EQUUS MINING LIMITED

Reducing Chile's High Dependency on Energy Imports

Exploration

Mining

Infrastructure

Shipping

Markets

ASX Code: EQE

Sept 2015

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Equus Mining Company Details

- **ASX Code:** EQE
- **Ordinary Shares:** 395M
- **Share Price:** 1.1 cents
- **Market Capitalisation:** $4.3M
- **Top 20 Shareholders:** 64%
- **Equus Mining Board:** Mark Lochtenberg
  Ted Leschke
  Juerg Walker
  Robert Yeates

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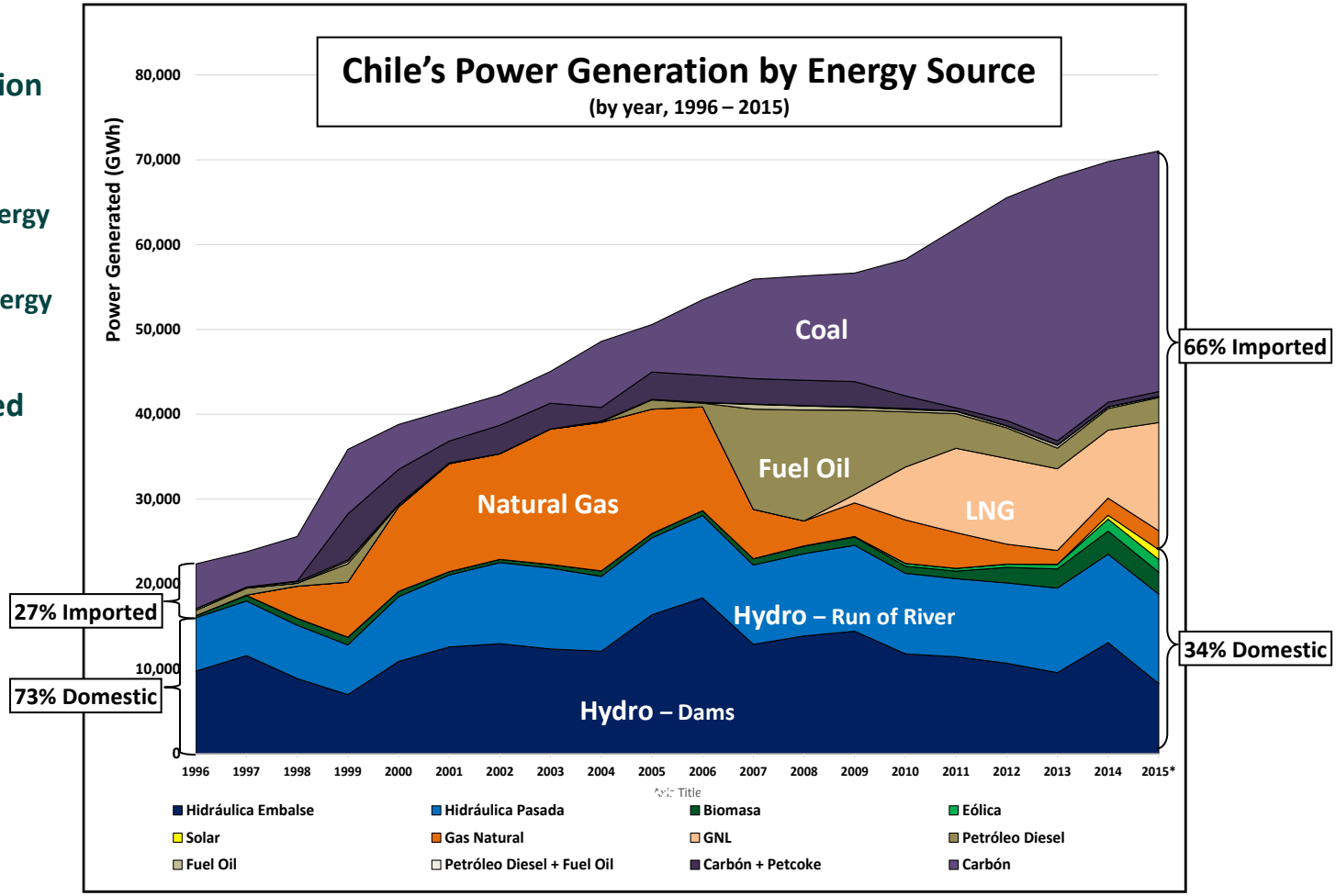
Chile's Dependency on Imported Energy = Supply and Price Risk

