117.45	1.45	1.40	2.61	2.55	1.04	12	0.17	1.22	
	128.90	130.25	1.35	1.22	2.39	2.33	2.14	6	0.07	0.10	
LDD-028	237.65	242.50	4.85	4.68	0.80	0.78	0.35	6	0.20	0.15	0.03
LDD-029	324.09	345.60	21.51	15.73	1.62	1.59	0.45	14	0.39	0.48	0.11
incl	340.45	345.00	4.55	3.22	4.05	3.96	1.85	35	0.72	0.54	0.35
incl	342.50	344.40	1.90	1.34	6.31	6.17	3.37	45	0.81	0.70	0.57
LDD-030	23.90	30.30	6.40	4.53	2.77	2.72	0.92	22	0.32	0.68	0.35
incl	24.90	27.60	2.70	1.91	5.74	2.72	1.96	44	0.69	1.39	0.72
	68.70	72.15	3.45	2.44	1.04	1.02	0.59	9	0.20	0.12	0.03
incl	68.70	70.15	1.45	1.03	2.03	1.98	1.16	18	0.42	0.19	0.05
	91.55	94.20	2.65	1.87	1.87	1.83	0.85	7	0.09	0.70	0.08
	130.65	135.50	4.85	3.43	1.96	1.91	0.84	9	0.33	0.61	0.06
LDD-031	89.70	90.70	1.00	0.71	0.89	0.87	0.30	2	0.06	0.50	0.00
	100.00	124.80	24.80	17.54	1.96	1.91	1.64	4	0.06	0.15	0.03
incl	113.10	116.00	2.90	2.05	12.97	12.68	12.45	16	0.02	0.11	0.09
incl	113.10	114.40	1.30	0.92	28.42	27.79	27.42	32	0.04	0.21	0.15
LDD-032	39.10	53.90	14.80	10.47	4.80	4.69	0.26	26	2.23	2.29	0.07
incl	39.10	46.00	6.90	4.88	9.45	9.24	0.54	53	4.62	4.30	0.13
incl	42.70	45.40	2.70	1.91	23.46	22.94	1.32	132	11.42	10.71	0.32
LDD-033	48.50	56.75	8.25	5.83	5.99	5.86	0.25	35	1.31	3.92	0.13
incl	48.50	55.90	7.40	5.23	6.61	6.46	0.28	38	1.44	4.33	0.14
incl	50.55	52.90	2.35	1.66	17.91	17.52	0.67	104	3.85	11.87	0.35
LDD-035	129.90	174.75	44.85	31.71	6.37	6.23	1.00	64	1.38	2.90	0.21
incl.	151.45	174.75	23.30	16.48	10.84	10.60	1.49	109	2.41	5.22	0.30
incl.	151.45	164.40	12.95	9.16	14.96	14.63	2.18	157	3.49	6.95	0.34
incl.	151.45	161.15	9.70	6.86	17.92	17.52	2.58	181	4.15	8.48	0.41
LDD-036	61.75	72.50	10.75	5.38	2.47	2.41	0.49	9	0.47	1.37	0.05
incl	66.45	71.75	5.30	2.65	3.95	3.86	0.78	14	0.69	2.25	0.08
LDD-037	81.55	92.65	11.10	6.37	2.82	2.76	0.63	18	1.42	0.67	0.10
incl	87.55	91.65	4.10	2.35	6.31	6.17	1.34	44	3.63	1.13	0.24
LDD-038	57.75	c	11.70	6.71	1.99	1.94	0.37	23	0.31	0.58	0.27
incl	63.55	67.30	3.75	2.15	5.35	5.23	0.96	66	0.80	1.49	0.76
LDD-039	101.50	102.90	1.40	0.59	0.89	0.87	0.49	5	0.05	0.22	0.04
	111.90	113.70	1.80	0.76	1.11	1.08	0.74	4	0.18	0.10	0.04
	167.65	169.60	1.95	0.82	0.79	0.77	0.25	11	0.02	0.03	0.21
	205.00	209.00	4.00	1.69	1.16	1.14	0.09	23	0.06	0.06	0.38
	225.60	265.78	40.18	16.98	0.90	0.88	0.08	9	0.17	0.37	0.11
incl	245.00	261.50	16.50	6.97	1.32	1.19	0.12	14	0.18	0.55	0.17
incl	245.00	253.60	8.60	3.63	1.49	1.32	0.19	14	0.14	0.65	0.19
LDD-040	30.39	33.50	3.11	2.20	2.00	1.96	0.05	6	1.28	0.87	0.02
	81.00	81.86	0.86	0.61	1.19	1.16	0.73	11	0.08	0.14	0.04
	106.05	126.95	20.90	14.78	1.96	1.91	0.39	13	0.37	0.98	0.86
incl	120.00	127.50	7.50	5.30	4.19	4.10	0.66	32	0.86	2.18	0.71
incl	122.00	125.95	3.95	2.79	7.29	7.13	1.14	56	1.58	3.74	0.61
LDD-041	10.25	10.80	0.55	0.19	4.23	4.13	0.69	45	0.51	2.34	0.03
	79.30	92.87	13.57	4.64	0.67	0.65	0.24	4	0.13	0.19	0.05
incl	79.30	81.75	2.45	0.84	1.06	1.03	0.22	5	0.10	0.58	0.06
and	86.80	92.87	6.07	2.08	0.98	0.96	0.41	7	0.24	0.15	0.08
	175.25	178.00	2.75	0.94	1.46	1.43	0.98	8	0.02	0.04	0.19
	217.60	220.30	2.70	0.92	1.61	1.58	0.20	39	0.01	0.03	0.48

