

About Equus Mining:

Equus Mining is an ASX listed Company focused on exploring for and developing gold and silver resource projects in Southern Chile, which are optimally located close to existing, underutilised mine infrastructure.

During the June quarter, Equus executed a non-binding Heads of Agreement with Mandalay Resources Corporation for a 3 year option to acquire their 29,495 hectare Cerro Bayo Mine district and infrastructure in Region XI, Southern Chile, situated nearby Equus's Los Domos and Cerro Diablo Projects. The Cerro Bayo mine and mill and flotation plant infrastructure has produced approximately 600Koz Au and 40 Moz Ag since 1995 and has been under care and maintenance since June 2017. Equus considers the district to hold good potential for hosting significant additional gold and silver resources.

Detailed mapping conducted during the quarter at the Los Domos Project has defined a series of additional large scale, high priority drill targets.

The Cerro Bayo option agreement positions Equus with the transformational opportunity to leverage exploration success at its three projects towards becoming a significant precious metal producer in a world class gold-silver epithermal district.

Overview:

ASX Code:	EQE
Share Price (30 June 2019):	\$0.01
Shares on Issue (30 June 2019):	897M
Market Capitalisation:	A\$8.97M

Directors and Officers

Mark Lichtenberg
Non-Executive Chairman

John Braham
Managing Director

Juerg Walker
Non-Executive Director

Robert Yeates
Non-Executive Director

Damien Koerber
Chief Operating Officer

Marcelo Mora
Company Secretary

Quarterly Activities Report 30 June 2019

Equus Mining Limited ('Equus' or 'Equus Mining') (ASX: EQE) provides this update on activities for the quarter ended 30 June 2019.

Summary of Activities

Corporate Activity

- On the 26th June 2019, Equus executed a non-binding Heads of Agreement with Mandalay Resources Corporation (TSX:MND, OTCQB: MNDJF) for a 3 year option to acquire Mandalay's Cerro Bayo Project in Region XI, Southern Chile, nearby Equus's Los Domos and Cerro Diablo Projects.
- The Option will entitle Equus to explore Mandalay's 29,495 hectare Cerro Bayo mine district and to acquire all the mining properties, resources and mine infrastructure project which includes a 1,500tpd processing plant and tailings facility (currently on care and maintenance).
- Consideration for completion of the acquisition, should Equus exercise its option, will be the issue to Mandalay of 19% of Equus's share capital at the time of exercise and a 2.25% NSR on production from the Cerro Bayo mining claims, subject to a repurchase option in favour of Equus. Equus will also assume 50% of the closure costs at Cerro Bayo, up to an agreed maximum of those final approved closure costs.
- The Cerro Bayo Mine has produced in the order of 600,000oz Au and 40Moz Ag since 1995 and the large Cerro Bayo Mine claim package is interpreted to hold good potential for hosting significant additional gold and silver resources. Detailed review of historic exploration and mine data continued throughout the quarter as the basis of drill target definition which will form the basis of Equus's maiden near mine and brownfields exploration program subsequent to signing of the definitive agreement.

Los Domos Project

- Detailed mapping and sampling and 3D modelling of drill data continued during the quarter as part of target definition for subsequent drill testing. A series of newly discovered, strike extensive quartz vein-breccia structures were defined which remain untested by drilling conducted to date.
- Environmental studies required for the next phase of drilling were finalised during the quarter and will be submitted to the relevant government authorities in the September 2019 quarter, for expected approval during the December 2019 quarter.

Cerro Diablo Project

- Additional mapping and data compilation has further defined geometries and models of high-grade mineralisation throughout priority areas which await maiden drill testing.

Corporate Activity

Cerro Bayo Mine District and Infrastructure

On the 26th June 2019, Equus executed a non-binding Heads of Agreement with Mandalay Resources Corporation (TSX:MND, OTCQB: MNDJF) for a 3 year option to acquire Mandalay's Cerro Bayo Project in Region XI, Southern Chile. The Cerro Bayo Project infrastructure is optimally situated nearby Equus's Los Domos and Cerro Diablo Projects (Figure 1).

The Option will entitle Equus to explore Mandalay's 29,495 hectare Cerro Bayo mine district and to acquire all the mining properties, resources and mine infrastructure project which includes a 1,500tpd processing plant and tailings facility (currently on care and maintenance).

