EQUUS MINING LIMITED
and its controlled entities

A.B.N. 44 065 212 679

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

Equus Mining Limited
Corporate Directory

Directors	Norman Seckold	Non-Executive Chairman
	Edward Leschke	Managing Director
	Jürg Walker	Non-Executive Director
Company Secretary	Marcelo Mora	
Principal Place of Business and Registered Office	Level 2 66 Hunter Street Sydney NSW 2000 Australia	
	Telephone:	(61 2) 9300 3366
	Facsimile:	(61 2) 9221 6333
	Email address:	info@equusmining.com
	Web site:	www.equusmining.com
Share Registry	Advanced Share Registry Limited	
	150 Stirling Highway	
	Nedlands, Western Australia 6009	
	Telephone:	(61 8) 9389 8033
	Facsimile:	(61 8) 9389 7871
Auditors	KPMG	
	Level 16, Riparian Plaza	
	71 Eagle Street	
	Brisbane QLD 4000	
Stock Exchange Listings	Australian Securities Exchange	(Code – EQE)
	Berlin and Frankfurt Securities Exchanges	
	(Third Market Segment)	

CONTENTS

	Page
Chairman's Letter	1
Review of Operations	2
Statement of Corporate Governance	6
Directors' Report	12
Lead Auditor's Independence Declaration	22
Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Consolidated Statement of Financial Position	24
Consolidated Statement of Changes in Equity	25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27
Directors' Declaration	57
Independent Auditor's Report	58
Additional Stock Exchange Information	60

Dear Fellow Shareholders,

Since Equus Mining's entry into Chile, numerous resource project opportunities have been carefully evaluated. Besides assessing the all-important mineral prospectivity of any given project, the cost of acquisition is obviously also a major consideration. Chile's position as a leading destination for mineral explorers and miners together with a secured licencing system means vendor price expectations of projects can be high.

So when Equus Mining was offered three thermal coal projects which in aggregate comprised a dominant position in Chile's largest coal basin, within a country that is severely deficient in domestically supplied energy, and all at a price one order below that of lesser projects, then the opportunity presented was obvious.

Thermal coal consumption in Chile has grown considerably since gas supplies from Argentina were severely reduced several years ago. The majority of this consumed coal is imported. The growth trajectory in thermal coal demand is expected to continue, driven by Chile's economic expansion, the relatively low pricing of thermal coal as fuel for power generation and the lack of viable alternatives except for relatively more expensive and also imported LNG. Despite this demand outlook, Chile's coal industry is small by world standards with just one significant producer. Clearly, there is ample room for a new large local supplier of thermal coal.

Equus Mining's three thermal coal projects are centred on the Loreto Formation, a rock unit recognised as hosting the most viable coal seams in the Magallanes basin. Whilst Equus Mining is planning to drill test known coal seams, the initial priority has been to accumulate additional tenement acreage. Dominant land positions are considered a strategic advantage in the coal industry - mainly because coal seams tend to be laterally extensive and a large land holding maximises resource potential whilst at the same time excludes potential competitors. Proximity to transport is also a strategic consideration. A number of deep-water sounds transect the Magallanes basin providing access for bulk-shipping vessels. This deep water access is a distinct advantage when compared to other developing coal basins.

Equity markets for the resources sector remained subdued throughout the 2014 fiscal year. This has inhibited the sectors ability to raise funds however there are signs that conditions are improving. Nevertheless, there are a number of alternative avenues for project funding that Equus Mining is investigating. A dominant land positon over known thermal coal occurrences within easy reach of deep water means Equus Mining has the potential to be an "energy bank", a solid place to be in an energy-starved country.

A dominant land positon over known thermal coal occurrences within easy reach of deep water means Equus Mining has the potential to be an "energy bank", a solid place to be in an energy-starved country.

Yours sincerely,

Norman A. Seckold
Chairman

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Overview

Strategic Acquisition - Andean Coal Pty Ltd

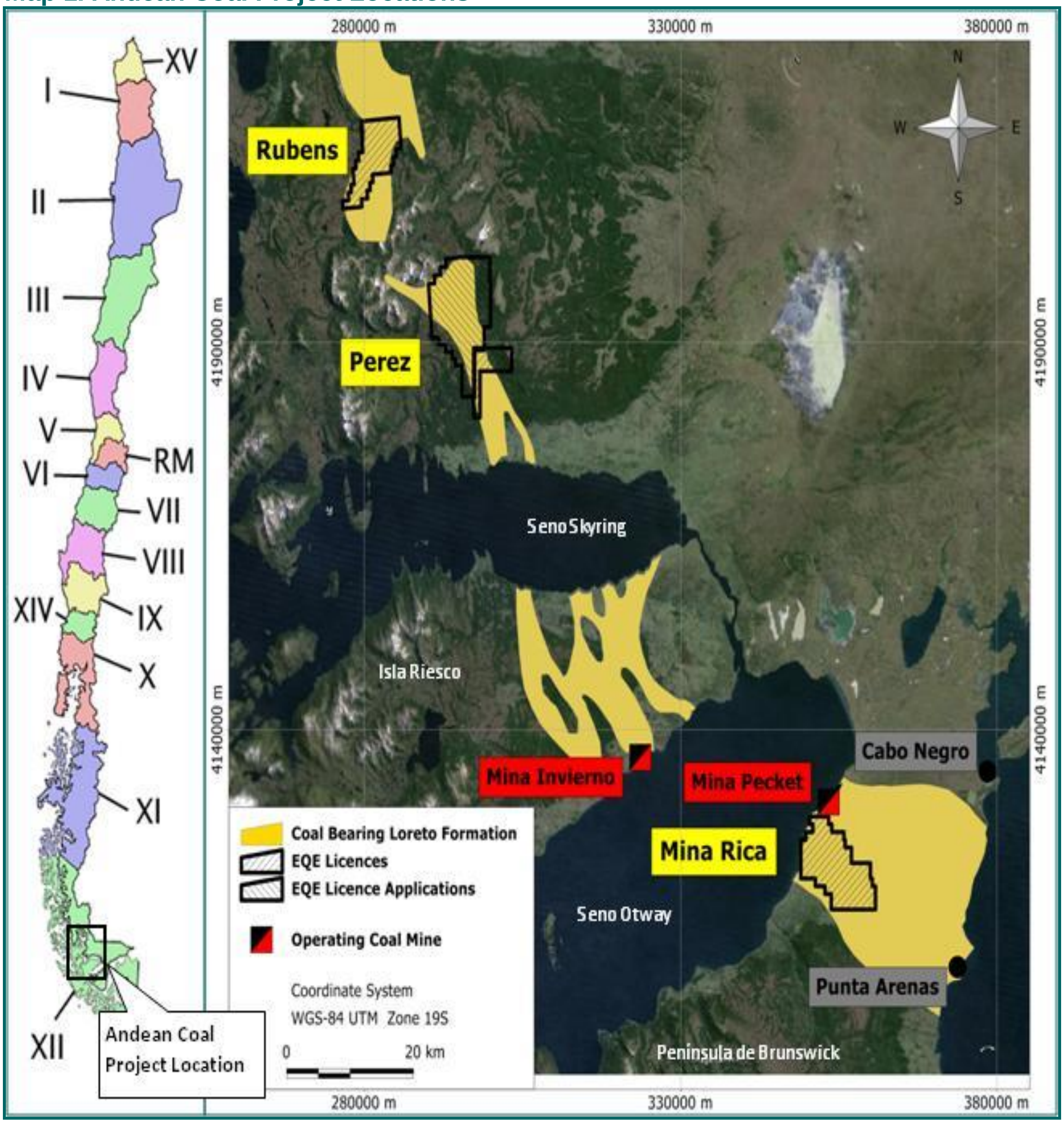
On 25 May 2014, Equus Mining Limited ('Equus' or the 'Company') announced that it had secured the rights to acquire 100% of Andean Coal Pty Ltd ('Andean'). Equus is to earn:

- An initial 51% in Andean through the expenditure of A$0.2 million on exploration and administration at Andean's coal projects.
- The remaining 49% through a 2 year option for the consideration of 16 million Equus shares.

Equus Mining Limited has strategically positioning itself to take advantage of Chile's growing demand for electricity via the Andean Coal acquisition deal. Andean Coal Pty Ltd holds a package of exploration licences centred on the coal bearing Loreto Formation, located in Chile's largest coalfield, the Magallanes Basin (See Map 1). On 22 June 2014, Equus assumed management responsibility for Andean and the three project areas called Rubens, Perez and Mina Rica with both Norman Seckold and Edward Leschke appointed to the Andean Board. The Company is not yet entitled to the 51% interest in Andean until the expenditure requirement of A$0.2 million has been met.

Equus Mining Limited has further increased its strategic ground position with exploration licence applications. This has seen the Equus total area of interest over the coal bearing Loreto formation increase from approximately 166 km2 to 281 km2, an increase of 69% in area (See Map 1). EQE intends to continue increasing ground dominance via exploration licence applications and potential joint ventures.

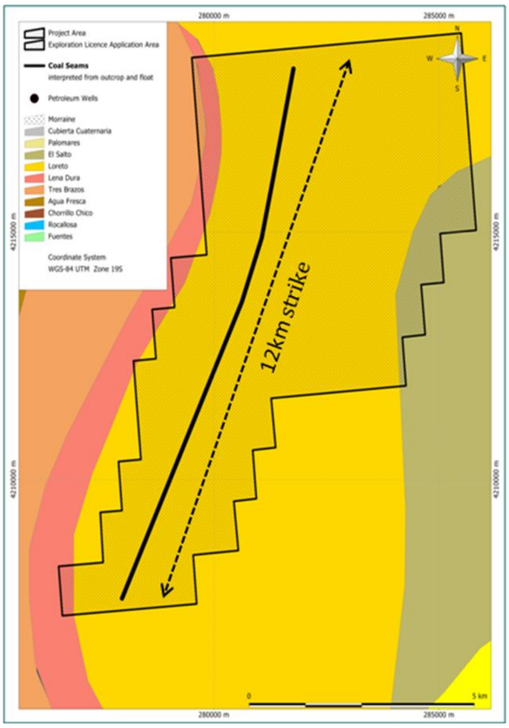
Map 1. Andean Coal Project Locations



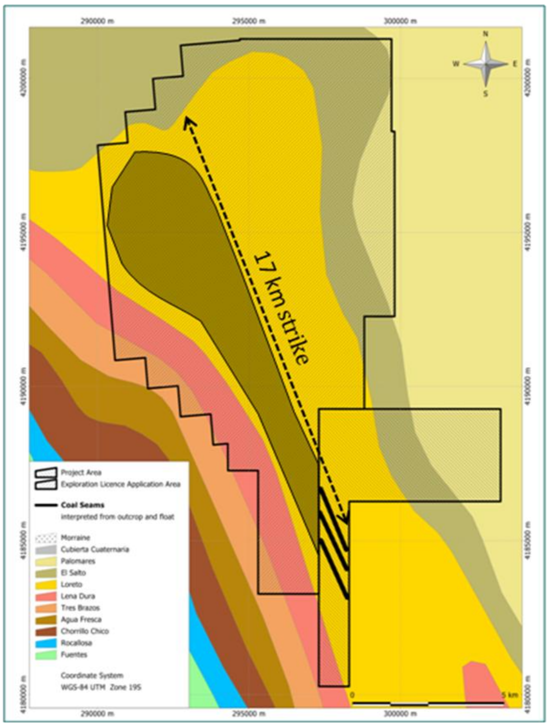
The Magallanes basin is recognised as the largest coal occurrence in Chile and is the centre of a fledgling coal mining industry. Andean's licences are centred over the main coal bearing unit, the Loreto Formation, which extends over a distance of 200km. Despite Chile importing 80% of its current thermal coal needs, the Magallanes basin has just one operating mine.

The Rubens, Perez and Mina Rica project areas (See Maps 2 to 4) all have strong potential to host shallow dipping coal deposits suitable for bulk open cut extraction as indicated by a combination of coal outcrop, float and intercepts in oil and gas wells in the general licence areas as well as regional work done by BHP and Chile's state owned petroleum company ENAP. Both Rubens and Perez cover significant strike lengths of the coal bearing Loreto Formation whilst Mina Rica is located adjacent to the underutilised Pecket coal loader owned by a third party. Field activities have commenced and Equus expects to report on progress in due course.