Over the last 20 years Chilean power generation has transformed:

- from predominately <u>domestic</u> sourced energy
- to predominately <u>imported</u> sourced energy

80-90% of coal imported from distant sources:

- Colombia
- US
- Australia



Source: La Comisión Nacional de Energía , Gobierno del Chile

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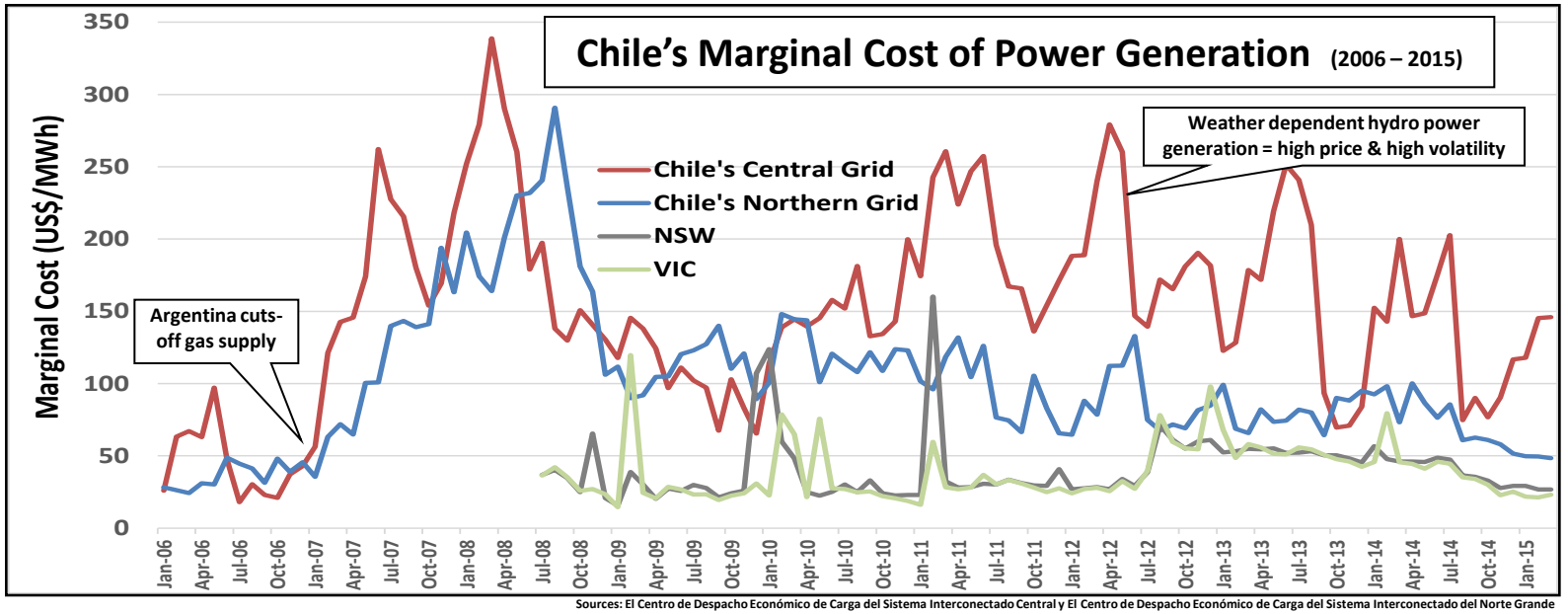
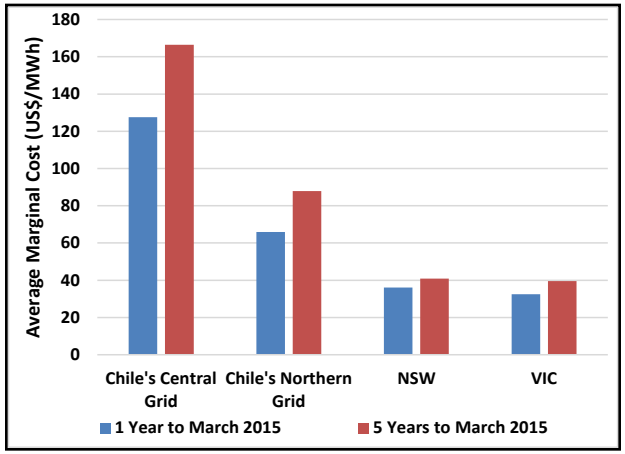
Chile's Dependency on Imported Energy = Supply and Price Risk



