

31 July 2015

Equus at a Glance

ASX listed Resource Company focused on developing thermal coal resources for the Chilean power generation market and replacing the current high level of thermal coal imports.

Facts

ASX Code:	EQE
Share Price (30 July 2015):	\$0.019
Shares on Issue:	395M
Market Capitalisation:	A\$7.5M

Directors and Officers

Mark Lichtenberg
Non-Executive Chairman

Ted Leschke
Managing Director

Juerg Walker
Non-Executive Director

Robert Yeates
Non-Executive Director

Marcelo Mora
Company Secretary

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Quarterly Activities Report June 2015

Equus Mining Limited ('Equus' or 'Equus Mining') (ASX: EQE) is pleased to report on its activities for the quarter ended 30 June 2015.

Summary of Activities

Mina Rica Thermal Coal Project

- New strategic coal exploration tenements covering 28km² adjacent to the Company's existing Mina Rica coal exploration tenements has been obtained by the Company at no acquisition cost.
- Equus Mina Rica tenements are proximate to existing port infrastructure.
- Historic exploration database acquired which indicates potential near surface extension of the main economic coal seam previously mined at the neighbouring Pecket Mine which is adjacent to the Company's existing and newly acquired tenement areas.
- Drilling of initial stratigraphic holes initiated during the June quarter at Mina Rica to better define the lithological sequence and to identify the optimum depositional position within the stratigraphy to host coal.
- Drilling will now focus on extending Seam 6 and additional seams from the Pecket Mine tenement area into EQE's Mina Rica tenement area.

Corporate

- Decision made to acquire the remaining 49% of Andean Coal Pty Ltd from Sambas Energy Pty Ltd via an option exercise for a consideration of 16 million Equus shares voluntary escrowed to 23 May 2016.

Mina Rica Thermal Coal Project

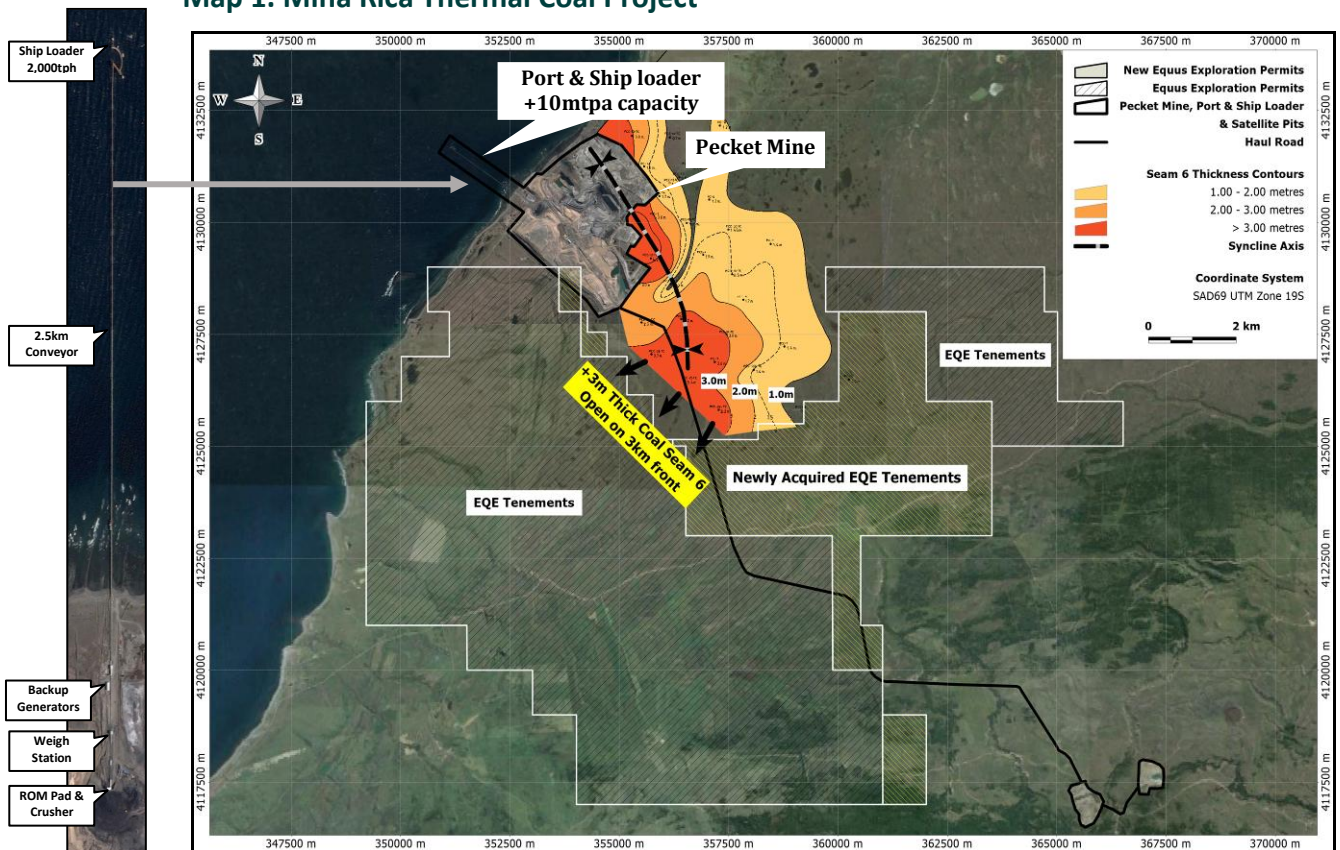
Equus Mining’s Mina Rica thermal coal project is located on the north side of the Brunswick Peninsula in Chile’s XII Region and is considered highly strategic given its close proximity to key idle infrastructure and the potential for rapid development in order to supply into Chile’s shortage of domestically produced thermal coal (see Map 1). Currently Chile consumes approximately 15mtpa of mostly imported thermal coal and this is expected to double within the next decade.

