

## Quarterly Activities Report June 2013

Equus Mining Limited (ASX: EQE) is pleased to report on its exploration activities in Chile, South America, and corporate developments for the quarter ended 30 June 2013.

### Summary of Activities

#### EXPLORATION

##### Yerba Project, Naltagua Copper District, Chile

- Inaugural diamond drilling commenced on 1 April 2013 and 5 holes for 1,223m have been completed (YB-001-D to YB-005-D)
- All five holes intersected variable widths and grades of oxide and sulphide copper mineralization with a best result of 39m (true width) at 0.63% Cu and 4.6g/t Ag from 13m, immediately below historic mine rock-fill (mullock), in hole YB-001-D
- Other significant results include 55m (true width) at 0.34% Cu from 22m, including 17m (true width) at 0.68% Cu from 23m in hole YB-002-D
- This stratabound, Manto-type copper mineralization is hosted by vesiculated and brecciated andesite of the Lower Cretaceous Prado Formation
- Future drilling in the current program (including the current hole YB-006-D) will target coherent, Inducted Polarisation ('IP') chargeability anomalies that lie down-dip of outcropping and near-surface oxide copper mineralization
- Next drill core assay results due early August.

#### CORPORATE

- Sale of the Tengrela gold royalty interest for A\$2 million completed
- \$500,000 share placement managed by Patersons Securities Limited
- Colin Carson resigned as Non-Executive Director.

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## September 2013 Quarter Plans

### At the Yerba Project:-

- Complete the drilling (2 holes) on section 6260880N to test both geological and IP chargeability targets
- Commence the drilling on section 6261050N, located 170m north of the current drill section (6260880N) and test beneath outcropping, copper-mineralised hydrothermal breccia that returned 33m at 0.88% Cu in a composite channel sample

### At the Araya Project:-

- Commence initial drill testing of an IP chargeability anomaly lying beneath outcropping disseminated copper mineralization in silicified and brecciated andesite

### Corporate:-

- Continue negotiations concerning the sale of non-core assets
- Identify a second copper-gold project in Chile.

## Yerba Project, Naltagua Copper District, Chile

Drilling activities during the June 2013 Quarter were conducted within the Yerba Project Area located in the Naltagua Copper District, 80 kilometres by road, southwest of Santiago, Chile (Figure 1).

Equus commenced its inaugural diamond drilling program in early-April to test the northern-end of a 1,200m-long target zone defined by IP chargeability and resistivity anomalies, hydrothermal alteration (silica-albite-epidote-calcite) and several zones of outcropping, disseminated copper oxide in andesite of the Lower Cretaceous Prado Formation (Figure 2).

The first holes (YB-001-D to YB-003-D) were drilled beneath the historic Yerba open-pit, where a composite channel sample of andesite collected from the back-wall of the pit returned 48m (apparent width) grading 1.35% Cu. The undercutting drill holes intersected a coherent sheet of shallow (30°), east-dipping copper mineralisation in vesiculated and brecciated andesite that correlates with the copper mineralization in the pit (Figure 3).

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The best drill intercept was returned from hole YB-001-D, which intersected 39m (true width) at 0.63% Cu and 4.6g/t Ag from 13m, immediately below historic mine rock-fill (mullock). All significant drill results are summarised below.

**Table 1 – Drill Hole Assay Summary**

Hole No.	Project	From (metres)	To (metres)	Interval (metres)	Estimated True Width (metres)	Copper (%)
YB-001-D	Yerba	13	52	39	39	0.63
YB-002-D	Yerba	22	77	55	55	0.34
including		23	40	17	17	0.68
including		34	40	6	6	1.21
YB-003-D	Yerba	19	23.4	4.4	3.3	0.74
YB-003-D		51.7	64	12.3	9.2	0.44
YB-004-D	Yerba	37	68	31	15.5	0.26
YB-004-D		84	107	23	11.5	0.16
YB-004-D		152	171	19	9.5	0.32

The stratabound, Manto-type copper mineralization is hosted by vesiculated and brecciated andesite of the Lower Cretaceous Prado Formation, which dips at a shallow angle (30°) to the east. Future drilling (including the current hole YB-006-D) will target coherent Induced Polarisation ('IP') chargeability anomalies that lie in a position down-dip of outcropping and near-surface oxide copper mineralization.