Sources: El Centro de Despacho Económico de Carga del Sistema Interconectado Central y El Centro de Despacho Económico de Carga del Sistema Interconectado del Norte Grande
Australian Energy Market Operator



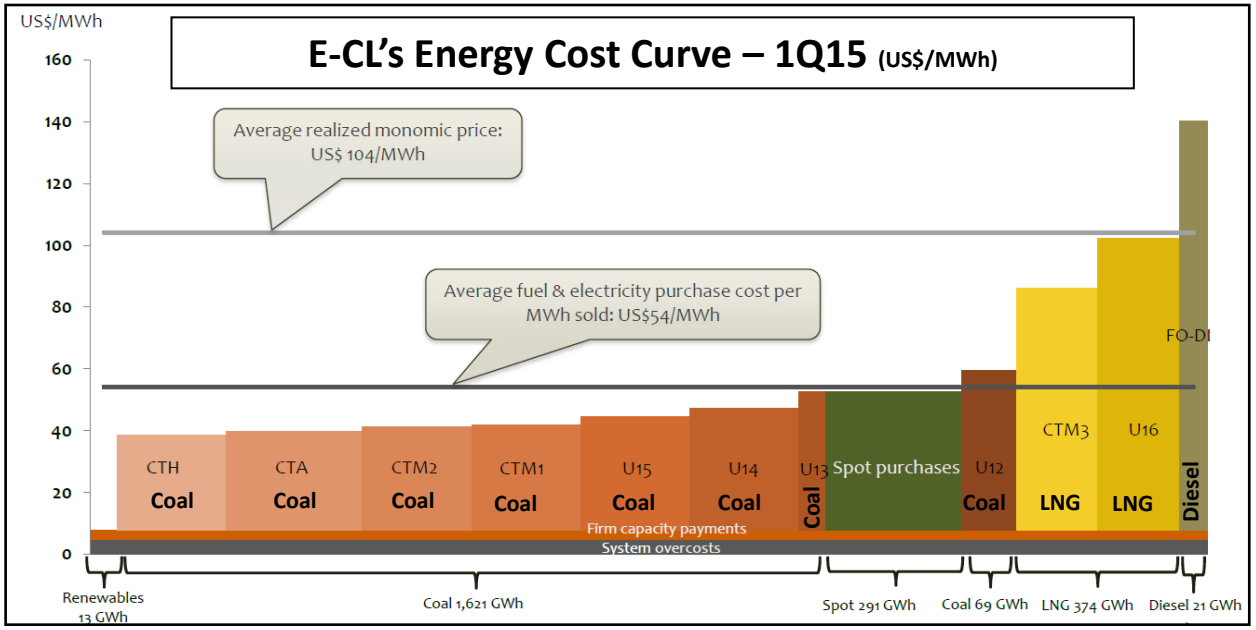
- Chile's marginal power costs are double to quadruple that of Australia's
- The average Chilean earns 1/3 that of the average Australian
- A lack of cheap reliable power will impact Chile's economic wellbeing and restrict improvements in the standard of living

Thermal Coal vs LNG vs Diesel

E- CL is the largest power generator in mining dominated northern grid of Chile

Power generation costs:

