

## **EXPLORATION ACTIVITY ACCELERATED AS HIGH-GRADE PEGASO RESULTS CONFIRM EXTENSIONS TO MINERALISATION FROM HISTORIC MINES**

**Equus Mining Limited** ('Equus' or 'Company') (**ASX: EQE**) is pleased to announce further high grade gold (Au) and silver (Ag) drill results from the Pegaso brownfield targets at the Cerro Bayo Project, Chile and the addition of a second Diamond Drill (DD) rig to accelerate exploration of high priority targets.

### **HIGHLIGHTS**

#### **PEGASO II TARGET BROWNFIELDS DRILLING**

- ▶ Final assay results have been received for holes CBD051-CBD057 totaling 1858.65m completed over an approximate 600m long central portion of the 1km long Pegaso II target (Figure 1).
- ▶ Four principal subparallel veins have been intersected by this drilling which returned high-grade gold and silver results including:

CBD051

- ▶ **0.2m @ 4.49 g/t Au and 182 g/t Ag (7.29 g/t Au equivalent<sup>1</sup>)** from 258.95m

CBD053

- ▶ **0.24m @ 7.07 g/t Au and 63.8 g/t Ag (8.05 g/t Au equivalent<sup>1</sup>)** from 187.56m

CBD054

- ▶ **0.38m @ 5.84 g/t Au and 656 g/t Ag (15.93 g/t Au equivalent<sup>1</sup>)** from 169.27m

CBD056

- ▶ **14.05m @ 0.48 g/t Au and 139.21 g/t Ag (2.62 g/t Au equivalent<sup>1</sup>)** from 53.15
  - ▶ Incl. **2.77m @ 1.09 g/t Au, 263.34 g/t Ag (5.14 g/t Au equivalent<sup>1</sup>)** from 55.95m
- ▶ **0.7m @ 1.35 g/t Au and 324.79 g/t Ag (6.35 g/t Au equivalent<sup>1</sup>)** from 74.85m
- ▶ **0.68m @ 2.25 g/t Au and 201.0 g/t Ag (5.34 g/t Au equivalent<sup>1</sup>)** from 87.47m
- ▶ **0.53m @ 3.17 g/t Au and 297.0 g/t Ag (7.74 g/t Au equivalent<sup>1</sup>)** from 133.27m
- ▶ Drilling to date has confirmed the extension of high grade mineralisation in multiple structures along a significant portion of the 1km long trend between the Delia NW Mine and the Taitao Pit.
- ▶ Closer spaced drilling is planned along the Pegaso II Target to further test this significant new mineralised trend during the remainder of 2021.
- ▶ Second DD rig has been contracted to aggressively advance the testing of high priority near mine targets.
- ▶ Assays remain pending on a further 4 holes totaling 993.6m (CBD058-CBD060, CBD064) on the Pegaso III, IV and V Target structures which have intersected encouraging visual indications of mineralization typical of that of the upper levels of precious metal bearing epithermal systems.

<sup>1</sup> Gold equivalent (AuEq) is based on the formula  $AuEq\ g/t = Au\ g/t + (Ag\ g/t/65)$

**Damien Koerber, Chief Operating Officer, Equus Mining Commented:**

*"The Pegaso Targets continue to provide encouraging evidence that the high-grade mineralisation from historical mining areas is present in multiple structures along the majority of the 1km long target between the Delia NW Mine and the Taitao Pit. Armed with these results and an additional DD rig now on site we can begin to accelerate our exploration efforts on our growing pipeline of high priority targets.*

*In addition to these results, we have been extremely pleased by the production numbers Mandalay Resources has achieved at the Cerro Bayo plant. Mandalay recommissioned the plant in mid-February and since that time has produced a total of 130,761 ounces silver and 2,531 ounces gold, equating to 4,447 gold equivalent ounces through the processing of low-grade stockpiles up to the 30 June.<sup>2</sup>*

*Equus is now in a very strong position with an existing 302,000 gold equivalent ounce Inferred Mineral Resource at Taitao, cash on hand to fund our aggressive exploration campaign to build on this mineral resource and an option over the Cerro Bayo mine area and associated infrastructure that can be exercised at any time with no upfront cash payment.*

