



About Equus Mining:

Equus Mining is an ASX listed Company focused on exploring for and developing gold and silver resource projects centered on the Cerro Bayo Mining district in Southern Chile.

Subsequent to the September quarter, Equus executed the definitive 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.

Drill target generation conducted during the quarter throughout the Cerro Bayo Mine District has continued to define a series of large scale, high priority drill targets situated close to mine infrastructure in preparation for maiden drill testing.

The option for the Cerro Bayo acquisition 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 September 2019): \$0.015

Shares on Issue (30 September 2019): 1,084M

Market Capitalisation: A\$16.27M

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 September 2019

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

Summary of Activities

Execution of option for Cerro Bayo Mine District acquisition

- Subsequent to the quarter end, on the 7th October 2019, Equus executed binding documentation 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 entitles Equus to explore Mandalay's 29,495 hectare Cerro Bayo mine district and to acquire the mining properties and mine infrastructure which includes a tailings facility and 1,500tpd processing plant (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.

Cerro Bayo Mine District Exploration

- Near mine and greenfields exploration drill target generative activities continued during the quarter comprising further detailed district scale review of historic exploration and mine data and integrated structural analysis from newly processed multispectral satellite and aeromagnetic data combined with detailed mapping and surface geochemical sampling. This work has identified new potential host structures to precious metal mineralization and Equus considers the Cerro Bayo Mine claim package to hold good potential for hosting significant new, additional gold and silver resources.

Los Domos Project

- During the quarter, Equus incorporated a joint venture company (Equus Patagonia SpA) with a Chilean subsidiary of Patagonia Gold Corp (TSXV: PGDC), which incorporates the Company's 75% interest in mining concessions owned by Patagonia Gold, which form part of the Los Domos Project. Equus can acquire a further 20% interest in the Mining Concessions via sole funding exploration through Equus Patagonia SpA, at which point Patagonia Gold has the right to retain a 5% free carried interest or convert its equity into a 1.5% NSR.
- Submittal of environmental studies to the relevant government authorities, which are required for the next phase of drilling, was deferred to the December 2019 quarter.

Cerro Bayo Mine District and Infrastructure Acquisition Option

Subsequent to the quarter end, on the 7th October 2019 Equus executed binding documentation 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).

Key aspects of the agreement include:

- The option entitles the Company to, within a 3 year period starting from commencement of the definitive option agreement, acquire all the mining properties, resources and mine infrastructure of the entire issued share capital of Compania Minera Cerro Bayo Ltd, a wholly-owned Mandalay Resources subsidiary including:
 - Mining Properties and Resources*: contiguous 29,495-hectare mining claim package optimally located with respect to the mine infrastructure accompanied with large database of surface and drill hole geochemical and geological data;
 - Mine Infrastructure: includes a 1,500tpd flotation processing plant (currently on care and maintenance), permitted tailings storage facility and all power generation, stationary and mobile equipment required for eventual mine restart;
 - Mine Property Assets: surface land (1500 hectares) and surface access rights (5600 hectares) and water rights sufficient for eventual mine restart.
- Upon a review date, designated as 18 months from commencement of the definitive option agreement period, either party may terminate the agreement whereby:
 - If neither Mandalay or the Company decide to terminate the agreement, the Company will contribute US\$50,000 per month towards Care and Maintenance until the end of the Option Period;
 - If Mandalay Resources terminates the agreement after 18 months, it will grant to the Company 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.
- On execution of the option by the Company at anytime within the 3 year option period, the Company is to:
 - Issue Mandalay ordinary shares representing 19% of the issued share capital of the Company. In this case, Mandalay will be entitled to nominate one member of the Company's board of directors;
 - Pay Mandalay a 2.25% NSR on gold and silver production from the Cerro Bayo Mine properties, payable once the Mine has produced at least 50,000 gold equivalent ounces;
 - The Company holds the option to repurchase the 2.25% NSR from Mandalay;
 - Contribute to 50% of the eventual Cerro Bayo mine closure liabilities (i.e. 50% of an approximate total of US\$14.5m based on the current government approved closure plan).

