

EQUUS MINING LIMITED

ABN 44 065 212 679

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors of Equus Mining Limited ('Equus' or the 'Company') and its subsidiaries (the 'Group') present their report together with the condensed consolidated interim financial report and the auditor's review report thereon for the half year ended 31 December 2022.

Directors

The names and particulars of the Directors of the Company at any time during or since the end of the half year are:

Mark Hamish Lochtenberg, Non-Executive Chairman

Director since 10 October 2014

Mr Lochtenberg graduated with a Bachelor of Law (Hons) degree from Liverpool University, U.K. and has been actively involved in the coal industry for more than 30 years.

Mark Lochtenberg is Non Executive Director of public listed companies Nickel Industries Limited, Montem Resources Limited and Terracom Limited. He is the former Executive Chairman and founding Managing Director of ASX-listed Baralaba Coal Company Limited (formerly Cockatoo Coal Limited). He was a principal architect of Cockatoo's inception and growth from an early-stage grassroots explorer through to an emerging mainstream coal producer. He was also formerly the co-head of Glencore International AG's worldwide coal division, where he spent 13 years overseeing a range of trading activities including the identification, due diligence, negotiation, acquisition and aggregation of the coal project portfolio that would become Xstrata Coal.

Prior to this Mark established a coal "swaps" market for Bain Refco, (Deutsche bank) after having served as a senior coal trader for Hansen Neuerburg AG and as coal marketing manager for Peko Wallsend Limited.

John Richard Braham, Managing Director

Director since 13 November 2018

Mr Braham is an experienced Mining Finance and Investment professional with a 24-year career at Macquarie Bank, the last 11 of which were as an Executive Director within the Mining Finance Division.

John built and ran a successful mining finance business in New York for Macquarie Bank from 2001 to 2008, providing capital to the junior mining industry. This involved providing debt and equity to exploration companies and mine developers in both North and South America including companies operating in Argentina, Peru and Chile.

On returning to Australia, John built a successful bulk commodity finance business for Macquarie Bank which he ran from 2008 to 2017 based in Sydney. John is a Director of public listed company Castile Resources Limited.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Damien John Koerber, Executive Director, Chief Operating Officer

Director since 27 November 2019

Mr Koerber commenced with Equus in 2012 as exploration manager at the Naltagua copper project in Chile which brought considerable senior management and technical experience in the resources industry, from both in Australia and throughout South America.

Mr Koerber is a geologist with 32 years of exploration experience, mainly throughout and based in Latin America. He has held senior management and consulting exploration and business development positions in companies including Billiton Gold (Northern Territory and Western Australia), North (Chile), Rio Algom (Chile), Newcrest (Chile, Argentina and Peru), MIM (Argentina and Brazil), Patagonia Gold SA (Chile and Argentina) and Mirasol Resources (Chile and Argentina).

During his career, he has been directly involved in several discoveries including Cleo-Sunrise Dam (Western Australia), Tanami (Northern Territory), Union Reefs (Northern Territory) and Cap Oeste-COSE (Argentina).

Mr Koerber graduated from the UNSW (BSc. Geology Hons Class 1) in 1989 and is a bilingual, Australian geologist.

Robert Ainslie Yeates, Non-Executive Director

Director since 20 July 2015 – Resigned 23 March 2023

Dr Yeates is a graduate of the University of NSW, completing a Bachelor of Engineering (Honours 1) in 1971 and a PhD in 1977 and then an MBA in 1986 from Newcastle University. He began his career with Peko Wallsend working in a variety of roles including mining engineering, project management, mine management and marketing.

He became General Manager Marketing for Oakbridge Pty Limited in 1989 following a merger with the Peko Wallsend coal businesses and went on to become Managing Director of Oakbridge, which was the largest coal mining company in NSW at that time, operating one open cut and five underground coal mines.

Dr Yeates also has gained operating, business development and infrastructure experience as a director of Port Waratah Coal Services (Newcastle Port), Port Kembla Coal Terminal, Great Northern Mining Corporation NL and Cyprus Australia Coal and for the past 20 years has been principal of his own mine management consultancy, providing a wide range of technical, management and strategic planning services to the mining industry. Until 2014 he was also Project Director then CEO of Newcastle Coal Infrastructure Group, which has developed and is operating coal export facilities in Newcastle.

Dr Yeates was until 2015 and for the prior ten years a director in ASX-listed Baralaba Coal Company Limited (formerly Cockatoo Coal Limited), and from 2016 to 2019 he was a director of Watagan Mining Ltd and from 2018 to early 2020 was a director of Montem Resources Limited.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

David (Ted) Harcourt Coupland, Non-Executive Director

Director since 21 June 2021

Ted Coupland has over 35 years of experience in the mining, exploration and resource finance industry and holds qualifications in geology, geostatistics, mineral economics and finance. Ted has had a comprehensive technical career in the resources sector covering exploration, mine geology, resource estimation, risk analysis, resource consulting and business management. Ted spent 6 years between 2013 and 2018 working in Macquarie Bank's Mining Finance team where he specialised in technical due diligence, deal origination, client relationship management, principal equity investing, mezzanine finance, structured project finance and commodity derivative structures. As a professional Geologist and Geostatistician, Ted has been involved with many technically challenging resource projects around the globe covering a range of commodities including gold, silver, copper, base metals, PGM's, bauxite and coal.

Ted holds a Bachelor of Science (Geology) from the University of New England, Post-Graduate Degree in Geostatistics from the Paris School of Mines, Post-Graduate Diploma in Mineral Economics from Macquarie University and a Post-Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. Ted is a Corporate Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Ryan Austerberry, Non-Executive Director

Director since 2 December 2021

Ryan Austerberry has over 18 years of experience in the resource industry with a background in Mining Engineering, predominantly undertaking operations management and technical roles through a variety of mining engineering roles to project work.

Ryan has been with Mandalay Resources Corporation (TSX:MDN) ('Mandalay') for most of his career, he is the current Chief Operating Officer previously was General Manager of Costerfield in Victoria and prior was General Manager of Björkdal in Sweden. Ryan has previously assisted with developing Cerro Bayo and has operational knowledge of the Cerro Bayo Mine in Chile.

Ryan holds a Bachelor of Applied Science from the Royal Melbourne Institute of Technology, a Post-Graduate Diploma in Mining from the University of Ballarat, and an MBA from the Australian Institute of Business. Ryan is a Chartered Professional in Mining with the Australasian Institute of Mining and Metallurgy (AusIMM) and a graduate of the Australian Institute of Company Directors.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Review of Operations

Corporate Activities

During the period ended 31 December 2022, the significant changes in the state of affairs of the Group were as follows:

On 2 September 2022, the Company issued 12,755,000 new ordinary fully paid shares at an issue price of \$0.10 raising \$1,275,500 before costs.

On 14 October 2022, the Company entered into a loan agreement with Tribeca for US\$2,200,000. The loan is repayable in 24 months at a 10% interest rate payable quarterly in arrears. The loan is secured over the properties of the group.

On 14 October 2022, the Company issued 22,863,081 options to Tribeca as part consideration for the loan granted by Tribeca to the Company. The options have an exercise price of \$0.15 expiring on 14 October 2025.

On 17 October 2022, the Company announced the suspension of the stockpile processing at its Cerro Bayo project, and placing the processing infrastructure on care and maintenance whilst continuing exploration at the Cerro Bayo Project.

On 1 December 2022, the Company issued 4,605,971 new ordinary fully paid shares to a supplier in Chile to settle \$322,418 for Drilling services provided in connection with the Cerro Bayo project in southern Chile.