Mina Rica is situated adjacent to the third party owned Pecket mine and port/coal loading facility which has a capacity in excess of 10mtpa. Unwashed coal product was historically loaded onto bulk carriers and transported to domestic coastal based thermal power stations however this operation is currently on care and maintenance following a high wall failure in the Pecket Mine’s main pit. There are 13 recognised coal seams at the Pecket mine of which predominantly Seams 5 & 6 were previously mined commercially.

During the June quarter new strategically positioned coal exploration tenements were acquired. These are located immediately adjacent to the Company’s existing Mina Rica coal exploration tenements and along strike of the main economic coal seams previously mined at the Pecket mine (see Map 1). These new tenements were obtained by Equus through filing new applications over and several months prior to the expiry of third party owned tenements which were due to expire during the month of June 2015. These third party owned tenements had reached a two year anniversary requiring the elevation to exploitation status to maintain tenure. Since this did not occur the overlying tenements owned by Equus have automatically assumed title priority at no acquisition cost.

The 28km² area acquired brings the total area covering the coal bearing Loreto Formation on the Brunswick Peninsula to 127 km². This further consolidates a dominant position in relation to prospective geology, available and currently idle coal loading infrastructure and services from the nearby city of Punta Arenas (population 130,000).

Map 1. Mina Rica Thermal Coal Project

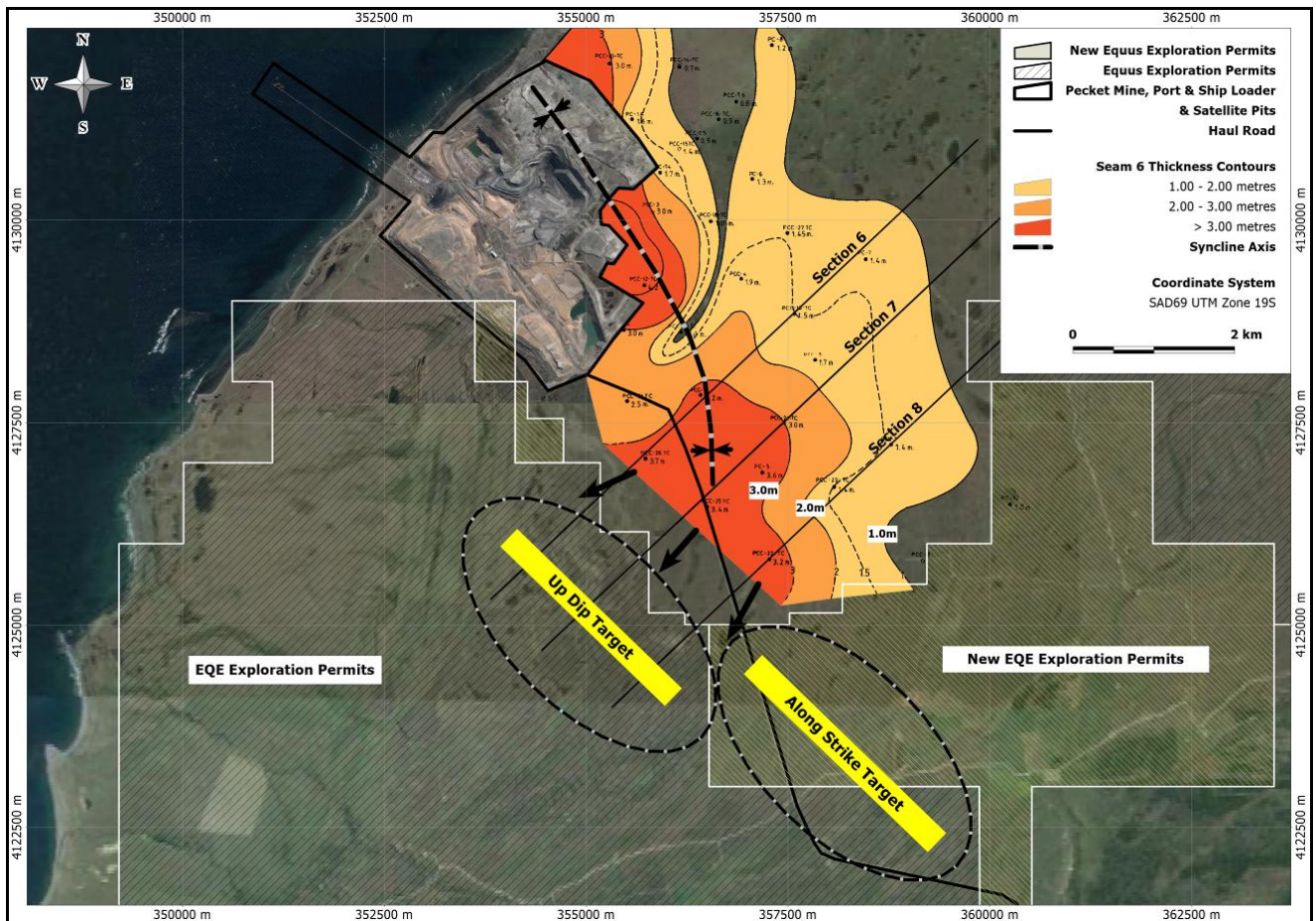


In addition to the new tenements acquisition, the Company has also sourced exploration data that indicates that the main economic coal seam (Seam 6) previously mined at Mina Pecket is open on a 3km front immediately adjacent to the boundary of the Company’s Mina Rica thermal coal exploration tenements and along strike of the newly acquired package tenements as described above (see Map 2). Additionally, this data indicates the presence of several coal seams that occur stratigraphically beneath Seam 6 that may also extend into the Mina Rica thermal coal exploration tenements.

The current remaining known resource in the Pecket mine area is contained within a broad syncline. Since the general regional dip of the coal bearing stratigraphy is gently to the northeast, this suggests that Seam 6 is likely to extend updip under shallow fluvio-glacial cover within the Company’s project area.

In June 1980, the Corporación de Fomento de la Producción (‘CORFO’) (Production Development Corporation of Chile) produced a report which summarised the results of a 46 diamond drill hole programme throughout the Pecket mine area which was broadly centred on a historic underground thermal coal mine. The drilling outlined a global non-JORC compliant *in situ* resource in four stacked seams of which 29% was in Seam 5 and 61% was in Seam 6. EQE’s newly expanded tenement package surrounds this resource on three sides.