No significant Cu grades

(x) Gold and Zinc Equivalent Calculation Formulae & Assumptions – Intermediate Sulphidation Epithermal

$$\begin{aligned}
 \text{AuEq(g/t)} = & \text{Au(g/t)} + \text{Pb(\%)} \times \frac{\text{Price per 1 Pb(\%)} \times \text{Pb Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 & + \text{Ag(g/t)} \times \frac{\text{Price per 1 Ag(g)} \times \text{Ag Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 & + \text{Zn(\%)} \times \frac{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 & + \text{Cu(\%)} \times \frac{\text{Price per 1 Cu(\%)} \times \text{Cu Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 \text{ZnEq(\%)} = & \text{Zn(\%)} + \text{Au(g/t)} \times \frac{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}} \\
 & + \text{Ag(g/t)} \times \frac{\text{Price per 1 Ag(g)} \times \text{Ag Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}} \\
 & + \text{Pb(\%)} \times \frac{\text{Price per 1 Pb(\%)} \times \text{Pb Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}} \\
 & + \text{Cu(\%)} \times \frac{\text{Price per 1 Cu(\%)} \times \text{Cu Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}}
 \end{aligned}$$

Metal	Price *	Recovery	
Gold	US\$1200 per ounce	93.2%	<p>Metallurgical recoveries Au, Ag, Pb and Zn 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). Quantitative evaluation of minerals by scanning electron microscopy has determined that Cu is contained within chalcopyrite which is readable recovered by standard floatation techniques and a relative lower 90% recovery factor has been assumed. It is EQE's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Drilling intercepts across the T7 Target structure shows differing dominant metal bearing zones. The varying distribution of the different dominant metals is interpreted to be both a function of the differing vertical depth within the epithermal system and differing time phases of mineralisation emplacement. As such, management have opted to report results on both an Au and Zn equivalent basis as those two metals are currently the most dominant at the T7 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.</p>
Silver	US\$18 per ounce	99.6%	
Lead	US\$2700 per tonne	99.7%	
Zinc	US\$3700 per tonne	99.4%	
Copper	US\$6300 per tonne	90.0%	
<p>Recovery weighted 1 Au g/t : 1 Ag g/t price ratio = 1 : 62.4 Recovery weighted 1 Au g/t : 1 Pb% price ratio = 1 : 1.34 Recovery weighted 1 Au g/t : 1 Zn% price ratio = 1 : 0.98 Recovery weighted 1 Au g/t : 1 Cu% price ratio = 1 : 0.63 Recovery weighted 1 Zn% : 1 Ag g/t price ratio = 1 : 63.8 Recovery weighted 1 Zn% : 1 Au g/t price ratio = 1 : 1.02 Recovery weighted 1 Zn% : 1 Pb% price ratio = 1 : 1.37 Recovery weighted 1 Zn% : 1 Cu% price ratio = 1 : 0.65 *Metal prices are of July 2018</p>			

