

Quarterly Activities Report September 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 September 2013.

Summary of Activities

EXPLORATION

Yerba Project, Naltagua Copper District, Chile

- Hole 7 (YB-007-D) returns the best copper intercepts to date hosted by a mixed andesite-shale package, including:
 - 8m (true width) at 0.67% Cu from 24m to 32m
 - 5m (true width) at 1.25% Cu from 50 m to 55m
 - 5.4m (true width) at 1.40% Cu from 65.2m to 70.6m
 - 21.3m (true width) at 1.23% Cu from 92.7m to 114m
 - 13m (true width) at 0.19% Cu from 147m to 160m
- Surface outcrop of the same mineralization previously returned 33m at 0.88% Cu in a composite channel sample.
- Hole 7 copper mineralisation is east-dipping and interpreted to correlate with the sheet of mineralization incepted in Holes 1 to 4 (YB-001-D to YB-004-D) located 250 metres to the southeast. There may also be a vertical component of the mineralization in the form of hydrothermal breccia dykes that crosscut stratigraphy.
- This dominantly stratabound ('Manto-type') copper mineralization is hosted by vesiculated and brecciated andesite and shale beds of the Lower Cretaceous Prado Formation.

CORPORATE

- Extensive due diligence has been carried out on several acquisition opportunities and follow-up fieldwork is continuing in two districts.

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Yerba Project, Naltagua Copper District, Chile

Drilling activities during the September 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 2013 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).

Holes 1 to 4 (YB-001-D to YB-004-D) were drilled beneath and adjacent to 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 intercepted a coherent sheet of shallow, east-dipping (30° to 40°) copper mineralisation in vesiculated and brecciated andesite (Figure 3).

Hole 5 (YB-005-D), which is located on a section 180m to the south of Hole 7, intersected a broad interval of low-grade copper mineralization (40.7m true width grading 0.15% Cu) in the andesite footwall to the mineralization intersected in Hole 7. Significantly, Hole 5 did not test the same andesite layer that hosts the copper mineralization intersected in Hole 7.

Hole 6 (YB-006-D) was designed to test a deep Induced Polarisation chargeability anomaly at 350m to 400m below surface down-dip of outcropping and near-surface oxide copper mineralization. However, the hole was abandoned at 289m after several days of unproductive drilling in a problematic fault zone. This deep IP target remains untested.

Hole 7 (YB-007-D) returned some of the best copper mineralization to date (Figure 4). Several shallow, east-dipping zones of copper mineralization have been intercepted in a mixed andesite-shale package (Figure 4), including:

- 8m (true width) at 0.67% Cu from 24m to 32m
- 5m (true width) at 1.25% Cu from 50 m to 55m
- 5.4m (true width) at 1.40% Cu from 65.2m to 70.6m
- 21.3m (true width) at 1.23% Cu from 92.7m to 114m
- 13m (true width) at 0.19% Cu from 147m to 160m

The Hole 7 mineralization is interpreted to correlate with the sheet of copper mineralization incepted in Holes 1 to 4 (YB-001-D to YB-004-D) located 250 metres to the southeast. There may also be a vertical component of the mineralization in the form of mineralized hydrothermal breccia dykes that crosscut stratigraphy. This dominantly stratabound copper mineralization is hosted by vesiculated and brecciated andesite and interflow shale beds of the Lower Cretaceous Prado Formation.

Current Status of Drilling: Drilling has been suspended while the Chile Government processes Equus's application to modify its drill platform configuration. An area of only 300m by 300m of the large, 4km by 2km Naltagua copper system has been drill-tested to date and small-scale copper mining continues on land adjacent the Equus Option Area. Equus has no ownership interest in these mining operations.

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 may now be tested.

Upcoming Work

- Work with the Chile Government to secure approval for the modified configuration of drill platforms at Yerba and for the new drill platforms proposed at Cerro Oveja and Araya (Figure 1).
- Construct a stratigraphic model for the thick (+1km) volcano-sedimentary sequence at Naltagua with the objective of identifying and ranking the more prospective manto horizons.
- Continue to assess new project opportunities with the objective of offsetting any further delays to the approval of drilling at Naltagua with drilling elsewhere in Chile.

Corporate

Sale of Non-Core Assets

Equus is continuing negotiations concerning the sale of non-core assets, including the oil rig in the Kyrgyz Republic. Settlement of the terms of sale with one of the three parties vying for the rig is anticipated to be concluded during the December 2103 quarter.

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Executive Changes

Susmit Shah resigned as co-Company Secretary on 18 September 2013. Susmit has held a company secretary position with the Company since 30 April 2003.