- **Coal $45/MWh**
- **LNG $90/MWh**
- **Diesel $140/MWh**



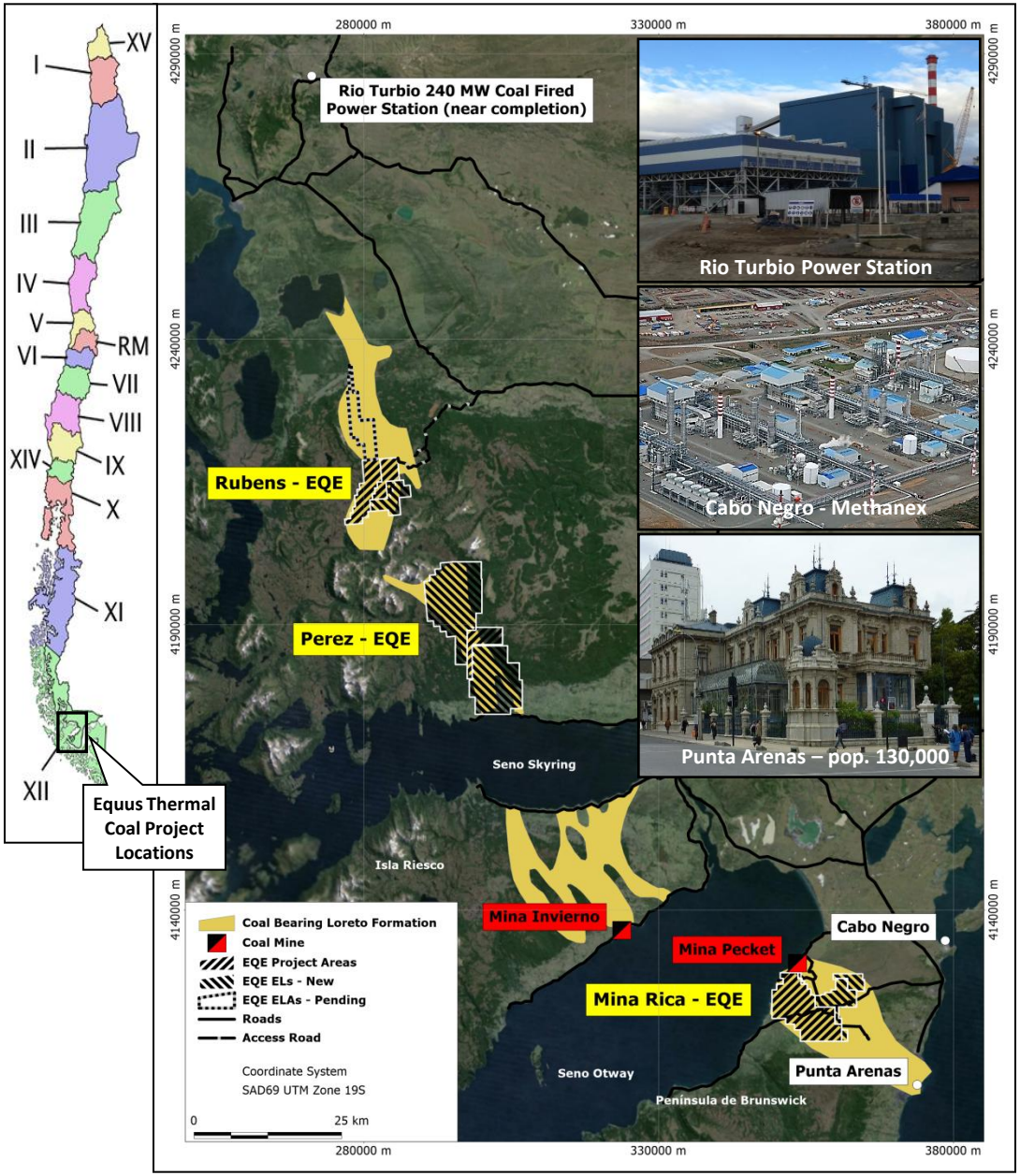
Mejillones

Tocopilla

Andina Horitos

Equus Mining's Coal Assets

- EQE gains 100% of Andean Coal Pty Ltd
  - Have exercised option to purchase outstanding 49% for 16m shares (A$0.3m)
- Three strategic project locations:
  - Rubens, Perez and Mina Rica
  - Total area increase from 170km^2 at acquisition to current 435km^2
  - Centred on coal bearing Loreto Formation
- EQE now holds a dominant position over the largest known near surface coal occurrence in energy starved Chile
- Project areas host thick shallowly dipping coal seams suitable for bulk open cut extraction
- Close proximity to infrastructure and deep water