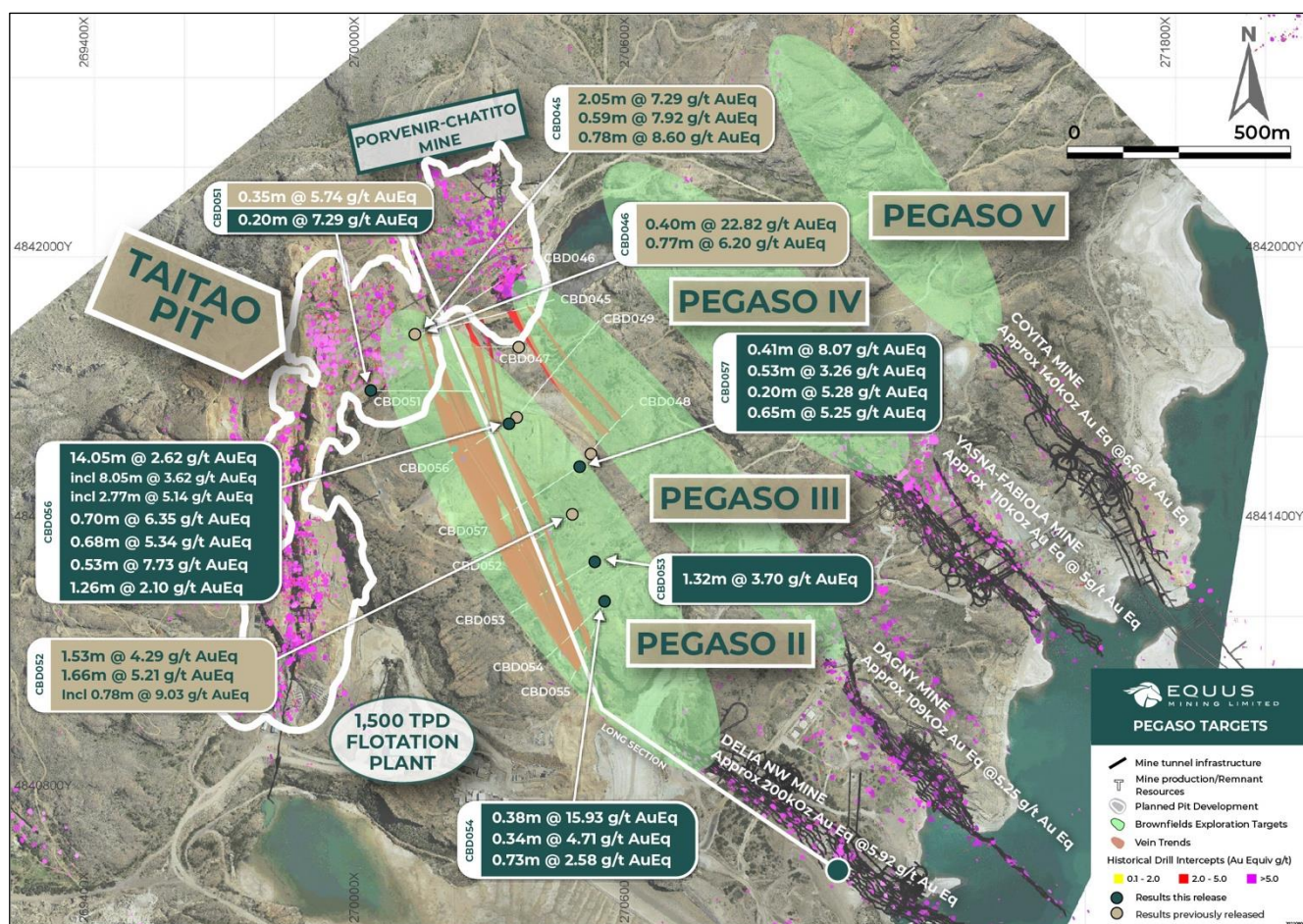


Figure 1 – Plan view showing summary drill results and interpreted veining intersected in the Pegaso II and III structures, Taitao Mineral Resource reporting pit shell limits and historic underground mine workings of the Delia NW, Dagny, Fabiola and Coyita Mines

<sup>2</sup> TSX Announcement - Mandalay Resources Corporation Announces Production and Sales Results for the Second Quarter of 2021 and Change to Senior Management

## PEGASO II DRILLING

Final assay results have been received for seven holes (CBD051-CBD057) totaling 1858.65m completed over an approximate 600m long central portion of the 1km long Pegaso II target (Figure 1). A further 684.60m has been drilled in 3 holes CBD061-63 for which results remain outstanding.

Significant results reported to date include:

CBD051

- ▶ **0.2m @ 4.49 g/t Au and 182 g/t Ag (7.29 g/t Au equivalent<sup>1</sup>)** from 258.95m

CBD053

- ▶ **0.24m @ 7.07 g/t Au and 63.8 g/t Ag (8.05 g/t Au equivalent<sup>1</sup>)** from 187.56m

CBD054

- ▶ **0.38m @ 5.84 g/t Au and 656 g/t Ag (15.93 g/t Au equivalent<sup>1</sup>)** from 169.27m

CBD056

- ▶ **14.05m @ 0.48 g/t Au and 139.21 g/t Ag (2.62 g/t Au equivalent<sup>1</sup>)** from 53.15
  - ▶ Incl. **2.77m @ 1.09 g/t Au, 263.34 g/t Ag (5.14 g/t Au equivalent<sup>1</sup>)** from 55.95m
- ▶ **0.7m @ 1.35 g/t Au and 324.79 g/t Ag (6.35 g/t Au equivalent<sup>1</sup>)** from 74.85m
- ▶ **0.68m @ 2.25 g/t Au and 201.0 g/t Ag (5.34 g/t Au equivalent<sup>1</sup>)** from 87.47m
- ▶ **0.53m @ 3.17 g/t Au and 297.0 g/t Ag (7.74 g/t Au equivalent<sup>1</sup>)** from 133.27m

Drilling to date has confirmed the extension of high-grade mineralisation in multiple structures along a significant portion of the 1km long trend between the Delia Mine and the Taitao Pit (Figure 2). Drilling to date has confirmed the extension of mineralised veining to the north west and along trend within 250m of the Delia mine.