On 13 December 2022, the Company issued 2,700,000 new ordinary fully paid to Directors of the Company following the approval of shareholders at the Annual General Meeting held in November 2022. The shares were issued at an issue price of \$0.10 and raised \$270,000.

For the Half Year ended 31 December 2022, the Group impaired the carrying value of \$4,495,581 of the Los Domos Project and the carrying value of \$75,453 of the Cerro Diablo project.

Financial position and performance

The Group recognised a loss for the half year ended 31 December 2022 of \$9,339,020 (31 December 2021: Loss \$1,056,077). The net assets of the Group at 31 December 2022 were \$13,554,467 (30 June 2022: \$20,441,815) including cash of \$1,338,873 (30 June 2022: \$2,148,443).

During the period Equus spent \$2,670,154 of cash in exploration and evaluation activities.

Subsequent Events

On 16 March 2023, the Company's securities were placed into suspension pending an anticipated announcement by the Company regarding a proposed capital raising and further, the Company disclosed to the ASX that it was not in a position to release the Interim Financial Report for the half year ended 31 December 2022 (Interim Financial Report).

On 22 March 2023, the Company announced that it was still not in a position to announce the results of its proposed capital raise due to ongoing negotiations or to release the Interim Financial Report.

On 31 March 2023, Tribeca Investment Partners Pty Ltd ('Tribeca') granted a conditional deferral until 31 March 2024 to Equus with respect to the financial covenants in the loan facility agreement executed on 14 October 2022 between Tribeca and the Company.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

On 6 April 2023 and 11 April 2023, the Company announced the issue of 5,000,000 ordinary shares to a sophisticated investor at 4 cents per share raising \$200,000. A further \$200,000 has been received in advance for subscriptions received at the date of this report.

Further, on 6 April 2023, the Company announced that it was still not in a position to release the results of the proposed capital raise or the Interim Financial Report. The Company requested an extension on the suspension of trading its securities and announced that it expected to make a further announcement on or around 5 May 2023 regarding the results of the proposed capital raising and the release of the Interim Financial Report.

On 28 April 2023, the Company released its Quarterly Activities Report for the period ended 31 March 2023.

On 5 May 2023, the Company announced the issue of 17,500,000 ordinary shares to sophisticated investors at 4 cents per share raising \$700,000.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

CERRO BAYO MINE DISTRICT AND INFRASTRUCTURE ACQUISITION OPTION

Following shareholder approval obtained on 27 November 2021¹, Equus completed its acquisition of the Cerro Bayo Project in Region XI, Southern Chile from Mandalay Resources Corporation (TSX:MND, OTCQB: MNDJF) and took control of the Cerro Bayo Project area and mine infrastructure (Figure 1). This transaction transitioned the Company towards having capacity for near term production, with exploration partially funded by cash flow. The turn key mine infrastructure is central to the larger exploration package and existing resources².

The project includes an operational 1,650tpd flotation processing plant which commenced processing of low-grade stockpiles in late February 2021, having been on care and maintenance since 2016³. The mine infrastructure also includes a permitted tailings storage facility, power generation, and some of the fixed and mobile plant required for a restart of mining of insitu resources.

Mandalay produced 5,304 oz Au and 266,596 oz Ag from the processing of low grade stockpiles from 20 Feb 2021 until the acquisition by Equus on 1 December 2021. Equus continued processing until suspension of stockpile processing on the 17 October 2022⁴. Equus produced a total of 5,328 oz Au and 281,216 oz Ag over the 12 months ending 31 December 2022.

Within the expansive mining claim package at Cerro Bayo, Equus is evaluating potential for future higher grade feedstock for the plant based on several potential sources which include the JORC 2012 compliant inferred resource at Taitao of 302koz gold equivalent at 2.5 g/t Au equivalent⁵ and the remnant 2017 NI 43.101 resource at the Marcela-Raul Mine of 73.0 Koz AuEq⁶ @ 6.3 g/t AuEq⁶ (29.7Koz Au @ 2.56 g/t Au, 3.25Moz Ag @ 280 g/t Ag)⁷.

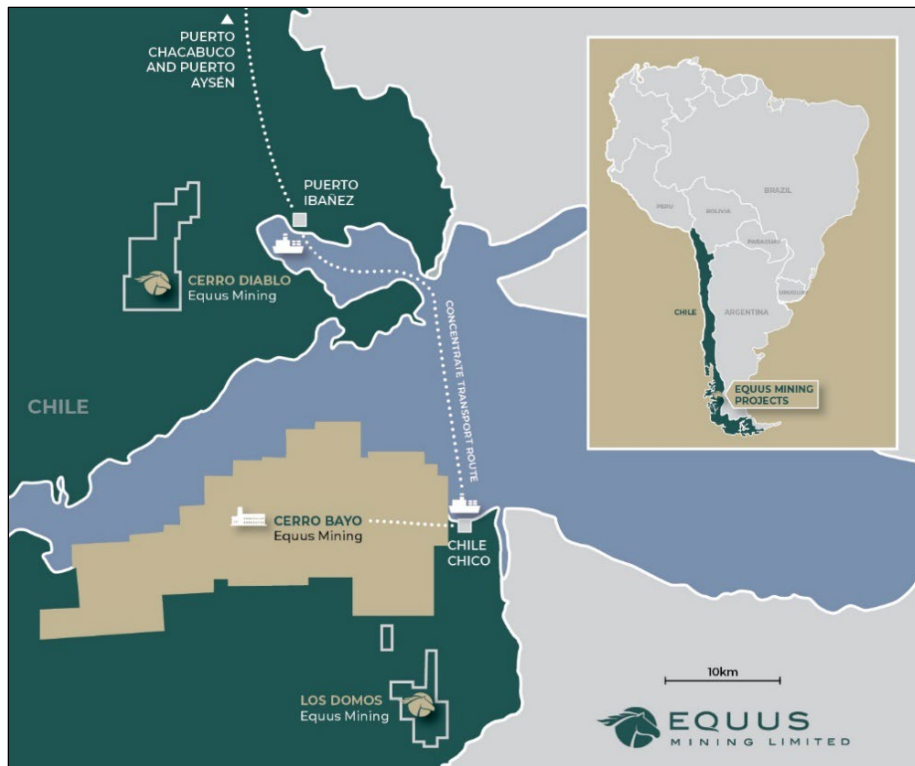


Figure 1 – Location plan of Equus Mining's Cerro Bayo mining district and logistics routes, and other projects

¹ ASX Announcement 25 Nov 2021 - Results of Meeting

² ASX Announcement 11 Oct 2021 - Equus Executes Option to Acquire Cerro Bayo & ASX Announcement 2nd Dec 2021 - Equus Acquires Cerro Bayo

³ ASX Announcement 15 Apr 2021 Cerro Bayo Plant Back in Production

⁴ ASX Announcement-17th Oct 2022 Suspension of Processing, Cerro Bayo Project

⁵ ASX Announcement – 22 Dec 2020 Maiden Inferred Mineral Resource Estimate, Cerro Bayo Project & Gold equivalent (AuEq) is based on the formula $AuEq\ g/t = Au\ g/t + 0.0128 \times Ag\ g/t$

⁶ Gold Equivalent (AuEq) is based on the formula $AuEq\ g/t = Au\ g/t + (Ag\ g/t / 75)$

⁷ Based on Mandalay Resources Corporation, Cerro Bayo Mine NI 43-101 Technical Reports dated May 14, 2010. & March 21, 2017 Report #2699

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

In parallel, the Company is aggressively exploring what it believes to be compelling potential at our Appaloosa, Taitao and Pegaso targets and other highly prospective areas throughout the Cerro Bayo district that the Company considers underexplored.