Consideration for completion of the acquisition, should Equus exercise its option, will be the issue to Mandalay of 19% of Equus's share capital at the time of exercise. Additionally, Equus will pay a 2.25% NSR on production from the Cerro Bayo Mine District claims, payable once production reaches 50,000 gold equivalent ounces, which is subject to a re-purchase option in favour of Equus.

Equus will also assume 50% of the closure costs at Cerro Bayo, up to an agreed maximum of those final approved closure costs which based on the current government approved closure plan total approximately US\$14.5m.

Other Option Terms

- During term of Option Period, Mandalay will cover all costs of claims, insurance, care and maintenance and cash bonding payments required under the current mine closure plan
- At the 18 month review date:
 - Either party may terminate the agreement
 - If neither Mandalay or Equus decide to terminate the agreement, Equus will contribute US\$50K/month towards Care and Maintenance until the end of the Option Period
 - If Mandalay terminates the agreement after 18 months, it will grant to Equus a Right of First Refusal on terms satisfactory to Equus regarding any sale of Cerro Bayo or its assets until the expiry of the Option Agreement

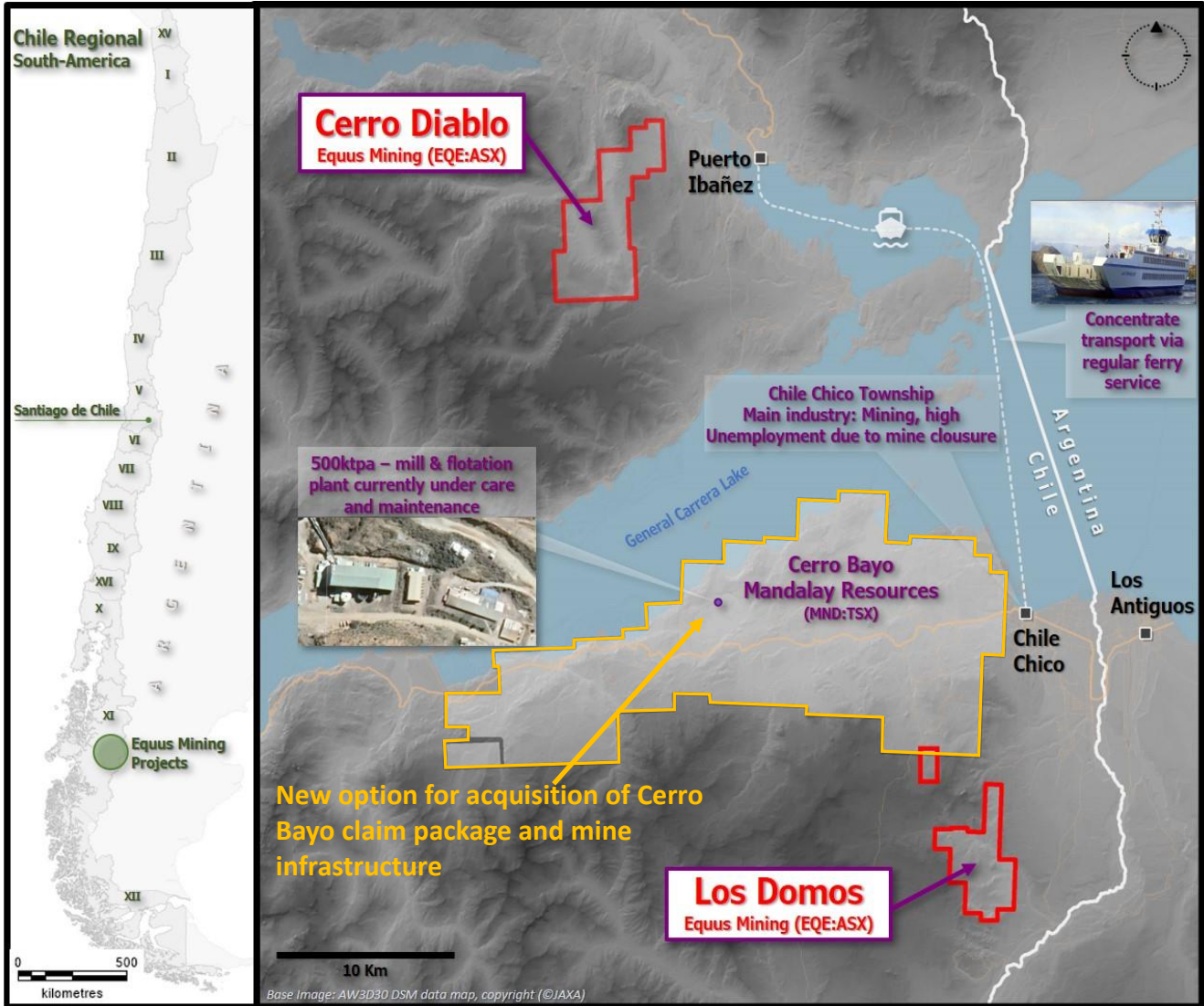
Detailed review of historic exploration and mine data was initiated during the quarter as the basis for target definition which will form the basis of Equus's maiden near mine and brownfields exploration drill program, subsequent to signing of the definitive agreement. Equus has also initiated a detailed and comprehensive field based review of a portion of the currently highest ranking followup targets.