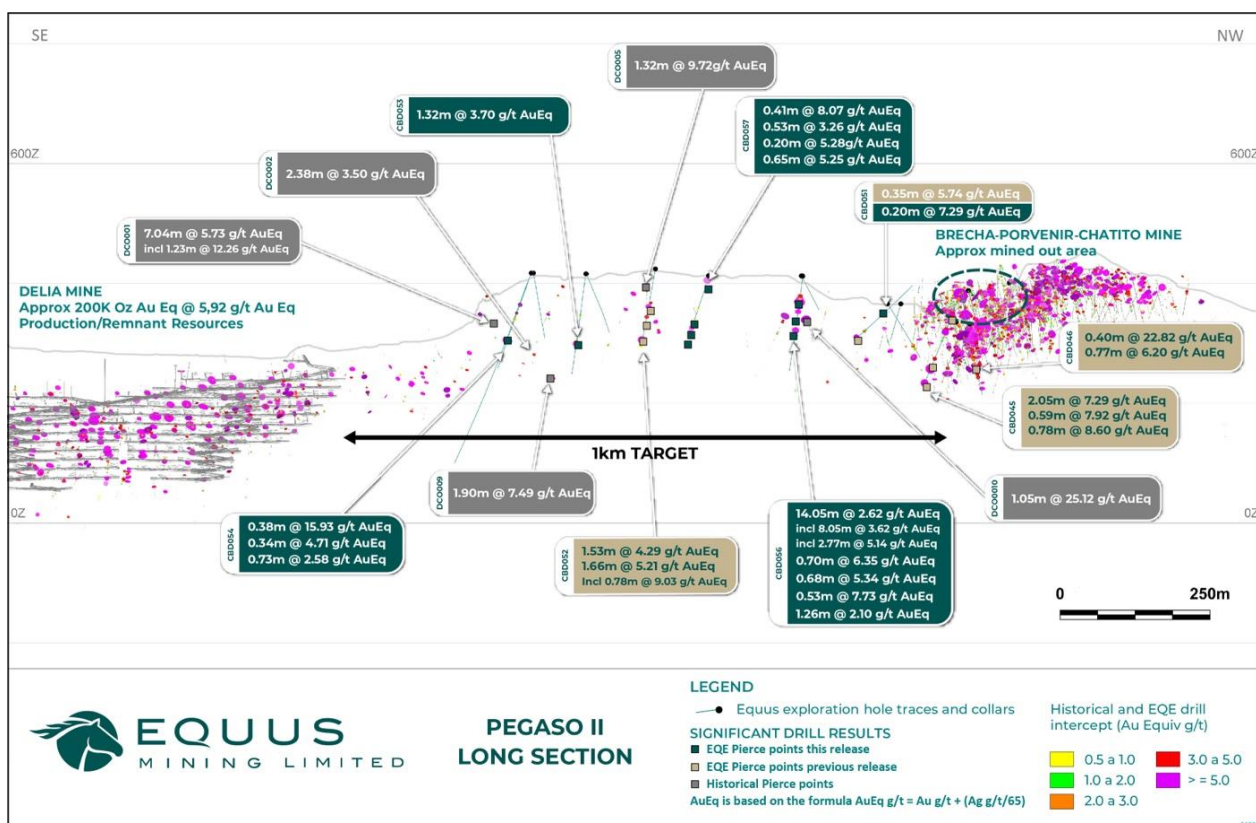


Figure 2 - Pegaso II Long Section: showing drill hole vein pierce points based on Equus and historical drill results.



Results from holes CBD051-CBD057 and visual observations of veining for those holes with pending results correlate well with the mineralised intercepts from the sparse historic drilling along the Pegaso II trend (see Figure 2) which include<sup>3</sup>:

- ▶ DCO001: **7.04m @ 3.37 g/t Au, 153.6 g/t Ag (5.73 g/t Au equivalent<sup>3</sup>)** from 69.51m incl. **1.23m @ 7.57 g/t Au, 304.9 g/t Ag (12.26 g/t Au equivalent<sup>3</sup>)** from 69.51m
- ▶ DCO005: **1.32m @ 1.90 g/t Au, 508.61 g/t Ag (9.72 g/t Au equivalent<sup>3</sup>)** from 29.8m
- ▶ DCO009: **1.9m @ 1.33 g/t Au, 400.43 g/t Ag (7.49 g/t Au equivalent<sup>3</sup>)** from 191.7m
- ▶ DCO010: **1.05m @ 21.04 g/t Au, 265.74 g/t Ag (25.12 g/t Au equivalent<sup>3</sup>)** from 130.9m
- ▶ DCO015: **1.4m @ 5.23 g/t Au, 597.9 g/t Ag (14.42 g/t Au equivalent<sup>3</sup>)** from 129.75m incl. **0.45m @ 14.95 g/t Au, 1620.4 g/t Ag (39.88 g/t Au equivalent<sup>3</sup>)** from 130.70m
- ▶ DLV13-049: **4.10m @ 6.74 g/t Au, 40.10 g/t Ag (7.36 g/t Au equivalent<sup>3</sup>)** from 156.8m
- ▶ BPR260: **2m @ 4.41 g/t Au, 112.0 g/t Ag (6.13 g/t Au equivalent<sup>3</sup>)** from 58.0m

Closer spaced drilling is planned along the Pegaso II Target to further test this mineralised trend during the remainder of 2021.

#### **PEGASO III-V TARGET DRILLING**

Further wide spaced drilling focused on interpreted shallow portions of the Pegaso III, IV and V Target structures comprising a total of 4 holes (CBD058-CBD060, CBD064) for 993.6m has intersected encouraging visual indications of high-level mineralisation for which results remain pending.