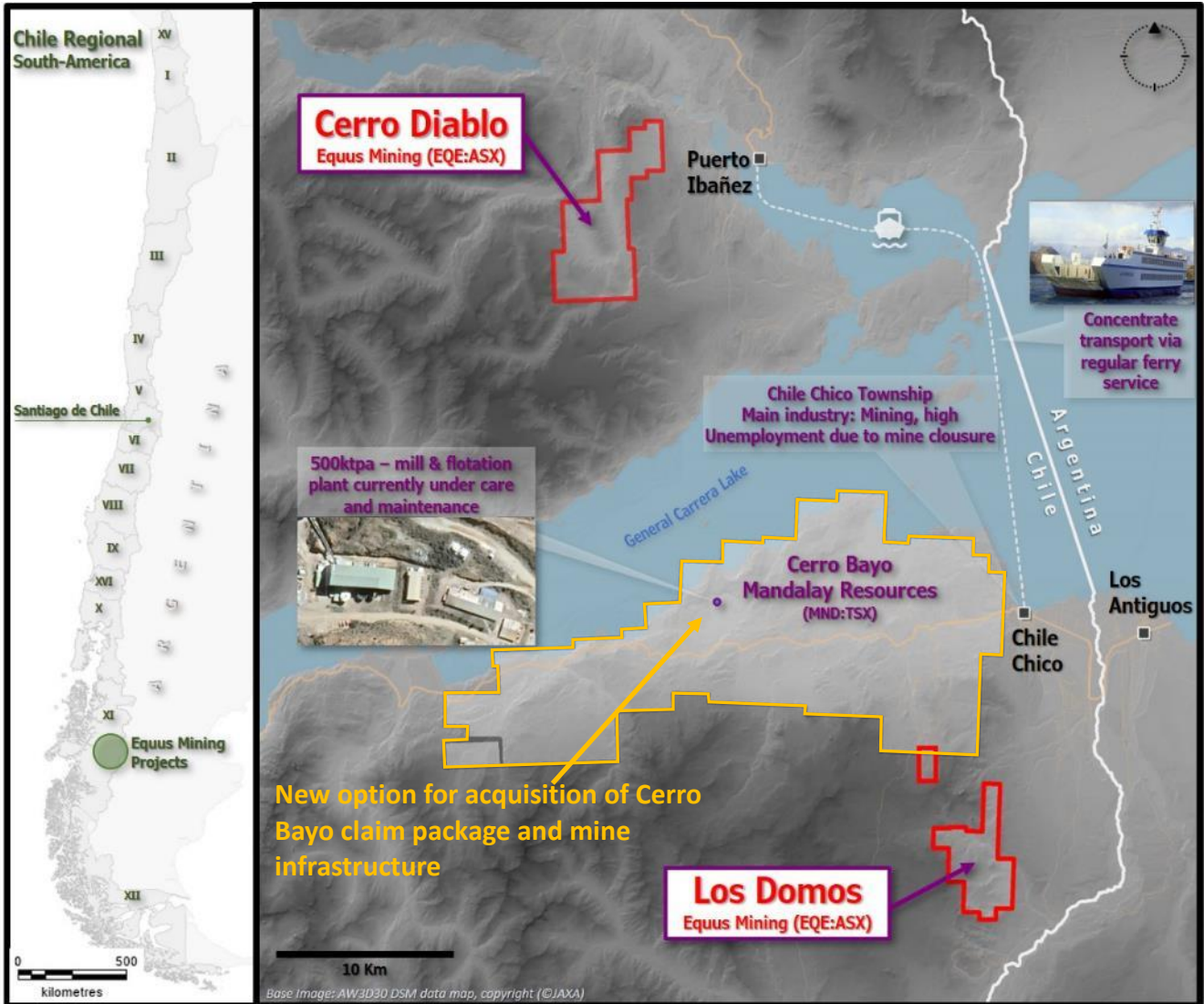
Key aspects of the Cerro Bayo Project include:

- Cerro Bayo mine historic gold and silver production over the period April 2002 to August 2008 by Coeur Mining was 2.58 million tonnes grading 4.2 g/t Au and 346.7 g/t Ag** (348,424 Oz Au, 28.76 Moz Ag);
- Production by Mandalay Resources Corporation from 2011 to end 2016 was 2.3 million tonnes with average grades of 1.8 g/t Au and 237 g/t Ag** (133,119 Oz Au, 17.52 Moz Ag);
- The 29,495-hectare mining claim package, as identified** to date, hosts at least 90 veins, stockwork and breccia structures hosting gold and silver mineralization, located in six principal areas.

* Resources relate to any remaining Resources as part of those reported effective December 31, 2016 by Mandalay Resources Corporation – Cerro Bayo Project, Project #2559 according to Canadian Institute of Mining definitions in an independent National Instrument 43-101 Technical Report filed March 31, 2017. The remaining Resources have not been independently verified by Equus and no representation or warranty is made by the Company as to the existence of any remaining Resources, accuracy, completeness or reliability of the information. Equus plans as part of future work on the Cerro Bayo Project to verify remaining Resources and as per ASX listing rules, that the future reporting of ore reserves and mineral resources comply with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code").

** Reported effective December 31, 2016 by Mandalay Resources Corporation – Cerro Bayo Project, Project #2559 according to Canadian Institute of Mining definitions in an independent National Instrument 43-101 Technical Report filed March 31, 2017.

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



A detailed review of historic exploration and mine data was initiated in the March/June 2019 quarters and comprehensive field based review including detailed mapping and sampling of a portion of the currently highest ranking follow-up drill targets was initiated in the September 2019 quarter. This information is being integrated into a framework exploration database for the design of the Company's maiden near mine and greenfields exploration drill programs which will be directed to a pipeline of ranked drill targets.

During the reporting period, detailed structural analysis from newly processed multispectral Landsat satellite and aeromagnetic data combined with detailed mapping has defined two priority drill target prospect areas denominated Simmental and Brahman. The central zones of interest within these areas are located within 1.5 km to the southwest and 2.5 km to the southeast respectively from the Cerro Bayo plant and both feature good established access.

Simmental Prospect

The Simmental Prospect was targeted from the significant areal extent and intensity of hydrothermal alteration within a highly prospective structural setting comprising the southwestern extension of a district scale, northeast-southwest trending fault bounded graben which hosts several of the principal northwest trending vein systems of the nearby Laguna Verde area, including Delia, Dagny, Branca and Coyita (Figure 2).

Five principle northwest trending structures have been detailed mapped by Equus throughout an approximately 1300m x 1350m area of the prospect of which the higher priority include the Pinto, Azteca and Andaluz vein and hydrothermal breccias. Collectively these latter three veins extend over an approximate 2.9 km strike length and attain widths between 0.5-3m. The majority of these structures remain completely untested by historic drilling, and where partially drill tested, were generally only tested by reverse circulation or small diameter diamond core drilling (e.g. BQ) to relatively shallow depths (generally less than 80m).

Rock and channel geochemical sampling totalling 134 samples has been conducted along the mapped extensions of veining during which visible indications of silver sulphide bearing mineralization is apparent in pulses of multiphase vein fill (Photo 1).

Figure 2. Simmental Prospect: (looking to the north) modelled three dimensional view of northwest trending Simmental Prospect and Laguna Verde vein deposits (red) and interpreted east-northeast, fault bounded host structural corridors (blue).