Map 2. Mina Rica Thermal Coal Project – Up Dip and Along Strike Targets



From 1987 until the mine closure in April 2014 due to a high wall failure, the Pecket mine resource has been exploited by both state and private companies via open pit mining with the thermal coal being trucked a short distance to an adjacent port and ship loader. Since the closure of the Mina Pecket mine in April 2014, the entire Pecket mine infrastructure, including the deep water port with a 2,000 tonne per hour coal loader, mining fleet and haul roads has been maintained on care and maintenance.

A stratigraphic drilling program was initiated during the June quarter at Mina Rica. The aim of this drilling was to define the optimum paleo-depositional setting within the stratigraphy to host coal. Data from this stratigraphic program will be used to site drill hole locations. Drilling will also focus on extending Seam 6 from Mina Pecket into EQE's Mina Rica tenement area. The two broad target zones are the up dip potential to the southwest and the along strike potential to the south east (see Map 2). Additionally, several of the deeper holes drilled by CORFO at Mina Rica indicates the presence of underlying seams relative to Seam 6 which may also extend into the Mina Rica tenement area.

Equus Mining's Thermal Coal Project Background

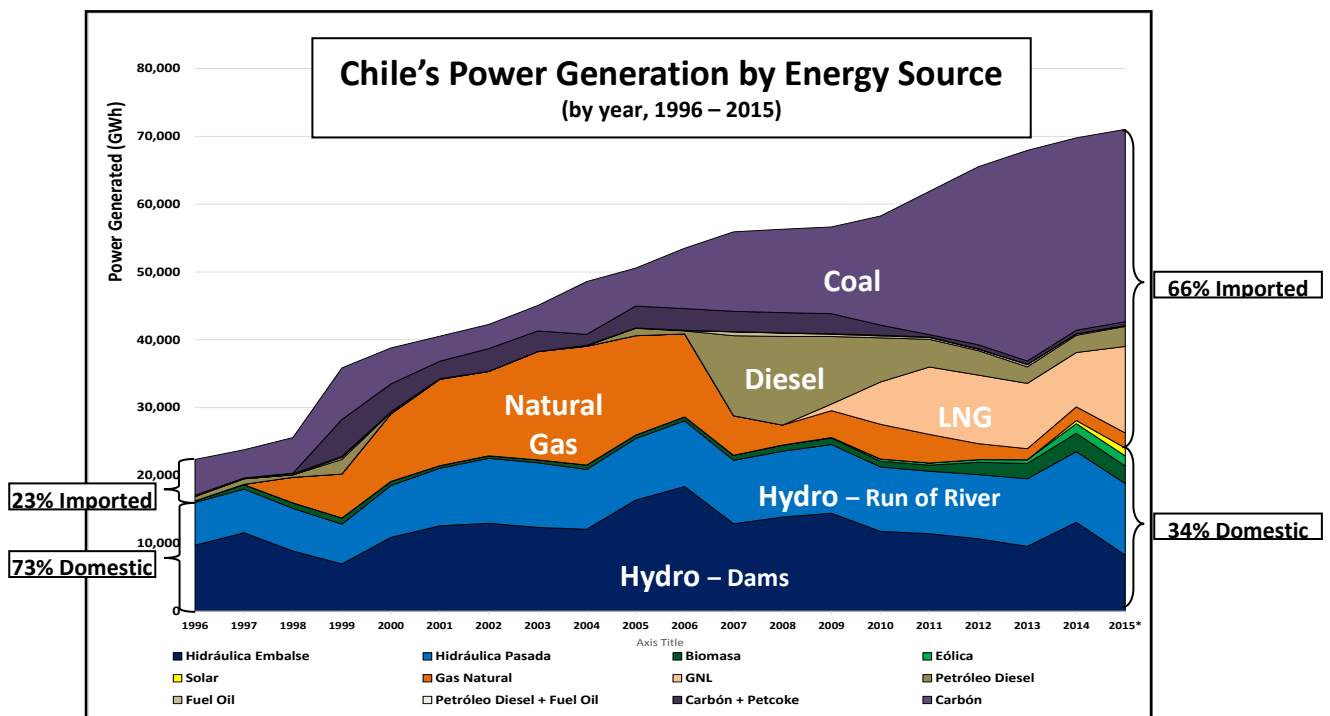
Equus is strategically positioned to take advantage of Chile's fast increase in coal fired electricity generation with a 51% interest (100% as of 31 July) in a coal package centred on the coal bearing Loreto Formation in Chile's largest coalfield, the Magallanes Basin in Chile's Region XII.

