

Quarterly Activities Report December 2013

Equus Mining Limited (ASX: EQE) is pleased to report on its activities for the quarter ended 30 December 2013.

Summary of Activities

Chile - Yerba Project, Naltagua Copper District

- Drilling was suspended during the December Quarter whilst the Chilean Government processed Equus's application to modify its drill platform configuration - this has now been received.
- In light of weak equity markets Equus is now assessing its options regarding the funding of further drilling and is in the process of renegotiating the Option Purchase Agreement.

Non-Core Assets Held For Sale

- Equus Mining is continuing negotiations concerning the sale of non-core assets. These assets include a ZJ20 (XJ650) Drilling Rig Package and its remaining African interests.

Chile - Yerba Project, Naltagua Copper District

Exploration activities were limited during the December 2013 quarter for 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).

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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 Project Status: Drilling was suspended during the December Quarter whilst the Chilean Government processed Equus's application to modify its drill platform configuration - this has now been received. In light of weak equity markets Equus is now accessing its options regarding the funding of further drilling and is in the process of renegotiation the Option Purchase Agreement.

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.

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Corporate

Non-Core Assets Held For Sale

Equus Mining is continuing negotiations concerning the sale of non-core assets. These assets include:

- **ZJ20 (XJ650) Drilling Rig Package** - includes a mechanical rig capable of drilling to 2500m (3 1/2" DP) that was purchased new by our company for work in the Kyrgyz Republic during the period 2007-2012. The complete ready-to-drill package including rig, support vehicles and camp as well as an extensive suite of ancillary equipment and spares. The rig was upgraded to meet western drilling standards as part of a contract with Santos Ltd in 2009. In total it has drilled only 10 wells over a 5 year period so is relatively new and a rigorous maintenance schedule has been maintained since the rig ceased work. The rig is located in the southern Kyrgyz Republic and close by a rail depot enabling it to be mobilized efficiently to many destinations on the former Soviet rail network or even to port facilities for international transport.
- **African Interests** - the company is continuing the program of selling its African interest and is currently evaluating various offers.

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.

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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



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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

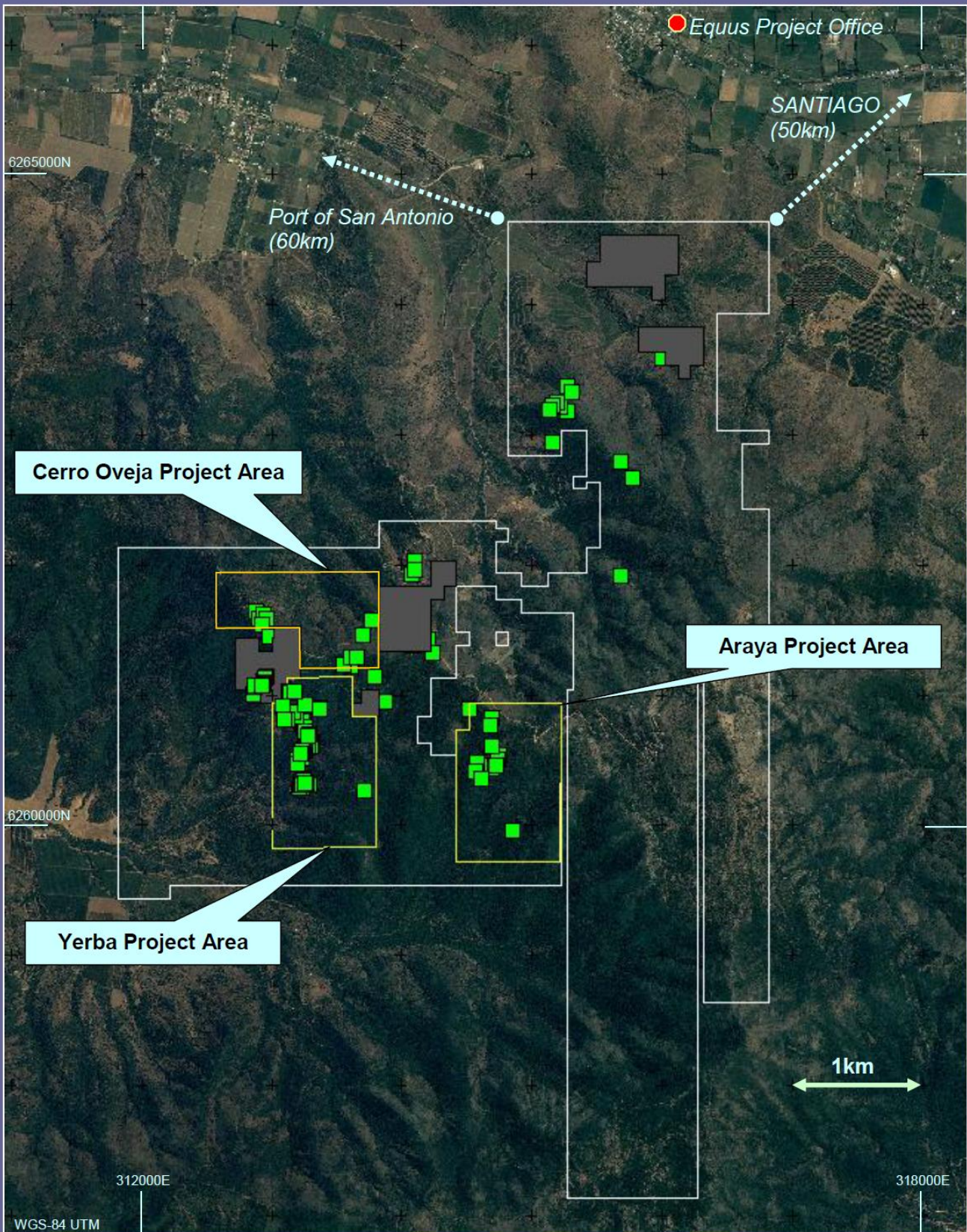
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Naltagua Copper District, Chile