CERRO BAYO PRODUCTION RESULTS

On the 17th October 2022, the Company announced⁸ the suspension of stockpile processing and a return to an exploration focus at Cerro Bayo.

The operation's summary results for the 1st and 2nd Quarters of 2022 and Full calendar Year ended 31 December 2022 are provided in Table 1.

**Table 1: 1st and 2nd Quarters of 2022 and Full calendar Year ended 31 December 2022
Production and Costs Highlights**

	Unit	Three months ended 30 September 2022	Three months ended 31 December 2022	Twelve months ended 31 December 2022
Au Produced	oz	1,743	726	5,328
Ag Produced	oz	70,593	32,125	281,216
Au eq. Produced	oz	2,535	1,100	8,726
Au Sold	oz	1,308	1,574	1,574
Ag Sold	oz	58,558	68,326	68,326
Au eq. Sold (*)	oz	1,965	2,412	10,129
Cash Cost per oz Au eq. produced	USD\$/oz	2,041	2,750	2,011
Average prices				
Gold	US\$/oz	1,729.1	1,728.8	1,801.2
Silver	US\$/oz	19.4	21.2	21.8

(*). Quarterly gold equivalent ounces ("Au Eq. oz") produced is calculated by multiplying the saleable quantities of gold ("Au"), silver ("Ag") in the period by the respective average market prices of the commodities in the period, adding the amounts to get a "total contained value based on market price", and then dividing that total contained value by the average market price of Au in the period. Average Au and Ag prices in the periods are calculated as the average of the monthly LBMAAM/PM Precious Metals Prices in the period, with price on weekend days and holidays taken of the last business day, average. The source for Au and Ag prices is www.lbma.org.uk.

TAITAO- APPALOOSA VEIN-BRECCIA TARGET DRILLING

During, prior and post the reporting period, the Company announced significant further high-grade gold and silver drill results principally from within an approximate 150m long, north-south trending extension of the Appaloosa fault – breccia complex, below and to the east of the central eastern margin of the Taitao Pit, and subvertical splay veins in the hangingwall to the Appaloosa Fault- Breccia (Figures 2 & 3).

Drilling was primarily focused on testing extensions of:

- ▶ Epithermal vein-hydrothermal breccia hosted in the 10-30m wide, low-angle (35-45°) easterly dipping Appaloosa Fault complex, both along strike and down dip, of the previously reported holes CBD082⁹: 4.14m @ 17.9 g/t AuEq⁶ and CBD102¹⁰: 8.76m @ 8.05 g/t AuEq⁶ and CBD104¹⁰: 4.89m @ 8.5 g/t AuEq⁶ and 7.44m @ 5.68 g/t AuEq⁶
- ▶ High-grade steeply dipping hangingwall splay epithermal veins adjacent to the Appaloosa fault-breccia complex which are not exposed at surface in outcrop.

The westernmost surface expression of the Appaloosa vein-breccia complex is interpreted to broadly correspond to the historic Taitao Pit (see Figure 3). Historical production from the Taitao Pit from between 1995-2002 totaled approximately 153Koz AuEq⁶ @ 3.4 g/t AuEq⁶ (1.9 g/t Au, 115 g/t Ag)¹¹ over pit dimensions of <35m depth x 30-200m wide x 1,400m length.

⁸ ASX Announcement-17th Oct 2022 Suspension of Processing, Cerro Bayo Project

⁹ ASX Announcement – 20th Jan 2022 Cerro Bayo Exploration Update

¹⁰ ASX Announcement – 26th July 2022 Cerro Bayo Update

¹¹ Based on Mandalay Resources Corporation, Cerro Bayo Mine NI 43-101 Technical Reports dated May 14, 2010. & March 21, 2017 Report #2699

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

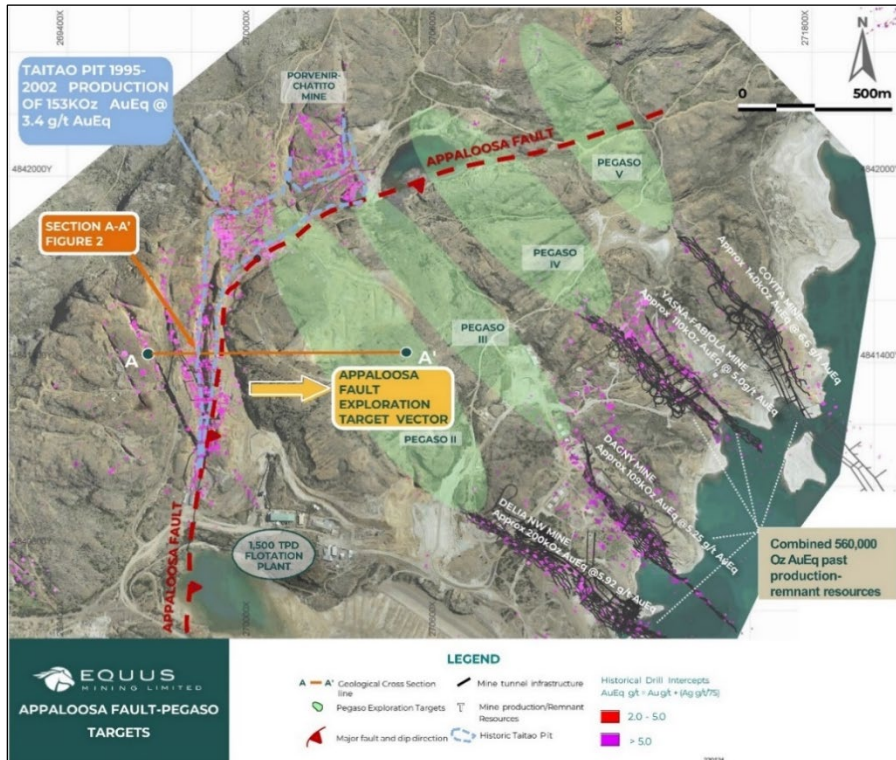


Figure 2 – Plan view showing location of Appaloosa Fault-Pegaso II- V targets, location of cross section A -A´ with summary results (Figure 3), historic production of the Taitao Pit, and historic underground mine workings and summary resources of the Delia, Dagny, Fabiola and Coyita Mines

Drilling was focused on testing extensions of epithermal vein-hydrothermal breccia hosted in the 10-30m wide, low-angle (30-45°) easterly dipping Appaloosa vein-breccia complex, both along strike and down dip, of previously reported holes including CBD082: 4.14m @ 17.9 g/t AuEq^{6, 9}, and CBD102: 8.76m @ 8.05 g/t AuEq^{6, 12}, which is located approximately 350m north of the operating Cerro Bayo processing plant.

The most significant results received over relatively broad intervals were reported from the deeper intersections centred within approximately 80m north and south respectively from high grade results reported in hole CBD082, which define a broadly cohesive, high-grade envelope extending approximately +120m down dip to the east and for which veining and brecciation remains open at depth (see Figure 2). These results report to a newly defined mineralized zone located outside a previously interpreted Stockwork Vein domain of the existing maiden December 2020 Taitao Inferred Mineral Resource Estimate of 302koz AuEq⁵. The new results extend well beyond the limits of the 2020 MRE to the east and at depth (Figure 3).

