

9 December 2014

ASX Code: EQE

## Announcement Summary

- **Field mapping has located the coal bearing Loreto Formation which was previously unrecognised within the Mina Rica project area.**
- **Recent interpretations by Equus Mining Limited (EQE) using regional seismic and oil well data indicated that the principal coal bearing Loreto formation in the neighbouring Mina Pecket extended into the EQE Mina Rica project area.**
- **Coal bearing strata exposed in drainage in recent excavations reaffirms this interpretation.**
- **Mina Rica thermal coal project is located adjacent to a deep water port and ship loading facility which in 2014 was put on “care and maintenance”. The loading facility has a 2,000 metric tonne per hour capacity being in excess of 7 million metric tonnes per annum. Existing haul roads means minimal development time and capital expenditure required prior to production.**

### Coal Bearing Loreto Formation Located 8km from Idle Deep Water Port & Coal Loader

Equus Mining Limited (EQE) is pleased to announce that field mapping throughout recently excavated drainages within the central portion of the Mina Rica exploration block has defined sub-horizontal to shallow north-easterly dipping, coal bearing Tertiary aged outcropping rock (Loreto Formation) over a strike length of approximately 900m (See Map 1).

The newly discovered coal bearing exposure is interpreted to be close to the base of the Loreto Formation and has significantly enhanced confidence in the principal coal bearing target located a short distance to the east (See Section 1). This principal coal bearing target is an extension of Mina Pecket where there are 13 recognised coal seams within a 290m thick sedimentary sequence of which seams 5 and 6 are of principal economic importance.

The significance of this discovery throughout the area historically mapped as comprising entirely of glacial, post-Tertiary aged cover includes:

- Represents the first time that coal bearing outcrop of the Loreto Formation has been recorded in the Mina Rica claim block based on the review of all historic data recovered to date
- Reaffirms the interpreted potential for the Mina Rica exploration block to host the along strike extension of the principal coal bearing formation exploited in the now idle Pecket Mine, situated approximately 8km to the north-northwest
- Indicates that the coal bearing Loreto Formation likely extends further to the west which improves resource tonnage potential
- Shallower dipping bedding angle than previously interpreted from regional seismic and historic oil drill holes indicates potentially low stripping ratios
- Confirms that the depth of glacial, post Tertiary aged overburden in the area of the outcrop is minimal (<2m) which also indicates potentially low stripping ratios

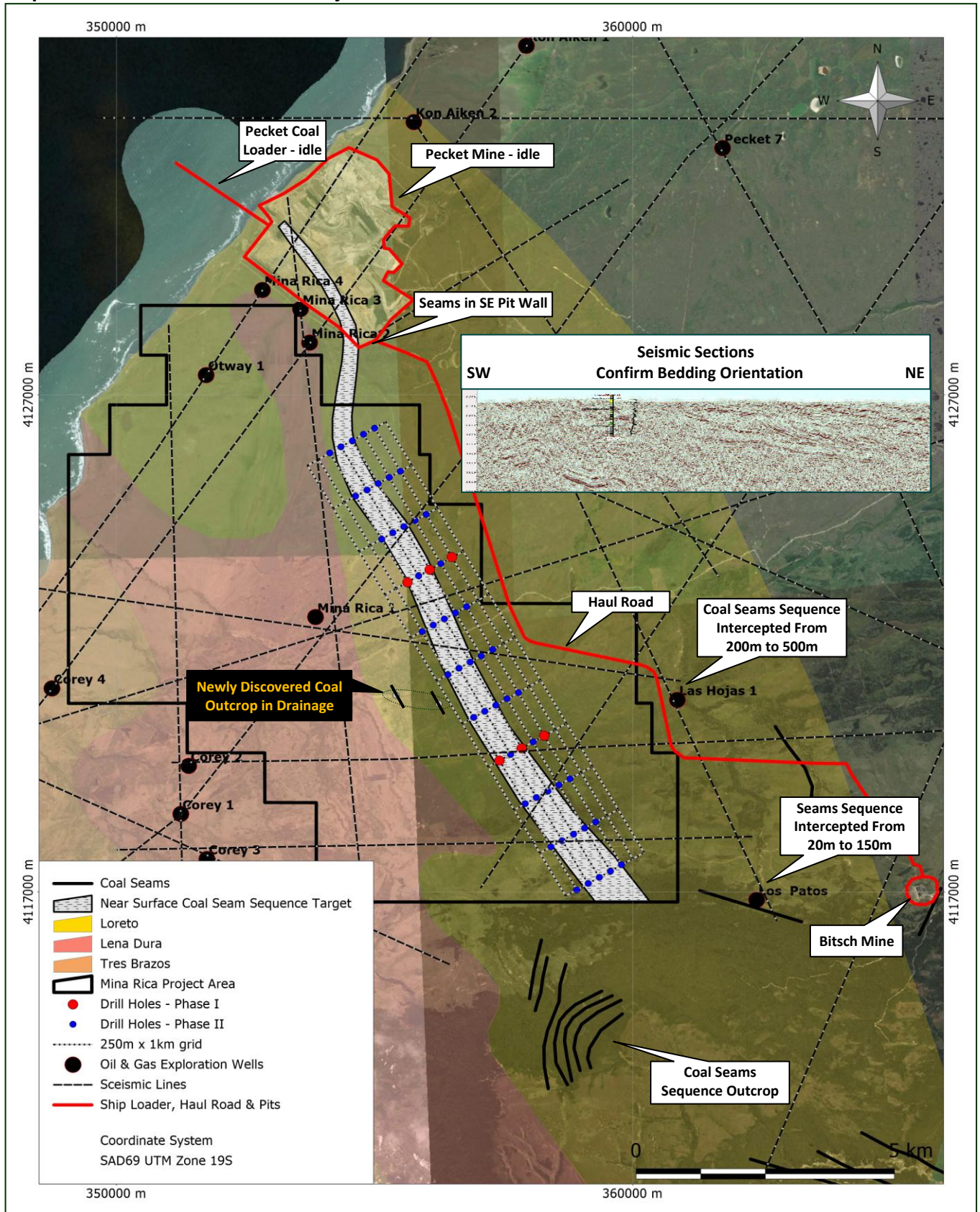
The Mina Rica project, one of three projects being developed by Equus Mining, has the most immediate possibility of production being located adjacent to the Pecket mine with existing infrastructure. This includes deep-water port with a 2,000tph coal loader (See Photo 1), a complete mining fleet and haul roads.