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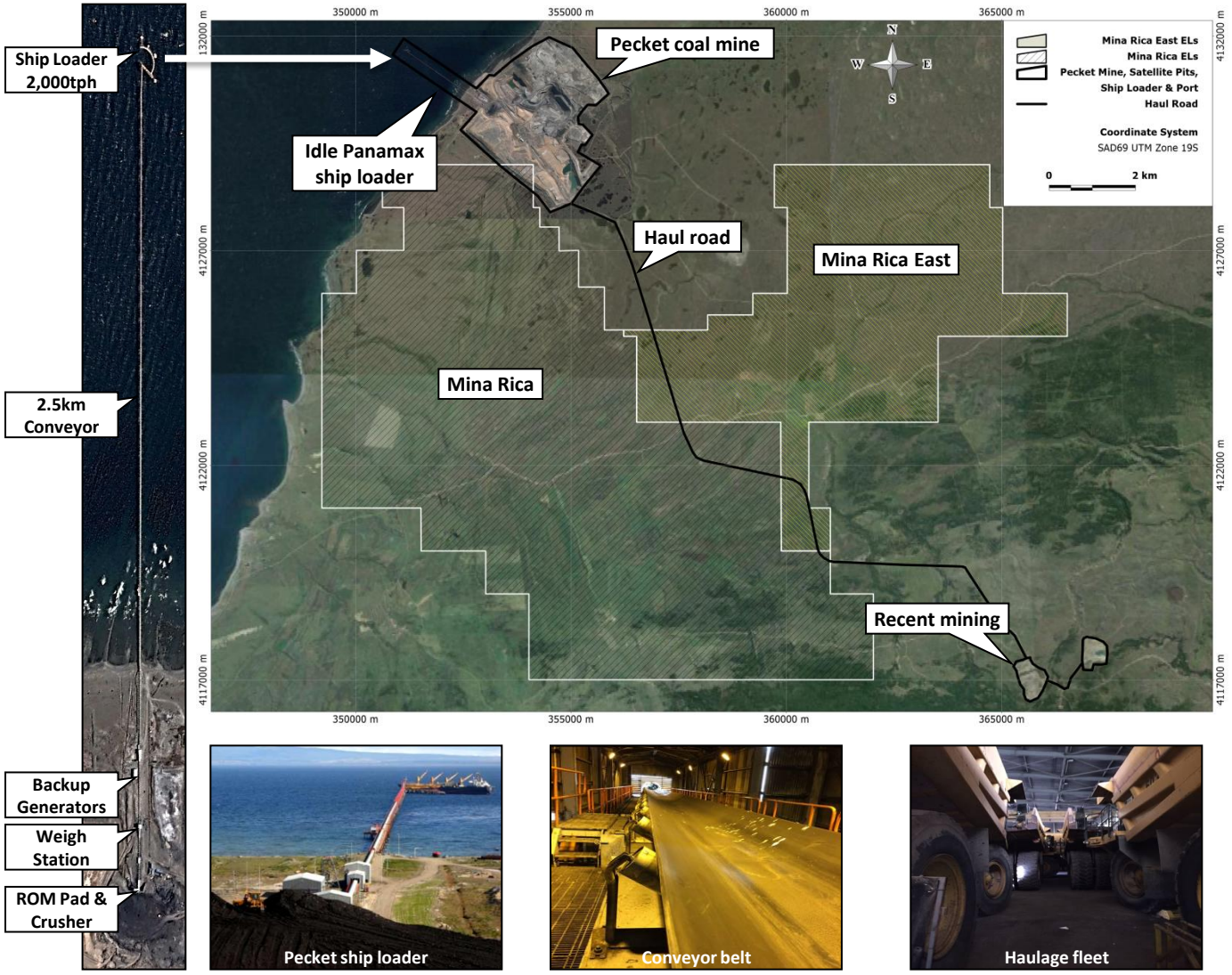
Mina Rica Thermal Coal Project