#### **CERRO BAYO PROJECT STOCKPILE PRODUCTION**

The Cerro Bayo 0.5Mtpa flotation plant has been operational since mid-February 2021 and is running at full capacity with Mandalay Resources processing low-grade stockpiles. Production statistics since commencement of production 20 Feb 2021 to 30 June 2021 comprise:<sup>4</sup>

- ▶ **Saleable production** totaled **130,761 oz silver and 2,531 oz gold (4,447 gold equivalent ounces)**
- ▶ **Mandalay sales from Cerro Bayo** totaled **90,024 ounces silver and 1,728 ounces gold (3,049 gold equivalent oz)** at average prices of \$26.61/oz silver and USD\$1,814/oz gold

Equus's option provides a near zero cash outlay to acquire 100% of the Cerro Bayo Project including the Project's mining properties, resources and mine infrastructure, including the now fully operational plant from Mandalay Resources Corporation.<sup>5</sup>

<sup>3</sup> Details regarding the reporting of these historical results can be found on page 6 of this announcement

<sup>4</sup> TSX Announcement - Mandalay Resources Corporation Announces Production and Sales Results for the Second Quarter of 2021 and Change to Senior Management

<sup>5</sup> ASX Announcement - 8 October 2019 Equus Executes Option to Acquire Mandalay Resources Corporation's Cerro Bayo Mining Project

### CERRO BAYO PROJECT

The Company's Flagship Cerro Bayo Project is held under a 3-year option to acquire 100% of all the Project's mining properties, Mineral Resources and mine infrastructure from TSX-listed Mandalay Resources Corporation<sup>6</sup>. The Project contains an existing 1,500 tpd processing plant through which historical production of 645Koz gold and 45Moz silver<sup>7</sup> was achieved up until the mine's temporary closure in mid-2017. The Cerro Bayo Project is located central to the approximate 350km<sup>2</sup> of prospective gold-silver claim holdings held by the Company (Figure 3).

Equus is aggressively advancing drill testing of high priority brownfields targets, many of which are located along trend of several key historic producing mines within 2km from the processing plant and infrastructure.



Figure 3 – Location plan of Equus Mining's Cerro Bayo mining district and other projects.

<sup>6</sup> ASX Announcement - 8 October 2019 Equus Executes Option to Acquire Mandalay Resources Corporation's Cerro Bayo Mining Project <https://wsecure.weblink.com.au/pdf/EQE/02156517.pdf>  
<sup>7</sup> Based on Mandalay Resources Corporation, Cerro Bayo Mine NI 43-101 Technical Reports dated May 14, 2010. & March 21, 2017 Report #2699

## **REPORTING OF HISTORIC RESULTS FROM PEGASO TARGET AREAS**

The above historical results include exploration results collected between approximately 2000-2013. The mining and exploration activity was undertaken up until approximately 2009 by Coeur d'Alene Mines Corporation (now Coeur Mining or "Coeur") and Mandalay Resources from 2010 to 2013. As per ASX requirements, Equus notes that a minor portion of the drill results dating prior to 2005 are not reported in accordance with the National Instrument 43.101 or JORC Code 2012; a competent person has not done sufficient work to disclose the corresponding exploration results in accordance with the JORC Code 2012; it is possible that following further evaluation and/or exploration work that the confidence in the prior reported exploration results may be reduced when reported under the JORC Code 2012; that nothing has come to the attention of Equus that questions the accuracy or reliability of the former owner's exploration results, but Equus is in the process of independently validating the former owner's exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results.

The levels of gold and silver reported, from past drilling activity, is a key factor in guiding Equus's exploration strategy. The previous drilling activity, which produced these results, involved multiple reverse circulation and diamond drill holes and check assaying, providing Equus with confidence that the results are reliable, relevant and an accurate representation of the available data and studies undertaken by previous exploration activity. Proposed verification work includes further drilling and resampling of historical drill core which Equus is currently undertaking using existing funds.

**- END -**

This announcement has been approved by the Managing Director, John Braham.

### **For further information please contact:**

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### **COMPETENT PERSON'S STATEMENT:**