Image 1. High grade core from drilling at T7 Target, Los Domos

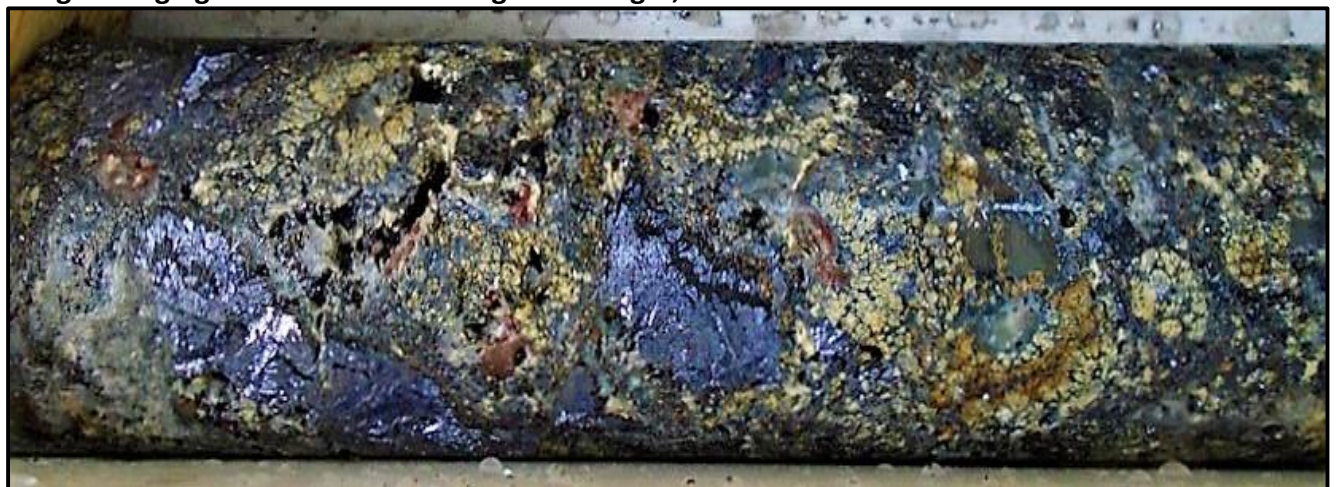