The Cerro Bayo Mine has produced in the order of 600,000oz Au and 40Moz Ag since 1995 and the large Cerro Bayo Mine claim package is interpreted by Equus to hold good potential for hosting significant additional gold and silver resources.

Los Domos Project and Patagonia Gold SpA Joint Venture

During the quarter Equus reached agreement on terms for the incorporation of a new Joint Venture company with Patagonia Gold SpA in relation to Equus's current 75% interest in the three mining concessions owned by Patagonia Gold SpA, which form part of the Los Domos Project. Due to delays as a result of the acquisition of Patagonia Gold Plc, the parent company of Patagonia Gold SpA, by Hunt Mining Corp, the legal formation of the joint venture company is scheduled to be concluded in the beginning of the September 2019 quarter. See Table 2.

Figure 1. Cerro Bayo, Los Domos and Cerro Diablo Projects - Chile's Region XI



Los Domos Project—additional drill targets defined from detailed mapping

Integrated detailed mapping and sampling and 3D modelling of drill data collected to date continued during the quarter which was focused throughout the approximate 8 km² area extending between the Target 1 to Target 6 areas of the Los Domos Project, as part of target definition for subsequent drill testing (Figure 2).

The mapping defined a series of new, large scale quartz vein-breccia structures and served to better define the structural and lithological controls on gold - silver mineralization and elevated pathfinder element geochemistry discovered to date. Particular attention during mapping was given to quartz vein +/- kaolinite textures and carbonate pseudomorph replacement, alteration zonation indicated by clay mineralogy (illite-smectite) and carbonate, and presence of vein clasts in interpreted high level phreatic breccias.

High priority followup drilling will focus on favourable structural targets comprising the inflection from north-west to north-south trending portions of the quartz-breccia structures including those mapped over an approximate 4km strike length between the T4 to the T6B Target areas (Photo 1) and those extending between T2 and T8, all of which remain untested by drilling. These targets are characterised by elevated concentrations of Au-Ag-Sb-Pb-Mo-Hg.