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

**JORC Code, 2012 Edition – Table 1**

**EQUUS MINING LIMITED CERRO BAYO EXPLORATION PROGRAM**

**A. DIAMOND DRILLING & SURFACE SAMPLING**

**Section 1 Sampling Techniques and Data**

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>Industry standard diamond drilling is used to obtain continuous core samples.</li> <li>Continuous core sampling ensures high sampling representation.</li> <li>All HQ (63.5 mm diameter) and NQ (47.6 mm diameter) core sample depths are recorded according to depths maintained by the project geologist's technician. These depths are determined by a combination of cross checking of driller recorded depths and the geologists own recorded depths which takes into account core loss.</li> <li>All core samples are placed in secure industry standard core storage trays and transported to a secure logging and core cutting facility onsite in the Cerro Bayo Mine facilities.</li> <li>Core sampling and logging by a qualified geologist is targeting Au-Ag and base metal bearing quartz veins, breccias and zones of silicification, which are known to host gold-silver and base metal mineralisation, within rhyolite ignimbrite of the Jurassic age Ibanez Formation.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>Rock chip and continuous rockchip channel samples were collected by a qualified geologist of quartz veins, breccias and zones of silicification, all hosted within rhyolite ignimbrite of the Jurassic age, Ibanez Formation.</li> <li>Sample locations were surveyed with a handheld GPS using Coordinate Projection System SAD69 UTM Zone 19S.</li> <li>Representative chip samples of 2-3Kg weight were taken perpendicular to the strike of the outcrop over varying width intervals generally between 0.1-2.0m except where noted.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>All holes are cored in their entirety from the base of surface regolith cover and HQ (63.5 mm diameter) coring is conducted to hole completion.</li> <li>Diamond drilling size may be reduced to NQ (47.6 mm diameter) in the case that broken ground is encountered.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>Each core hole drill interval is reviewed for linear core recovery based on measured recovered intervals from drilled intervals from which percentage recoveries are calculated.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>occurred due to preferential loss/gain of fine/coarse material.</i>	
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>• All diamond drill core is geologically logged, marked up and photographed by a qualified geologist. All geological and geotechnical observations including lithology and alteration, mineralisation type, orientation of mineralised structures with respect to the core axis, recoveries, specific density and RQD are recorded.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>• Rock chip and continuous rockchip channel samples were geologically logged by a qualified geologist.</li> <li>• The geology, mineralogy, nature and characteristics of mineralization and host rock geology, and orientation of the associated mineralised structures, was logged by a qualified geologist and subsequently entered into a geochemical database.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or Rock Chip and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality, and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>• Mineralised core and adjacent intervals core are sampled at intervals ranging from a minimum 0.3m interval to maximum 1m based on geological boundaries, defined by a qualified geologist.</li> <li>• Assaying is undertaken on representative, diamond saw cut ½ core portions of HQ core (63.5 mm diameter) and NQ (47.6 mm diameter) core.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>• Rock chip and continuous rockchip channel samples were generally taken under dry conditions with a minimum and maximum sample width of 0.1m and 2.0m respectively.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory</li> </ul>	<ul style="list-style-type: none"> <li>• Samples are stored in a secure location and transported to the ALS laboratory in Santiago via a certified courier. Sample preparation initially comprises weighing, fine crush, riffle split and pulverizing of 1kg to 85% &lt; 75µm under laboratory code Prep-31.</li> <li>• Pulps are generally initially analysed for Au, Ag and trace and base elements using method codes: <ul style="list-style-type: none"> <li>○ Au-ICP21 (Au by fire assay and ICP-AES. 30 g nominal sample weight with lower and upper detection limit of 0.001 and 10 ppm Au respectively),</li> <li>○ ME-MS41 (Multi-Element Ultra Trace method whereby a 0.5g sample is digested in aqua regia and analysed by ICP-MS + ICP-AES with lower and upper detection limit of 0.01 and 100 ppm Ag respectively)</li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> <li>For high grade samples method codes include: <ul style="list-style-type: none"> <li>Au-GRA21 (by fire assay and gravimetric finish 30 g nominal sample weight for Au values &gt; 10 g/t up to 1,000 g/t Au),</li> <li>ME-OG46 Ore Grade Ag by Aqua Regia Digestion and ICP-AES (with lower and upper detection limit of 1 and 1500 ppm Ag respectively) and Ag-GRA21 (Ag by fire assay and gravimetric finish, 30 g nominal weight for ≥ 1500 g/t to 10,000 g/t Ag)</li> <li>Zn-AA62 (for &gt;1% up to 30% Zn)</li> <li>Pb-AA62 (for &gt;1% up to 20% Zn)</li> </ul> </li> <li>Alternate certified blanks and standards for Au and Ag are submitted by Equus within each laboratory batch at a ratio of 1:20 (i.e. 5%) for which QA/QC revision is conducted on results from each batch.</li> <li>Internal laboratory QAQC checks are reported by the laboratory and a review of the QAQC reports suggests the laboratory is performing within acceptable limits</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>For drill core sample data, laboratory CSV result files are merged with downhole geological logs and unique sample numbers. No adjustments were made to the assay data.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>For rock chip sample data, laboratory CSV result files are extracted from the secure ALS webtrieve online platform and merged with geological and GPS location data files using unique sample numbers. No adjustments were made to the assay data.</li> <li>Reported geochemical results are compiled by the company's chief geologist and verified by the Company's chief operating officer.</li> <li>Surface rockchip sample assays are shown in Appendix I as per when reported for the first time.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>Drill hole collar position are currently located using handheld GPS receivers and will be subsequently more accurately surveyed by a qualified surveyor at a later date using a differential GPS system.</li> <li>Coordinate Projection System SAD69 UTM Zone 19S.</li> <li>All holes are surveyed for downhole deviation using a Gyroscope downhole survey tool at the completion of each hole.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>Samples are located in x, y and z coordinates using handheld GPS receivers.</li> <li>Coordinate Projection System SAD69 UTM Zone 19S</li> <li>The topographic control, using a handheld GPS, is considered adequate for the sampling program.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has</i></li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>Results will not be used for resource estimation prior to any supporting drilling being carried out.</li> <li>Compositing of assay results where applicable on contiguous samples has been applied on a weighted average basis.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>Results will not be used for resource estimation prior to any supporting drilling being carried out.</li> <li>Compositing of assay results where applicable on contiguous</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>been applied.</i>	samples has been applied on a weighted average basis.
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>Drilling is designed to intersect host mineralised structures as perpendicular to the strike and dip as practically feasible. In the initial stages of drill testing of targets, scout drilling is in some cases required to establish the geometries of the target host mineralised structures.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>Representative rock chip samples of 2-3Kg weight were taken perpendicular to the strike of the vein outcrop over 0.1m to 2 metre intervals except where noted.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are numbered and packaged under the supervision of a qualified geologist and held in a secure locked facility and are not left unattended at any time. Samples are dispatched and transported by a registered courier via air to ALS Minerals in Santiago.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews of the data management system have been carried out.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Equus Mining Limited on the 7th October 2019 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. Under this agreement, Equus Mining Limited is funding and managing exploration with the aim of defining sufficient resources to warrant execution of the option.</li> <li>The laws of Chile relating to exploration and mining have various requirements. As the exploration advances, specific filings and environmental or other studies may be required. There are ongoing requirements under Chilean mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by Equus Mining's environmental and permit advisors specifically engaged for such purposes.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Historic exploration was conducted by Compania Minera Cerro Bayo Ltda which included drilling and surface sampling and mapping.</li> </ul>