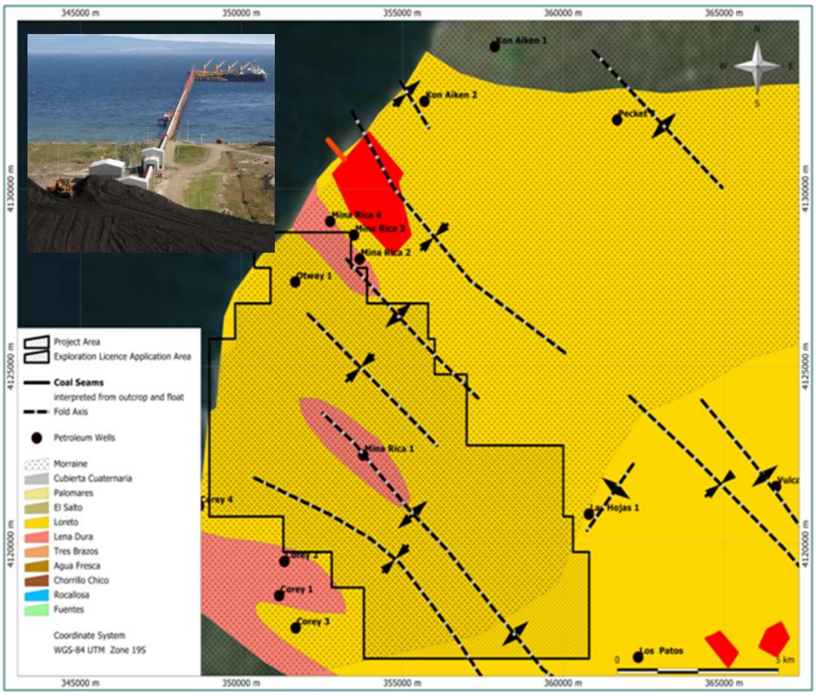
Map 2. Rubens Project



Map 3. Perez Project



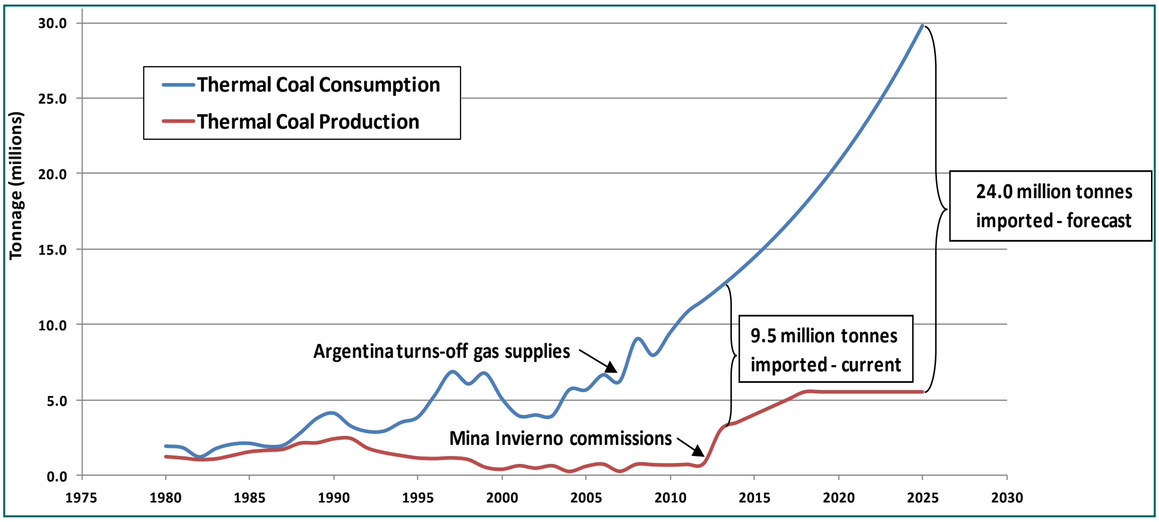
Map 4. Mina Rica Project



Investment Thesis - Chile's Energy Deficiency

Chile is an energy deficient country. Chile's economic development is driving strong growth in energy demand. However, domestic energy production has stagnated resulting in Chile currently importing approximately three quarters of its energy needs. Similarly, thermal coal imports are also three quarters of domestic consumption (See Graph 1). Demand for thermal coal has grown significantly since the curtailment of gas exports from Argentina in 2007. Coal fired power generation (coal consumption) doubled from 2005 to 2012.

Graph 1. Chile's Thermal Coal Consumption & Production



From 2007 to 2012 an additional 2,155 MW of coal fired power capacity was introduced to Chile's power grid, almost as much as the 2,549 MW added over the previous 70 years. The Chilean government forecasts that 8,000 MW of new power generation capacity (from all fuels sources) is needed by 2020 to meet demand growth. Thermal coal consumption can be expected to grow from 12 million tonnes per annum in 2013 to around 30 million tonnes per annum over the next 10 years based on government power consumption growth figures (6% - 7%) and coal remaining at just 27% of the current power generation fuel mix compared to a world average of 43%.

The potential for import replacement together with forecasted strong growth in thermal coal demand by domestic power producers provides an excellent opportunity for new coal project developments in Chile. Equus is strategically positioned to take advantage of Chile's growing energy needs. Currently there is just one operating open-cut coal mines in Chile. Utilising direct ship loading facilities on the Otway Sound (see Photo 1) to supply just 20% of demand from five power companies operating 12 coal fire power stations (See Photo 2). Transportation of coal from the Magallanes coal basin to markets is via bulk carrier ships.

Photo 1. Coal loader at the recently commissioned 5mtpa Mina Invierno Chile's only large coal mine

Photo 2. Guacolda coal fired power station in Region III (600MW) is one of Chiles 12 existing coal fired power stations

No Material Changes

Equus Mining Limited confirms that it is not aware of any new information or data that materially affects the information included in this Annual Report and that all information continues to apply.

Yours sincerely

Edward Leschke

Ted Leschke
Managing Director

Dated this 30th day of September 2014

This statement outlines the main Corporate Governance practices that were in place throughout or implemented during the financial year, which comply with the Australian Stock Exchange ('ASX') Corporate Governance Council recommendations, unless otherwise stated.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Group's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council ('Council'). Whilst the Group's practices are largely consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Group's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Group and the best interests of shareholders as a whole. When the Group is not able to implement one of the Council’s recommendations the Group applies the 'if not, why not' explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Group complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at http://www.asx.com.au

Principle 1 – Lay solid foundations for management and oversight

Board of Directors

The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Group. The Board is also responsible for the overall corporate governance and management oversight of the Group and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Group as a whole.

The Board also ensures that the Group complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Group.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Group;
- the prudential control of the Group's finances and operations and monitoring the financial performance of the Group;
- the resourcing, review and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

The Group has followed Recommendation 1.1 by establishing the functions reserved to the Board and those delegated to senior executives as disclosed above.

The Group has followed Recommendation 1.2 by evaluating the performance of senior executives. The Board reviews the performance of the Group's senior executives on a face-to-face basis and the Chairman of the Board conducted the Managing Director evaluation performance in the same manner.

In addition, the Group has appropriately taken the necessary measures to provide each Director and senior executive with a copy of the Group’s policies that spells out the rights, duties and responsibilities that they should follow.

The Group has followed Recommendation 1.3 by conducting the evaluations of senior executives in accordance with the process described above.

Principle 2 – Structure the Board to add value

Board of Directors - Composition, Structure and Process

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Group's current size, scale and nature of its activities.

Independent Directors

At the date of this report, the Company classified all of the present directors as Non-Independent Directors, the Group does not follow Recommendation 2.1. However, it is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective of whether they are independent or not. The names of the directors of the Company in office at the date of this report, specifying which are independent, are set out in the Directors' Report on pages 12 and 13 of this report.

Regular assessment of independence

An independent Director, in the view of the Group, is a non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Group, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Group, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Group other than as a Director of the Group;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group.

The composition of the Board is reviewed periodically in relation to the number and skills of Directors required for the Board to perform its responsibilities and functions properly.

Chairperson and Managing Director

Norman A. Seckold, a non-independent Director, holds the office of Chair. The Group does not follow Recommendation 2.2 because the small size of the Group does not warrant the appointment of more Directors. However, the Board considers that Norman A. Seckold best serves the office of Chair due to his extensive experience in the industry.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable the Directors to perform their duties as a Board.

The Managing Director is responsible and accountable to the Board for the Group's management. Edwards J. Leschke is the Managing Director of the Group and performs the role of Chief Executive Officer. Therefore, the Group follows Recommendation 2.3.

Board nominations

Having regard to the current membership of the Board and the size and scope of operation of the Group. The Board has not established a Nomination Committee and therefore the Group does not follow Recommendation 2.4. However, the Board has a joint responsibility for the selection and appointment practices of the company.

Performance review and evaluation

The Group has followed Recommendations 2.5 and 2.6 by disclosing the process for evaluating the performance of the Board, and disclosure requirements under Principle 2 below.

It is the policy of the Board to ensure that the Directors and executives of the Group are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is reviewed regularly and fairly. Although the Group is not of a size to warrant the development of formal processes for evaluating the performance of its Board, the Chairman constantly monitors individual Directors and executive's performance. The Chairman also speaks to Directors individually regarding their role as a Director.

Induction and education

The Group has the policy to provide each new Director or officer with a copy of the following documents:

- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Shareholders Communication Policy.

Access to information

Each Director has access to Board papers and all relevant documentation.

Skills, knowledge and experience

The appointment of Directors is based on the specific corporate and governance skills and experience required by the Group. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public Group administration, and, director-level business or corporate experience required by the Group.

Professional advice

Board members, with the approval of the Chairman, may seek from time to time external professional advice.

Term of appointment as a Director

The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

Remuneration

The remuneration of the Directors is determined by the Board as a whole, with the Director to whom a particular decision relates being absent from the meeting during the time that the remuneration level is discussed and decided upon.

For details on the amount of remuneration and any amount of equity based executive remuneration payment for each Director, refer to the Key Management Personnel note to the financial statements and the Remuneration Report in the Directors' Report.

Internal controls

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. The system of internal control adopted by the Group seeks to provide an appropriate division of responsibility and careful selection and training of personnel relative to the level of activities and size of the Group.

Principle 3 – Promote ethical and responsible decision making

Code of Conduct and Ethical Standards

All Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, endeavouring at all times to enhance the reputation and performance of the Group. Every employee has direct access to a Director to whom they may refer any ethical issues that may arise from their employment. The Group has followed Recommendation 3.1 and has adopted a formal Code of Conduct.

The following are the key practices that the Board consider necessary to maintain confidence in the company’s integrity.

Access to Group information and confidentiality

All Directors have the right of access to all relevant Group books and to the Group's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Group have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Share dealings and disclosures

The Group has adopted a policy relating to the trading in Company securities. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors should consult with the Chairman prior to dealing in securities in the Company or other companies with which the Company has a relationship.

Trading in Company securities by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information that is not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

The trading windows for restricted persons is one week before and 24 hours after the release of the Company's quarterly reports, half year results, the full year results or additional periods which are imposed by the Company when senior management becomes aware of a matter that is considered to be price sensitive. Restricted persons are prohibited from trading in the Company's securities outside these trading windows unless in special circumstances and with the approval of the Board.

Conflicts of interest

To ensure that Directors are at all times acting in the best interests of the Group, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Group; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

Related party transactions

Related party transactions include any financial transaction between a Director and the Group as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Group also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

Board diversity

Given the small size of the Group, the Group has not set a policy concerning diversity and therefore has not followed Recommendations 3.2, 3.3, 3.4, and 3.5. However, the Company's Board does take into account the gender, age, ethnicity, and cultural background of potential Board members. The Company advises that no women are employed directly by the Company, including as key management personnel.

Principle 4 – Safeguard integrity in financial reporting

Audit Committee

Having regard to the current membership of the Board and the size and scope of operation of the Group. The Board has not established an Audit Committee and therefore the Group does not follow Recommendation 4.1, 4.2, 4.3 and 4.4.

The objective of an Audit Committee is to make recommendations to the Board regarding various matters including the adequacy of the external audit, risk management and compliance procedures, to evaluate from time to time the effectiveness of the financial statements prepared for the Board and to ensure that independent judgement is always exercised. These Audit Committee functions are jointly perform by the full Board.

Principle 5 – Make timely and balanced disclosure

The Group has followed Recommendations 5.1 and 5.2 and has adopted a formal Continuous Disclosure Policy.

Continuous Disclosure to the ASX

The Board has designated the Managing Director and the Company Secretary as being responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly, the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities.

Principle 6 – Respect the rights of shareholders

The Company has followed Recommendations 6.1 and 6.2 and has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings as disclosed below.

Communication to the market and shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Board considers that information will be communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company’s website.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements are available on the Company’s website, www.equusmining.com, and on the ASX website, www.asx.com.au, under ASX code 'EQE'.

Principle 7 – Recognise and manage risk

The Group has followed Recommendation 7.1 and has designed policies for the oversight and management of material business risks as disclosed below.

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Having regard to the current membership of the Board and the size and scope of operations of the Group, The Board has followed Recommendation 7.2, whereby the Board instead of management carried out the function of overseeing risk management, internal control system and oversight of material business.

Internal control and risk management

The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

Appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

Internal audit function

The Board carried out the internal audit function. The Group does not have an internal audit department nor has an internal auditor. The size of the Group does not warrant the need or the cost of appointing an internal auditor.

CEO and CFO declarations

The Group has followed Recommendation 7.3. The Board has determined that the Managing Director and the CFO or the Company Secretary if the Company does not have a CFO are the appropriate persons to make the CEO and CFO declarations as required under section 295A of the Corporations Act. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Group has followed Recommendation 7.4 by disclosing the information above.

Principle 8 – Remunerate fairly and responsibly

Having regard to the current membership of the Board and the size and scope of operations of the Group, a Remuneration Committee has not been established and therefore Recommendations 8.1, 8.2, 8.3 and 8.4 have not been followed.