Since the initial acquisition, the total exploration project area has been more than doubled, from 170 km² to 435 km² through additional exploration licence applications. These licences are situated in three project areas: Rubens, Perez and Mina Rica (see Map 3) and Equus now holds considerably greater than 50% of the available near surface strike extent of the coal bearing Loreto Formation. This is a dominate position over the largest known near surface coal occurrence in energy starved Chile.

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. Despite Chile importing 80% to 90% of its current thermal coal needs and the Magallanes Basin being recognised as hosting the largest coal occurrence in Chile, the centre of a fledgling coal mining industry currently hosts just one operating mine.

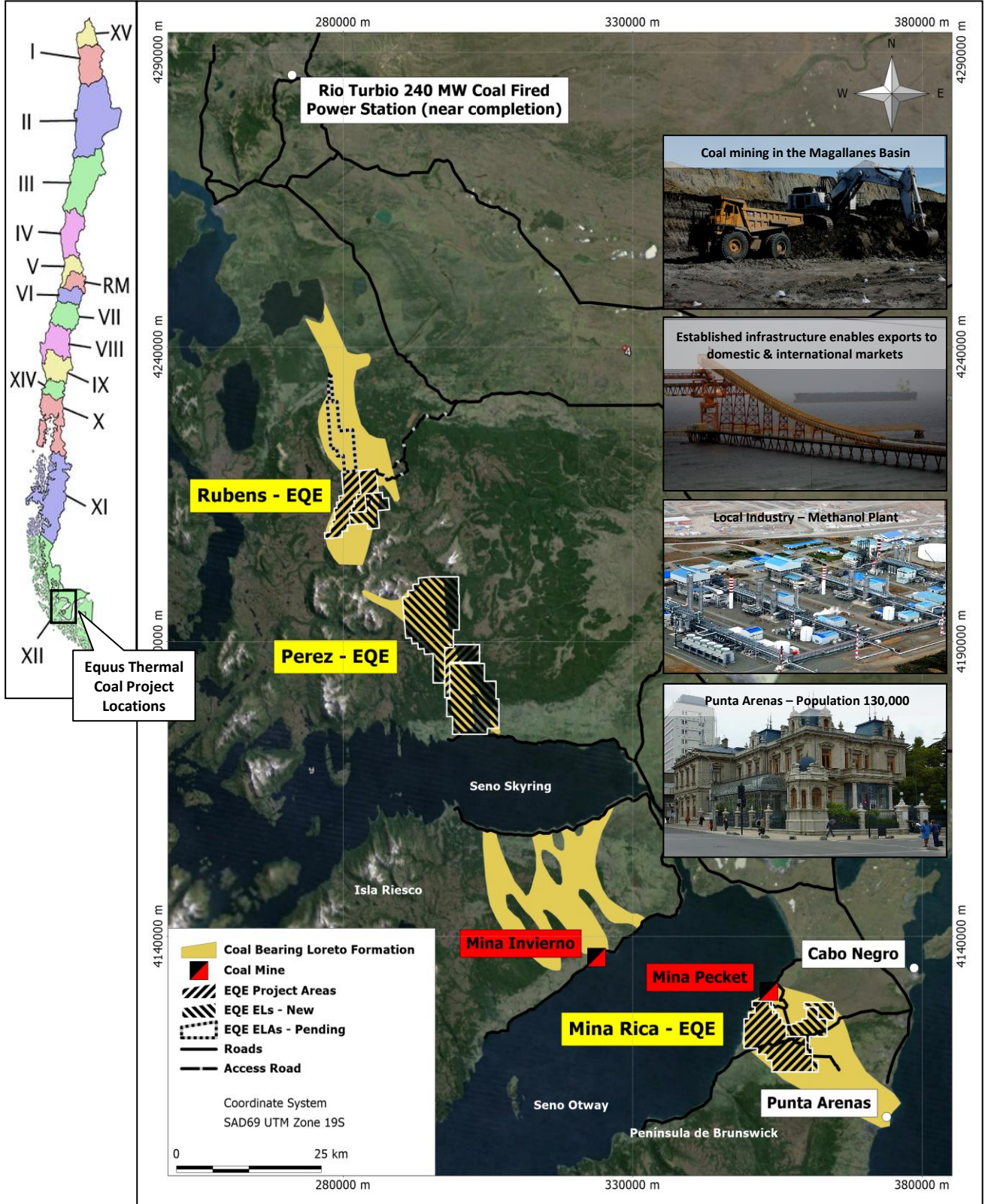
Over the last 20 years Chilean power generation has transformed from predominately domestic sourced energy to predominately imported sourced energy (see Chart 1) which has obvious security of supply implications. Imported energy is mostly in the form of thermal coal, LNG and diesel. Industry data by the largest power producers indicates costs of power generation to be \$45/MWh for coal, \$90/MWh for LNG and \$140/MWh for LNG. Producing power from coal is an important solution to reducing Chile's high cost of power production and maintain a reliable supply.