Criteria	JORC Code explanation	Commentary																																																																					
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Cerro Bayo district hosts epithermal veins and breccias containing gold and silver as well as base metal mineralization. The deposits show multiple stages of mineralization and display open-space filling and banding, typical of low-sulphidation epithermal style mineralization. Mineralogy is complex and is associated with mineralization and alteration assemblages that suggest at least three stages of precious and base metal deposition. Exploration model types of both Low Sulphidation (e.g. Cerro Negro, Santa Cruz, Argentina) and Intermediate Sulphidation deposits (San Jose and Cerro Morro, Santa Cruz, Argentina and Juanacipio, Mexico) are being targeted throughout the Cerro Bayo district.</li> </ul>																																																																					
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>Drill hole collar positions are determined by a Garmin GPS using the grid system SAD69 UTM Zone 19S and will be more accurately surveyed by a qualified surveyor at a later date.</li> </ul> <p><b>Equus Pegaso Target Drill Hole Collars</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Hole ID</th> <th rowspan="2">Target</th> <th>East</th> <th>North</th> <th>RL</th> <th>Dip</th> <th>Azimuth</th> <th>Total Depth</th> </tr> <tr> <th>(SAD 69 Zone19S)</th> <th>(m)</th> <th>-x°</th> <th>x°</th> <th>(m)</th> </tr> </thead> <tbody> <tr> <td>CBD051</td> <td>Pegaso II</td> <td>270014</td> <td>4841702</td> <td>409</td> <td>25</td> <td>90</td> <td>270.2</td> </tr> <tr> <td>CBD052</td> <td>Pegaso II</td> <td>270464</td> <td>4841429</td> <td>424</td> <td>42</td> <td>235</td> <td>209.2</td> </tr> <tr> <td>CBD053</td> <td>Pegaso II</td> <td>270510</td> <td>4841322</td> <td>416</td> <td>42</td> <td>240</td> <td>274.9</td> </tr> <tr> <td>CBD054</td> <td>Pegaso II</td> <td>270534</td> <td>4841233</td> <td>417</td> <td>40</td> <td>227</td> <td>240.3</td> </tr> <tr> <td>CBD055</td> <td>Pegaso II</td> <td>270534</td> <td>4841233</td> <td>417</td> <td>61</td> <td>200</td> <td>372.7</td> </tr> <tr> <td>CBD056</td> <td>Pegaso II</td> <td>270330</td> <td>4841637</td> <td>413</td> <td>43</td> <td>240</td> <td>235.0</td> </tr> <tr> <td>CBD057</td> <td>Pegaso II</td> <td>270474</td> <td>4841532</td> <td>413</td> <td>27</td> <td>237</td> <td>256.4</td> </tr> </tbody> </table> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>Sample locations were surveyed with a handheld GPS using Coordinate Projection System SAD69 UTM Zone 19S. Composite sample channels were surveyed with collar, dip, azimuth and length whereby azimuths and dips of Composite chip channel samples were surveyed by a Brunton compass as per the table below. Individual channel and/or rockchip samples were surveyed with a point coordinate for which please refer to Appendix 1-Surface Sampling for relevant coordinate and elevation information. In due course sample locations may be surveyed by a differential GPS.</li> <li>Drilling and surface sampling assays are shown in Appendix I as per when reported for the first time.</li> </ul>	Hole ID	Target	East	North	RL	Dip	Azimuth	Total Depth	(SAD 69 Zone19S)	(m)	-x°	x°	(m)	CBD051	Pegaso II	270014	4841702	409	25	90	270.2	CBD052	Pegaso II	270464	4841429	424	42	235	209.2	CBD053	Pegaso II	270510	4841322	416	42	240	274.9	CBD054	Pegaso II	270534	4841233	417	40	227	240.3	CBD055	Pegaso II	270534	4841233	417	61	200	372.7	CBD056	Pegaso II	270330	4841637	413	43	240	235.0	CBD057	Pegaso II	270474	4841532	413	27	237	256.4
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<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high-</li> </ul>	<ul style="list-style-type: none"> <li>Neither equivalent or upper or lower cut-off grades are used in any tables or summations of the data.</li> <li>Aggregated averages of rock sampled assays are weighted according to the sample length as per normal weighted average calculations.</li> </ul>																																																																					