However, the Board as follows carries out the functions and responsibilities of a remuneration committee:

Remuneration responsibilities

The role and responsibility of the Board is to review the following:

- executive remuneration policy;
- executive Director and senior management remuneration;
- executive incentive plan;
- non-executive Directors' remuneration;
- performance measurement policies and procedures;
- termination policies and procedures;
- equity based plans; and
- requirements of remuneration and remuneration benefits public disclosure.

Remuneration policy

Shareholders at the Annual General Meeting adopt the Directors' total remuneration. The Board approves the salary and emoluments paid to officers. The Board engaged consultants as required pursuant to service agreements. The Group ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Group. All salaries of Directors and officers are disclosed in the Annual Report of the Group.

In line with Recommendation 8.3, the Group has a policy to remunerate its Directors and officers based on fixed and incentive component salary packages to reflect the short and long-term objectives of the Group.

The salary component of the Managing Director's remuneration is made up of:

- fixed remuneration;
- Superannuation of 9.5%; and
- equity based remuneration in the form of options when the Board considers that the executive is able to influence the generation of shareholders wealth and thus have a direct impact on the Company's performance.

The salary component of non-executive and executive Directors is made up of:

- fixed remuneration; and
- an entitlement to receive options, subject to shareholders' approval, when a director is able to influence the generation of shareholders wealth.

The Directors present their report, together with the consolidated financial statements of the Group, comprising of Equus Mining Limited ('Equus' or 'the Company') and its controlled entities for the financial year ended 30 June 2014 and the auditor's report thereon.

DIRECTORS

The names and details of the Directors in office during or since the end of the previous financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Norman Alfred Seckold BEcon, Non-Executive Chairman

Director appointed 5 September 2012.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 30 years in the full time management of natural resource companies, both in Australia and overseas, including the role of Chairman for a number of publicly listed companies including:

- Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA.
- Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA.
- Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA.
- Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria.
- Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria.
- Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden.
- Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico.
- Bolnisi Gold N.L. which discovered and is currently operating the Palmarejo and Guadalupe gold and silver deposits in Mexico.
- Cockatoo Coal Limited, an Australian coal mining, exploration and project development company.
- Cerro Resources NL, a precious metals exploration company with a development project in Mexico.

Mr Seckold is currently Chairman of the following listed companies:

- Augur Resources Ltd, a minerals exploration and development company operating in Australia and Indonesia.
- Santana Minerals Limited, a precious metals exploration company operating in Mexico.
- Planet Gas Limited, an energy explorer in conventional and unconventional oil and gas resources operating in Australia.

He is also a director of the unlisted public companies Mekong Minerals Limited and Nickel Mines Limited.

Edward Jan Leschke BAppScApp Geo, Managing Director

Director appointed 5 September 2012

Mr. Leschke graduated with a Bachelor of Applied Science – Applied Geology degree from the Queensland University of Technology. During a 22 year professional career Mr Leschke initially worked as a mine geologist at the Elura zinc-lead-silver mine in central New South Wales as well as holding geological positions in a number of locations such as the Central Queensland coal fields, South Australia and Papua New Guinea.

Mr Leschke made the transition to the financial sector specialising in mining investment, analysis and corporate finance and has worked for a number of financial institutions including BZW Stockbroking, Aberdeen Asset Management and Shaw Stockbroking. Mr Leschke has been responsible for the inception of Equus Resources Ltd and the two wholly owned subsidiaries in the Republic of Chile.

He has not served as a director of any other listed company during the past three years.

Jürg Walker, Non-Executive Director

Director appointed 20 May 2002

Jürg Walker is a European portfolio manager and investor. He has over 20 years experience in the Swiss banking industry, operating his own portfolio management company after leaving his position as senior vice president of a private bank in Zurich. He has not served as a director of any other listed company during the past three years.

Robert John Perring, Non-Executive Director

Director appointed 15 February 2013, resigned 10 January 2014

Robert Perring is a geologist with more than 30 years experience in the mineral industry and has held senior corporate and technical positions in Normandy Mining Limited and Newmont Australia. While at Newmont, his regional exploration team discovered the Moolart Well gold deposit in Western Australia (now in production). He has also directed exploration within and around some of Australia and New Zealand's largest gold and base metal mines - Boddington (WA), Jundee (WA), Bronzewing (WA), Golden Grove (WA), Callie (NT), Mt Leyshon (QLD), Pajingo (QLD) and Waihi (NZ).

Mr Perring has worked in a broad range of geological terrains within Australia and New Zealand (General Manager Exploration, Newmont Australia), the Middle East (Managing Director, Gulf & Asian Mining Limited) and South America (Technical Director, Equus Resources Limited).

He is a graduate of Imperial College, London (DIC) and the University of London (MSc) and is a Member of the Australian Institute of Geoscientists (MAIG). He has not served as a director of any other listed company during the past three years.

COMPANY SECRETARY

Marcelo Mora

Company Secretary appointed 16 October 2012

Marcelo Mora holds a Bachelor of Business degree and Graduate Diploma of Applied Corporate Governance, and is a Chartered Secretary (AGIA). Mr Mora has been an accountant for more than 25 years and has experience in resources and mining companies both in Australia and internationally, providing financial reporting and company secretarial services to a range of publicly listed companies.

Susmit Mohanlal Shah BScEcon CA

Company Secretary appointed 30 April 2003, resigned 16 September 2013

Susmit Shah is a Chartered Accountant with over 25 years experience. Over the last 15 years, Mr Shah has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He ceased to serve as joint Company Secretary on 16 September 2013.

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors (while they were a Director) of the Company during the year are:

Director	Board Meetings	
	Held	Attended
Norman A. Seckold	4	4
Edward J. Leschke	4	4
Robert J. Perring	2	2
Jürg Walker	4	4

DIRECTORS' INTERESTS

Directors' beneficial shareholdings at the date of this report are:

Director	Fully Paid Ordinary Shares	Options over ordinary shares
Norman A. Seckold	31,877,420	-
Edward J. Leschke	35,068,889	-
Jürg Walker	8,297,861	-

OPTION HOLDINGS

Options granted to directors' and officers'

The Company did not grant any options over unissued ordinary shares during or since the end of the financial year to directors as part of their remuneration. The Directors do not hold any options over unissued shares at the date of this report nor did they hold any at the reporting date.

The Company has not granted any options over unissued ordinary shares during or since the end of the financial year to officers as part of their remuneration.

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Number of shares	Exercise price	Expiry date
1,000,000	$0.075	13 November 2015
1,000,000	$0.150	13 November 2015
1,000,000	$0.200	13 November 2015
1,000,000	$0.250	13 November 2015

Details of options issued by the Company are set out in the reserves note to the financial report. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the *Corporations Act 2001*. This register may be inspected free of charge.

The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of the Company or any other body corporate.

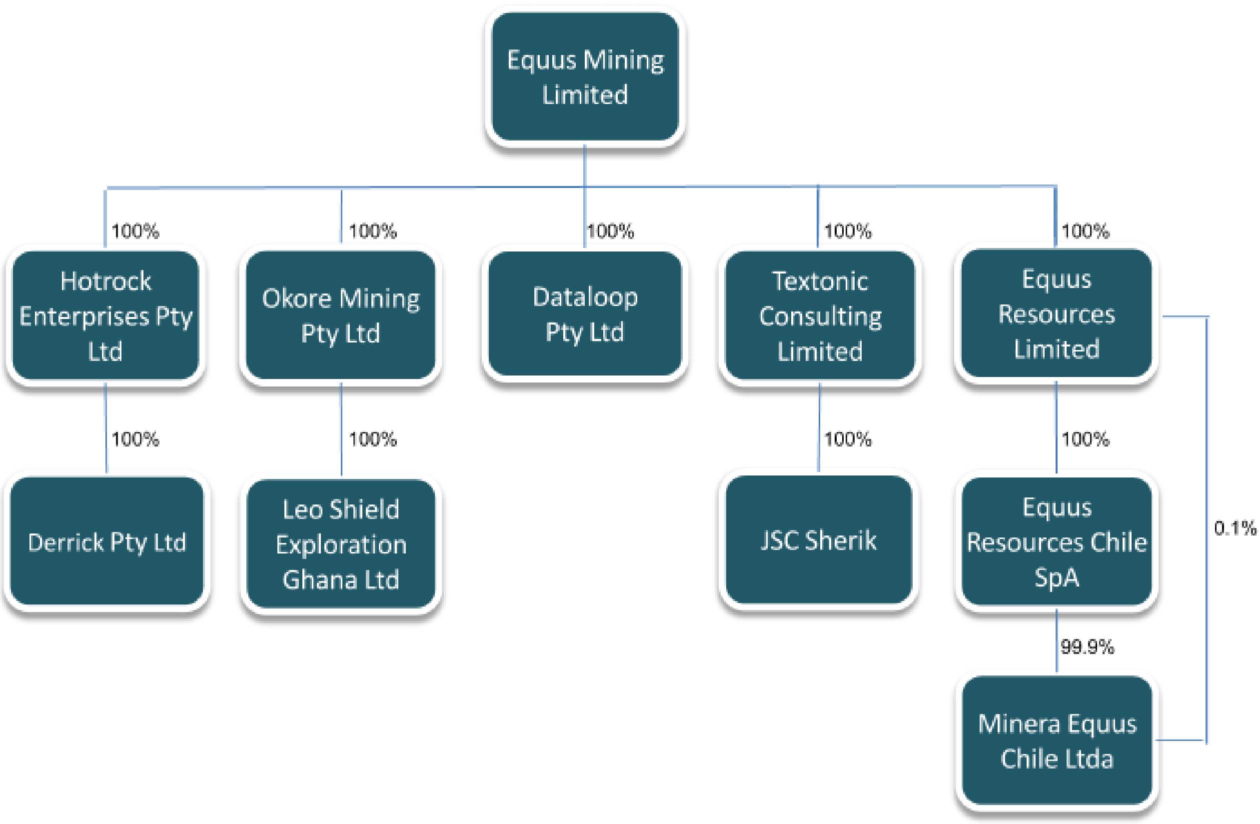
The Group has not issued any ordinary shares of the Company as a result of the exercise of options during or since the end of the financial year.

CORPORATE INFORMATION

Corporate Structure

Equus Mining Limited is a limited liability company that is incorporated and domiciled in Australia. It has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. The Group's structure at 30 June 2014 is outlined below.

EQUUS MINING LIMITED – GROUP STRUCTURE AT 30 JUNE 2014



PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was the mineral exploration of the Naltagua Copper project in Chile and as at the date of this report, the objective of the group concentrates on the mineral exploration in the Magallanes Basin after securing the rights to acquire 100% of Andean Coal Pty Ltd which has seen the Group's focus move to exploring and further acquisitions of tenements prospective for coal in Chile.

In the medium term, the Group's objective is to seek new opportunities of mineral prospective areas in the region. However, there are no guarantees that our existing or future exploration programs will be successful.

FINANCIAL RESULTS

The consolidated loss after income tax attributable to members of the Company for the year was $9,856,444 (2013: $3,546,382 loss).

REVIEW OF OPERATIONS

A review of the Group's operations for the year ended 30 June 2014 is set out on pages 2 to 5 of this Annual Report.

DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2014. No dividends have been paid or declared during the financial year (2013 - $nil)

CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2014 were as follows:

- Susmit Shah resigned as joint Company Secretary effective 16 September 2013.
- The Company announced the expiration of 460,000 options on 31 October 2013.
- Robert Perring resigned as Director of the Company effective 10 January 2014.
- The Company sold its equity investment in Manas Resources Limited raising $19,940.
- The Company sold its royalty interest in the Mansounia Gold Project in the Republic of Guinea for consideration of up to US$700,000 comprising US$42,857 plus the issue of shares in a US over the counter traded company, Blox-Inc where the number of Blox-Inc shares shall be calculated by dividing US$328,555 by the lower of $0.20 or the volume weighted average share price of Blox-Inc shares traded on a security exchange platform over a 20-day period preceding the issue date. In addition, upon commencement of commercial gold production Equus will receive a further US$328,555 in shares in Blox-Inc calculated in the same manner. At 30 June 2014, the Company had received an initial deposit of AUD$2,857. The remaining consideration was subject to the satisfaction of certain conditions precedent. These conditions were satisfied subsequent to year end and the remaining cash consideration and first tranche of Blox-Inc shares were received in July 2014.
- On 23 May 2014, Equus announced that it had secured the rights to acquire 100% of Andean Coal Pty Ltd ('Andean'), a company that holds exploration licences in the Magellanes coalfields basin. Equus is to earn a 51% interest in Andean through the expenditure of $200,000 on exploration and administration and has the option to acquire the remaining 49% of Andean for consideration of 16 million ordinary shares of Equus.
- The Company executed a Sale and Purchase agreement on 17 June 2014 for the sale of the drilling rig, the plant and equipment and associated consumables held in the Kyrgyz Republic for US$1.5 million with an Australian private company. The buyer paid a deposit of AUD$100,000 on execution of the agreement. The sale is conditional to the purchaser finalising a joint venture agreement with KazMunayGas, the national petroleum company of Kazakhstan. Subsequent to 30 June 2014, the Company executed an amended agreement. The amended consideration for the sale is US$2.0 million in convertible notes with a maturity date of 30 September 2015. The Company can convert the notes at any time prior to maturity however there is no mandatory requirement for conversion. The AUD$100,000 deposit already paid is no longer refundable.
- On 3 June 2014, the Group voluntarily deregistered its subsidiary Brumby Mining Pty Limited ('Brumby') in line with the Group corporate restructure. Brumby was a subsidiary of Equus Resources Limited that was dormant without assets and liabilities.