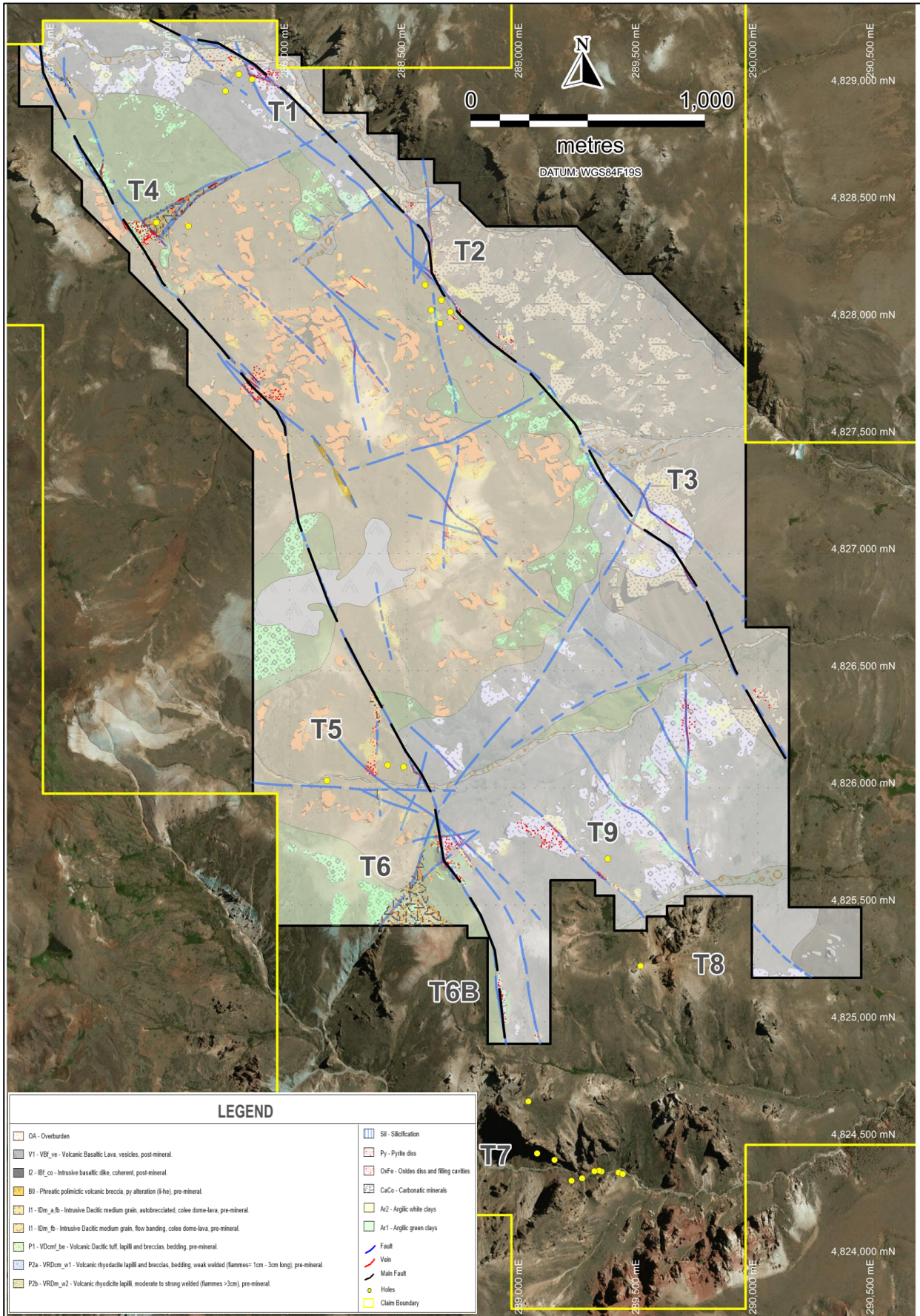
The vein textures and anomalous Au-Ag and pathfinder element geochemical signatures of many of these new structures are interpreted to correspond to higher level portions of the epithermal system and represent highly prospective drill targets at depth in more competent lithologies. Importantly, drilling completed to date throughout the large areal extent of Los Domos has tested a relatively minor strike and depth extension of the mapped structures.

An Environmental Impact Report (DIA) required in order to conduct further drilling at Los Domos was completed by Equus's environmental consultants in the June 2019 quarter. The report will be submitted to the relevant authorities during the September 2019 quarter, for expected approval during the December 2019 quarter.



Photo 1. Newly discovered, 2m wide chalcedonic quartz outcrop in right hand side of photo located approximately 200m to the east of T5

Figure 2. Plan map showing the area throughout which detailed mapping was conducted at Los Domos