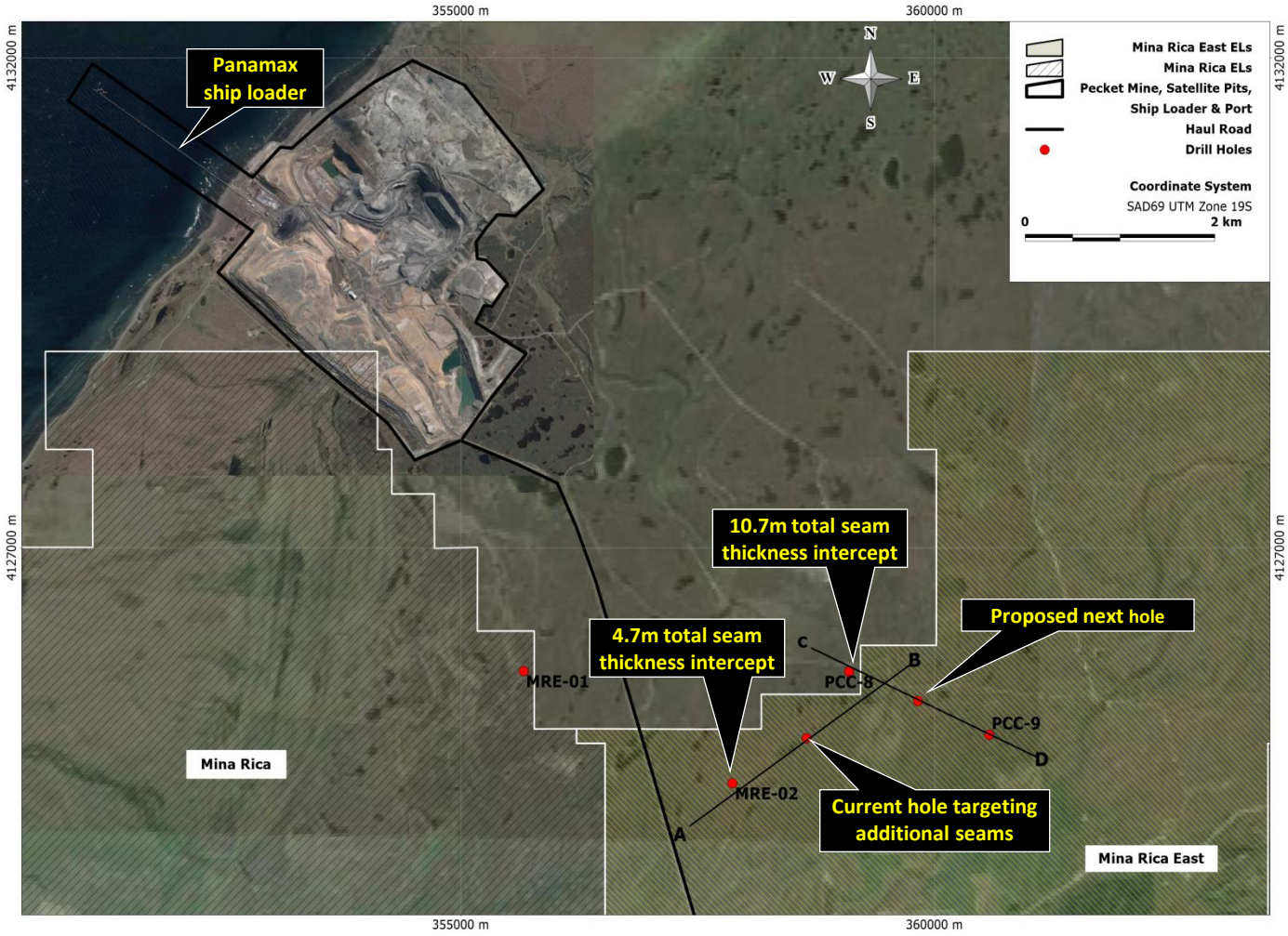
Pecket ship loader

Conveyor belt

Haulage fleet

- 127km^2 project area adjacent to critical and available infrastructure
- Recently acquired strategic Mina Rica East tenements through filing applications
- Idle port, 2000tph ship loader, haul roads and mining fleet. All on care and maintenance
- Minimal capex required
- Short development time frame to production
- Post-tertiary cover masked geology and inhibited historic exploration

