

8 October 2019

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**Equus Executes Option to Acquire
Mandalay Resources Corporation's Cerro Bayo Mining Project**

Equus Mining ("**Equus**") has executed binding documentation with Mandalay Resources Corporation (TSX:MND, OTCQB: MNDJF) ("**Mandalay**") regarding the previously announced transaction whereby Equus has a 3 year period ("**Option Period**") to explore the Cerro Bayo mine district in Region XI, Southern Chile. The Option Period will commence at the earlier of six months (which may be extended to nine months on agreement) and the date when Equus receives all required approvals to set up and drill from 60 drill platforms on the property. Equus has immediate access to the property to start a drill program.

At any time during the Option Period Equus can exercise its option to acquire all the mining properties, resources and mine infrastructure at Cerro Bayo including the 1,500tpd processing plant, which is currently on care and maintenance. This transaction will be structured through the acquisition of the entire issued share capital of Compania Minera Cerro Bayo Ltd, which is wholly owned by Mandalay.

Consideration should Equus exercise its option consists of 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 re-purchase option in favour of Equus. Equus will also assume 50% of the approved closure costs at Cerro Bayo.

The Directors of Equus are pleased to have concluded documentation of this transaction, allowing Equus to realise the exploration potential at Cerro Bayo and the company's nearby Los Domos exploration project, and believe Equus is well positioned to become a regional gold and silver producer.



John Braham
Managing Director

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