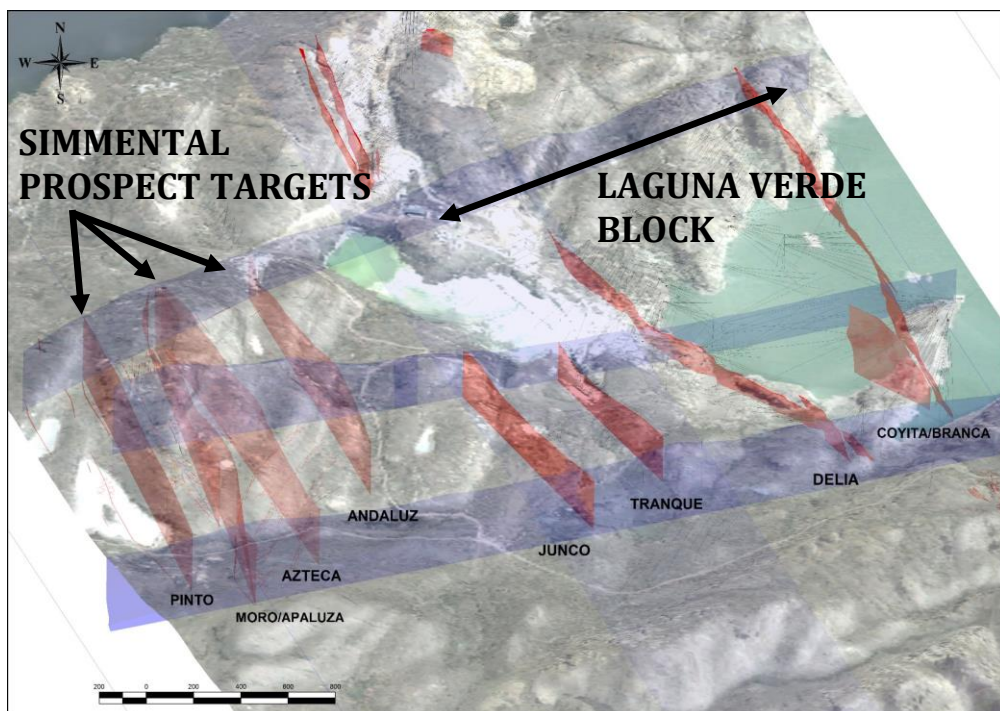
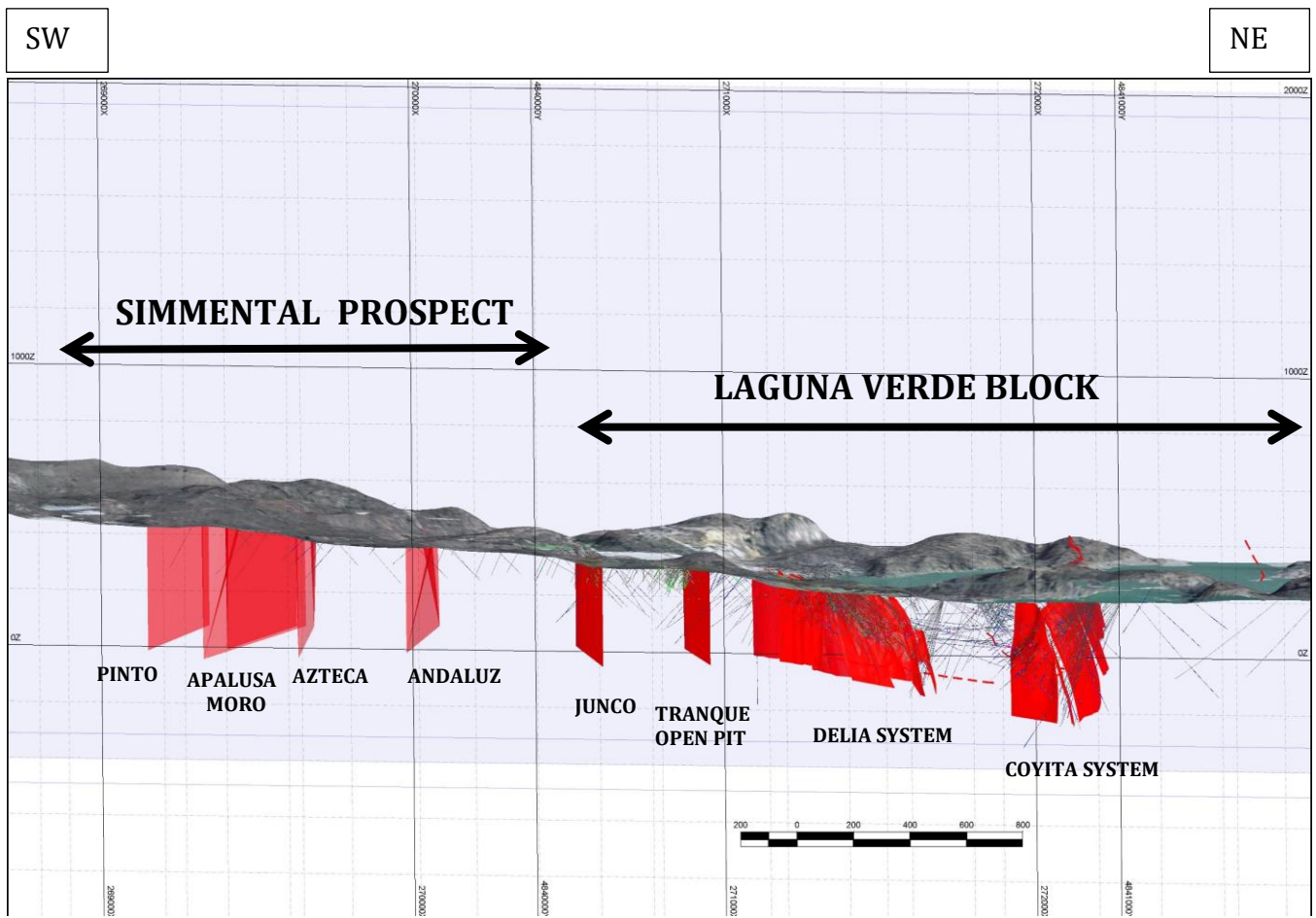