Equus Mining Limited ABN 44 065 212 679

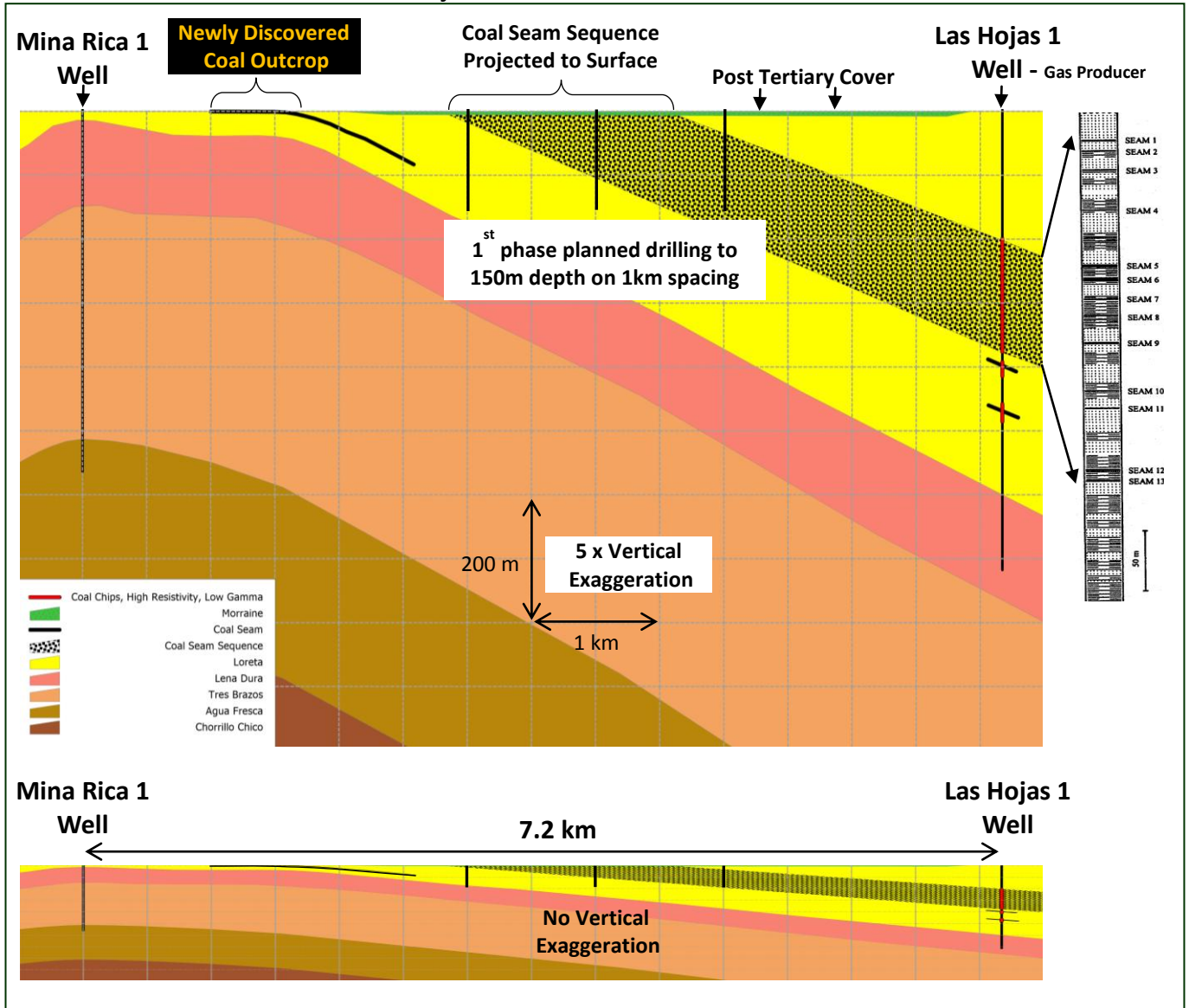
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**Map 1. Mina Rica Thermal Coal Project**