The principal intercepts included ¹²:

- ▶ CBD083:
 - **0.73m @ 31.71 g/t AuEq⁶ (16.97 g/t Au, 1105.1 g/t Ag)** from 117.12m including **0.49 @ 46.67 AuEq⁶ (24.80 g/t Au, 1,640 g/t Ag)** from 117.36m
 - **3.60m @ 3.20 g/t AuEq⁶ (2.20 g/t Au, 74.77 g/t Ag)** from 172.51m including **1.49 @ 7.00 AuEq⁶ (4.91 g/t Au, 157 g/t Ag)** from 174.62m
- ▶ CBD085:
 - **7.5m @ 8.7 g/t AuEq⁶ (6.0 g/t Au, 206.3 g/t Ag)** from 86.08m including: **2.47m @ 24.1 g/t AuEq⁶ (17.7 g/t Au, 483.9 g/t Ag)** from 87.87m

¹² ASX Announcement -26 Jul 2022 Cerro Bayo Update

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

- ▶ CBD102:
 - **8.76m @ 8.05 g/t AuEq⁶ (4.9 g/t Au, 237.4 g/t Ag)** from 70.44m including: **1.25m @ 29.3 g/t AuEq⁶ (20.5 g/t Au, 667.0 g/t Ag)** from 77.25m
- ▶ CBD103:
 - **29.91m @ 1.84 g/t AuEq⁶ (1.0 g/t Au, 63.5 g/t Ag)** from 84.81m including: **8.0m @ 3.53 g/t AuEq⁶ (1.4 g/t Au, 162.7 g/t Ag)** from 84.81m
- ▶ CBD104:
 - **1.46m @ 12.1 g/t AuEq⁶ (6.46 g/t Au, 422 g/t Ag)** from 83.99m
 - **4.89m @ 8.5 g/t AuEq⁶ (4.31 g/t Au, 313.9 g/t Ag)** from 101.57m including: **3.0m @ 12.81 AuEq⁶ (6.43 g/t Au, 478.4 g/t Ag)** from 103.46m
 - **7.44m @ 5.68 g/t AuEq⁶ (4.59 g/t Au, 81.57 g/t Ag)** from 117.46m including: **2.23m @ 12.61 AuEq⁶ (10.34 g/t Au, 170.0 g/t Ag)** from 119.88m

Drill intersections from progressively shallower, interpreted up-dip extensions of the higher-grade intercepts mentioned above, approximately 60m below and 80m to the east of the base of the Taitao open pit, include:

- ▶ CBD097:
 - **5.82m @ 4.38 g/t AuEq⁶ (1.76 g/t Au, 195.84 g/t Ag)** from 60.53m including: **1.56m @ 5.9 g/t AuEq⁶ (2.6 g/t Au, 250.4 g/t Ag)** from 63.66m
- ▶ CBD096:
 - **5.83m @ 3.16 g/t AuEq⁶ (1.43 g/t Au, 130.1 g/t Ag)** from 58m including: **0.73m @ 13.24 g/t AuEq⁶ (4.73 g/t Au, 638.0 g/t Ag)** from 60.34m
- ▶ CBD115^{13,14}:
 - **15.5m @ 3.32 g/t AuEq⁶ (2.97 g/t Au, 26.5 g/t Ag)** from 114.38m including: **7.02m @ 5.2 g/t AuEq⁶ (4.27 g/t Au, 69.9 g/t Ag)** from 114.38m
 - **6.01m @ 6.89 g/t AuEq⁶ (5.62 g/t Au, 95.2 g/t Ag)** from 140.91m including: **3.09m @ 9.6 g/t AuEq⁶ (9.05 g/t Au, 41.32 g/t Ag)** from 140.91m
- ▶ CBD117^{13,14}:
 - **2.6m @ 9.2 g/t AuEq⁶ (8.93 g/t Au, 19.95 g/t Ag)** from 52.13m
- ▶ CBD119^{13,14}:
 - **2.61m @ 9.5 g/t AuEq⁶ (6.14 g/t Au, 249.7 g/t Ag)** from 128.57m
 - **2.71m @ 6.88 g/t AuEq⁶ (4.56 g/t Au, 174.2 g/t Ag)** from 205.61m
- ▶ CBD120¹⁵:
 - **3.5m @ 2.9 g/t AuEq⁶ (2.0 g/t Au, 66.4 g/t Ag)** from 44.98m including: **0.93m @ 4.53 g/t AuEq⁶ (4.17 g/t Au, 27 g/t Ag)** from 47.52m

Deeper high-grade intercepts of breccia and stockwork veining related to the Appaloosa vein-breccia structure were reported from subsequent holes which returned results including:

- ▶ CBD130¹⁵:
 - **1.76m @ 4.5 g/t AuEq⁶ (1.87 g/t Au, 197.4 g/t Ag)** from 246.35 including **0.54m @ 13.48 g/t AuEq⁶ (5.05 g/t Au, 632 g/t Ag)** from 247.57 m
- ▶ CBD132¹⁵:
 - **0.47m @ 16.71 g/t AuEq⁶ (13.1 g/t Au, 272 g/t Ag)** from 260.74m

¹³ ASX Announcement -28 Oct 2022 Cerro Bayo Exploration Update

¹⁴ ASX Announcement - 30 September 2022 Quarterly Activities Report

¹⁵ ASX Announcement -30 Jan 2023 Cerro Bayo Exploration Update

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

Post the reporting period, results were received for a newly discovered, steeply north easterly dipping high grade epithermal vein along an approximate 160m long horizontal extension representing a hangingwall splay adjacent to the Appaloosa fault-breccia.

These include:

- ▶ CBD130¹⁵:
 - **1.95m @ 5.92 g/t AuEq⁶ (3.73 g/t Au, 164.4 g/t Ag) from 170.93m including 0.94m @ 10.27 g/t AuEq⁶ (6.5 g/t Au, 283 g/t Ag) from 170.93m**
- ▶ CBD133¹⁵:
 - **1.54m @ 8.32 g/t AuEq⁶ (3.80 g/t Au, 339.2 g/t Ag) from 109.2m including: 0.54m @ 37.68 g/t AuEq⁶ (8.1 g/t Au, 2221 g/t Ag) from 110.2m**
- ▶ CBD134¹⁵:
 - **1.43m @ 23.9 g/t AuEq⁶ (19.0 g/t Au, 367.8 g/t Ag) from 140.55m including 0.55m @ 61.4 g/t AuEq⁶ (48.9 g/t Au, 937 g/t Ag) from 140.55m**
- ▶ CBD137¹⁵:
 - **1.64m @ 6.83 g/t AuEq⁶ (3.55 g/t Au, 245.9 g/t Ag) from 162.56m including 0.67m @ 13.32 g/t AuEq⁶ (5.68 g/t Au, 573 g/t Ag) from 162.56m**

These results collectively report to newly defined mineralized zones located within approximately 600m of the Cerro Bayo processing plant infrastructure. Importantly, these zones are located outside the dominantly Stockwork Vein domain component of the existing underground resource of the maiden December 2020 Taitao Inferred Mineral Resource estimate of 302koz AuEq¹⁶, and are considered to likely extend the potential of the MRE to the east and at depth.