Criteria	JORC Code explanation	Commentary
	<p>grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>Intercepts quoted for all drill holes relate only to down hole intervals at this stage and further drilling will be required to determine the true widths of mineralization.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>All sample intervals over vein outcrop were taken perpendicular to the strike of the vein outcrop</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<p><u>Diamond Drilling Sampling</u></p> <ul style="list-style-type: none"> <li>The location and visual results received in diamond drilling are displayed in the attached maps and/or tables.</li> </ul> <p><u>Surface Sampling</u></p> <ul style="list-style-type: none"> <li>The location and results received for surface samples are displayed in the attached maps and/or Tables.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Results for samples with material assay values are displayed on the attached maps and/or tables. In most cases the adjacent host bedrock to veining either side of an apparent mineralised interval was also sampled to establish mineralization boundaries.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Metallurgical recovery tests have not been conducted.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further work including exploration drilling is planned to test zones beneath and along strike from both high grade and anomalous precious metal and pathfinder element surface geochemical results.</li> </ul>



**Appendix I – Equus Pegaso Drill Hole Assay Results**

Hole ID	Depth From (m)	Depth To (m)	Interval (m)	Sample ID	Au g/t	Ag g/t	Au Eq g/t (Au + Ag/65)
<b>CBD051</b>	<b>258.95</b>	<b>259.15</b>	<b>0.20</b>	<b>18317</b>	<b>4.49</b>	<b>182.00</b>	<b>7.29</b>
CBD053	106.00	106.60	0.60	18664	0.61	67.60	1.65
CBD053	107.60	109.05	1.45	18668	0.38	106.00	2.01
CBD053	174.72	175.07	0.35	18772	1.47	12.75	1.66
CBD053	183.20	183.72	0.52	18786	1.25	50.40	2.03
<b>CBD053</b>	<b>183.72</b>	<b>184.52</b>	<b>0.80</b>	<b>18787</b>	<b>3.29</b>	<b>98.00</b>	<b>4.80</b>
<b>CBD053</b>	<b>187.56</b>	<b>187.80</b>	<b>0.24</b>	<b>18796</b>	<b>7.07</b>	<b>63.80</b>	<b>8.05</b>
CBD054	116.22	116.50	0.28	18904	2.17	48.70	2.92
<b>CBD054</b>	<b>169.27</b>	<b>169.65</b>	<b>0.38</b>	<b>18971</b>	<b>5.84</b>	<b>656.00</b>	<b>15.93</b>
<b>CBD054</b>	<b>173.83</b>	<b>174.17</b>	<b>0.34</b>	<b>18983</b>	<b>3.39</b>	<b>86.10</b>	<b>4.71</b>
CBD054	175.72	176.45	0.73	18987	1.29	84.20	2.58
CBD055	27.75	27.97	0.22	19033	0.24	91.80	1.65
CBD055	60.02	60.24	0.22	19045	0.06	26.60	0.47
CBD055	63.04	63.37	0.33	19049	0.21	26.90	0.63
<b>CBD056</b>	<b>48.48</b>	<b>48.70</b>	<b>0.22</b>	<b>19210</b>	<b>0.88</b>	<b>202.00</b>	<b>3.99</b>
CBD056	53.15	53.36	0.21	19217	0.12	83.30	1.40
CBD056	53.36	53.61	0.25	19218	0.00	2.52	0.04
CBD056	53.61	53.87	0.26	19219	0.38	54.20	1.21
CBD056	53.87	54.23	0.36	19220	0.02	5.30	0.10
CBD056	54.23	54.54	0.31	19222	0.31	80.00	1.54
CBD056	54.54	54.95	0.41	19223	0.03	7.05	0.14
CBD056	54.95	55.75	0.80	19224	0.33	122.00	2.20
CBD056	55.75	55.95	0.20	19225	0.06	12.10	0.24
<b>CBD056</b>	<b>55.95</b>	<b>56.82</b>	<b>0.87</b>	<b>19226</b>	<b>1.60</b>	<b>394.00</b>	<b>7.66</b>
CBD056	56.82	57.12	0.30	19227	0.05	14.85	0.27
<b>CBD056</b>	<b>57.12</b>	<b>57.62</b>	<b>0.50</b>	<b>19228</b>	<b>0.89</b>	<b>165.00</b>	<b>3.43</b>
<b>CBD056</b>	<b>57.62</b>	<b>57.95</b>	<b>0.33</b>	<b>19229</b>	<b>0.77</b>	<b>292.00</b>	<b>5.26</b>
<b>CBD056</b>	<b>57.95</b>	<b>58.35</b>	<b>0.40</b>	<b>19230</b>	<b>0.70</b>	<b>50.50</b>	<b>1.47</b>
<b>CBD056</b>	<b>58.35</b>	<b>58.72</b>	<b>0.37</b>	<b>19231</b>	<b>1.74</b>	<b>495.00</b>	<b>9.35</b>
<b>CBD056</b>	<b>58.72</b>	<b>59.18</b>	<b>0.46</b>	<b>19232</b>	<b>1.51</b>	<b>143.00</b>	<b>3.71</b>
CBD056	59.18	59.50	0.32	19233	0.13	23.80	0.49
CBD056	59.50	60.55	1.05	19234	0.47	140.00	2.63
CBD056	60.55	61.30	0.75	19235	0.03	19.75	0.33
CBD056	61.30	61.60	0.30	19236	0.11	12.65	0.30
<b>CBD056</b>	<b>61.60</b>	<b>62.40</b>	<b>0.80</b>	<b>19237</b>	<b>0.59</b>	<b>127.00</b>	<b>2.55</b>
<b>CBD056</b>	<b>62.40</b>	<b>62.95</b>	<b>0.55</b>	<b>19238</b>	<b>0.32</b>	<b>204.00</b>	<b>3.45</b>
<b>CBD056</b>	<b>62.95</b>	<b>63.74</b>	<b>0.79</b>	<b>19239</b>	<b>0.08</b>	<b>35.30</b>	<b>0.62</b>