Hole YB-004-D was planned to test the peak of an IP chargeability anomaly down-dip of near-surface oxide and sulphide copper mineralization. However, the hole intersected variably weathered andesite much deeper than anticipated down to the final hole depth of 196m before the hole was lost (abandoned) in a 10m wide, strongly weathered, post-mineralization shear.

As the peak of the IP chargeability anomaly currently remains untested, hole YB-006-D (Figure 4; hole in progress) has been designed to drill the problematic structure from a much steeper angle (-80°), increasing the likelihood of penetrating the shear and testing the underlying IP chargeability anomaly. Modelling of the IP anomaly indicates the peak of the chargeability response lies on the opposite side of the shear. This hole is expected to be completed before the end of July.

Since the program's commencement in April, considerable progress has been made towards better understanding the controls on copper mineralization and as a consequence, the current drilling program has been substantially modified and a greater range of targets will now be tested.

## Corporate

### Sale of Non-Core Assets

Equus sold its Tengrela Royalty Interest in Perseus Mining's Sissingué Gold Project in Côte d'Ivoire to Franco-Nevada Corporation for A\$2 million. The funds will be used to complete the current diamond drilling program at Naltagua in Chile, accelerate the identification of a second project in Chile and for working capital.

Negotiations concerning the sale of other non-core assets are well advanced.

### Share Placement

Equus issued 10,000,000 new, fully-paid ordinary shares at 5 cents per share for a total consideration of \$500,000. These funds were applied to ongoing exploration at Naltagua and working capital. The placement was managed by Patersons Securities Limited.

### Board Changes

Mr Colin Carson resigned as a Non-Executive Director of the Equus Board effective 27 May 2013. Mr Carson resigned due to his expanding work commitments in Africa that are unrelated to the business activities of Equus.

### Cash

Equus' cash reserves at 30 June 2013 stood at \$2,058,000.

## Background

Equus acquired an interest in the Naltagua Copper District (Naltagua) in Chile, South America by purchasing unlisted Australian public company Equus Resources Limited.

Equus' two main project areas in Chile, Yerba and Araya, are located within the Naltagua Copper District, 80 kilometres by road southwest of Santiago and 75 kilometres by road southeast of the port city of San Antonio. These projects are well serviced by major infrastructure.

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The Yerba and Araya projects show many geological similarities to the large, manto-type, Anglo American owned, El Soldado Cu-Ag deposit (200 million tonne @ 1.35% Cu) located 135 kilometres north of Naltagua (Figure 5).

Equus holds an option to acquire 100% of a contiguous group of 14 mining licences covering an area of 18.05km<sup>2</sup> and 75% of the known areal extent of the large Naltagua Copper System. These mining leases encompass the Yerba and Araya project areas. Under the terms of the option agreement, Equus has the right (but not the obligation) to acquire the mining licences on an outright basis by making a payment of US\$100,000 in September 2013, a payment of US\$500,000 in September 2014 and a final payment of US\$3.8 million in September 2015 to the licence holder.