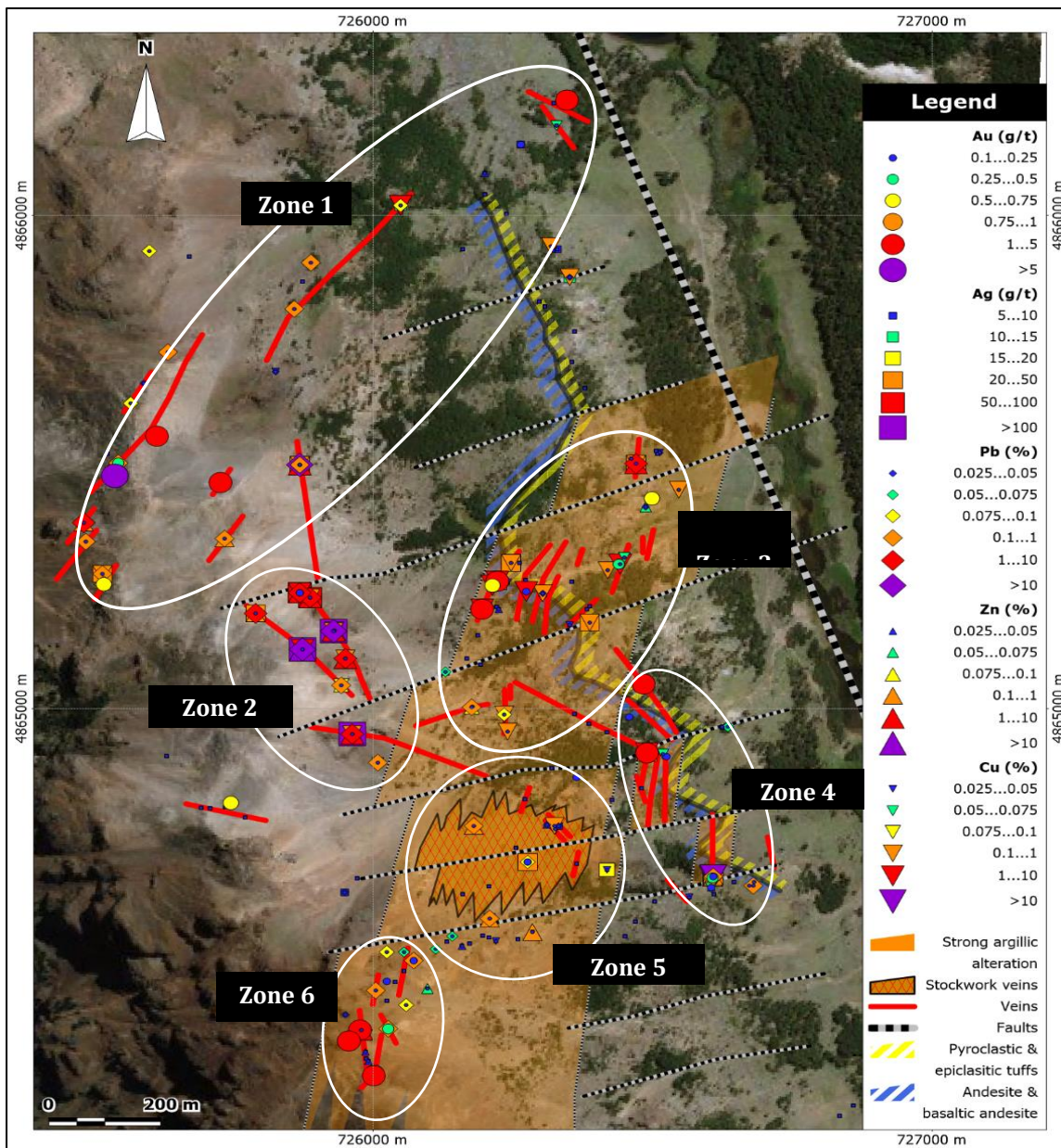
Cerro Diablo Au-Cu-Ag Project

The Cerro Diablo Project is located approximately 25km along trend to the northwest from the Cerro Bayo Mine and comprises a 4,554 hectare area which was staked in 2017. The project area hosts several historic Au-Ag-Cu mine occurrences but has never been previously drilled nor systematically explored. The area occupies a key geological setting proximal to the junction of the predominantly northwest trending Deseado Massif and north south trending porphyry-skarn-VHMS belt.

Mapping and sampling to date has defined multiple zones of extensive hydrothermal alteration and precious-base metal epithermal mineralisation throughout a 2.1km x 1.2km area hosted in Jurassic aged volcano-sedimentary rocks & felsic domes, which host characteristics of Intermediate Sulphidation style epithermal mineralization (Figure 3).

During the June 2019 quarter, additional limited mapping and data compilation has further defined the geometries and models of high-grade mineralisation throughout the higher priority zones 3, 4 and 5 spanning an approximate 400m x 1000m area. These zones occur within a series of dominantly northeast trending mineralised corridors which host multiphase quartz-chalcopyrite-pyrite ± jasperoid vein-breccias mapped over +300m strike length and up to 10m wide, which await maiden drill testing.

Figure 3. Cerro Diablo Project-plan map of mineralised zones



Cerro Bayo, Los Domos and Cerro Diablo Projects – strategically well located

The Cerro Bayo mine district and the Los Domos and Cerro Diablo precious and base metal projects comprise a highly prospective land package all optimally located within 25km of the Cerro Bayo mine infrastructure and a highly experienced workforce in the nearby township of Chile Chico.