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

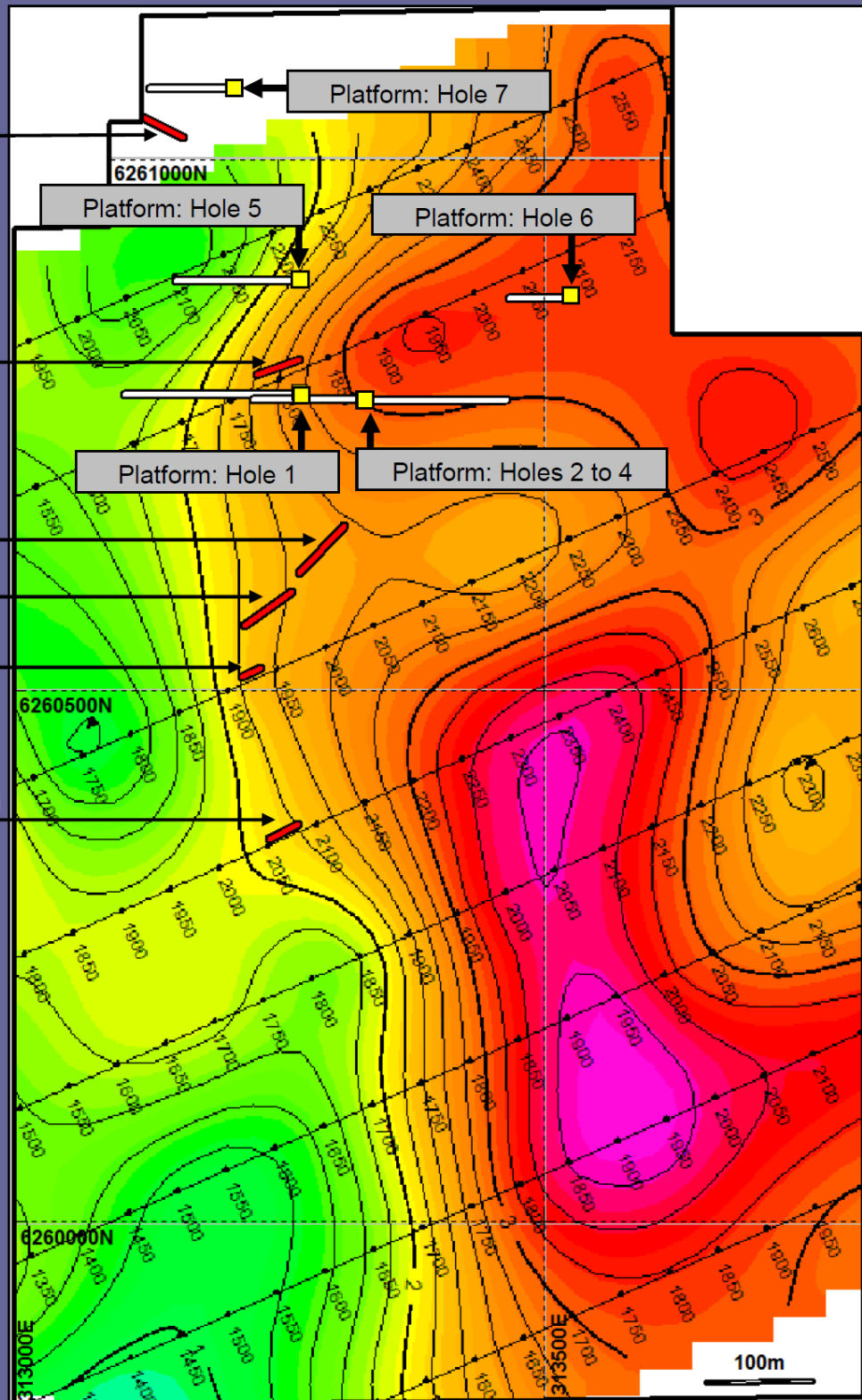
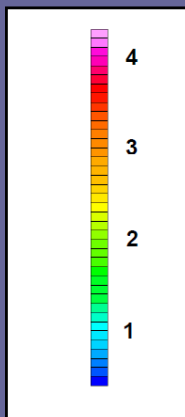
60m @ 0.39% Cu