**Section 1. Mina Rica Thermal Coal Project**



**Photo 1. Mina Pecket Port & Coal Loader (idle)**



## Equus Mining - Background

Equus Mining Limited (ASX: EQE) has strategically positioned itself to take advantage of Chile's fast growing energy needs. Chile has the highest cost of power generation in South American due to strong economic growth rates and limited domestic energy sources. Chile has just one domestic coal mine and imports 80% of its thermal coal requirements (See Chart 1). Thermal coal represents just a quarter of the power generation fuel mix which is about half the world average in comparison. Under this scenario there is a strong opportunity to develop a second domestic thermal coal supply.

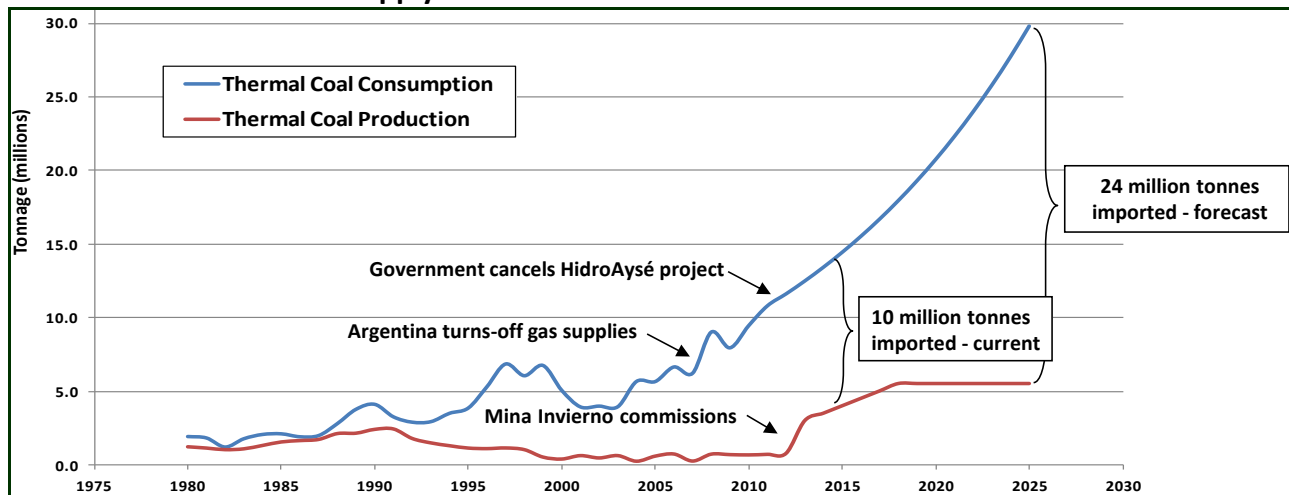
Equus Mining recently acquired a 51% stake in Andean and has an option to purchase the remaining 49% of Andean for the consideration of 16 million in shares (A\$160k). Through Andean Equus Mining acquire control of a large package of exploration licences centred on the coal bearing Loreto Formation, located in Chile's largest coalfield, the Magallanes Basin. These licences are situated in three project areas: Rubens, Perez and Mina Rica (See Map 2).

All three projects 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 historic regional work by BHP and Chile's state owned petroleum company ENAP.