Cash

Equus' cash reserves at 30 September 2013 stood at \$1,028,000.

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' three main project areas in Chile, Yerba, Araya and Cerro Oveja, 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.

The Yerba, Araya and Cerro Oveja 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.

Equus holds an option to acquire 100% of a contiguous group of 14 mining licences covering an area of 18.05km² and 75% of the known areal extent of the large Naltagua Copper System. These mining leases encompass the Yerba, Araya and Cerro Oveja 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\$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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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 including including	Yerba	22 23 34	77 40 40	55 17 6	55 17 6	0.34 0.68 1.21
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 including	Yerba	39 39	83 51.9	44 12.9	40.7 11.9	0.15 0.26
YB-006-D	Yerba	No Significant Results (Hole Abandoned)				
YB-007-D YB-007-D YB-007-D YB-007-D Including YB-007-D	Yerba	24 50 65.2 92.7 92.7 147	32 55 70.6 114 99.4 160	8 5 5.4 21.3 6.7 13	8 5 5.4 21.3 6.7 13	0.67 1.25 1.40 1.23 2.97 0.19

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)	6260871	313525	19S	-80	270	289 (Abandoned)
YB-007-D (Hole 7)	6261068	313208	19S	-60	270	160

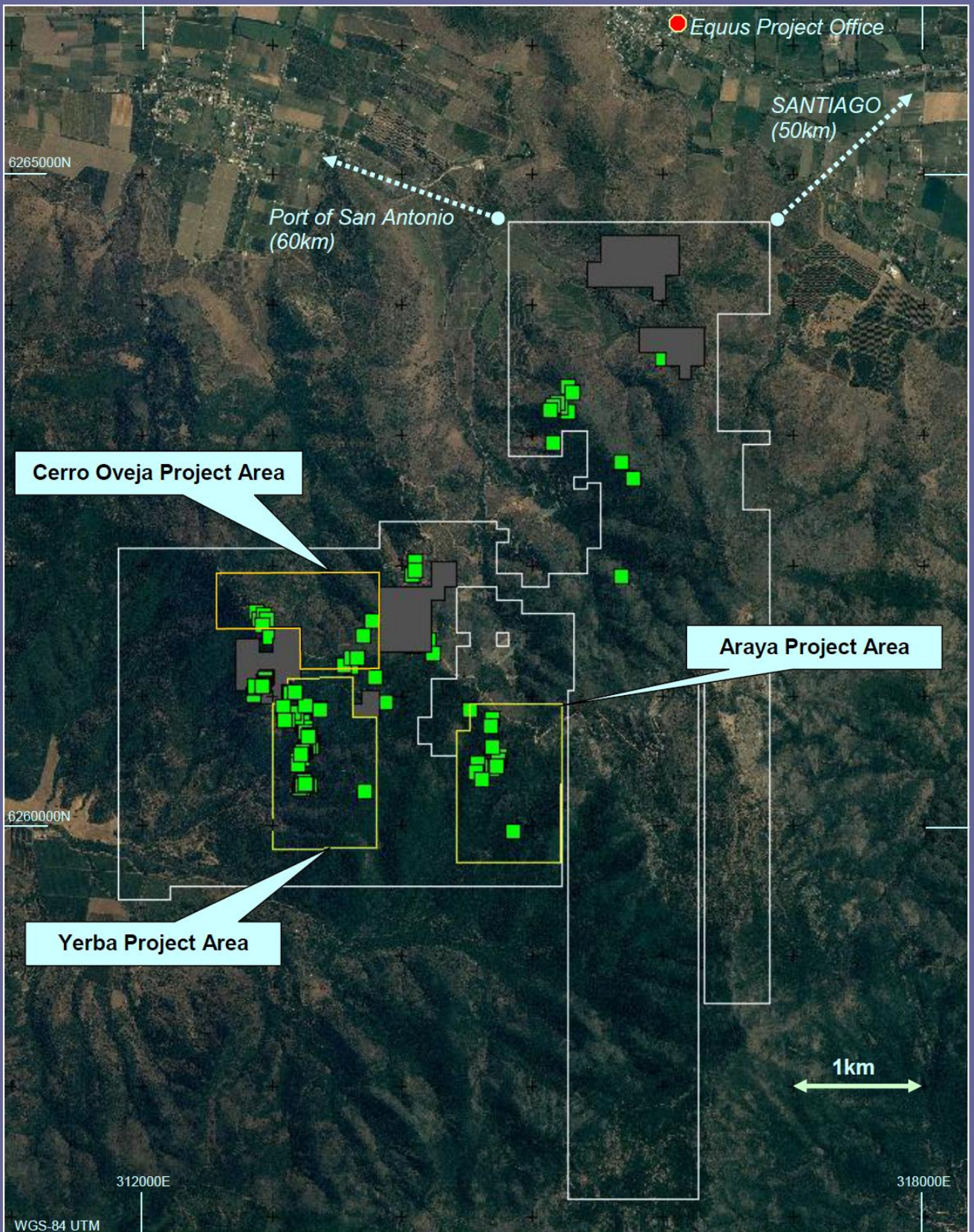
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Naltagua Copper District, Chile