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

WGS-84 UTM 19S

Figure 3: Section - Holes 1 to 4

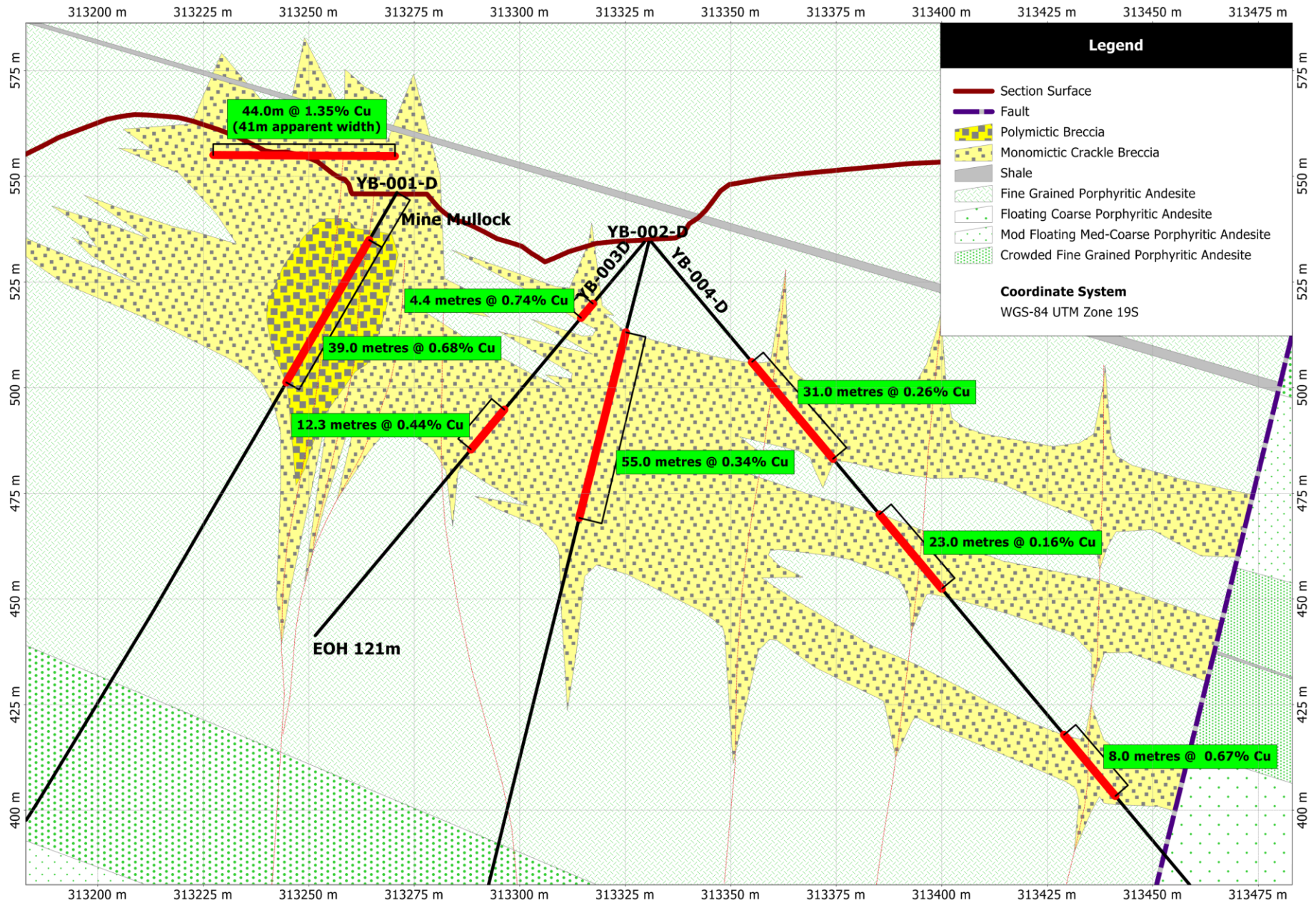
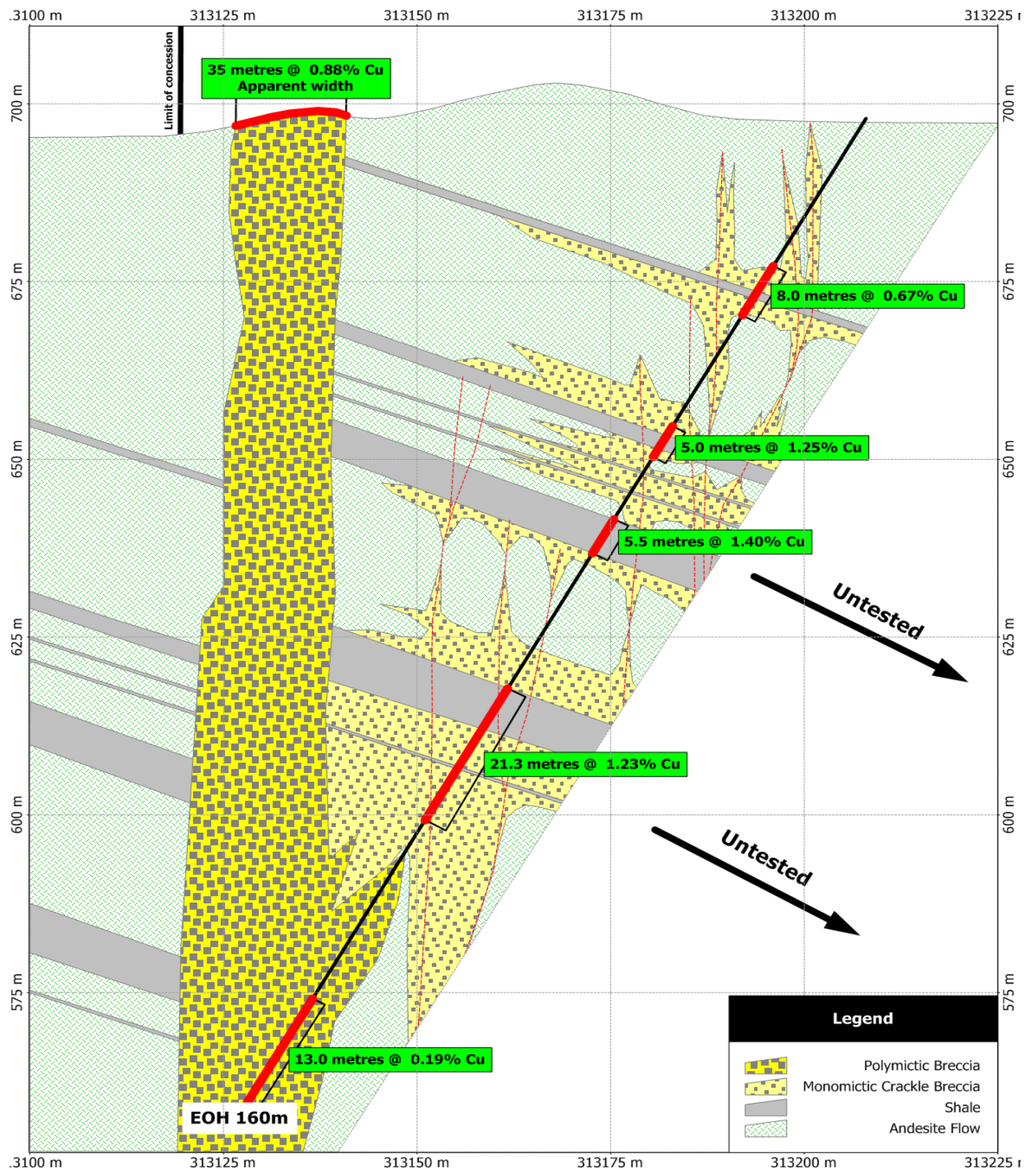