Figure 4. Plan map showing multiple epithermal vein structures at Los Domos

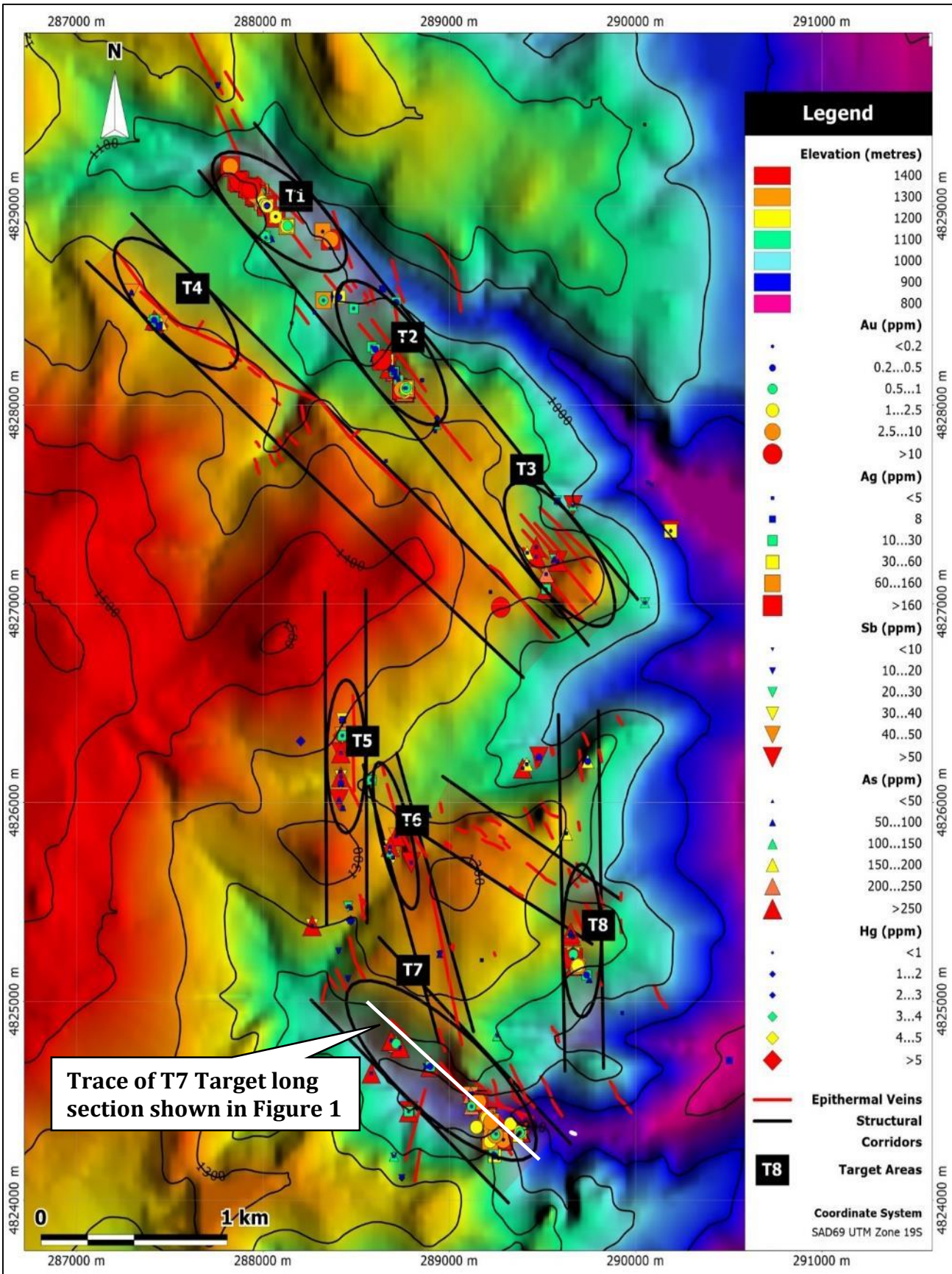
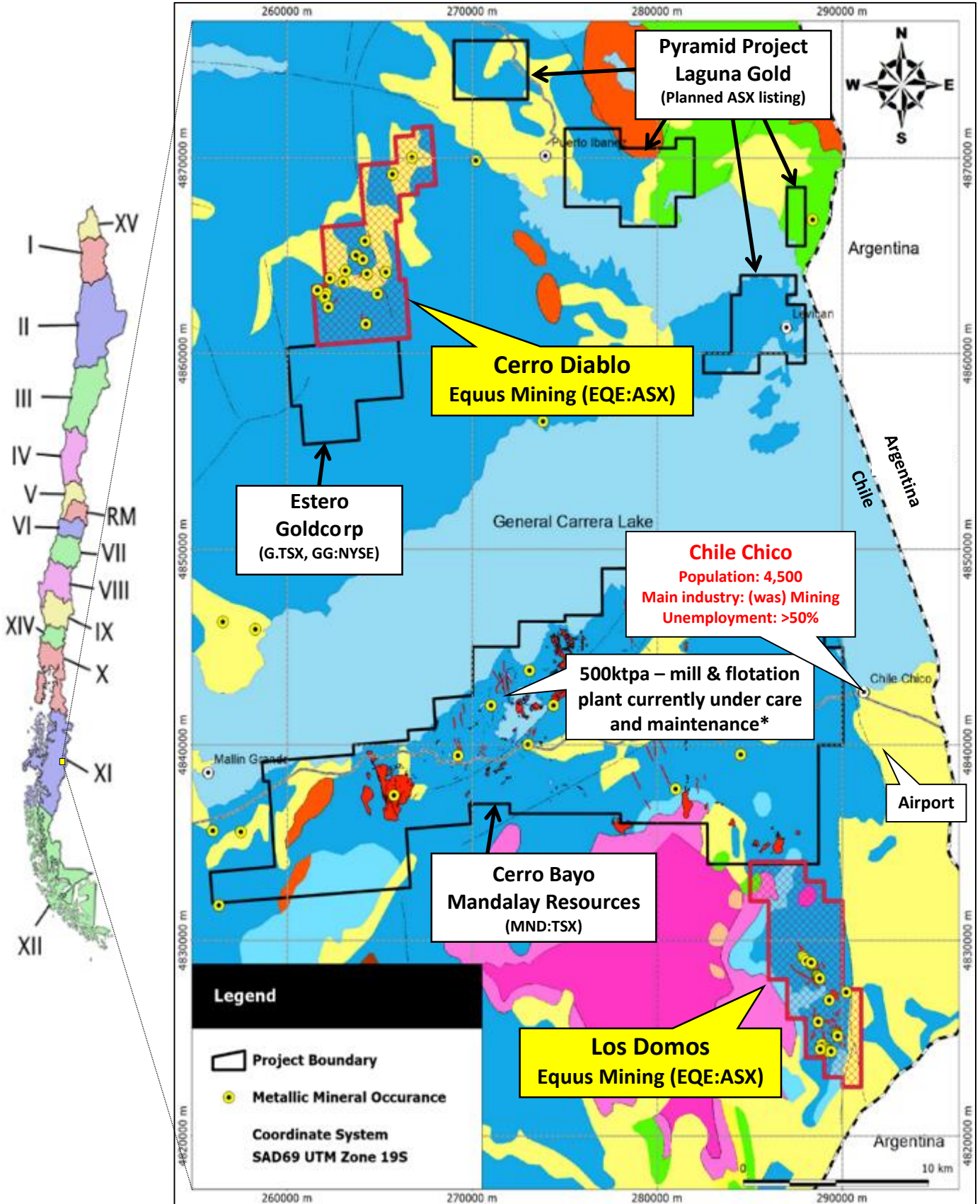