Photo 1. Example hand sample from the Pinto Vein structure with visible Ag bearing sulphosalt mineral species (irregular black traces) occurring as second phase pulses of sulphide rich quartz vein fill.



Importantly, the target vein structures at the Simmental Prospect outcrop at an elevation averaging approximately 200m above that of the top of the subparallel principal veins, which were emplaced approximately 1.5 km to the north-northeast at the Laguna Verde area, within the interpreted north-northeast fault controlled, host structural corridor (Figure 3). Based on the relative higher position of the outcropping veins at the Simmental Prospect, it is interpreted that they potentially represent the upper zonation levels of epithermal vein mineralization, below which potential for enhanced vein and precious metal deposition may exist.

Figure 3. Simmental Prospect: (looking to the north) three dimensional view showing modelled northwest trending vein host structures and relative differences in elevation between Simmental Prospect and Laguna Verde vein deposits.



Brahman Prospect- Frison Target

The Brahman prospect was targeted as hosting the interpreted south-eastern continuation of large scale faulting which hosts the Delia Vein system, which was mined historically in the Laguna Verde area (Figure 4). Within this prospect, the Frison Target comprises the portion of the fault corridor characterised by broadly east-west trending, wide (up to 3m), quartz veins and quartz stockwork and hydrothermal breccias (both up to 10m wide) and hydrothermal alteration, which extends over a strike length of a 1050m (Photo 2).