**Yours sincerely**



**Edward Leschke**  
**Managing Director**

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*Information in this report that relates to Exploration Results for Naltagua is based on information compiled by Mr Robert Perring, who is a Member of the Australian Institute of Geoscientists. Mr Perring is a consultant to and Non-Executive Director of Equus Mining Limited and has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activities reported on to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Perring consents to the inclusion of the information in this report of the matters based on information in the format and context in which it appears.*

*Surface and Adit Sampling and Assaying: Sampling has been conducted by qualified geologists using a sample interval of 2 metres and 5 metres. Assay results have been composited (weighted arithmetic mean) to give an average grade estimate for the interval sampled. The samples were assayed for copper (and 33 other elements) by aqua regia digest ICP-ES/ICP-MS at Acme Analytical Laboratories, Santiago, Chile.*

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YB-003-D YB-003-D	Yerba	19 51.7	23.4 64	4.4 12.3	3.3 9.2	0.74 0.44
YB-004-D YB-004-D YB-004-D	Yerba	37 84 152	68 107 171	31 23 19	15.5 11.5 9.5	0.26 0.16 0.32
YB-005-D	Yerba	Results pending				

**Table 2 – Drill Hole Information**

Hole No.	North WGS-84 UTM	East WGS-84 UTM	Zone UTM	Dip	Azimuth Grid - UTM	Depth metres
YB-001-D (Hole 1)	6260781	313270	19S	-60	270	325
YB-002-D (Hole 2)	6260775	313330	19S	-75	270	361
YB-003-D (Hole 3)	6260775	313330	19S	-50	270	121
YB-004-D (Hole 4)	6260775	313332	19S	-50	090	196 (Abandoned)
YB-005-D (Hole 5)	6260888	313270	19S	-60	270	220
YB-006-D (Hole 6)	In progress					

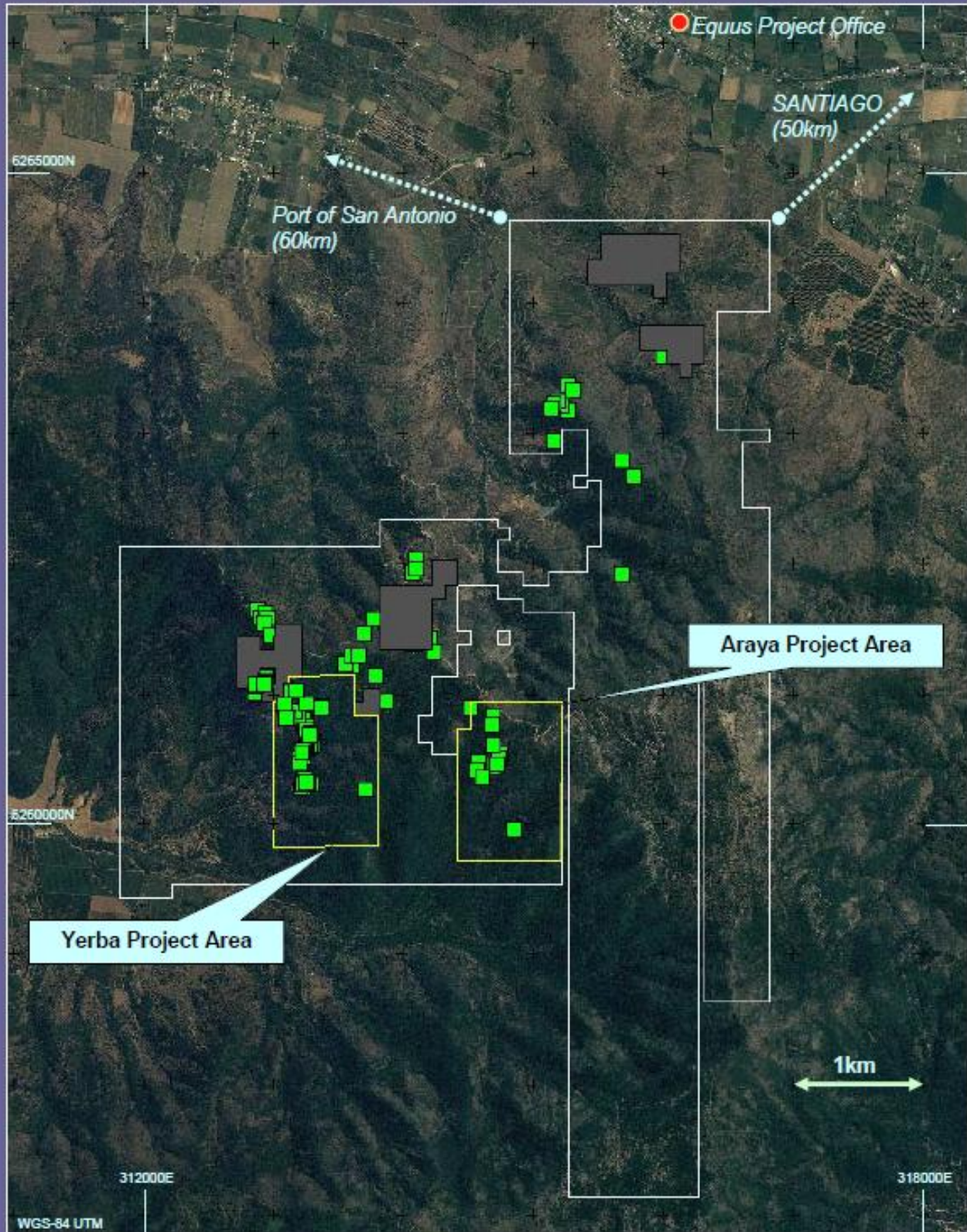
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# Naltagua Copper District, Chile