Up until June 2017, the Cerro Bayo mine was producing approximately 2 Mozpa of silver and 20 Kozpa gold with nominal flotation plant capacity of 500ktpa throughput. Production was suspended and force majeure declared following a mine flooding event in June 2017 ^(xi) which has exacerbated high unemployment throughout the region. With an altitude range of 400m to 1,200m and a dry, moderate climate, the Cerro Bayo mine district and Los Domos projects are able to be explored year-round. Cerro Diablo has a similar altitude range with slightly higher precipitation.

Cerro Bayo, Los Domos and Cerro Diablo – located within a world class mineral province

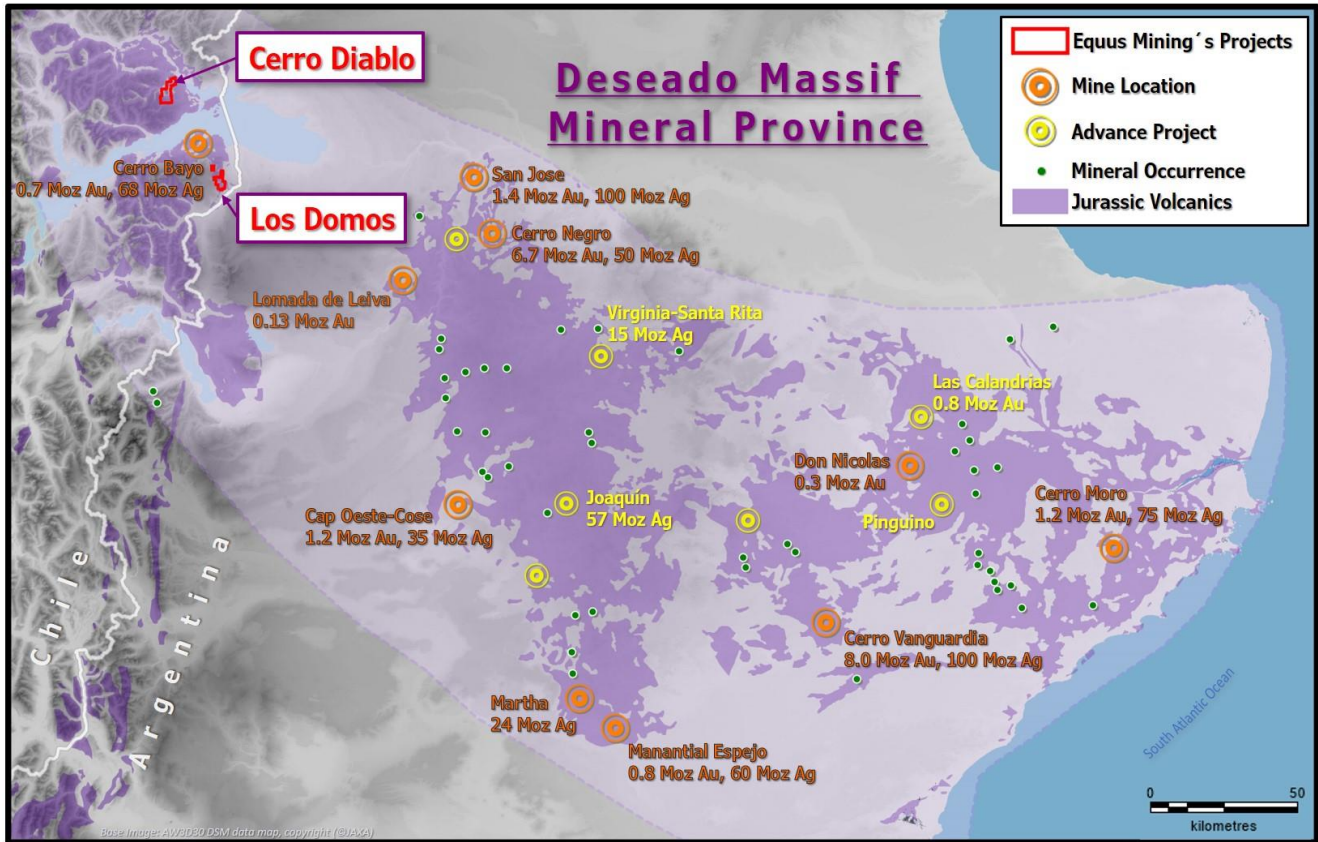
The Cerro Bayo, Los Domos and Cerro Diablo precious and base metal projects are located in the north-western portion of the world class Deseado Massif mineral province. See Figure 4. This mineral province includes the Santa Cruz Province mining district in Argentina throughout which mineralisation is hosted by Jurassic age volcanic rocks.