The Frison Target is interpreted to occupy a structural setting favourable for large scale vein development based on the target being centered proximal to the intersection of district scale, respective northwest and northeast trending fault corridors which are interpreted to act as major controls on mineralization throughout the Laguna Verde mine district (e.g. Delia, Dagny, Branca and Coyita vein systems). In other precious metal deposits throughout the Deseado Massif Mineral province, portions of host faults proximal to the inflection of where they trend from northwest to more east-west can be favourable structural targets for enhanced precious metal deposition and vein development (e.g. Zoe Vein of the Cerro Moro Au-Ag deposit, Deseado Massif Mineral Province District, Argentina). The target's prospectivity is further highlighted by the newly recognized extensive outcrop of an intrusive dome complex, similar to that which commonly occurs spatially related to mineralisation elsewhere throughout the Cerro Bayo district, which occurs broadly coincident with veining.

Importantly, although the Frison Target is located in close vicinity and accessed via good infrastructure to the Cerro Bayo processing plant facility, no historic drilling nor significant surface geochemical sampling has been conducted to date to test the most prospective, approximately 1100m long portion of the structure. Rock and channel geochemical sampling totalling 140 samples has been conducted along the mapped extensions of veining.

Figure 4. Brahman Prospect-Frison Target: Plan view showing structural setting of Frison Target in prospective, east-west trending inflection developed at intersection of northwest trending Delia-Dagny-Coyita-Branca veins of the Laguna Verde area and marginal to northeast trending graben.