Figure 1 – Location of Project Areas



- Equus Option Area
- Area held by others

- Copper Occurrence
- Defined Project Area

# Yerba Project Area

Figure 2 – Exploration Overview



33m @ 0.88% Cu

48m @ 1.35% Cu

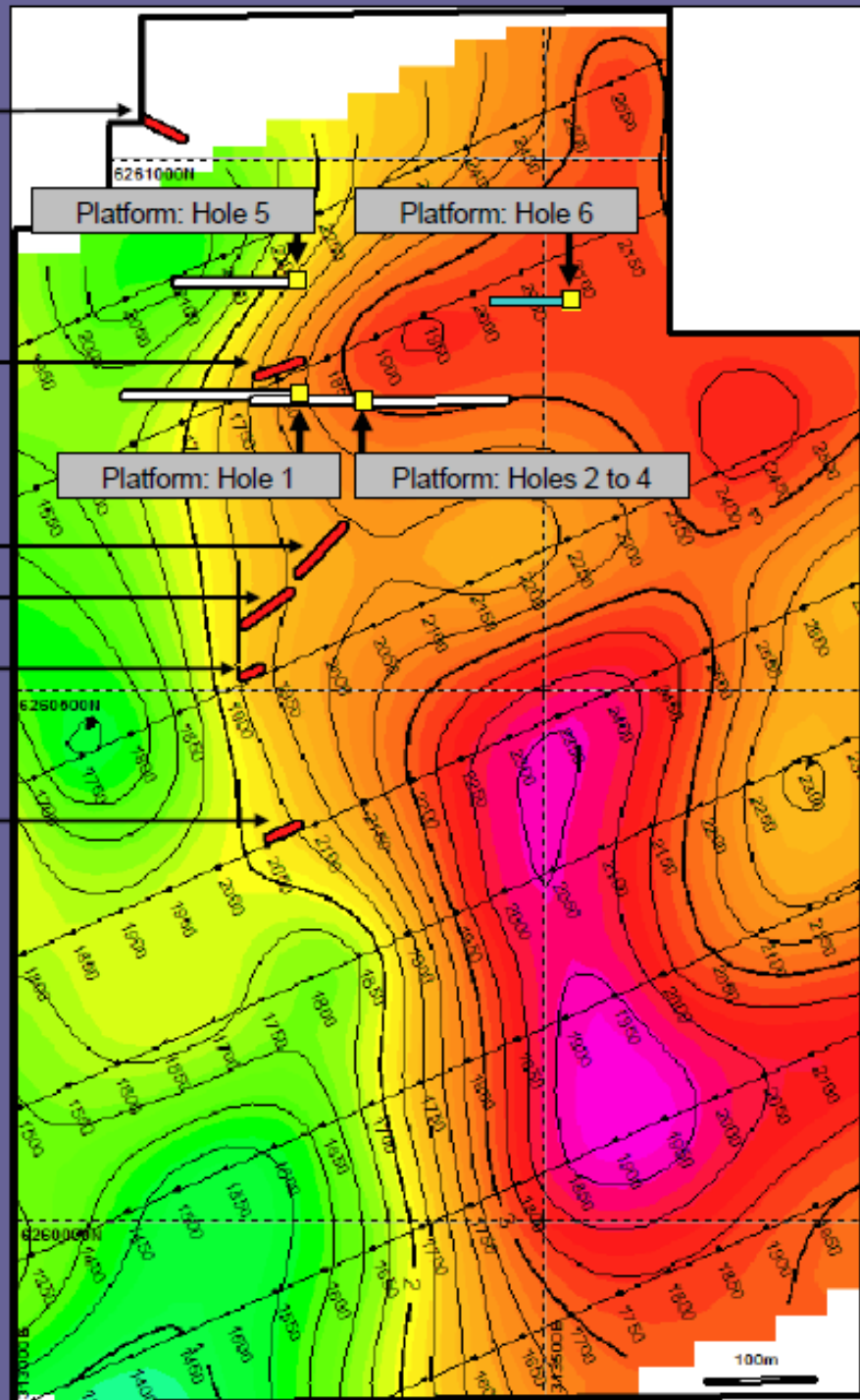
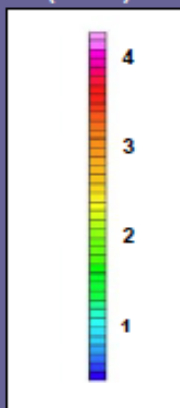
60m @ 0.39% Cu