Figure 5. Regional map showing location of Los Domos and Cerro Diablo Projects



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 flagship Los Domos and Cerro Diablo Precious and Base Metal Projects

Equus Mining Limited (Equus, ASX: EQE) has acquired the rights to acquire 100% of the Los Domos 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 2,000m). 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 Cerro Diablo project consist of 4,554 hectares in exploration licences held 100% by EQE.

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. The Cerro Diablo project is located 25 kilometres north-northwest of the mine. See Figure 6. 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^(xi). 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. Cerro Diablo has a similar altitude range with slightly higher precipitation.

pjn9537

(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) All the material assumptions underpinning exploration results for sample numbers LDD0620 to LDD00789 are outlined in Table 1 in the report titled 400M Mineralised Structure Defined at T7 Target and Commencement of 7,500M Phase 2 Drill Programme at Los Domos Project (see ASX release dated 20 November 2017) continue to apply and have not materially changed.

(ix) All the material assumptions underpinning exploration results for sample numbers LDD0791 to LDD01251 are outlined in Table 1 in the report titled Significant Drill Defined Extensions of Ag, Pb, Zn, Au Mineralisation at T7 Target, Los Domos Project (see ASX release dated 16 April 2018) continue to apply and have not materially changed.

(x) Gold and Zinc Equivalent Calculation Formulae & Assumptions – Intermediate Sulphidation Epithermal

$$\begin{aligned}
 \text{AuEq(g/t)} &= \text{Au(g/t)} + \text{Pb(\%)} \times \frac{\text{Price per 1 Pb(\%)} \times \text{Pb Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 &+ \text{Ag(g/t)} \times \frac{\text{Price per 1 Ag(g)} \times \text{Ag Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 &+ \text{Zn(\%)} \times \frac{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 &+ \text{Cu(\%)} \times \frac{\text{Price per 1 Cu(\%)} \times \text{Cu Recovery (\%)}}{\text{Price per 1 Au(g/t)} \times \text{Au Recovery (\%)}} \\
 \text{ZnEq(\%)} &= \text{Zn(\%)} + \text{Au(g/t)} \times \frac{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}} \\
 &+ \text{Ag(g/t)} \times \frac{\text{Price per 1 Ag(g)} \times \text{Ag Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}} \\
 &+ \text{Pb(\%)} \times \frac{\text{Price per 1 Pb(\%)} \times \text{Pb Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}} \\
 &+ \text{Cu(\%)} \times \frac{\text{Price per 1 Cu(\%)} \times \text{Cu Recovery (\%)}}{\text{Price per 1 Zn(\%)} \times \text{Zn Recovery (\%)}}
 \end{aligned}$$

Metal	Price *	Recovery	
Gold	US\$1200 per ounce	93.2%	Metallurgical recoveries Au, Ag, Pb and Zn 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). Quantitative evaluation of minerals by scanning electron microscopy has determined that Cu is contained within chalcopyrite which is readable recovered by standard floatation techniques and a relative lower 90% recovery factor has been assumed. It is EQE's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Drilling intercepts across the T7 Target structure shows differing dominant metal bearing zones. The varying distribution of the different dominant metals is interpreted to be both a function of the differing vertical depth within the epithermal system and differing time phases of mineralisation emplacement. As such, management have opted to report results on both an Au and Zn equivalent basis as those two metals are currently the most dominant at the T7 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.
Silver	US\$18 per ounce	99.6%	
Lead	US\$2700 per tonne	99.7%	
Zinc	US\$3700 per tonne	99.4%	
Copper	US\$6300 per tonne	90.0%	
Recovery weighted 1 Au g/t : 1 Ag g/t price ratio = 1 : 62.4 Recovery weighted 1 Au g/t : 1 Pb% price ratio = 1 : 1.34 Recovery weighted 1 Au g/t : 1 Zn% price ratio = 1 : 0.98 Recovery weighted 1 Au g/t : 1 Cu% price ratio = 1 : 0.63 Recovery weighted 1 Zn% : 1 Ag g/t price ratio = 1 : 63.8 Recovery weighted 1 Zn% : 1 Au g/t price ratio = 1 : 1.02 Recovery weighted 1 Zn% : 1 Pb% price ratio = 1 : 1.37 Recovery weighted 1 Zn% : 1 Cu% price ratio = 1 : 0.65 *Metal prices are of July 2018			

(xi) www.mandalayresources.com

(xii) All the material assumptions underpinning exploration results for sample numbers LDD01447 to LDD01585 and LDD01630 to LDD01687 are outlined in Table 1 in the report titled Significant Drill Results from T7 Target, Los Domos Project (see ASX release dated 10 May 2018) continue to apply and have not materially changed.

(xiii) All the material assumptions underpinning exploration results for sample numbers LDD01586 to LDD1629, LDD1699 to LDD1751 and LDD1769 to LDD1830 are outlined in Table 1 in the report titled Further High-Grade Drill Results from T7 Target, Los Domos Project (see ASX release dated 5 June 2018) continue to apply and have not materially changed.

(xiv) All the material assumptions underpinning exploration results for sample numbers LDD01831 to LDD1869 and LDD1930 to LDD2337 are outlined in Table 1 in the report titled Latest Drill Results Extend Defined Mineralisation at Los Domos (see ASX release dated 6 August 2018) 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.