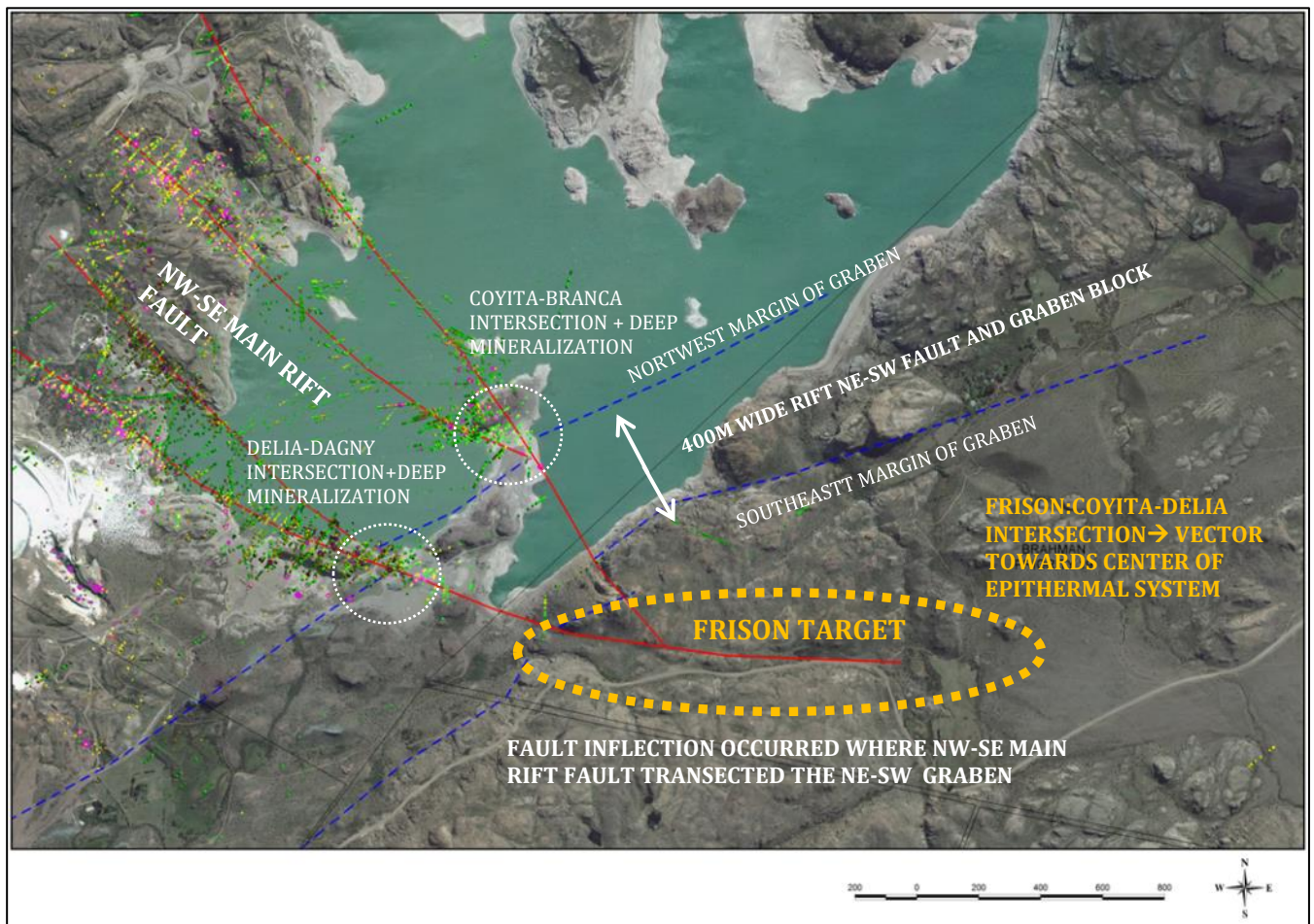
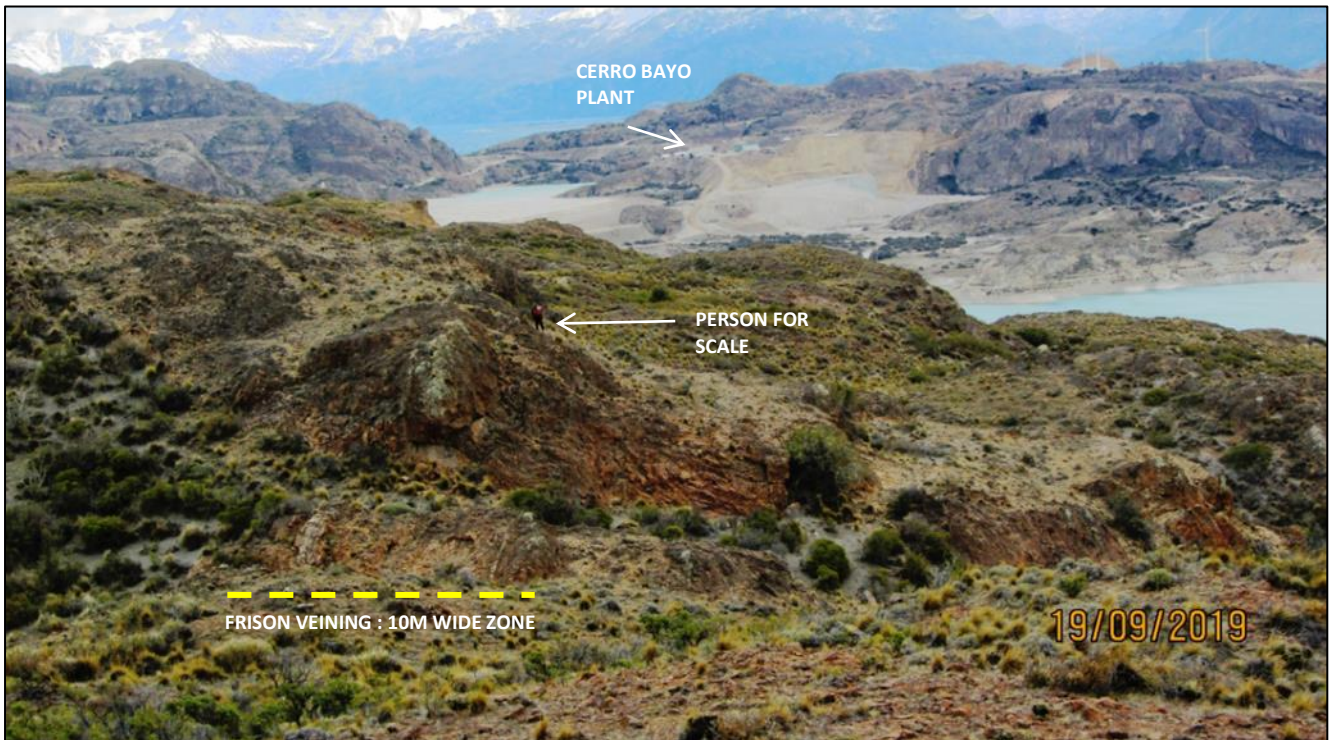