ENVIRONMENTAL REGULATIONS

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The Group's exploration activities in Chile are subject to environmental laws, regulations and permit conditions as they apply in the country of operation. There have been no breaches of environmental laws or permit conditions while conducting operations in Chile during the year.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

EVENTS SUBSEQUENT TO BALANCE DATE

On 21 July 2014, the Group offered all eligible shareholders of Equus Mining Limited the opportunity to participate in a Share Purchase Plan ('SPP'). The offer closed on 22 August 2014. Shareholders subscribed for 52,100,000 ordinary shares under the SPP, raising $521,000. In conjunction with the SPP, on 1 September 2014 the Company issued 22,500,000 new shares for a total consideration of $225,000, to sophisticated investors.

As at 30 June 2014, the Group impaired its investment in the Naltagua Copper Project in Chile. On 29 August 2014, the Group notified the owner of the project in writing that it will not acquire the project.

EVENTS SUBSEQUENT TO BALANCE DATE (cont.)

On 23 September 2014 the Company executed amended agreement for the sale of the drilling rig, the plant and equipment and associated consumables held in the Kyrgyz Republic. The amended consideration for the sale is US$2.0 million in convertible notes with a maturity date of 30 September 2015. The Company can convert the notes at any time prior to maturity however there is no mandatory requirement for conversion. The AUD$100,000 deposit already paid is no longer refundable. Completion of the transaction is expected to occur on 7 October 2014.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LIKELY DEVELOPMENTS

Equus considers growth as a vital strategy for the Company taking into consideration its existing operations in Chile and the newly acquired option rights to purchase 100% of Andean Coal Pty Ltd that holds a strategic package of exploration coal licenses in the province of Magellan's southern Chile. The Group believes that the farming of projects and the addition of new projects through mergers or acquisitions are part of the natural evolution of its business. The Group will continue to seek good partners and good projects to create business synergies for our company including the farming of projects.

The Group will focus on its coal interest during the course of 2014/2015 financial year. The Directors expect to receive further results of the exploration programs at Magellanes which they will make public once the information is received in accordance with ASX listing rules.

Further information as to likely developments in the operations of the Group and the expected results of those operations in subsequent years has not been included in this report because disclosure of this information would be likely to result in unreasonable prejudice to the Group.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers of any entity within the Group against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. Directors and officers of the Group have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The Group has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an auditor.

The insurance premium, amounting to $10,324 relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

REMUNERATION REPORT - Audited

Principals of compensation - Audited

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company. No other employees have been deemed to be key management personnel.

The remuneration policy of Directors and senior executives is to ensure the remuneration package properly reflects the persons' duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board is responsible for reviewing its own performance. The evaluation process is designed to assess the Group's business performance, whether long-term strategic objectives are being achieved, and the achievement of individual performance objectives.

The Constitution and ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at a shareholders meeting on 29 November 2005 when the shareholders approved an aggregate remuneration of $200,000 per year.

Remuneration generally comprises of salary and superannuation. Long-term incentives are able to be provided through the Company's share option program, which acts, to align the Director's and senior executive's actions with the interests of the shareholders, no options were granted or outstanding to key management personnel for the year ended 30 June 2014, or in the prior year. The remuneration disclosed below represents the cost to the Group for services provided under these arrangements.

All Directors, except for Edward Leschke, who is paid through the Company's payroll, are compensated for their services by way of arrangements with related parties.

There were no remuneration consultants used by the Company during the year ended 30 June 2014, or in the prior year.

Consequences of performance on shareholders' wealth - Audited

In considering the Group's performance and benefits for shareholders' wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years.

	2014 **$**	**2013** **$**	**2012** **$**	**2011** **$**	**2010** **$**
Net loss attributable to equity holders of the parent	9,856,444	3,546,382	3,519,829	3,656,276	14,501,622
Dividends paid	-	-	-	-	-
Change in share price	(0.02)	0.00	(0.06)	0.02	(0.08)
Return on capital employed*	(748.56%)	(30.16%)	(73.19%)	(34.51%)	(98.99%)

* Return on capital employed is calculated by dividing the profit or loss for the year by total assets less current liabilities.

The overall level of key management personnel's compensation has been determined based on market conditions, advancement of the Group's projects and the financial performance of the Group.

REMUNERATION REPORT - Audited (Con't)

Details of the nature and amount of each major element of the remuneration of each Director of the Company and other key management personnel of the Company and Group are:

		Short-term employee benefits		Post Employment Benefits	Share based payments	
		Primary Salary / Fees	Consulting Fees	Super-annuation	share options	Total
	Year	$	$	$	$	$
Executive Directors						
Edward Leschke	**2014**	**150,000**	**-**	**13,875**	**-**	**163,875**
	2013	121,154	-	10,904	-	132,058
Graeme Parsons **^**	**2014**	**-**	**-**	**-**	**-**	**-**
	2013	124,382	-	11,194	-	135,576
Colin Carson **^^^**	**2014**	**-**	**-**	**-**	**-**	**-**
	2013	128,626	-	3,000	-	131,626
Non-Executive Directors						
Norman Seckold	**2014**	**30,000**	**-**	**-**	**-**	**30,000**
	2013	24,600	-	-	-	24,600
Robert Perring *	**2014**	**15,833**	**-**	**-**	**-**	**15,833**
	2013	11,250	53,000	-	-	64,250
Colin Carson **^^^**	**2014**	**-**	**-**	**-**	**-**	**-**
	2013	20,512	-	1,846	-	22,358
Jürg Walker	**2014**	**30,000**	**-**	**-**	**-**	**30,000**
	2013	30,000	-	-	-	30,000
Michael John Sandy **^^**	**2014**	**-**	**-**	**-**	**-**	**-**
	2013	18,750	-	-	-	18,750
Avraham Ben-Natan **^**	**2014**	**-**	**-**	**-**	**-**	**-**
	2013	5,346	-	-	-	5,346
Total all directors	**2014**	**225,833**	**-**	**13,875**	**-**	**239,708**
	2013	484,620	53,000	26,944	-	564,564

* Director since 15 February 2013 resigned 10 January 2014.
^ Ceased to be Director on 5 September 2012
^^ Ceased to be Director on 15 February 2013
^^^ Colin Carson ceased to serve as Executive Chairman on 10 September 2012 and, with effect from 1 October 2012, he assumed a non-executive director role until the date of his resignation on 27 May 2013

Remuneration Structure - Audited

In accordance with best practice corporate governance, the structure of Executive Director and Non-Executive Director remuneration is separate and distinct.

Service contracts - Audited

There are no service contracts for the key management personnel.

Executive Directors - Audited

During the financial year ended 30 June 2014, only Edward Leschke was considered an Executive Director. His salary comprised of fixed remuneration plus 9.25% statutory superannuation paid through the Company's payroll.

REMUNERATION REPORT - Audited (Con't)

Non Executive Directors - Audited

During the financial year ended 30 June 2014, the following Directors were considered Non Executive Directors:

- Norman Seckold;
- Jürg Walker;
- Robert Perring until 10 January 2014;

The salary component of Non-Executive Directors was made up of:

- fixed remuneration; and
- an entitlement to receive options, subject to shareholders' approval.

The services of non-executive directors are provided by way of arrangements with related parties. No Directors of the Company are engaged pursuant to a service agreement.

Options granted as compensation - Audited

There are no options held by Directors over ordinary shares.

Modification of terms of equity-settled share-based payment transactions - Audited

No terms of equity-settled share-based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the issuing entity during the 2014 and 2013 financial years.

Exercise of options granted as compensation - Audited

There were no shares issued on the exercise of options previously granted as compensation during the 2014 and 2013 financial years.

Options and rights over equity instruments - Audited

Directors or Key management personnel do not hold any options over unissued shares at the date of this report nor did they hold any at the reporting date.

Loans to key management personal and their related parties - Audited

There were no loans made to key management personnel or their related parties during the 2014 and 2013 financial years and no amounts were outstanding at 30 June 2014 (2013 - $nil).

Other transactions with key management personnel - Audited

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year as follows:

- During the year ended 30 June 2014, Norman A. Seckold had control over an entity, Mining Services Trust, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Group. Fees paid to Mining Services Trust during the year amounted to $240,000 (2013 - $176,500). For the year ended 30 June 2014 the outstanding amount is $20,000 (2013 - $nil).

- During the year ended 30 June 2014, Mr Robert Perring had control over an entity, Quadramin Pty Ltd, which provided geological consulting services to the Group. Fees paid to Quadramin Pty Ltd during the year amounted to $10,000 (2013 - $117,400). There were no amounts outstanding as at year end (2013 - $nil).

REMUNERATION REPORT - Audited (Con't)

Movements in shares - audited

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Fully paid ordinary shareholdings and transactions - 2014

Key management personnel	Held at 1 July 2013	Consolidation	Purchases	Sales	Held at 30 June 2014
Norman A. Seckold	30,377,420	-	-	-	**30,377,420**
Edward J. Leschke	34,619,471	-	449,418	-	**35,068,889**
Jurg Walker	8,297,861	-	-	-	**8,297,861**
Robert J. Perring **	8,100,000	-	-	-	**8,100,000**

****** Number of shares held at date of resignation as a Director.

NON-AUDIT SERVICES

During the year ended 30 June 2014 KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001*.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below.

	2014 $	2013 $
Services other than audit and review of financial statements:		
Other services		
Taxation advisory services	**11,000**	-
	11,000	-
Audit and review of financial statements	**84,300**	83,000
	95,300	83,000

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 22 and forms part of the Directors' Report for the financial year ended 30 June 2014.

Signed at Sydney this 30th day of September 2014
in accordance with a resolution of the Board of Directors:

Norman A. Seckold
Director

Edward J. Leschke
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 audit for the financial year ended 30 June 2014, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Adam Twemlow
Partner
Brisbane

30 September 2014

Equus Mining Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

	Notes	2014 $	2013 $
CONTINUING OPERATIONS			
Other income	4	**2,857**	2,000,000
Expenses			
Employee, directors and consultants costs		**(499,285)**	(712,092)
Depreciation expense		**(2,608)**	(4,781)
Share based compensation expense		**-**	(144,000)
Impairment of exploration expenditure	11	**(8,832,568)**	-
Impairment of property	12	**(192,710)**	-
Travel expenses		**(26,908)**	(44,805)
Business development		**(47,112)**	(4,776)
Other expenses	4	**(377,316)**	(506,520)
Results from operating activities		**(9,975,650)**	583,026
Finance income	5	**24,912**	607,807
Finance costs		**(7,790)**	(61,224)
Net finance income		**17,122**	546,583
Profit/(loss) before tax		**(9,958,528)**	1,129,609
Tax benefit/(expense)	6	**378,804**	(378,804)
Profit/(loss) from continuing operations		**(9,579,724)**	750,805
DISCONTINUED OPERATION			
Loss from discontinued operation (net of tax)	28	**(276,720)**	(4,341,433)
Loss for the year		**(9,856,444)**	(3,590,628)
Other comprehensive income for the year			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	15	**(585,027)**	914,098
Transfer of foreign currency translation reserve to loss on disposal of subsidiaries in profit or loss		**-**	2,902,675
Net change in fair value of available-for-sale financial assets	10	**(7,790)**	(147,735)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	10	**7,790**	(533,315)
Total other comprehensive income/(loss)		**(585,027)**	3,135,723
Total comprehensive loss for the year		**(10,441,471)**	(454,905)
Loss for the year attributable to:			
Equity holders of the Company		**(9,856,444)**	(3,546,382)
Non-controlling Interests		**-**	(44,246)
		(9,856,444)	(3,590,628)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(10,441,471)**	(553,574)
Non-controlling Interests		**-**	98,669
		(10,441,471)	(454,905)
Earnings per share			
Basic and diluted loss per share attributable to ordinary equity holders (dollars)	16	**(0.038)**	(0.016)
Earnings per share - continuing operations			
Basic and diluted loss per share attributable to ordinary equity holders (dollars)	16	**(0.037)**	0.003

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

Equus Mining Limited
Consolidated Statement of Financial Position
For the Year Ended 30 June 2014