Figure 1 – Project Tenement Map



Equus Option Area
Area held by others



Copper Occurrence
Defined Project Area

Yerba Project Area

Figure 2 – IP Map and Hole Locations



33m @ 0.88% Cu

48m @ 1.35% Cu

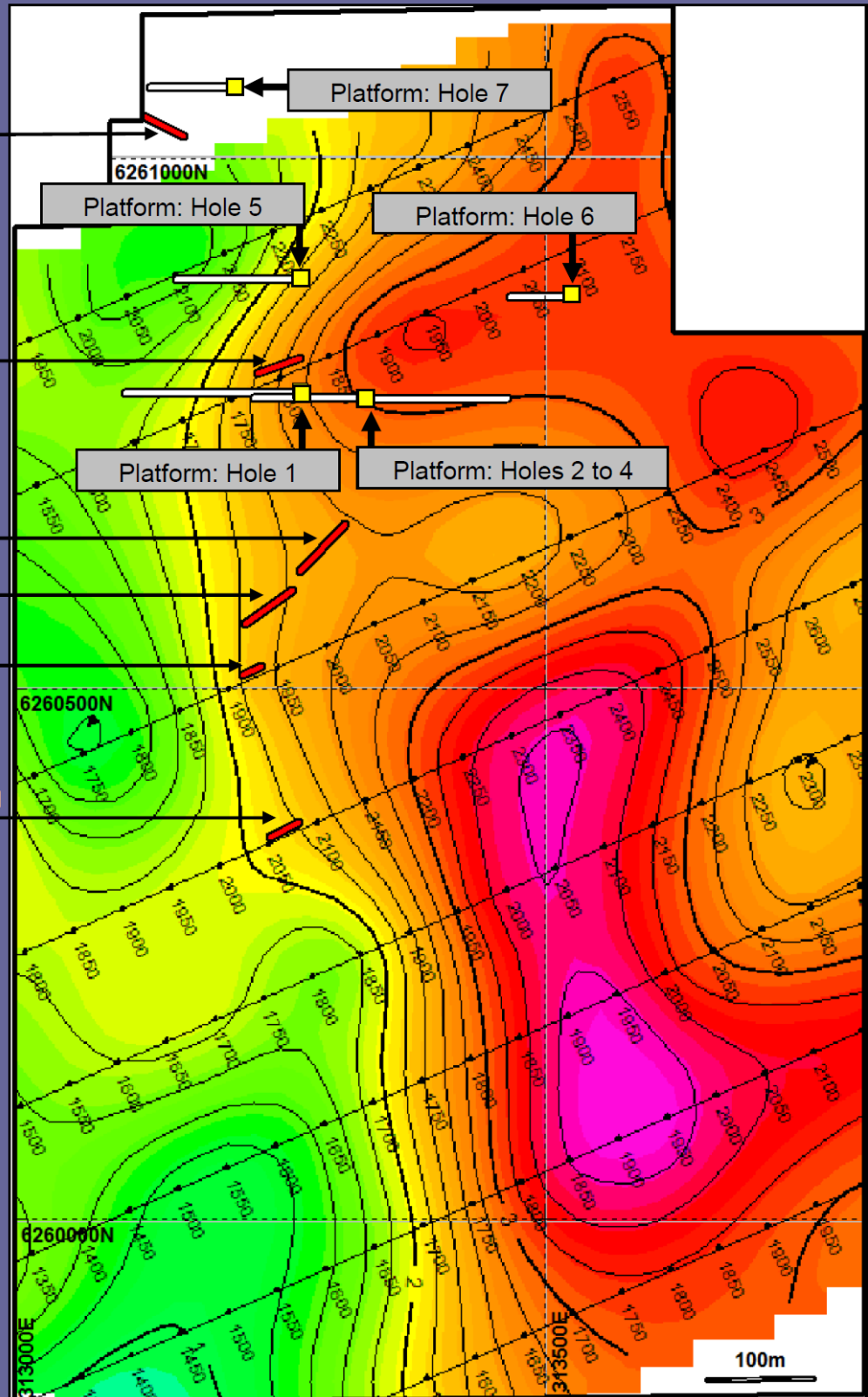
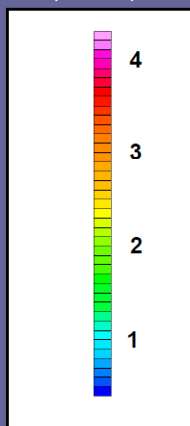
60m @ 0.39% Cu