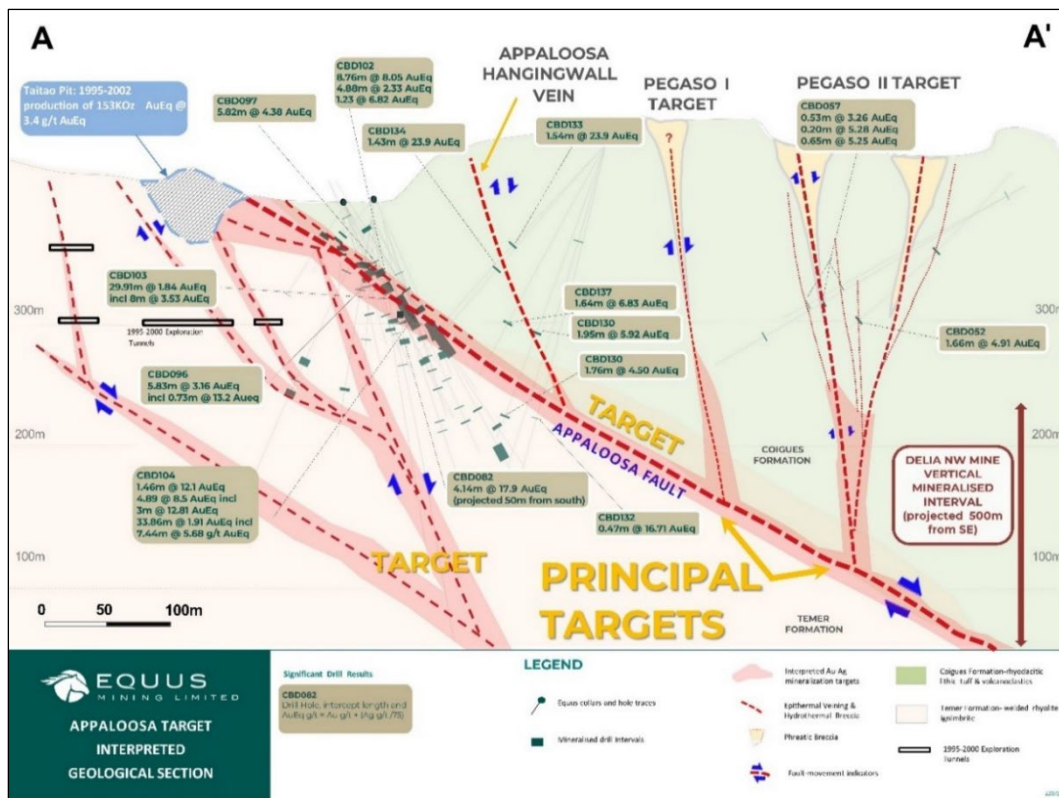


Figure 2 – A-A' Section view showing a summary of Equus drill results interpreted mineralisation and exploration targets along and at intersections of low and high angle splays along the Appaloosa Fault and Pegaso I-II zones

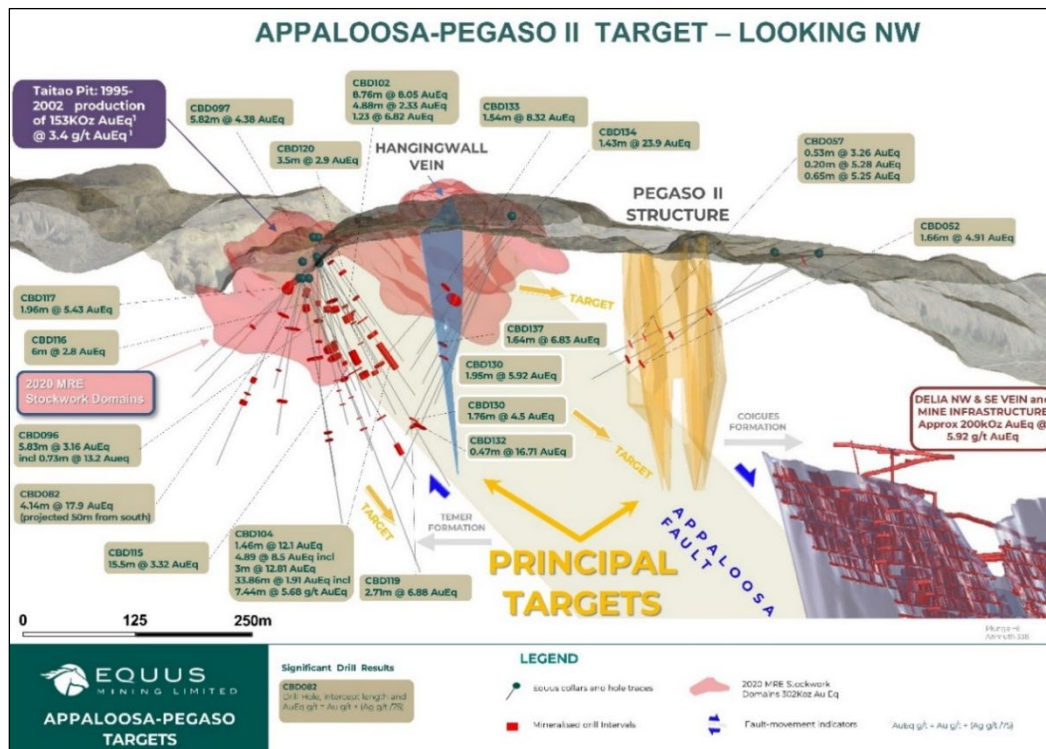


Figure 3 – Orthogonal view showing a summary of Equus and historic drill results, interpreted mineralisation and exploration targets along and at intersections of the Appaloosa Fault and Pegaso I-II zones

OTHER PROSPECTS

No exploration work was conducted at the Droughtmaster prospect during the period.

LOS DOMOS GOLD-SILVER PROJECT

The Los Domos gold-silver project comprises a 2,260 hectare area which is located approximately 15km south of the township of Chile Chico, and is approximately 20km southeast of the Cerro Bayo gold-silver mine and treatment plant. The project area's altitude range of 800-1200m and the dry, moderate climate in the area permits year-round exploration. During the half-year ended 31 December 2022, the Company performed limited work which predominately related to the maintenance of mining claim tenure and access, and environmental related studies required to permit further drilling. The Company has written down the carrying value of Los Domos reflecting the focus on Cerro Bayo.

CERRO DIABLO GOLD-SILVER-COPPER PROJECT

The Cerro Diablo project comprises a 4,554-hectare area, which is located approximately 25km to the north of the Cerro Bayo Mine plant infrastructure.

Mapping and sampling to date have defined multiple zones of extensive alteration and precious-base metal bearing quartz vein and hydrothermal breccia hosted mineralisation throughout an approximate 2.1km x 1.2km area, which remains untested by drilling to date.

During the half year ended 31 December 2022, the Company did not undertake exploration activities, and the small carrying value of Cerro Diablo was written down by the Company.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

COMPETENT PERSON 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 director and chief operating officer of 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 a 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.

NO MATERIAL CHANGES

Equus Mining confirms that it is not aware of any new information or data that would materially affect the information included in the quarterly activities report released on 31 January 2023 and 28 April 2023 and the Cerro Bayo update announcement dated 30 January 2023 and 24 February 2023 that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 13 and forms part of the Directors' Report for the half year ended 31 December 2022.

Signed at Sydney this 8th day of May 2023



Mark H. Lochtenberg
Non-Executive Chairman



John R. Braham
Executive Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Equus Mining Limited

I declare that, to the best of my knowledge and belief, in relation to the interim review of Equus Mining Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Adam Twemlow', with a stylized flourish extending to the right.