55m @ 0.27% Cu

10m @ 1.73% Cu

20m @ 0.53% Cu

Induced Polarisation  
Chargeability response  
at 200m below surface  
(mV/V)



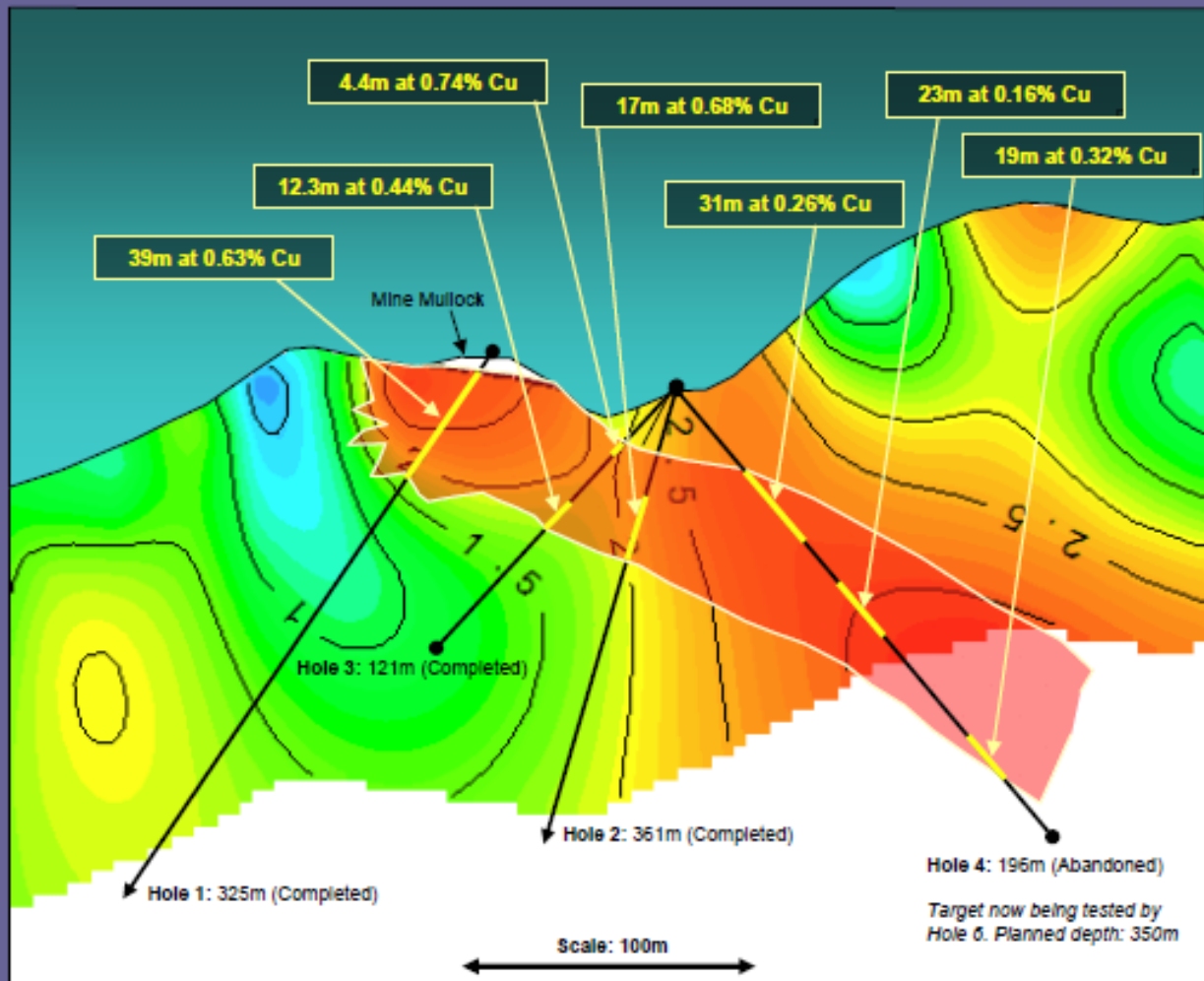
-  Surface Rock Channel Geochemistry (2m & 5m composites)
-  Diamond Drill Collar and Hole Trace – Completed
-  Diamond Drill Collar and Hole Trace – In Progress

WGS-84 UTM 19S



# Yerba Project

Figure 3 – Drill Section (6260775N)



Hole 1: Hole Number (YB-001-D)

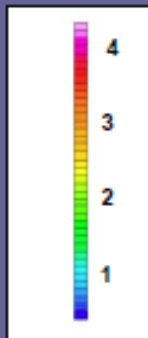
●—● Completed Drilling

●—● Planned Drilling

— Disseminated copper mineralization (oxide and sulphide)

■ Host Unit (Brecciated and Vesiculated Andesite)