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

Figure 3: Section - Holes 1 to 4

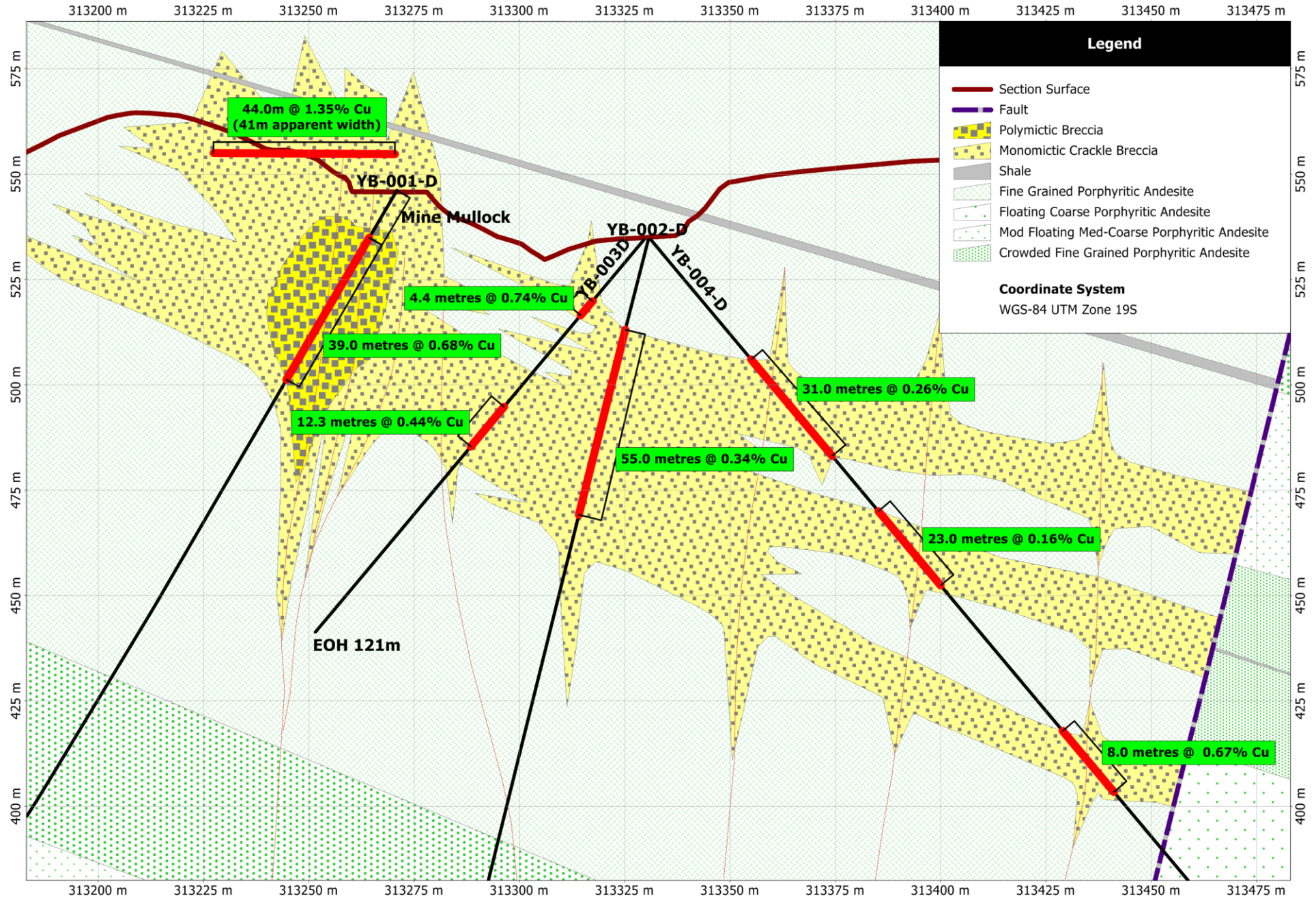


Figure 4: Section - Hole 7