Adam Twemlow

Partner
Brisbane
8 May 2023

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Interim Statement Of Profit or Loss and Other
Comprehensive Income
For the half year ended 31 December 2022

	Notes	Consolidated	
		31 December 2022 \$	31 December 2021 \$
CONTINUING OPERATIONS			
Sales revenue		11,532,712	1,758,783
Cost of sales		(14,529,294)	(1,634,977)
Gross Profit		(2,996,582)	123,806
Expenses			
Administration expenses		(793,777)	(1,002,373)
Impairment		(4,571,034)	-
Other expenses		(456,077)	(179,277)
Result from operating activities		(8,817,470)	(1,057,844)
Finance income	3	5,577	1,767
Finance costs	3	(527,127)	-
Loss before income tax		(9,339,020)	(1,056,077)
Income tax benefit/(expense)		-	-
Loss for the period		(9,339,020)	(1,056,077)
Other comprehensive income for the period			
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(407,947)	(1,468,430)
		(407,947)	(1,468,430)
Items that will not be classified to profit or loss			
Net change in fair value of equity instruments at fair value through other comprehensive income		-	(13,096)
Total other comprehensive gain/(loss)		(407,947)	(1,481,526)
Total comprehensive loss for the period		(9,746,967)	(2,537,603)
Loss for the period attributable to:			
Equity holders of the Company		(9,327,753)	(1,054,825)
Non-controlling interest		(11,267)	(1,252)
		(9,339,020)	(1,056,077)
Total Comprehensive loss attributable to:			
Equity holders of the Company		(9,735,700)	(2,536,351)
Non-controlling interest		(11,267)	(1,252)
		(9,746,967)	(2,537,603)
Earnings per share			
Basic and diluted loss per share attributable to ordinary equity holders		(5.09) cents	(0.94) cents

The above Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Interim Statement Of Financial Position
As at 31 December 2022

		Consolidated	
	Notes	31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and cash equivalents		1,338,873	2,148,443
Receivables	4	2,800,825	2,209,154
Inventory	5	164,805	2,325,794
Prepayments		270,222	574,087
Total Current Assets		4,574,725	7,257,478
Non-Current Assets			
Other receivables	4	8,315,941	7,158,568
Other financial assets	6	777	777
Property, plant and equipment	7	390,458	365,060
Exploration and evaluation expenditure	8	22,164,949	23,091,596
Total Non-Current Assets		30,872,125	30,616,001
Total Assets		35,446,850	37,873,479
Current Liabilities			
Payables	9	2,683,289	2,975,736
Lease liability		204,106	165,360
Total Current Liabilities		2,887,395	3,141,096
Non-Current Liability			
Lease liability		73,600	82,680
Provision for rehabilitation	10	16,631,882	14,207,888
Borrowings	11	2,299,506	-
Total Non-Current Liabilities		19,004,988	14,290,568
Total Liabilities		21,892,383	17,431,664
Net Assets		13,554,467	20,441,815
Equity			
Issued capital	12	142,030,786	140,177,143
Reserves	13	(820,817)	(1,351,513)
Accumulated losses		(127,645,470)	(118,385,050)
Parent entity interest		13,564,499	20,440,580
Non-controlling interest		(10,032)	1,235
Total Equity		13,554,467	20,441,815

The above Condensed Consolidated Interim Statement of Financial Position should be read in conjunction with the accompanying notes.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Interim Statement Of Changes In Equity
For the half year ended 31 December 2022

Consolidated	Note	Issued capital	Accumulated losses	Option Premium reserve	Equity Based reserve	Fair Value reserve	Foreign currency translation reserve	Total	Non-controlling Interest	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021		129,460,300	(114,502,665)	-	717,918	401,162	(981,096)	15,095,619	4,096	15,099,715
Loss for the period		-	(1,054,825)	-	-	-	-	(1,054,825)	(1,252)	(1,056,077)
Total other comprehensive income		-	-	-	-	(13,096)	(1,468,430)	(1,481,526)	-	(1,481,526)
Total comprehensive loss for the period		-	(1,054,825)	-	-	(13,096)	(1,468,430)	(2,536,351)	(1,252)	(2,537,603)
Transactions with owners recorded directly in equity										
Ordinary shares issued		9,804,832	-	-	-	-	-	9,804,832	-	9,804,832
Transaction costs on issue of shares		(156,505)	-	-	-	-	-	(156,505)	-	(156,505)
Transfer expired options		-	99,000	-	(99,000)	-	-	-	-	-
Balance at 31 December 2021		139,108,627	(115,458,490)	-	618,918	388,066	(2,449,526)	22,207,595	2,844	22,210,439
Balance at 1 July 2022		140,177,143	(118,385,050)	-	618,918	388,066	(2,358,497)	20,440,580	1,235	20,441,815
Loss for the period		-	(9,327,753)	-	-	-	-	(9,327,753)	(11,267)	(9,339,020)
Total other comprehensive income		-	-	-	-	-	(407,947)	(407,947)	-	(407,947)
Total comprehensive loss for the period		-	(9,327,753)	-	-	-	(407,947)	(9,735,700)	(11,267)	(9,746,967)
Transactions with owners recorded directly in equity										
Ordinary shares issued	12	1,867,918	-	-	-	-	-	1,867,918	-	1,867,918
Transaction costs on issue of shares	12	(14,275)	-	-	-	-	-	(14,275)	-	(14,275)
Issued loan options		-	-	1,005,976	-	-	-	1,005,976	-	1,005,976
Transfer expired options		-	67,333	-	(67,333)	-	-	-	-	-
Balance at 31 December 2022		142,030,786	(127,645,470)	1,005,976	551,585	388,066	(2,766,444)	13,564,499	(10,032)	13,554,467

The above Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Interim Statement Of Cash Flows
For the half year ended 31 December 2022

	Consolidated	
	31	31
	December	December
	2022	2021
	\$	\$
Cash flows from operating activities		
Cash receipts in the course of operations	12,691,963	2,915,078
Cash payments in the course of operations	(15,386,720)	(3,539,137)
Net cash used in operations	(2,694,757)	(624,059)
Interest received	5,577	1,744
Interest paid	(72,958)	-
Net cash used in operating activities	(2,762,138)	(622,315)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(2,670,154)	(3,233,922)
Payments for plant and equipment	(34,069)	(121,830)
Net cash used in investing activities	(2,704,223)	(3,355,752)
Cash flows from financing activities		
Proceeds from share issues	1,545,500	4,478,310
Transaction costs on share issue	(14,275)	(156,505)
Proceeds from borrowings	3,229,121	-
Lease payments	(103,555)	-
Net cash provided by financing activities	4,656,791	4,321,805
Net (decrease) / increase in cash held	(809,570)	343,738
Cash at the beginning of the reporting period	2,148,443	4,724,429
Effect of exchange rate fluctuation on cash held	-	-
Cash and cash equivalents at 31 December	1,338,873	5,068,167

The above Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the accompanying notes.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

1. REPORTING ENTITY

Equus Mining Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements, of the Company as at and for the half year ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and is primarily engaged in identifying and evaluating gold-silver resource opportunities in southern Chile, South America.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2022 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.equusmining.com.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2022. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

This condensed consolidated interim financial report was approved by the Board of Directors on 8 May 2023.

(b) Going concern

The consolidated interim financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

For the interim period ended 31 December 2022, the Group has incurred a loss of \$9,339,020 and has accumulated losses of \$127,645,470 as at 31 December 2022. The Group used \$2,762,138 of cash in operations, in addition to \$2,670,154 of cash for exploration and evaluation expenditure for the interim period ended 31 December 2022 and had cash on hand of \$1,338,873 at 31 December 2022, trade receivables of \$2,058,303 and trade and other payables at 31 December 2022 of \$2,683,289.