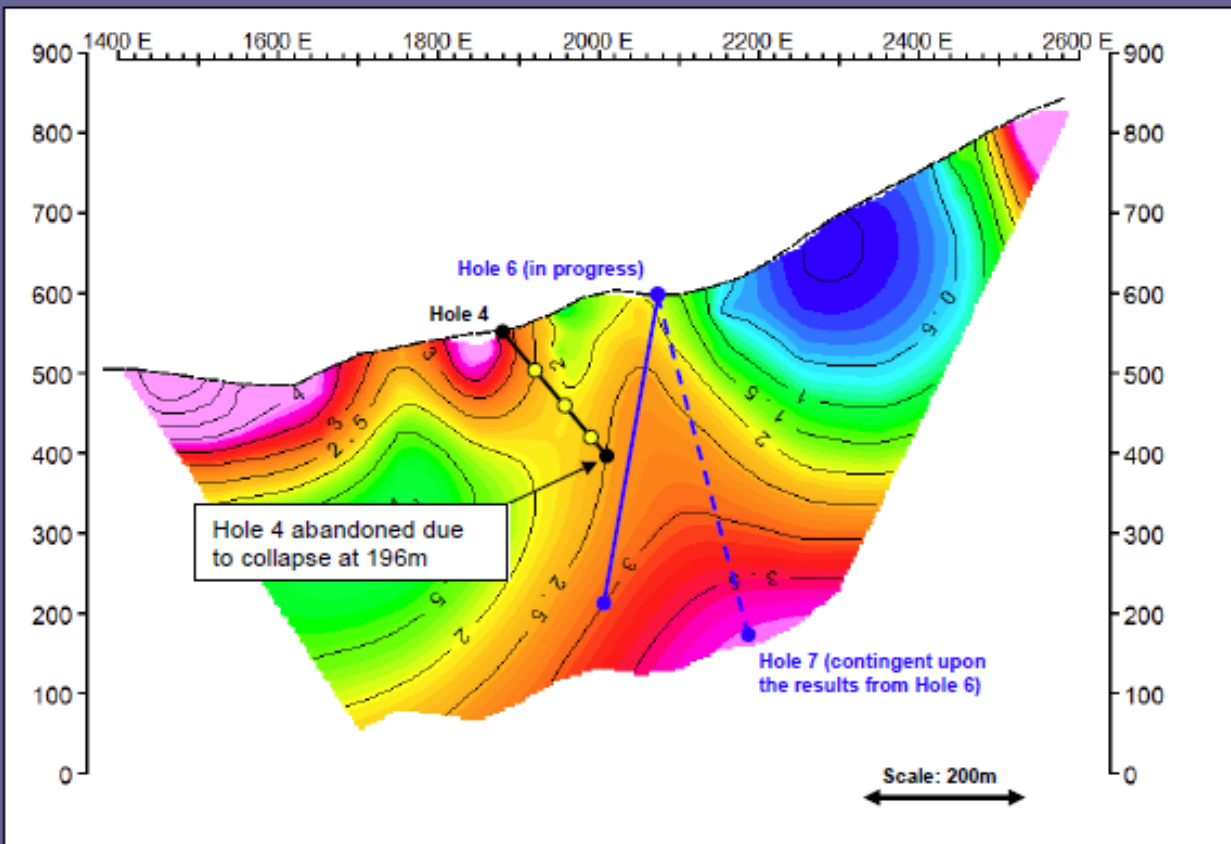
Induced Polarisation Chargeability - 50m Dipole (mV/V)



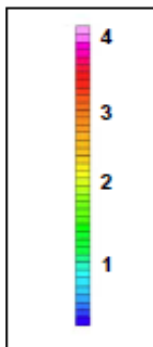
Mineralised Hydrothermal Breccia (Hole 3)

# Yerba Project

Figure 4 – IP Chargeability Traverse (200m Dipole)