Figure 4: Section - Hole 7



Schedule of Mining Tenements and Beneficial Interests

Project	Location	Tenement	Ownership	JV interests	Type of Tenement
Naltagua	Chile	Carmencita Siete 1	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Carmencita Siete 11, 1-30	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	San Lorenzo 1, 1-34	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	San Lorenzo 2, 1-51	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	San Lorenzo 3, 1-52	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Carmen Alto 2, 1-23	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Carmen Alto 3, 1-26	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Carmen Alto 4, 1-14	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Carmen Alto 5, 1-30	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Mater I, 1-30	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Mater II, 1-10	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Carmencita 1, 1-100	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Carmencita 2, 1-114	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining
	Chile	Mater II, 1-16	Tsuyoshi Nishimura Matsumoto 100% ¹	Equus Mining has Purchase Option Agreement for 100% ¹	Mining (in process)
Mansounia	Guinea ²	A2013/105/DIGMCPDM Research Permit	Equus 78% ³	Joint Ventured with Burey Gold Ltd ³	Exploration
Kwatechi	Ghana ²	Kwatechi PL3/64 Prospecting Licence	Equus Mining 0% ⁴	7% ⁴	Exploration
Osenase	Ghana ²	Osenase Prospecting Licence	Equus Mining 90%	N/A	Exploration
Asamankese	Ghana ²	Asamankese Prospecting Licence	Equus Mining 90%	N/A	Exploration
Pramkese	Ghana ²	Pramkese Prospecting Licence	Equus Mining 90%	N/A	Exploration

Note 1. The Company's wholly owned subsidiary, Equus Resources Limited has an option to acquire 100% of a contiguous group of 14 mining licences covering an area of 18.05 square kilometres and 75% of the known areal extent of the large (4km by 2km) Naltagua copper system. 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, US\$500,000 in September 2014, with a final payment of US\$3.8 million in September 2015 to the licence holder. On commencement of commercial production at Naltagua, a 1% net smelter royalty is payable to the licence holder subject to a maximum payment of US\$5 million.

Note 2. The governments of African countries in which the Company holds minerals interests are entitled to equity in mining companies owning projects as follows – Ghana 10% and Guinea 15%. Equus's quoted equity is after allowance for that national interest, which occurs when a new project company is established prior to commencement of mining.

Note 3. Mansounia is farmed out to Burey Gold Ltd, which can earn a 70% interest in the project by completing a feasibility study containing at least 200,000oz of gold or the equivalent and paying Equus US\$500,000. Equus then has an 8% interest, which it may elect to convert into a 5% net profit interest.

Note 4. Perseus Mining Limited, the current holder of a 16% interest, has the right to earn a further 60% interest in the Kwatechi property by funding the development of the project to profitable production. In that case, the Company and a local joint venture partner will each retain a 7% interest which is convertible to a 1.25% net smelter royalty at the option of those parties within 30 days of completion of a feasibility study.