Photo 2. Frison Target (Looking west-northwest towards Cerro Bayo plant infrastructure)-View of recently discovered chalcedonic quartz vein /vein breccias hosted within strongly silicified-clay altered rhyolite dome complex.



Results from rock and channel geochemical sampling from these areas are due subsequent to the September quarter end, after which design of the maiden drill test programs will be finalised.

The Simmental and Brahman Prospect drill targets were generated during a relatively limited period of initial field review and target definition throughout the Cerro Bayo Mine claim package and represent a limited proportion of targets that the Company has identified for immediate field based revision. The Company remains confident that continuing drill target generative work has the capacity identify significant targets with the potential for hosting significant new additional gold and silver resources throughout the Cerro Bayo Mine claim package.

Los Domos Project

On 12 August 2019, Equus incorporated a joint venture company “Equus Patagonia SpA” with Patagonia Gold SCM, the Chilean subsidiary of Patagonia Gold Corp (TSXV: PGDC). This entity incorporates the Company’s 75% interest in the mining concessions owned by Patagonia Gold SCM, which form part of the Los Domos Project. Southern Gold SpA can acquire a further 20% interest in the Mining Concessions via sole funding exploration through the Equus Patagonia SpA joint venture company at which point Patagonia Gold SCM has the right to retain a 5% free carried interest or convert its equity into a 1.5% NSR.

Submittal to the relevant authorities of the Environmental Impact Report (DIA) which is required in order to conduct further drilling at Los Domos was deferred to the December 2019 quarter.



Corporate

During the quarter ended 30 September 2019, Equus invested a total of \$236,364 in exploration.

For further information, please contact:

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pjn10129

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Exploration Results for the Cerro Bayo & 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.

Table 1. Tenement Information

Project	Tenement as at 30 June 2019	Tenements added during the quarter	Tenements disposed during the quarter	Tenement as at 30 September 2019	% interest	Type of Tenement
Los Domos	Electrum 3A 1-24			Electrum 3A 1-24	100	Mining Concession ¹
	Electrum 4A 1-26			Electrum 4A 1-26	100	Mining Concession ¹
	Electrum 5A 1-42			Electrum 5A 1-42	100	Mining Concession ¹
	Electrum 6A			Electrum 6A	100	Exploration ²
	Electrum 6A 1-32			Electrum 6A 1-32	100	Mining Concession ²
	Electrum 7A			Electrum 7A	100	Exploration ²
	Electrum 7A 1-44			Electrum 7A 1-44	100	Mining Concession ²
	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) The Company incorporated effective 12 August 2019 a joint venture company titled Equus Patagonia SpA with Patagonia Gold SCM, the Chilean subsidiary of Patagonia Gold Corp (TSXV: PGDC). This entity incorporates the Company's 75% interest in mining concessions owned by Patagonia Gold SCM, which form part of the Los Domos Project. Southern Gold SpA can acquire a further 20% interest in the Mining Concessions via sole funding exploration through the Equus Patagonia SpA joint venture company at which point Patagonia Gold SCM has the right to retain a 5% free carried interest or convert its equity into a 1.5% NSR.