Chart 1. Chile's Power Generation by Energy Source



Source: Comisión Nacional de Energía, Gobierno del Chile

Map 3. Equus Mining's Thermal Coal Projects in the Magallanes Basin - Chile's Largest Known Coal Occurrence



Corporate

Exercised Option to Acquire Remaining 49% OF Andean Coal Pty Ltd

Equus Mining Limited has made the decision to exercise the option to acquire the remaining 49% of Andean Coal Pty Ltd for a consideration of 16 million escrowed Equus shares. By way of a Voluntary Restriction Deed the vendor has agreed to a voluntary escrow period to 23 May 2016, being the original expiry date of the option. Upon completion of the transaction on 31 July 2015 Equus will own 100% of Andean Coal Pty Ltd (see Map 1 & 3) and dominant package of tenements over the coal bearing Loreto Formation with close proximity to vital infrastructure and deep water shipping.

Exploration Expenditure

During the quarter ended 30 June 2015 Equus invested a total of A\$320K in exploration at its thermal coal projects in Chile.

Yours sincerely



Edward Leschke
Managing Director

pjn8171

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Tenement Information

Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter	Location	Ownership
		Mina Rica 1 to 31	Magallanes, Chile	Carbones del Sur ¹
		Rio Rubens 1 to 11	Magallanes, Chile	Carbones del Sur ¹
		Rio Rubens East 1 to 7	Magallanes, Chile	Carbones del Sur ¹
		Rio Perez A to H	Magallanes, Chile	Carbones del Sur ¹
Kol 3, 5, 10 to 16		Kol 1 to 16	Magallanes, Chile	Carbones del Sur ¹
		Kolen 1-3, 5-8	Magallanes, Chile	Carbones del Sur ¹
		Carbon 1 to 7, 13, 15, 17, 21-23, 25, 27, 31-32, 35, 36, 38, 40 & from I-XXV	Magallanes, Chile	Carbones del Sur ¹
		Kull 20-22	Magallanes, Chile	Carbones del Sur ¹
		Skyring 1-31	Magallanes, Chile	Carbones del Sur ¹
Balmaceda 1 & 2		Balmaceda 1 & 2	Magallanes, Chile	Carbones del Sur ¹
		Osenace	Ghana	Equus 90%
		Asamankese	Ghana	Equus 90%
		Pramkese	Ghana	Equus 90%
		Kwatechi	Ghana	Equus 7% equity interest

1) The Company has secured the rights to acquire 100% of Andean Coal Pty Ltd ('Andean'). The Company has earned a 51% interest in Andean through the expenditure of AUD\$0.2 million and has decided to exercise an option to acquire the remaining 49% for the consideration of 16 million shares in Equus. Equus has 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.