	Notes	2014 $	2013 $
Current Assets			
Cash and cash equivalents	7	**167,597**	2,039,772
Receivables	8	**25,307**	25,697
Assets held for sale	25	**1,442,125**	1,760,797
Other	9	**2,863**	3,675
Total Current Assets		**1,637,892**	3,829,941
Non-Current Assets			
Receivables	8	**-**	12,427
Available-for-sale financial assets	10	**-**	27,730
Exploration and evaluation expenditure	11	**43,092**	8,268,874
Property, plant and equipment	12	**1,775**	247,058
Total Non-Current Assets		**44,867**	8,556,089
Total Assets		**1,682,759**	12,386,030
Current Liabilities			
Payables	13	**366,027**	249,023
Provision for tax	6	**-**	378,804
Total Current Liabilities		**366,027**	627,827
Total Liabilities		**366,027**	627,827
Net Assets		**1,316,732**	11,758,203
Equity			
Share capital	14	**106,622,162**	106,622,162
Reserves	15	**(125,930)**	261,524
Foreign currency translation reserve relating to disposal group held for sale	15, 25	**(3,022,797)**	(2,804,524)
Accumulated losses		**(102,156,703)**	(92,320,959)
Parent entity interest		**1,316,732**	11,758,203
Non-controlling interests		**-**	-
Total Equity		**1,316,732**	11,758,203

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

Equus Mining Limited
Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2014

	Share Capital	Accumulated Losses	Reserves	Total	Non-controlling Interest	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2012	**99,362,502**	**(91,852,352)**	**(2,602,033)**	**4,908,117**	**(98,669)**	**4,809,448**
Loss for the year	-	(3,546,382)	-	(3,546,382)	(44,246)	(3,590,628)
Total other comprehensive (loss)/income	-	-	2,992,808	2,992,808	142,915	3,135,723
Total comprehensive loss for the year	**-**	**(3,546,382)**	**2,992,808**	**(553,574)**	**98,669**	**(454,905)**
Transactions with owners recorded directly in equity						
Ordinary shares issued	7,287,860	-	-	7,287,860	-	7,287,860
Transaction costs on issue of shares	(28,200)	-	-	(28,200)	-	(28,200)
Employee share options	-	-	144,000	144,000	-	144,000
Transfer of expired options	-	3,077,775	(3,077,775)	-	-	-
Balance at 30 June 2013	**106,622,162**	**(92,320,959)**	**(2,543,000)**	**11,758,203**	**-**	**11,758,203**
Balance at 1 July 2013	**106,622,162**	**(92,320,959)**	**(2,543,000)**	**11,758,203**	**-**	**11,758,203**
Loss for the year	-	(9,856,444)	-	(9,856,444)	-	(9,856,444)
Total other comprehensive income	-	-	(585,027)	(585,027)	-	(585,027)
Total comprehensive loss for the year	**-**	**(9,856,444)**	**(585,027)**	**(10,441,471)**	**-**	**(10,441,471)**
Transactions with owners recorded directly in equity						
Transfer of expired options		20,700	(20,700)			-
Balance at 30 June 2014	**106,622,162**	**(102,156,703)**	**(3,148,727)**	**1,316,732**	**-**	**1,316,732**

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

Equus Mining Limited
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2014

	Notes	2014	2013
		$	$
Cash flows from operating activities			
Cash receipts in the course of operations		**15,036**	406,975
Cash payments in the course of operations		**(1,260,016)**	(2,282,004)
Net cash used in operations		**(1,244,980)**	(1,875,029)
Interest received		**17,283**	13,267
Net cash used in operating activities	17	**(1,227,697)**	(1,861,762)
Cash flows from investing activities			
Payments for exploration and development expenditure		**(861,739)**	(1,490,830)
Payments for plant and equipment		**-**	(230,041)
Proceeds from the sale of royalty interest		**2,857**	2,000,000
Proceeds from sale of plant and equipment		**74,273**	140,617
Proceeds from sale of investments		**19,940**	1,263,851
Disposal of subsidiaries, net of cash disposed of		**-**	778,260
Deposit received for the sale of Leo Ghana		**-**	100,000
Deposit received for the sale of drill rig		**100,000**	-
Loans repaid from other entities		**-**	9,639
Payment for the acquisition of assets (net of cash acquired)		**-**	119,392
Net cash from/(used in) investing activities		**(664,669)**	2,690,888
Cash flows from financing activities			
Proceeds from share issues		**-**	751,400
Share issue expenses		**-**	(28,200)
Repayment of borrowings - related party		**-**	(100,000)
Net cash provided by financing activities		**-**	623,200
Net increase / (decrease) in cash held		**(1,892,366)**	1,452,326
Cash and cash equivalents at 1 July		**2,059,438**	607,112
Effects of exchange rate fluctuations on cash held		**525**	-
Cash and cash equivalents		**167,597**	2,059,438
Less cash reclassified to assets held for sale		**-**	(19,666)
Cash and cash equivalents at 30 June	17	**167,597**	2,039,772

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

1. REPORTING ENTITY

Equus Mining Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 2, 66 Hunter Street, Sydney, NSW, 2000. The consolidated financial statements of the Company as at and for the year ended 30 June 2014 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 copper, gold and coal resource opportunities in the central and southern Chile, South America.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the Directors on 30 September 2014.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Going concern

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

The Group recorded a loss of $9,856,444 for the year ended 30 June 2014, including impairment of $9,025,278 relating to exploration and evaluation and other assets and has accumulated losses of $102,156,703 as at 30 June 2014. The Group has cash on hand of $167,597 at 30 June 2014 and used $2,089,436 of cash in operations, including payments for exploration and evaluation, for the year ended 30 June 2014. Additional funding will be required to meet the Group's expenditure commitments.

Subsequent to year end $521,000 was raised from shareholders participation in a Share Purchase Plan ('SPP'). In conjunction with the SPP an additional $225,000 was raised from sophisticated investors. As at the date of this report all funds have been received by the Company.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon:

- the Group raising additional funding from shareholders or other parties; and/or
- the Group disposing of non-core assets; and
- the Group reducing expenditure in-line with available funding.

The Directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group obtains sufficient additional funding from the sale of its remaining non-core assets, and/or the Group raising additional funding from shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditure further to the level of funding available and this may impact the Group's ability to continue with certain exploration projects.

In the event that the Group does not obtain additional funding and/or dispose of non-core assets and reduce expenditure in-line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial statements.

(e) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2. BASIS OF PREPARATION (Cont.)

(e) Use of estimates and judgements (Cont.)

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

- Note 2(d) - Going concern;
- Note 6 – Income tax expense;
- Note 11 - Exploration and evaluation expenditure; and
- Note 25 – Disposal group held for sale.

(f) Changes in accounting policies

The Group has adopted the following standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

(i) AASB 10 Consolidated Financial Statements (2011)

As a result, of AASB 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Group has the power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect hose returns. In particular, AASB 10 (2011) requires the Group consolidate investees that it controls on the basis of de facto circumstances.

In accordance with the transitional provisions of AASB 10 (2011), the Group reassessed the control conclusion for its investees at 1 July 2013 and have concluded that no adjustments to the financial statements are required.

(ii) AASB 11 Joint Arrangements (2011)

As a result, of AASB 11, the Group has changed its accounting policy for its interest in joint arrangements. Under AASB 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

The Group has assessed the impact of this change and has concluded that there is no impact on the financial statements.

(iii) AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group has assessed the disclosure requirements under this standard and have concluded that no changes to current disclosures are required.

(iv) AASB 13 Fair Value Measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants at the measurement date.

In accordance with the transitional provisions of AASB 13, the Group has applied the new fair value measurement guidance prospectively, however, this has not had a significant impact on the measurement of the Group's assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for the changes in accounting policies noted in Note 2(f), the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by entities in the Group.

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entities and the revenue can be reliably measured.

Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, losses on disposal of available-for-sale financial assets and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(b) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised as intangible exploration and evaluation assets on an area of interest basis, less any impairment losses. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to developing mine properties.

(c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(c) Property, plant and equipment (Cont.)

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

Depreciation rates

Class of assets	*Depreciation basis*	*Depreciation rate*
Computer and Office Equipment	Straight Line	20% to 50%
Motor Vehicles	Straight Line	10% to 20%
Building improvements	Straight Line	10%
Plant & equipment	Straight Line	20%
Office Fittings	Straight Line	25%

(d) Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents and trade and other receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(d) Financial instruments (Cont.)

Non-derivative financial assets (Cont.)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss is reclassified to profit or loss.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise trade and other payables.

Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(e) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(f) Trade and other receivables and payables

Trade receivables and payables are carried at amortised cost. For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables and payables are discounted to determine the fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(g) Impairment

Non-derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For an investment in an equity security classified as available-for-sale, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group consider a decline of 20 per cent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised within profit or loss. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss recognised previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Impairment losses are recognised in profit or loss.

Reversals of impairment

An impairment loss in respect of a financial asset carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of non-financial assets, an impairment loss is reversed if there has been a conclusive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(i) Income tax

Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(i) Income Tax (Cont.)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(k) Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the foreign currency translation reserve ('FCTR'), a separate component of equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in the FCTR.

Any references to functional currency, unless otherwise stated, are to the functional currency of the Company, Australian dollars.

When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(l) Segment reporting

Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that is provided internally to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Site restoration

In accordance with the Group’s environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

(p) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(p) Determination of fair values (Cont.)

Investments in equity securities

The fair values of investments in equity securities are determined with reference to the quoted market price that is most representative of the fair value of the security at the measurement date.

Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), expected dividends, and the risk-free interest rate (based on government bonds).

The grant-date fair value of share-based payment awards is recognised as an expense, with a corresponding increase in equity, over the period that the recipient unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Service and non-market performance conditions are not taken into account in determining fair value.

(q) Assets held for sale, and discontinued operations

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probably that they will be recovered primarily through sale rather than continuing use.

Immediately before classification as held-for-sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's other accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

(r) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these consolidated financial statements. Those, which may be relevant to the Group, are set out below. The Group does not plan to adopt these standards early.

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015, with early adoption permitted. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

4. LOSS FROM OPERATING ACTIVITIES

	Continuing operations		Discontinued operations*		Total	Total
	2014	2013	**2014**	2013	**2014**	2013
	$	$	**$**	$	**$**	$
Revenue from ordinary activities	**-**	-	**7,419**	388,950	**7,419**	388,950

The Group generated rental income from the provision of equipment from its subsidiary JSC Sherik
*Discontinued - see Note 28.

	2014	2013
	$	$
Other income		
Recognised in profit or loss		
Gain on sale of royalty interest	**2,857**	2,000,000
	2,857	2,000,000

During the year the Group sold its royalty interest in the Mansounia Gold Project in the Republic of Guinea West Africa for cash consideration of US$42,857 and shares in a US over the counter traded company, Blox-Inc. At 30 June 2014, Equus had received an initial amount of AUD$2,857 with the balance received in July 2014. At 30 June 2014 the remaining consideration was subject to the satisfaction of certain conditions precedent.

	2014	2013
	$	$
Other expenses		
Administration costs Chile	**9,800**	39,502
Legal fees Chile	**8,793**	30,220
Accounting and secretarial fees	**107,771**	24,100
Commissions	**54**	48,500
Unmarketable parcel	**-**	4,939
Insurance	**14,577**	16,314
ASIC and ASX fees	**25,838**	37,252
Share registry	**12,650**	19,181
Legal fees	**17,645**	49,401
Advertising and corporate relations	**1,475**	15,366
Audit fees	**80,209**	83,000
Loss on sale of plant and equipment	**10,227**	-
Other expenses	**88,277**	138,745
	377,316	506,520

5. FINANCE INCOME

Recognised in profit and loss		
Interest income on cash deposits	**17,283**	13,268
Net gain on disposal of available-for-sale investments	**-**	594,539
Income on sale of minor assets	**7,618**	-
Foreign exchange gain	**11**	-
	24,912	607,807
Impairment of available-for-sale investments reclassified to profit or loss	**(7,790)**	(61,224)
Net finance income/(costs) recognised in profit or loss	**17,122**	546,583
Recognised in other comprehensive income		
Net change in fair value of available-for-sale financial assets	**(7,790)**	(147,735)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**7,790**	(533,315)
Finance cost recognised in other comprehensive income, net of tax	**-**	(681,050)

6. INCOME TAX EXPENSE

	2014	2013
	$	$
Current tax expense		
Current year	**(134,834)**	791,658
Overprovision in prior year	**(378,804)**	-
Losses not recognised	**134,834**	(412,854)
	(378,804)	378,804
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	**(10,235,248)**	(3,211,824)
Prima facie income tax benefit at the Australian tax rate of 30% (2013 - 30%)	**(3,070,574)**	(963,547)
Decrease in income tax benefit due to:		
- non-deductible expenses	**1,797,849**	2,475,801
- overprovision in prior year	**378,804**	-
- tax losses not recognised	**248,475**	(234,914)
- effect of net deferred tax assets not brought to account	**266,642**	(898,536)
Income tax expense/(benefit)	**(378,804)**	378,804

During the year the Company obtained tax advice in respect of a provision recorded in the prior year of $378,804 in relation to an estimate of potential tax payable in a foreign jurisdiction. The Directors considered the provision to be a conservative estimate based on the analysis performed at that time. Subsequent to obtaining tax advice, the Company has removed the provision as it is no longer considered probable that a tax liability will arise in the foreign jurisdiction.

	2014	2013
	$	$
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Capital losses	**6,845,041**	6,803,269
Tax losses	**3,177,403**	3,022,700
Net deductible temporary differences	**(568,853)**	(813,277)
Potential tax benefit at 30%	**9,453,591**	9,012,692

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there-from.