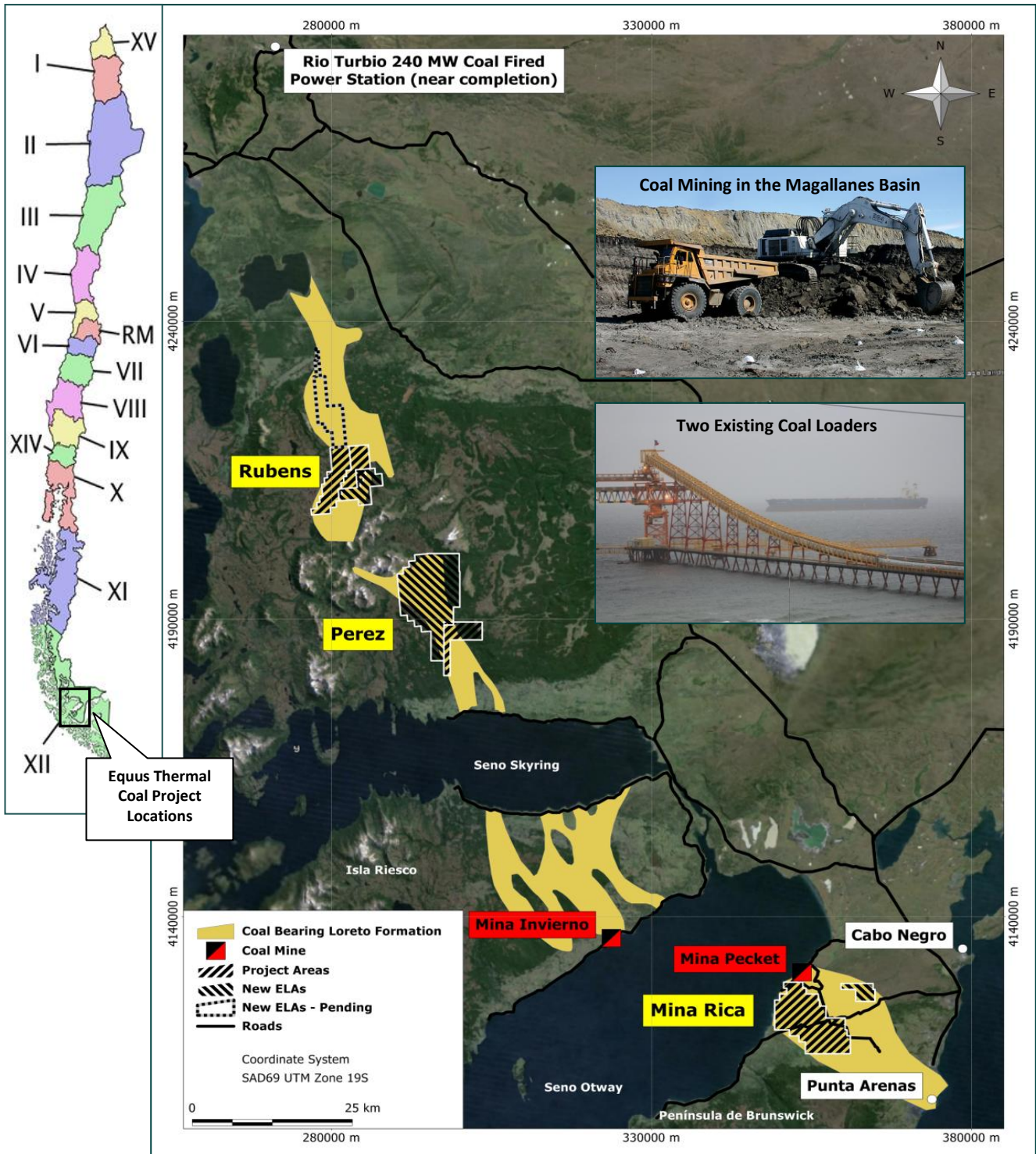
Equus Mining has further increased its strategic ground position with exploration licence applications. This has seen the total area of interest over the coal bearing Loreto Formation increase from 166 km<sup>2</sup> to over 300km<sup>2</sup>. Equus Mining now controls the largest ground position overlying near surface, potentially open pittable coal measures in the Magallanes basin. EQE intends to continue increasing ground holdings via exploration licence applications and potential joint ventures.

Equus Mining's Mina Rica project has the most immediate possibility of production being located adjacent to the exhausted Pecket mine with existing infrastructure. This includes an idle deep-water port with a 2,000tph coal loader, a complete mining fleet and haul roads.

**Chart 1. Chile's Domestic Supply & Demand of Thermal Coal**



**Map 2. Equus Mining’s Thermal Coal Projects in the Magallanes Basin - Chile’s Largest Known Coal Occurrence**



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