During the period the Company raised \$1,531,225 (net of associated cash costs) through share placements. In October 2022, the Company entered into a Corporate Debt facility for an amount of \$US2.2 million which is repayable in full in 24 months following the drawdown date and is subject to certain financial covenants. Subsequent to 31 December 2022, the Group entered into an amendment and covenant deferral agreement to defer covenant compliance until 31 March 2024, subject to certain conditions being met.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

2. BASIS OF PREPARATION (continued)

(b) Going concern (continued)

The Directors have prepared cash flow projections for the period to 31 May 2024 that support the ability of the Group to continue as a going concern. These cash flow projections are critically dependent on the Group raising significant equity funding through the issue of shares and significantly reducing costs associated with the Cerro Bayo processing facility. Subsequent to 31 December 2022, the Company has received subscription agreements for \$2,200,000 (before associated costs) of which \$1,100,000 has been received in cash at the date of this report. Shareholder approval is required for the remaining balance which is expected to be received prior to 30 June 2023.

The cashflow projections include further capital raising to fund ongoing care and maintenance and exploration and evaluation activities associated with the Cerro Bayo project. The Group has successfully raised additional funding in the prior years, however such fundraising is inherently uncertain until secured.

In the event that the Group does not obtain additional funding and significantly reduce expenditure, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets, including capitalised exploration and evaluation expenditure of \$22,164,949, and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated interim financial report.

(c) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 30 June 2022 except for:

- Impairment – Exploration & Evaluation assets - Note 8
- Going concern - Note 2(b)
- Valuation of Options – Note 11

(d) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs which are directly attributable to the Group's exploration and evaluation activities are capitalised in relation to qualifying assets.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

(e) Changes in Accounting Policies

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the 30 June 2022 financial report except for Note 2(d) Borrowings.

(f) New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are able to be early adopted for annual periods beginning after 1 July 2022 and have not been applied in preparing these condensed consolidated interim financial statements, None of these are expected to have a significant effect on the financial statements of the Group.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

3. FINANCE INCOME AND FINANCE COSTS

Consolidated	
31 December	31 December
2022	2021
\$	\$

The following items are relevant in explaining the financial performance for the half year:

Interest income on cash deposits	5,577	1,744
Foreign exchange (loss) / gain	(377,808)	23
Interest expense on loan	(72,958)	-
Finance cost – amortisation of options	(76,361)	-
Total	(521,550)	1,767

4. RECEIVABLES

Consolidated	
31 December	30 June
2022	2022
\$	\$

Current

Trade receivables	2,058,303	1,863,555
Goods and service tax and value added tax	542,529	160,038
Income tax paid in advanced	199,993	181,296
Other	-	4,265
	2,800,825	2,209,154

Non-current

Reimbursement for rehabilitation costs	8,315,941	7,158,568
	11,116,766	9,367,722

In accordance with the acquisition agreement, Mandalay Resources Corporation has agreed to contribute 50% of the closure cost up to AU \$8,315,941. The Group has recognised a receivable from Mandalay in relation to this reimbursement right.

5. INVENTORIES

Consolidated	
31 December	30 June
2022	2022
\$	\$

Gold and silver concentrate	-	1,864,115
Consumables	164,805	1,823,326
Impairment of consumables	-	(1,361,647)
	164,805	2,325,794

During the half year ended 31 December 2022, Compañía Minera Cerro Bayo Limitada ('CMCB') suspended its mineral processing operations and suspended indefinitely the offtake agreement with Glencore Chile SpA.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

6. INVESTMENTS

At 31 December 2022, the Group holds 1,327,000 shares (30 June 2022: 1,327,000) in Blox Inc., a US over the counter traded company. The closing share price of US\$0.0003 at 31 December 2022 (30 June 2022: US\$0.00048) had an immaterial impact on the profit and loss for the half year ended 31 December 2022.

The Group recognises its financial assets at fair value and classified its investments as follows:

	Consolidated	
	31 December	30 June
	2022	2022
	\$	\$
<i>Equity instruments at fair value through other comprehensive income</i>		
Equity securities – Investment in Blox Inc	777	777

Equity instruments at fair value through other comprehensive income are equity instruments which the Group intends to hold for the foreseeable future. Any dividends received are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in the fair value reserve in OCI and are never reclassified to profit or loss.

7. PROPERTY PLANT AND EQUIPMENT

	Consolidated	
	31 December	30 June
	2022	2022
	\$	\$
Plant and equipment		
Plant and office equipment at cost	108,439	-
Additions	-	108,439
Accumulated depreciation	(21,231)	(2,512)
Net foreign currency difference on translation	1,675	(104)
Net book value	88,883	105,823
Computers – at cost	14,276	-
Additions	34,069	14,276
Accumulated depreciation	(7,103)	(761)
Net foreign currency difference on translation	279	(32)
Net book value	41,521	13,483
Motor vehicles	327,672	-
Additions	99,637	327,672
Accumulated depreciation	(171,922)	(78,647)
Net foreign currency difference on translation	4,667	(3,271)
Net book value	260,054	245,754
	390,458	365,060

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

8. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022	30 June 2022
	\$	\$
Los Domos (gold-silver)	-	4,374,815
Cerro Diablo (gold-silver)	-	73,478
Cerro Bayo (gold-silver)	22,164,949	18,643,303
Net Book Value	22,164,949	23,091,596

Los Domos (gold-silver)

Balance at beginning of the period	4,374,815	4,979,807
Additions	5,603	45,466
Impairment	(4,495,581)	-
Foreign currency translation movement	115,163	(650,458)
Net book value	-	4,374,815

Cerro Diablo (gold-silver)

Balance at beginning of the period	73,478	72,404
Additions	-	11,443
Impairment	(75,453)	-
Foreign currency translation movement	1,975	(10,369)
Net book value	-	73,478

Cerro Bayo (gold-silver)

Balance at beginning of the period	18,643,303	6,151,463
Additions	2,708,786	4,895,336
Acquisition of Compañía Minera Cerro Bayo Limitada	-	8,552,360
Foreign currency translation movement	812,860	(955,856)
Net book value	22,164,949	18,643,303

The ultimate recoupment of exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

At 31 December 2022, the Group assessed its exploration and evaluation expenditure assets for impairment. With the emphasis on the Group's flagship Cerro Bajo project, no work has been conducted or forecast at either of Los Domos project and Cerro Diablo projects and the Group has decided to impair the capitalised carrying value of both projects. The Group will keep the exploration licences for both projects.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

9. PAYABLES

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Current		
Trade payables	2,570,883	2,688,123
Employee entitlements	112,406	287,613
	2,683,289	2,975,736

10. PROVISION FOR REHABILITATION

Compañía Minera Cerro Bayo has a closure plan approved by the Chilean National Service of Geology and Mining (Sernageomin) dated 17 May 2019 and amended on 23 June 2020. The closure plan cost is the amount of 332.65 UF (Chilean Unidades de Fomento) AU \$16,631,882 (plus V.A.T.) as determined by Sernageomin. In accordance with the acquisition agreement, Mandalay Resources Corporation has agreed to contribute 50% of the closure cost up to AU \$8,315,941. The Group has recognised a receivable from Mandalay in relation to this contribution.

11. BORROWINGS

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Loan facility	3,305,482	-
Options	(1,005,976)	-
	2,299,506	-

The Company entered into a Corporate Debt facility for US\$2.2 million provided by a Fund managed by Tribeca Investment Partners Pty Ltd, Tribeca Global Resources Credit Pty Ltd ('Tribeca'), and certain non-associated co-investors introduced by Tribeca. The interest rate is 10% payable quarterly in arrears. The loan is repayable in full in 24 months following the drawdown date of 13 October 2022. The loan is secured by first-ranking general security. The loan financial covenants have been conditionally deferred by Tribeca until 31 March 2024.