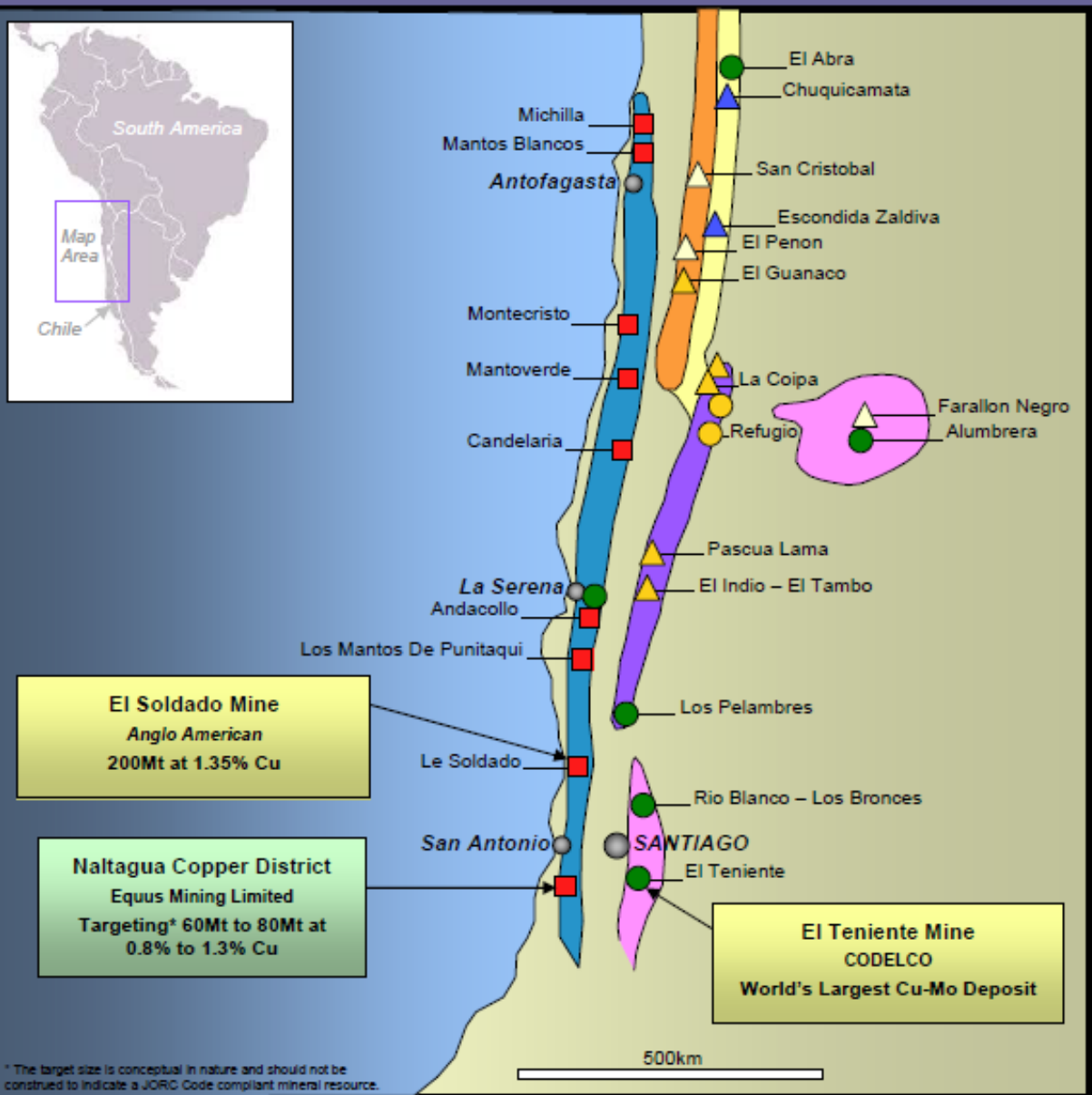
Induced Polarisation  
Chargeability - 200m Dipole  
(mV/V)



- Copper Mineralization
- Hole 4:** ●—● Completed Drilling
- Planned Drilling
- - - - ● Contingent Drilling

# Northern Chile

Figure 5 – Metallogenic Map showing the location of the Naltagua Copper District



\* The target size is conceptual in nature and should not be construed to indicate a JORC Code compliant mineral resource.

### Principal Copper Deposits

- Manto-type and Iron Oxide-type
- Porphyry-type
- ▲ Porphyry-type + high sulphidation overprint

### Principal Gold Deposits

- ▲ High sulphidation-type
- ▲ Low sulphidation-type
- Porphyry-type

### Metallogenic Belts

- Middle Miocene – Early Pliocene
- Early – Middle Miocene
- Late Eocene – Early Oligocene
- Palaeocene – Early Eocene
- Early Cretaceous