7. CASH AND CASH EQUIVALENTS

	2014	2013
	$	$
Cash at bank	**58,979**	184,536
Deposits at call	**108,618**	1,855,236
	167,597	2,039,772

	2014	2013
	$	$
8. RECEIVABLES		
Current		
Bank bond guarantee - credit card	**10,602**	-
Property bond deposit	**1,171**	-
Sundry debtors	**13,534**	25,697
	25,307	25,697
Non-current		
Bank bond guarantee - credit card	**-**	10,806
Property bond deposit	**-**	1,621
	-	12,427

Trade and sundry debtors are non-interest bearing and generally on 30-day terms.

The Group's exposure to credit and market risks, and impairment losses related to receivables, are disclosed in Note 21.

	2014	2013
	$	$
9. OTHER ASSETS		
Current		
Prepayments	**2,863**	3,675
10. INVESTMENTS		
Equity securities - available-for-sale at fair value	**-**	27,730

During the financial year, the Company sold its investment of 470,000 shares in Manas Resources Limited for $19,940. The investment was revalued on the date of disposal with the change in fair value of $7,790 recognised in profit or loss (refer to Note 5).

	2014	2013
	$	$
11. EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of areas of interest in the following phases:		
Carrying amount at the beginning of the year	**8,268,874**	513,264
Capitalised expenditure incurred - Kyrgyz Republic	**-**	182,482
Acquisition of Chilean mining interest Naltagua	**-**	6,591,096
Payment of instalment on option agreement - Cerro Oveja	**106,166**	107,009
Capitalised expenditure incurred - Naltagua, Chile	**712,483**	1,521,658
Capitalised expenditure incurred – Carbones del Sur, Chile	**43,092**	-
Impairments	**(8,832,568)**	(695,746)
Foreign currency translation movement	**(254,955)**	49,111
Balance carried forward	**43,092**	8,268,874

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.

During the year the Group fully impaired the carrying value of its investment in Naltagua, Central Chile. The total impairment for the year ended 30 June 2014 is $8,832,568 (2013: $695,746 impairment of oil tenements in the Kyrgyz Republic).

	2014	2013
	$	$
12. PROPERTY, PLANT AND EQUIPMENT		
Furniture and fittings - at cost	**157,173**	170,432
Accumulated depreciation	**(155,546)**	(156,754)
Net book value	**1,627**	13,678
Office equipment - at cost	**69,751**	72,120
Accumulated depreciation	**(69,603)**	(71,400)
Net book value	**148**	720
Motor Vehicles - at cost	**-**	18,731
Accumulated depreciation	**-**	(2,188)
Net book value	**-**	16,543
Property – at cost	**192,710**	216,117
Impairment	**(192,710)**	-
Net book value	**-**	216,117
Total property, plant and equipment net book value	**1,775**	247,058

During the year the Group fully impaired the carrying value of the property held at Naltagua, Central Chile due to uncertainty over the potential recoverability of the asset through future sale.

12. PROPERTY, PLANT AND EQUIPMENT (Cont.)

	2014	2013
	$	$
Reconciliation:		
Carrying amount at the beginning of the year	**247,058**	685,183
Additions	**-**	238,561
Disposals	**(23,466)**	(359,793)
Disposal of subsidiary	**-**	(120,450)
Depreciation	**(2,608)**	(4,953)
Reclassified as held for sale	**-**	(202,262)
Impairment	**(192,710)**	-
Foreign currency translation movement	**(26,499)**	10,772
Carrying amount at the end of the year	**1,775**	247,058

13. TRADE AND OTHER PAYABLES

Current liabilities		
Trade creditors and accruals	**343,090**	234,509
Employee leave entitlements	**22,937**	14,514
	366,027	249,023

14. ISSUED CAPITAL

256,661,675 (2013: 256,661,675) fully paid ordinary shares	106,622,162	106,622,162

	2014		2013	
	Nº	**$**	Nº	$
Fully paid ordinary shares				
Balance at beginning of financial year	**256,661,675**	**106,622,162**	1,331,500,513	99,362,502
Consolidation of 1 share for every 10	**-**	**-**	(1,198,350,703)	-
Issued ordinary shares 5 September 2012 *	**-**	**-**	108,940,951	6,536,460
Issued ordinary shares 15 September 2012 for $0.055	**-**	**-**	4,570,914	251,400
Issued ordinary shares 2 May 2013 for $0.050	**-**	**-**	10,000,000	500,000
Less cost of issue	**-**	**-**	-	(28,200)
	256,661,675	**106,622,162**	256,661,675	106,622,162

* Acquisition of controlled entity – see Note 29.

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

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

15. RESERVES AND FOREIGN CURRENCY TRANSLATION RESERVE RELATING TO DISPOSAL GROUP HELD FOR SALE

	2014 **$**	2013 $
Equity based compensation reserve (a)	**144,000**	164,700
Fair value reserve (b)	**-**	-
Foreign currency translation reserve (c)	**(269,930)**	96,824
Option premium reserve (d)	**-**	-
	(125,930)	261,524
Foreign currency translation reserve relating to disposal group held for sale (e)	**(3,022,797)**	(2,804,524)
Movements during the period:		
(a) Equity based compensation reserve		
Balance at beginning of period	**164,700**	2,509,475
Vesting of employee share options	**-**	144,000
Expired options	**(20,700)**	(2,488,775)
Balance at end of period	**144,000**	164,700
(b) Fair value reserve		
Balance at beginning of period	**-**	681,050
Net change in fair value of available-for-sale financial assets	**(7,790)**	(147,735)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**7,790**	(533,315)
Balance at end of period	**-**	-
(c) Foreign currency translation reserve		
Balance at beginning of period	**96,824**	(6,381,558)
Currency translation differences	**(366,754)**	914,098
Transfer of foreign currency translation reserve to loss on disposal of subsidiaries in profit or loss	**-**	2,759,760
Amounts reclassified to foreign currency translation reserve relating to disposal group held for sale	**-**	2,804,524
Balance at end of period continuing operations	**(269,930)**	96,824
(d) Option premium reserve		
Balance at beginning of period	**-**	589,000
Expired options	**-**	(589,000)
Balance at end of period	**-**	-
(e) Foreign currency translation reserve relating to disposal group held for sale		
Balance at beginning of period	**(2,804,524)**	-
Currency translation differences	**(218,273)**	-
Amounts reclassified from foreign currency translation reserve	**-**	(2,804,524)
Balance at end of period	**(3,022,797)**	(2,804,524)
(f) Non-controlling interest		
Opening balance	**-**	**(98,669)**
Current period loss	**-**	**(44,246)**
Foreign currency translation transfer on disposal	**-**	**142,915**
	-	**-**

Nature and purpose of reserves

Equity based compensation reserve:
The equity based compensation reserve is used to record the fair value of options issued but not exercised.

Foreign currency translation reserve:
The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

16. LOSS PER SHARE

	2014			2013		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
	$	**$**	**$**	$	$	$
Basic and diluted profit/(loss) per share: Net profit/(loss) for the year attributable to equity holders of the parent	**(9,579,724)**	**(276,720)**	**(9,856,444)**	750,805	(4,297,187)	(3,546,382)

Weighted average number of ordinary shares (basic and diluted)

	2014	2013
Issued ordinary shares at beginning of year	**256,661,675**	131,149,810
Effect of shares issued (Note 14)	**-**	94,166,648
Weighted average ordinary shares at the end of the year	**256,661,675**	225,316,458

As the Group is loss making, none of the potentially dilutive securities are currently dilutive in the calculation of total earnings per share.

Continuing operations recognised a profit in the year ended 30 June 2013, however as the exercise price of the options on issue exceeded the average market price of the ordinary shares of the Company during both the current year and the prior year, the options on issue are not deemed to be dilutive.

17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2014 $	2013 $
Cash flows from operating activities		
Loss for the year	**(9,856,444)**	(3,590,628)
Non-cash items		
Depreciation	**2,608**	13,696
Profit on sale of plant and equipment	**(50,808)**	(129,131)
Loss / (profit) on sale of investments	**-**	(594,539)
Impairment of available for sale financial assets	**7,790**	61,224
Impairment of value added tax in Kyrgyzstan	**8,526**	187,461
Impairment of property, plant and equipment	**192,710**	-
Impairment of exploration and evaluation expenditure	**8,832,568**	695,746
Share based payments	**-**	144,000
Loss on sale of subsidiaries net of cash	**-**	2,694,373
Income tax expense/(benefit)	**(378,804)**	378,804
Employee benefits provision	**-**	(158,659)
Gain on sale of royalty	**(2,857)**	(2,000,000)
Changes in assets and liabilities		
Decrease/(increase) in receivables	**390**	(72,889)
Decrease/(increase) in other assets	**812**	162,603
(Decrease)/Increase in payables	**15,812**	346,177
Net cash used in operating activities	**(1,227,697)**	(1,861,762)

Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and cash on deposit net of bank overdrafts and excluding security deposits. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2014 $	2013 $
Cash and cash equivalents	**167,597**	2,059,438
Less cash reclassified to assets held for sale	**-**	(19,666)
Cash and cash equivalents held by continuing operations	**167,597**	2,039,772

18. RELATED PARTIES

Parent and ultimate controlling party

Equus Mining Limited is both the parent and ultimate controlling party of the Group.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year as follows:

- During the year ended 30 June 2014, Norman A. Seckold had control over an entity, Mining Services Trust, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Group. Fees paid to Mining Services Trust during the year amounted to $240,000 (2013 - $176,500). For the ended 30 June 2014 the outstanding amount is $20,000 (2013 - $nil).

- During the year ended 30 June 2014, Mr Robert Perring had control over an entity, Quadramin Pty Ltd, which provided geological consulting services to the Group. Fees paid to Quadramin Pty Ltd during the year amounted to $10,000 (2013 - $117,400). There were no amounts outstanding as at year end (2013 - $nil).

19. KEY MANAGEMENT PERSONNEL DISCLOSURES

Information regarding individual key management personnel’s compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Director’s Report.

Key management personnel compensation	**2014** **$**	2013 $
Primary fees/salary	**225,833**	484,620
Consulting fees	**-**	53,000
Superannuation	**13,875**	26,944
	239,708	564,564

At 30 June 2014 $18,656 of fees were outstanding (2013 - $nil). There were no loans made to key management personnel or their related parties during the 2014 and 2013 financial years.

The Board reviews remuneration arrangements annually based on services provided. Apart from the details disclosed in this note and Note 18, no Director has entered into a contract with the Company during the year and there were no material contracts involving Directors' interest’s existing at year end

20. SHARE BASED PAYMENTS

The Company makes share based payments to consultants and/or service providers from time to time, not under any specific plan. The Company also may issue options to directors of the parent entity. Specific shareholder approval is obtained for any share based payments to directors of the parent entity.

Options outstanding at 30 June 2014

Grant date	Number of options	Exercise price	Fair value at grant date	Vesting Date	Expiry date
13 November 2012	1,000,000	$0.075	$0.044	31 March 2013	13 November 2015
13 November 2012	1,000,000	$0.150	$0.037	31 March 2013	13 November 2015
13 November 2012	1,000,000	$0.200	$0.033	31 March 2013	13 November 2015
13 November 2012	1,000,000	$0.250	$0.030	31 March 2013	13 November 2015

Movement of options during the year ended 30 June 2014

Grant date	Outstanding at the beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
24 May 2010	460,000	-	-	-	460,000	-	-
13 November 2012	1,000,000	-	-	-	-	1,000,000	1,000,000
13 November 2012	1,000,000	-	-	-	-	1,000,000	1,000,000
13 November 2012	1,000,000	-	-	-	-	1,000,000	1,000,000
13 November 2012	1,000,000	-	-	-	-	1,000,000	1,000,000
	4,460,000	-	-	-	460,000	4,000,000	4,000,000

Options outstanding at 30 June 2013

Grant date	Number of options	Exercise price	Fair value at grant date	Vesting Date	Expiry date
24 May 2010	460,000	$0.300	$0.045	24 May 2010	31 October 2013
13 November 2012	1,000,000	$0.075	$0.044	31 March 2013	13 November 2015
13 November 2012	1,000,000	$0.150	$0.037	31 March 2013	13 November 2015
13 November 2012	1,000,000	$0.200	$0.033	31 March 2013	13 November 2015
13 November 2012	1,000,000	$0.250	$0.030	31 March 2013	13 November 2015

Movement of options during the year ended 30 June 2013

Grant date	Outstanding at the beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
24 May 2010	460,000	-	-	-	-	460,000	460,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
	460,000	4,000,000	-	-	-	4,460,000	4,460,000

20. SHARE BASED PAYMENTS (Cont.)

Weighted average exercise price of options

Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
2013	$0.300	$0.169	-	-	-	$0.182	$0.182
2014	$0.182	-	-	-	$0.300	$0.169	$0.169

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.37 years (2013: 2.16 years).

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 key management and senior employees become unconditionally entitled to the options. The fair value of the options granted is measured using an appropriate 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 vest.