**Appendix I – Equus Pegaso Drill Hole Assay Results**

Hole ID	Depth From (m)	Depth To (m)	Interval (m)	Sample ID	Au g/t	Ag g/t	Au Eq g/t (Au + Ag/65)
<b>CBD056</b>	<b>63.74</b>	<b>64.00</b>	<b>0.26</b>	<b>19240</b>	<b>1.75</b>	<b>1270.00</b>	<b>21.29</b>
CBD056	64.00	64.66	0.66	19241	0.15	69.10	1.21
CBD056	64.66	64.90	0.24	19243	0.51	101.00	2.06
CBD056	64.90	65.75	0.85	19244	0.15	95.00	1.62
<b>CBD056</b>	<b>65.75</b>	<b>65.98</b>	<b>0.23</b>	<b>19245</b>	<b>0.55</b>	<b>132.00</b>	<b>2.58</b>
CBD056	65.98	66.72	0.74	19246	0.05	8.91	0.19
<b>CBD056</b>	<b>66.72</b>	<b>67.20</b>	<b>0.48</b>	<b>19247</b>	<b>0.57</b>	<b>138.00</b>	<b>2.70</b>
<b>CBD056</b>	<b>74.85</b>	<b>75.30</b>	<b>0.45</b>	<b>19255</b>	<b>1.80</b>	<b>393.00</b>	<b>7.84</b>
<b>CBD056</b>	<b>75.30</b>	<b>75.55</b>	<b>0.25</b>	<b>19256</b>	<b>0.55</b>	<b>202.00</b>	<b>3.66</b>
CBD056	77.88	78.20	0.32	19261	0.39	110.00	2.08
<b>CBD056</b>	<b>87.47</b>	<b>88.15</b>	<b>0.68</b>	<b>19283</b>	<b>2.25</b>	<b>201.00</b>	<b>5.34</b>
<b>CBD056</b>	<b>133.24</b>	<b>133.77</b>	<b>0.53</b>	<b>19302</b>	<b>3.17</b>	<b>297.00</b>	<b>7.74</b>
CBD056	141.59	141.80	0.21	19317	1.18	137.00	3.29
<b>CBD056</b>	<b>146.48</b>	<b>146.68</b>	<b>0.20</b>	<b>19327</b>	<b>4.13</b>	<b>45.00</b>	<b>4.82</b>
CBD056	146.68	147.48	0.80	19328	0.04	1.80	0.06
CBD056	147.48	148.25	0.77	19329	0.97	12.45	1.16
CBD056	148.25	149.75	1.50	19330	0.02	1.52	0.04
CBD056	149.75	150.45	0.70	19331	2.07	47.60	2.80
CBD056	150.45	150.72	0.27	19332	0.40	27.50	0.82
CBD056	154.44	154.82	0.38	19339	1.40	12.25	1.59
CBD056	154.82	155.72	0.90	19340	0.02	2.08	0.05
CBD056	155.72	156.13	0.41	19341	1.28	4.24	1.35
CBD056	176.14	176.56	0.42	19367	1.50	53.30	2.32
CBD056	176.56	177.40	0.84	19369	1.87	7.96	1.99
CBD057	16.57	17.40	0.83	19421	1.18	26.50	1.59
CBD057	17.40	18.29	0.89	19422	0.10	5.49	0.18
<b>CBD057</b>	<b>18.29</b>	<b>18.70</b>	<b>0.41</b>	<b>19423</b>	<b>5.62</b>	<b>159.00</b>	<b>8.07</b>
CBD057	134.84	135.04	0.20	19461	0.99	68.30	2.04
CBD057	135.04	135.72	0.68	19462	1.33	94.50	2.78
CBD057	177.75	177.95	0.20	19502	0.78	108.00	2.44

### Appendix I – Equus Pegaso Drill Hole Assay Results

Hole ID	Depth From (m)	Depth To (m)	Interval (m)	Sample ID	Au g/t	Ag g/t	Au Eq g/t (Au + Ag/65)
CBD057	193.91	194.44	0.53	19539	2.94	20.70	3.26
CBD057	207.89	208.09	0.20	19553	0.54	132.00	2.57
CBD057	208.09	208.59	0.50	19554	0.01	0.83	0.03
<b>CBD057</b>	<b>212.66</b>	<b>212.86</b>	<b>0.20</b>	<b>19555</b>	<b>3.84</b>	<b>93.40</b>	<b>5.28</b>
<b>CBD057</b>	<b>229.56</b>	<b>230.21</b>	<b>0.65</b>	<b>19569</b>	<b>2.80</b>	<b>159.00</b>	<b>5.25</b>