The Deseado Massif hosts large gold and silver deposits including Cerro Vanguardia, Cerro Negro, San Jose & Cerro Moro and has a current combined +30 Moz AuEq known resource endowment. See Table 1.

Table 1. Projects Located in the Deseado Massif

<i>Mine Name</i>	<i>Gold (Moz)</i>	<i>Silver (Moz)</i>	<i>Gold Eq. (Moz)</i>
Cerro Vanguardia	8.0	100	9.5
Cerro Negro	6.7	50	7.4
San Jose (Huevos Verdes)	1.4	100	2.9
Cerro Moro	1.2	75	2.3
Cap Oeste-Cose	1.2	35	1.7
Manantial Espejo	0.8	60	1.7
Cerro Bayo	0.7	68	1.7
Joaquin	0.0	57	0.9
Las Calandrias	0.8	0	0.8
Martha	0.0	24	0.4
Virginia-Santa Rita	0.0	15	0.2
Don Nicolas	0.3	0	0.3
Lomada de Leiva	0.15	0	0.15
Totals (Moz)	21.3	584	30.0

Figure 4. Location map of the Cerro Bayo, Los Domos and Cerro Diablo Projects' in the northwest extension of the world class Deseado Massif mineral province



Corporate

During the quarter ended 30 June 2019 Equus invested a total of \$209,634 in exploration.

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pjn10013

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 fulltime employee 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 of Equus Mining Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Cerro Diablo precious and base metal project is based on information compiled by Jason Beckton. Mr Beckton is a geological consultant to the Company. Mr Beckton 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 Beckton has a beneficial interest as shareholder of Equus Mining Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Table 2. Tenement Information

Project	Tenement As at 31 March 2019	Tenements Added during the quarter	Tenements disposed during the quarter	Tenement As at 30 June 2019	% interest	Type of Tenement
	Electrum 3A 1-24			Electrum 3A 1-24	100	Note 1: Mining Concession
	Electrum 4A 1-26			Electrum 4A 1-26	100	Note 1: Mining Concession
	Electrum 5A 1-42			Electrum 5A 1-42	100	Note 1: Mining Concession
	Electrum 6A			Electrum 6A	100	Note 2: Exploration Concession
	Electrum 6A 1-32			Electrum 6A 1-32	100	Note 2: Mining Concession
	Electrum 7A			Electrum 7A	100	Note 2: Exploration Concession
	Electrum 7A 1-44			Electrum 7A 1-44 & Electrum 7A	100	Note 2: Mining Concession
	Electrum 8			Electrum 8	100	Exploration
	Electrum 10			Electrum 10	100	Exploration
	Electrum 11			Electrum 11	100	Exploration
	Pedregoso I 1-30			Pedregoso I 1-30	Note 3	Mining Concession
	Pedregoso VII 1-30			Pedregoso VII 1-30	Note 3	Mining Concession
	Honda 20 1-20			Honda 20 1-20	Note 3	Mining Concession
Cerro Diablo	Diablo 1			Diablo 1	100	Exploration
	Diablo 2			Diablo 2	100	Exploration
	Diablo 3			Diablo 3	100	Exploration
	Diablo 4			Diablo 4	100	Exploration
	Diablo 5			Diablo 5	100	Exploration
	Diablo 6			Diablo 6	100	Exploration
	Diablo 7			Diablo 7	100	Exploration
	Diablo 8			Diablo 8	100	Exploration
	Diablo 9			Diablo 9	100	Exploration
	Diablo 10			Diablo 10	100	Exploration
	Diablo 11			Diablo 11	100	Exploration
	Diablo 12			Diablo 12	100	Exploration
	Diablo 13			Diablo 13	100	Exploration

- 1) Key portions of the original Electrum exploration claims have been converted to Mining claims
- 2) Key portions of the original Electrum exploration claims have been converted to Mining claims and adjacent portions have been conserved with extended tenure of the original exploration claims via a reduction in their respective area
- 3) Equus holds a 75% interest in the Mining Concessions of Patagonia Gold which form part of the Los Domos Project. The legal documentation for the incorporation of a new Joint Venture company with Patagonia Gold SpA, will be concluded during the September 2019 quarter after which Equus has the possibility of the acquisition of up to 95% interest in the Mining Concessions.