The total fair value of the 460,000 options granted on 24 May 2010 was $20,700. The options were valued using the Black-Scholes formula. The valuation inputs were the Company's share price of $0.008 at the grant date, a volatility factor of 119% (based on historical share price performance), a life of 3.4 years and a risk-free interest rate of 4.75% based on the corresponding government bond rate and a dividend yield of 0%. The options vested immediately. The options expired unexercised on 31 October 2013.

The total fair value of the 4,000,000 options granted on 13 November 2012 was $144,000. The options were issued to the exploration Manager at the Naltagua project in Chile. The options were valued using the Black-Scholes formula. The valuation inputs were the Company's share price of $0.066 at the grant date, a volatility factor of 115% (based on historical share price performance), a life of 3 years, a risk-free interest rate of 2.54% based on the 3 year government bond rate and a dividend yield of 0%. The exercise price ranged from $0.075 - $0.250 as disclosed above. These options had a non-market performance vesting condition whereby they did not vest until the commencement of exploration drilling on the Naltagua Copper Project. Drilling commenced on 30 March 2013, and hence the options fully vested on this date.

Expenses arising from share-based payment transactions

Total expenses from share-based payment transactions recognised during the year ended 30 June 2014 was $nil (2013: $144,000).

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURE

The Group's financial instruments comprise deposits with banks, receivables, trade and other payables and from time to time short term loans from related parties. The Group does not trade in derivatives.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risks. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The primary responsibility to monitor the financial risks lies with the Managing Director and the Company Scretary under the authority of the Board.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors rolling forecasts of liquidity based on expected fund raisings, trade payables and other obligations for the ongoing operation of the Group. At balance date, the Group has available funds of $167,597 for its immediate use.

The following are the contractual maturities of financial liabilities:

Financial liabilities	**Carrying amount** $	**Contractual cash flows** $	**Less than 6 months** $	**6 to 12 months** $	**1 to 5 years** $	**More than 5 years** $
Trade and other payables						
30 June 2014	**366,027**	**(366,027)**	**(366,027)**	**-**	**-**	**-**
30 June 2013	249,023	(249,023)	(249,023)	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of the Group's financial assets represents the maximum credit risk exposure as follows:

	2014 **$**	2013 $
Cash and cash equivalents	**167,597**	2,039,772
Receivables	**25,307**	25,697
	192,904	2,065,469

Cash and cash equivalents

At 30 June 2014, the Group held cash and cash equivalents of $167,597 (2013: $2,039,772 after reclassifying $19,666 of cash under assets held for sale), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with reputable banks and financial institution counterparties, which are rated AA- to AAA+, based on rating agency 'Moody's rating'.

Receivables

For the year ended 30 June 2014, the Group trade receivables are guarantee deposits and GST refundable from the Australian Taxation Office. At balance date, there were no significant concentrations of credit risk.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURE (Cont.)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

The Group's income statement is affected by changes in interest rates due to the impact of such changes on interest income and expenses.

At year-end, the interest rate risk profile of the Group's interest bearing financial instruments was:

	2014	2013
	$	$
Cash and cash equivalents	**167,597**	2,039,772

There are no fixed rate instruments (2013 - $nil).

The Group does not have interest rate swap contracts. The Group has two interest bearing accounts from where it draws cash when required to pay liabilities as they fall due. The Group normally invests its funds in the two interest bearing accounts to maximise the available interest rates. The Group analyses its interest rate exposure when considering renewals of existing positions including alternative financing arrangements.

Sensitivity analysis
A change of 100 basis points in interest rates at the current and prior reporting date would have increased/(decreased) equity and loss for the period by an immaterial amount.

Currency risk

The Group does not hold a significant value of financial instruments that are denominated in a currency other than the functional currency in which they are measured, and therefore has minimal exposure to currency risk.

Price risk

The Group is exposed to equity securities prices risk. During the year ended 30 June 2014, the Group disposed of its interest in Manas Resources Limited, an investment held and classified in the balance sheet as an available-for-sale financial asset. Disposal of this investment has removed the Group's exposure to equity securities price risk at 30 June 2014.

The Group is not exposed to commodity price risk.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURE (Cont.)

Capital management

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital supported by financial assets. There are no externally imposed capital requirements on the Group.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Estimation of Fair Values

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

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

- Level 1 - fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - fair value measurements are those instruments valued based on 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 - fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
Available-for-sale financial assets				
30 June 2014	**-**	**-**	**-**	**-**
30 June 2013	27,730	-	-	27,730

During the year the Group sold its available for sale financial asset (refer Note 10).

There have been no transfers between the levels of valuation method for each classification of financial assets held during the years ended 30 June 2014 or 30 June 2013.

22. CONTROLLED ENTITIES

Parent entity

Equus Mining Limited is an Australian incorporated company listed on the Australian Securities Exchange.

Wholly owned controlled entities	Country of incorporation	Ownership Interest	
		2014	2013
		%	%
Hotrock Enterprises Pty Ltd (ii)	Australia	**100**	100
Okore Mining Pty Ltd (iii)	Australia	**100**	100
Dataloop Pty Ltd	Australia	**100**	100
Textonic Consulting Limited (i)	Canada	**100**	100
Equus Resources Limited (iv)	Australia	**100**	100
(i) Subsidiaries of Textonic Consulting Limited			
JSC Sherik	Kyrgyz Republic	**100**	100
(ii) Subsidiary of Hotrock Enterprises Pty Ltd			
Derrick Pty Ltd	Australia	**100**	100
(iii) Subsidiary of Okore Mining Pty Ltd			
Leo Shield Exploration Ghana Ltd	Ghana	**100**	100
(iv) Subsidiary of Equus Resources Limited			
Brumby Mining Pty Ltd	Australia	**-**	100
Equus Resources Chile SpA (v)	Chile	**100**	100
Minera Equus Chile Ltda	Chile	**99.9**	99.9
(v) Subsidiary of Equus Resources Chile SpA and Equus Resources Limited			
Minera Equus Chile Ltda	Chile	**0.1**	0.1

On 3 June 2014, the Group voluntarily deregistered its subsidiary Brumby Mining Pty Limited ('Brumby') in line with the Group corporate restructure. Brumby was a subsidiary of Equus Resources Limited that was dormant without assets and liabilities. Deregistration of Brumby had no impact on profit or loss or the Statement of Financial Position for the year ended 30 June 2014.

23. COMMITMENTS

Exploration expenditure commitments

The Group does not have any minimum expenditure commitments in relation to its mineral interests at the date of this report. The Group's mineral interests in West Africa and the Democratic Republic of Congo are subject to farm-in and joint venture agreements, under the terms of which the farm-in partners are responsible for the annual rates and rents relating to those properties.

The Group decided not to acquire the Naltagua Copper Project in Chile and on the 29 August 2014 notified in writing the owner of the project. Under the terms of the agreement, the Group had the right (but not the obligation) to acquire the Naltagua Copper Project on an outright basis.

24. OPERATING SEGMENTS

The Group's chief operating decision maker has considered the requirements of AASB 8, Operating Segments, and has concluded that, during the year ended 30 June 2014, the Group operated in the mineral exploration and the oil exploration industry within the geographical segments of Australia, Chile, Ghana and Kyrgyz Republic. The oil exploration segment was discontinued during the year ended 30 June 2013 (see Note 28).

	Oil Exploration (discontinued) $	Mineral Exploration $	Total $
30 June 2014			
External revenues	7,419	-	**7,419**
Reportable segment loss before tax	(276,720)	(9,131,597)	**(9,408,317)**
Interest income	-	907	**907**
Interest expense	-	-	**-**
Depreciation	-	(2,608)	**(2,608)**
Other material non-cash items:			
Impairment of exploration and evaluation	-	(8,832,568)	**(8,832,568)**
Impairment of property, plant & equipment	(119,054)	(192,710)	**(311,764)**
Reportable segment assets	1,488,477	64,421	**1,552,898**
Reportable segment liabilities	29,114	20,105	**49,219**
30 June 2013			
External revenues	388,950	-	**388,950**
Reportable segment loss before tax	(4,341,433)	(80,225)	**(4,421,658)**
Interest income	-	838	**838**
Interest expense	-	-	**-**
Depreciation	(8,915)	(3,040)	**(11,955)**
Other material non-cash items:			
Impairment of exploration and evaluation	(695,746)	-	**(695,746)**
Reportable segment assets	1,760,797	8,699,819	**10,406,616**
Reportable segment liabilities	-	94,592	**94,592**

Reconciliations of reportable segment revenues and profit or loss	**2014** **$**	2013 $
Revenues		
Total revenue for reportable segments	**7,419**	388,950
Elimination of discontinued operations disposed (Note 28)	**(7,419)**	(388,950)
Consolidated revenue	**-**	-
Profit or loss		
Total loss for reportable segments	**(9,408,317)**	(4,421,658)
Elimination of discontinued operations (Note 28)	**276,720**	4,341,433
Unallocated amounts:		
Royalty Income	**2,857**	2,000,000
Net finance Income	**17,122**	546,583
Net other corporate expenses	**(468,106)**	(1,715,553)
Consolidated (loss)/profit before tax	**(9,579,724)**	750,805

24. OPERATING SEGMENTS (Cont.)

	2014	2013
Reconciliations of reportable segment revenues and profit or loss (Cont.)	**$**	$
Assets		
Total assets for reportable segments	**1,552,898**	10,460,616
Unallocated corporate assets	**129,861**	1,925,414
Consolidated total assets	**1,682,759**	12,386,030
Liabilities		
Total liabilities for reportable segments	**49,219**	94,592
Unallocated corporate liabilities	**316,808**	533,235
Consolidated total liabilities	**366,027**	627,827

Geographical information

In presenting information on the basis of geography, segment revenue and segment assets are based on the geographical location of the operations.

	2014		2013	
	Revenue	**Non-current assets**	Revenues	Non-current assets
	$	**$**	$	$
Australia	**-**	**-**	-	651,323
All foreign locations				
- Kyrgyz Republic	**7,419**	**-**	388,950	-
- Ghana	**-**	**937**	-	937
- Chile	**-**	**44,867**	-	7,876,099
-oil exploration (discontinued) disposed	**(7,419)**	**-**	(388,950)	-
	-	**45,804**	-	8,528,359

The geographical information excludes financial instruments in determining non-current assets.

25. DISPOSAL GROUP HELD FOR SALE

Disposal group held for sale

The oil exploration segment of the Group in the Kyrgyz Republic is presented as a disposal group held for sale following the continued commitment of the Group's management to a plan to sell its one remaining oil exploration entity in the Kyrgyz Republic, JSC Sherick. A Sale and Purchase Agreement was signed with an Australian Private Company during June 2014 and subsequently amended in September 2014 (refer to Note 27). The agreement is only for the fixed assets of the subsidiary in the Kyrgyz Republic and not the ownership interest. The subsidiary JSC Sherik is expected to be wound up by the Group once the sale of the drill rig including the plant and equipment is completed. These assets have therefore been classified as assets held for sale at 30 June 2014.

	2014	2013
As at 30 June the disposal group comprised the following assets and liabilities:	**$**	$
Cash and cash equivalents	**-**	19,666
Property, plant and equipment	**71,081**	202,262
Consumables and operating supplies	**1,371,044**	1,582,092
Trade and other receivables	**-**	293
Trade and other payables	**-**	(43,516)
	1,442,125	1,760,797

The Group determined that an adjustment was necessary to the carrying value of the assets held for sale at 30 June 2014, because the fair value less costs to sell was considered lower than the carrying value of the fixed assets and inventory with reference to the Sale and Purchase Agreement signed. An impairment of $119,054 was recorded against the disposal group at 30 June 2014.

Included within equity is a cumulative foreign currency translation reserve amount of $3,022,797 relating to the disposal group (refer to Note 15).

25. DISPOSAL GROUP HELD FOR SALE (Cont.)

Measurement of fair values

Fair value hierarchy
The non-recurring fair value measurement for the disposal group of $1,442,125 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique
A valuation technique was used in measuring the fair value of the disposal group. The fair value was measured with reference to the signed Sale and Purchase agreement for consideration of US$2.0 million of convertible notes (face value). The fair value of the convertible notes has been calculated based on a present value calculation of the expected cash flows with a discount rate applied.

In the prior year Equus entered into an agreement to sell a ninety percent interest in its wholly owned subsidiary, Leo Shield Exploration Ghana Ltd ('Leo Ghana'), for consideration of US$600,000 (subject to obtaining local government approval) to an entity incorporated in the Republic of Ghana. A refundable deposit of AUD$100,000 has been received and the Company will retain a 10% interest in Leo Ghana. The assets and liabilities held in this entity are immaterial.

26. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2014 the parent entity of the Group was Equus Mining Limited (formerly named Caspian Oil and Gas Limited).