Tribeca received 22,863,081 options for providing the loan facility. The fair value of the options are recognised as part of the loan facility and amortised in profit and loss as finance costs using the effective interest rate over the term of the loan.

Fair value of options

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the recipients become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vested during the period.

The fair value of options granted on 11 October 2022 to the lender of the loan facility was \$1,005,976. The Black-Scholes formula model inputs were the Company's share price of \$0.088 at the grant date, a volatility factor of 94.3% based on historic share price performance, a risk-free interest rate of 3.01% based on government bonds and a dividend yield of 0%.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

12. ISSUED CAPITAL

	Consolidated			
	31 December 2022		30 June 2022	
	Number	\$	Number	\$
Ordinary shares, fully paid at 1 July	174,076,954	140,177,143	2,296,617,251	129,460,300
<i>Movement in Ordinary Shares:</i>				
Issued ordinary shares 7 July 2021 for \$0.011	-	-	204,973,636	2,254,710
Issued ordinary shares 14 September 2021 – non cash	-	-	1,250,000	14,000
Issued ordinary shares 1 October 2021 – non cash	-	-	2,500,000	25,000
Issued ordinary shares 2 December 2021 – non cash	-	-	587,502,438	5,287,522
Consolidation of 1 share for every 20	-	-	(2,938,201,665)	-
Issued ordinary shares 16 December 2021 for \$0.17	-	-	13,080,000	2,223,600
Issued ordinary shares 9 February 2022 for \$0.17	-	-	6,355,294	1,080,400
Issued ordinary shares 2 September 2022 for \$0.10 ¹	12,755,000	1,275,500		
Issued ordinary shares 1 December 2022 – non cash ²	4,605,971	322,418		
Issued ordinary shares 13 December 2022 for \$0.10 ¹	2,700,000	270,000		
Less cost of issue	-	(14,275)		(168,389)
	194,137,925	142,030,786	174,076,954	140,177,143

¹On 26 August 2022, the Company announced a share placement of 15,455,000 shares in two tranches:

- Pursuant to tranche 1, the Company issued 12,755,000 ordinary shares under the offer at \$0.10 per share raising \$1,275,500 before costs during the half year ended 31 December 2022.
- Pursuant to tranche 2, the Company issued 2,700,000 ordinary shares under the offer at \$0.10 per share raising \$270,000 before costs.

² On 1 December 2022 the Company issued 4,605,971 shares to a creditor in Chile as consideration for Drilling Services provided in connection with the Cerro Bayo project in southern Chile.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

13. RESERVES

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Fair value reserve (a)	388,066	388,066
Foreign currency translation reserves (b)	(2,766,444)	(2,358,497)
Equity based compensation reserve (c)	551,585	618,918
Option premium reserve (d)	1,005,976	-
	(820,817)	(1,351,513)
(a) Fair value reserve		
Balance at beginning of period	388,066	401,162
Net change in fair value	-	(13,096)
Balance at end of period	388,066	388,066
(b) Foreign currency translation reserves		
Balance at beginning of period	(2,358,497)	(981,096)
Currency translation differences	(407,947)	(1,377,401)
Balance at end of period	(2,766,444)	(2,358,497)
(c) Equity based compensation reserve		
Balance at beginning of period	618,918	717,918
Share based payment – vested share options	-	-
Expiry of options	(67,333)	(99,000)
Balance at end of period	551,585	618,918
(d) Option premium reserve		
Balance at beginning of period	-	-
Options issued at fair value – Tribeca loan	1,005,976	-
Balance at end of period	1,005,976	-

14. OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographical basis which involves mineral exploration and processing activities in the Republic of Chile. Operating segments are determined based on financial information reported to the board which is at the consolidated entity level.

Accordingly, management currently identifies the Group as having only one reportable segment, being mineral exploration and processing activities in Chile. The financial results from this segment are equivalent to the financial statements of the consolidated Group as a whole.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

15. FINANCIAL INSTRUMENTS

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2022.

Carrying amounts versus fair values

The carrying amounts of financial assets and financial liabilities included in the balance sheet approximate fair values.

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Financial assets</i>				
31 December 2022	-	777	-	777
30 June 2022	-	777	-	777

The financial assets held at 31 December 2022 and 30 June 2022 relate to investments held in quoted equity securities and were designated as equity instruments at fair value through other comprehensive income. There has been no change in the valuation techniques during the half-year ended 31 December 2022.

16. RELATED PARTIES

Transactions with key management personnel

During the period ended 31 December 2022 and 2021, no transactions were recorded with key management personnel or their related parties and there were no material contracts involving directors' interests existing at 31 December 2022.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 December 2022

17. EVENTS OCCURRING SUBSEQUENT TO 31 DECEMBER 2022

On 16 March 2023, the Company's securities were placed into suspension pending an anticipated announcement by the Company regarding a proposed capital raising and further, the Company disclosed to the ASX that it was not in a position to release the Interim Financial Report for the half year ended 31 December 2022 (Interim Financial Report).

On 22 March 2023, the Company announced that it was still not in a position to announce the results of its proposed capital raise due to ongoing negotiations or to release the Interim Financial Report.

On 31 March 2023, Tribeca Investment Partners Pty Ltd ('Tribeca') granted a conditional deferral until 31 March 2024 to Equus with respect to the financial covenants in the loan facility agreement executed on 14 October 2022 between Tribeca and the Company.

On 6 April 2023 and 11 April 2023, the Company announced the issue of 5,000,000 ordinary shares to a sophisticated investor at 4 cents per share raising \$200,000. A further \$200,000 has been received in advance for subscriptions received at the date of this report.

Further, on 6 April 2023, the Company announced that it was still not in a position to release the results of the proposed capital raise or the Interim Financial Report. The Company requested an extension on the suspension of trading its securities and announced that it expected to make a further announcement on or around 5 May 2023 regarding the results of the proposed capital raising and the release of the Interim Financial report.

On 28 April 2023, the Company released its Quarterly Activities Report for the period ended 31 March 2023.

On 5 May 2023, the Company announced the issue of 17,500,000 ordinary shares to sophisticated investors at 4 cents per share raising \$700,000.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' DECLARATION
31 December 2022

In the opinion of the directors of Equus Mining Limited (the 'Company'):

- (a) the financial statements and notes set out on pages 14 to 28, are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney this 8th day of May 2023
in accordance with a resolution of the Board of Directors:



Mark H. Lochtenberg
Chairman



John R. Braham
Executive Director



Independent Auditor's Review Report

To the shareholders of Equus Mining Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Equus Mining Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Equus Mining Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed Consolidated statement of financial position as at 31 December 2022
- Condensed Consolidated statement of profit or loss and other comprehensive income, Condensed Consolidated statement of changes in equity and Condensed Consolidated statement of cash flows for the Interim Period ended on that date
- Condensed Consolidated Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Equus Mining Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the 6 months ended on 31 December 2022.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 2(b), "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 2(b), indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG

Brisbane
8 May 2023



Adam Twemlow
Partner

EQUUS MINING LIMITED AND ITS CONTROLLED ENTITIES CORPORATE DIRECTORY

Directors:

Mr Mark H. Lochtenberg (Chairman)
Mr John R. Braham (Managing Director)
Mr Damien J. Koerber (Executive Director - COO)
Mr David Coupland (Non-Executive Director)
My Ryan Austerberry (Non-Executive Director)

Company Secretary:

Mr Marcelo Mora

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