	Company	
	2014	2013
	$	$
Result of the parent entity		
Net (loss)/profit	**(8,051,734)**	525,646
Other comprehensive Income	**-**	681,050
Total comprehensive profit/(loss)	**(8,051,734)**	1,206,696
Financial position of the parent entity at year end		
Current assets	**129,919**	1,897,685
Non-current assets	**43,092**	6,564,187
Total assets	**173,011**	8,461,872
Current liabilities	**316,808**	533,235
Non-current liabilities	**-**	-
Total liabilities	**316,808**	533,235
Net assets	**(143,797)**	7,928,637
Equity		
Share capital	**106,622,162**	106,622,162
Accumulated losses	**(106,909,959)**	(98,858,225)
Fair value reserve	**-**	-
Equity based compensation reserve	**144,000**	164,700
Option premium reserve	**-**	-
Total equity	**(143,797)**	7,928,637

The Directors are of the opinion that no contingencies existed at, or subsequent to year end.

27. SUBSEQUENT EVENTS

On 21 July 2014, the Group offered all eligible shareholders of Equus Mining Limited to participate on a Share Purchase Plan ('SPP') the offered closed on 22 August 2014. Shareholders subscribed for 52,100,000 ordinary shares under the SPP, raising $521,000. In conjunction with the SPP, on 1 September 2014 the Company issued 22,500,000 new shares for a total consideration of $225,000, to sophisticated investors.

As at 30 June 2014, the Group impaired its investment in the Naltagua Copper Project in Chile. On 29 August 2014, the Group notified the owner of the project in writing that it will not acquire the project.

On 23 September 2014 the Company executed amended agreement for the sale of the drilling rig, the plant and equipment and associated consumables held in the Kyrgyz Republic. The amended consideration for the sale is US$2.0 million in convertible notes with a maturity date of 30 September 2015. The Company can convert the notes at any time prior to maturity however there is no mandatory requirement for conversion. The AUD$100,000 deposit already paid is no longer refundable. Completion of the transaction is expected to occur on 7 October 2014.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

28. DISCONTINUED OPERATIONS

In September 2012, the Group discontinued its oil exploration segment. This occurred via management's commitment to a plan during the period to sell this segment following a strategic decision to focus on the exploration activities on the Naltagua copper project in Chile. The entire ownership interest in LLC South Derrick and JSC Textonic was disposed of on 26 September 2012 and the assets and liabilities of JSC Sherik were classified as held for sale at 30 June 2013. At 30 June 2014, certain fixed assets in JSC Sherik were classified as held for sale following the signing of a Sale and Purchase Agreement with an Australian private company for the sale of the drill rig, plant and equipment and associated consumables.

	2014	2013
	$	$
Results of discontinued operation		
Revenue	**7,419**	388,950
Other income	**72,482**	119,730
Impairment of exploration and evaluation assets	**-**	(695,745)
Impairment of property, plant & equipment	**(119,054)**	-
Expenses	**(237,567)**	(1,459,995)
Results from operating activities	**(276,720)**	(1,647,060)
Income tax expense	**-**	-
Results from operating activities, net of income tax	**(276,720)**	(1,647,060)
Loss on sale of discontinued operation (including transfer of foreign currency translation reserve to profit or loss)	**-**	(2,694,373)
Income tax on loss on sale of discontinued operation	**-**	-
Loss for the year	**(276,720)**	(4,341,433)
Basic and diluted loss per share	**(0.001)**	(0.019)

	2014	2013
	$	$
Cash flows from (used in) discontinued operation		
Net cash used in operating activities	**(244,372)**	(395,520)
Net cash from investing activities	**270,544**	101,920
Net cash from financing activities	**-**	-
Net cash flows for the year	**26,172**	(293,600)

29. ACQUISITION OF CONTROLLED ENTITIES

During the year ended 30 June 2013, the Company acquired 100% of the issued capital of Equus Resources Limited. In consideration for Equus Resources Limited the Company issued 108,940,951 ordinary shares (equivalent to a consideration paid of fair value $6,536,457, based on the listed share price of the Company at 5 September 2012 of $0.06 per share) to the shareholders of Equus Resources Limited, a company incorporated in Australia. Equus Resources Limited held an option agreement through its Chilean subsidiary Minera Equus Limitada to acquire the Naltagua Copper project in central Chile. As at 30 June 2014, the Group decided not to proceed with the option and impaired its investment in the Naltagua copper project.

The Group accounted the above transaction as an acquisition of assets rather than a business combination as Equus Resources Limited has no business operations and its principal asset was its interest in the Naltagua copper project.

The following summarises the recognised amounts of identifiable assets acquired and liabilities assumed at the acquisition date:

	Recognised fair value on acquisition
	$
Cash	**119,392**
Property, plant and equipment	**18,138**
Exploration and evaluation assets	**6,591,096**
Other assets	**48,810**
Trade and other payables	**(140,979)**
Related party loan	**(100,000)**
	6,536,457

The fair value of exploration and evaluation assets was determined as being the excess consideration paid over the acquisition date fair value of the identifiable assets and liabilities of Equus Resources Limited.

Equus Resources Limited's operations are subject to specific Chilean environmental regulations. The Group conducted a preliminary assessment of site restoration provisions arising from these regulations, and determined that at the acquisition date no site restoration provisions were required.

There were no associated acquisition costs.

Equus Mining Limited
Directors' Declaration

1. In the opinion of the Directors of Equus Mining Limited (the 'Company'):

(a) the consolidated financial statements and notes thereto, set out on pages 23 to 56, and the Remuneration Report as set out on pages 18 to 21 of the Directors' Report are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date;

(ii) complying with Australian Accounting Standards 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.

2. The Directors have been given the declarations required under section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2014.

3. The Director's draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed at Sydney this 30th day of September 2014 in accordance with a resolution of the Board of Directors:

Norman A. Seckold
Director

Edward J. Leschke
Director

Report on the financial report

We have audited the accompanying financial report of Equus Mining Limited (the 'Company'), which comprises the Consolidated Statement of Financial Position as at 30 June 2014, and Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, Notes 1 to 29 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 2(d), "Going Concern", in the financial report. The conditions disclosed in Note 2(d), including the need to raise additional funding from shareholders or other parties, and/or the Group disposing of non-core assets, and reducing expenditure in-line with available funding, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in pages 18 to 21 of the Directors' Report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Equus Mining Limited for the year ended 30 June 2014 complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG
30 September 2014

Adam Twemlow
Partner
Brisbane

Additional information as at 31 August 2014 required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report.

Home Exchange

The Company is listed on the Australian Stock Exchange. The Home Exchange is Perth.

Audit Committee

As at the date of the Directors' Report, an audit committee of the Board of Directors is not considered warranted due to the composition of the Board and the size, organisational complexity and scope of operations of the Group.

Class of Shares and Voting Rights

In accordance with listing rule 4.10.6 the voting rights attached to ordinary shares, as set out in the Company’s Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion, which the amount paid up bears to the issue price for the share.

Distribution of Shareholders

In accordance with listing rule 4.10.7, the total distribution of fully paid shareholders as at 31 August 2014, was as follows:

	Fully Paid Ordinary Shares	**13 November 2015 Options**			
Range		**$0.075**	**$0.150**	**$0.200**	**$0.250**
1 - 1,000	271				
1,001 - 5,000	348				
5,001 - 10,000	384				
10,001 - 100,000	772				
100,001 and over	272	1	1	1	1
Total	2,047	1	1	1	1

Less than Marketable Parcels

In accordance with listing rule 4.10.8, as at 31 August 2014, 1,584 shareholders held less than marketable parcels of 45,455 shares.

On Market Buy Back

There is no current on-market buy-back.

Substantial Holders

The name of the substantial shareholders en Equus Mining Limited in accordance with listing rule 4.10.4 as advised to the Company are set out below.

	Number of Ordinary Shares
Augusta Enterprises Pty Ltd	34,619,471
Permgold Pty Ltd	31,877,420

Twenty Largest Shareholders

As at 31 August 2014, the twenty largest quoted shareholders held 53.95% of the fully paid ordinary shares as follows:

	Name	Number	%
1	Augusta Enterprises Pty Ltd	34,619,471	11.21
2	Permgold Pty Ltd	31,877,420	10.32
3	JP Morgan Nominees Australia Limited	28,366,740	9.19
4	HSBC Custody Nominees (Australia) Limited	20,264,224	6.56
5	Tetramin Pty Ltd	8,000,000	2.59
6	John Wardman & Associates Pty Ltd	6,100,000	1.98
7	ABN AMRO Clearing Sydney Nominees Pty Ltd	3,967,231	1.29
8	Bill Brooks Pty Ltd	3,442,962	1.11
9	Dr Glen Whisson and Mrs Tania Whisson	3,100,000	1.00
10	Sancoast Pty Ltd	3,000,000	0.97
11	Integral Admin Services Pty Ltd	2,890,616	0.94
12	Tendeka Holdings Pty Ltd	2,800,000	0.91
13	Rosignol Pty Ltd <Nightingale Family A/C>	2,795,308	0.90
14	Marc Samson	2,550,668	0.83
15	Levi Benjamin Spry	2,400,000	0.78
16	Cadden Nominees Pty Ltd	2,319,661	0.75
17	CRX Investments Pty Limited	2,082,943	0.68
18	BNP Paribas Noms Pty Ltd	2,033,400	0.66
19	UBS Nominees Pty Ltd	2,010,150	0.65
20	Berpaid Pty Ltd	1,942,962	0.63

The number of holders in each class of securities

As at 31 August 2014, the numbers of holders in each class of securities on issue were as follows:

Type of security	Number of holders	Number of securities
Ordinary shares	2,047	308,761,675
Unlisted options	1	1,000,000
Unlisted options	1	1,000,000
Unlisted options	1	1,000,000
Unlisted options	1	1,000,000

Substantial Optionholders in the entity

In accordance with listing rule 4.10.16, the names of the holders of 20% or more options in these unquoted securities are listed below:

Name	Number of options held	% of Options Held
Damien Koerber	4,000,000	100.00%

Group Mineral Concession Interests at 31 August 2014

As per Listing Rule 4.10.15, the Company provides the following information regarding its mining tenements.

Project	Location	Tenement	Ownership	Type of Tenement
Mina Rica	Chile	Mina Rica 1	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 2	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 3	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 4	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 5	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 6	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 7	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 8	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 9	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 10	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 11	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 12	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 13	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 14	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 15	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 16	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 17	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 18	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 19	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 20	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 21	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 22	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 23	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 24	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 25	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 26	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 27	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 28	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 29	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 30	Carbones de Sur[1]	Exploration
	Chile	Mina Rica 31	Carbones de Sur[1]	Exploration
Rubens	Chile	Rio Rubens Este 1	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens Este 2	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens Este 3	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens Este 4	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens Este 5	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens Este 6	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens Este 7	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 1	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 2	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 3	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 4	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 5	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 6	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 7	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 8	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 9	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 10	Carbones de Sur[1]	Exploration
	Chile	Rio Rubens 11	Carbones de Sur[1]	Exploration

Project	Location	Tenement	Ownership	Type of Tenement
Perez	Chile	Rio Perez A	Carbones de Sur[1]	Exploration
	Chile	Rio Perez B	Carbones de Sur[1]	Exploration
	Chile	Rio Perez C	Carbones de Sur[1]	Exploration
	Chile	Rio Perez D	Carbones de Sur[1]	Exploration
	Chile	Rio Perez E	Carbones de Sur[1]	Exploration
	Chile	Rio Perez F	Carbones de Sur[1]	Exploration
	Chile	Rio Perez G	Carbones de Sur[1]	Exploration
	Chile	Rio Perez H	Carbones de Sur[1]	Exploration
Naltagua	Chile	Carmencita Siete 1	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Carmencita Siete 11, 1-30	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	San Lorenzo 1, 1-34	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	San Lorenzo 2, 1-51	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	San Lorenzo 3, 1-52	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Carmen Alto 2, 1-23	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Carmen Alto 3, 1-26	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Carmen Alto 4, 1-14	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Carmen Alto 5, 1-30	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Mater I, 1-30	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Mater II, 1-10	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Carmencita 1, 1-100	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	Carmencita 2, 1-114	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining
	Chile	MaterI II, 1-16	Tsuyoshi Nishimura Matsumoto 100% [2]	Mining (in process)

Mining interest in African countries

Concession name	Location	Registered Holder	File Number / Licence Type	Equus current equity interest	Concession Type
Osenase	Ghana [3]	Osenase Prospecting Licence	Equus Mining 90%	N/A	Exploration
Asamankese	Ghana [3]	Asamankese Prospecting Licence	Equus Mining 90%	N/A	Exploration
Pramkese	Ghana [3]	Pramkese Prospecting Licence	Equus Mining 90%	N/A	Exploration
Kwatechi	Ghana [3]	Kwatechi PL3/64 Prospecting Licence	Equus Mining 0% [4]	7% [4]	Exploration

Notes

1 The Company has secured the rights to acquire 100% of Andean Coal Pty Ltd ('Andean'). The Company is earning a 51% interest in Andean through the expenditure of AUD$0.2 million and has been granted a 2 year option to acquire the remaining 49% for the consideration of 16 million shares in Equus. Equus has now assumed management responsibility for Andean. Andean, through its 99.99% subsidiary Carbones del Sur Limitada, holds exploration licences in three strategic locations within the Magallanes Basin in Chile.

2 The Group as at the date of this report has decided not to proceed with the option to acquire 100% of a contiguous group of 14 mining licences in the Naltagua copper project

3 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.

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.