Drilling the Pecket Coal Sequence

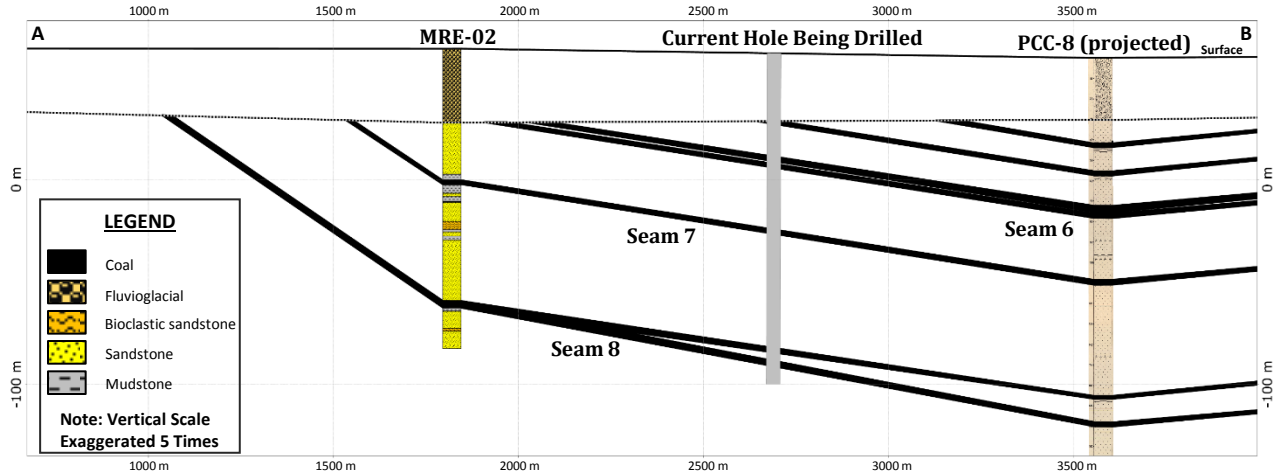


- Mina Rica East 7.5km from idle Panamax ship loader
- Drilling has commenced
- Targeting same Pecket mine coal sequence
- Drill hole MRE–02 intercepted Seam 7 and Seam 8 (i)
- 4.7m total intercepted coal thickness including:
  - 1.3 metres from 64.3m
  - 2.8 metres from 123.0m (i)
- On-going drilling targeting additional seams
- Seam 6 was main production seam in neighbouring Pecket Mine

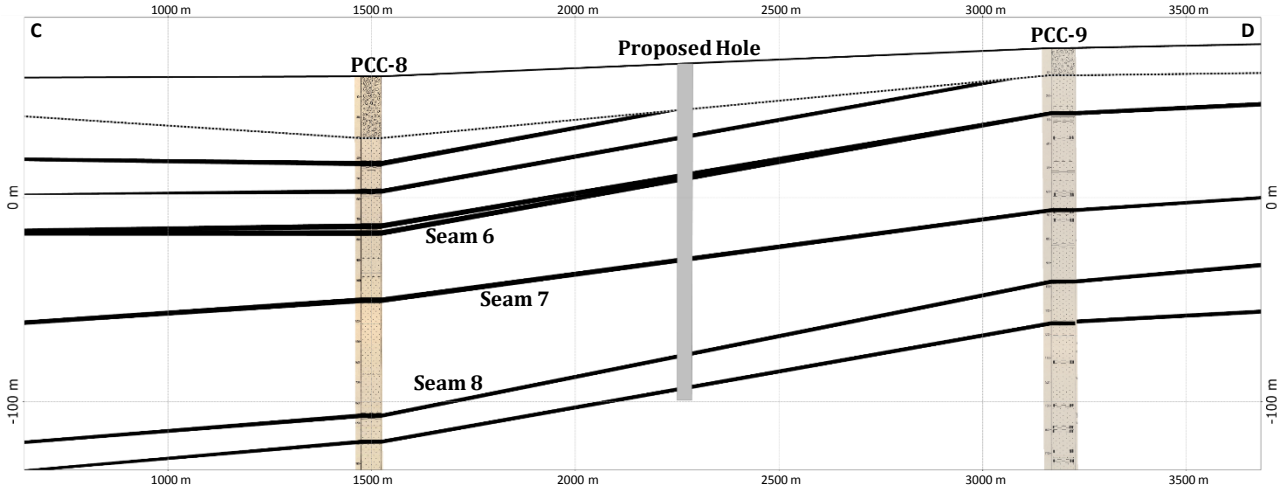
Mina Rica East Sections

5x Vertical Exaggeration

Section A-B. Cross section showing coal seam preliminary correlation between MRE-02 and PCC-8 (i)



Section C-D. Cross section showing coal seam preliminary correlation between PCC-8 and PCC-9 (i)



Brown drill water indicative of coal being drilled

Coal in core barrel

Extracting core

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Summary & Strategy

- Chile is deficient in domestically supplied energy and heavily dependent on fuel imports for thermal power generation
- Coal demand has doubled since 2007 and is expected to double again in the next decade. Growth in power generation is needed to improve Chile's economic wellbeing and standard of living
- Only one current domestic coal producer supplying 1.5 mtpa in a potentially 30mtpa market
- Equus controls 435km^2 of coal licences - most dominate position over the largest known near surface coal occurrence in energy starved Chile
- Project areas host shallowly dipping coal seams suitable for bulk open cut extraction
- Magallanes thermal coal advantages: low transport costs, low mining costs, low capital requirements, low supply and price risk, available work force, established idle infrastructure and low sulphur
- Strategy is to simply:
    1. Dominate prospective coal acreage – Done
    2. Dominate strategic infrastructure positioning – Done
    3. Drilling – In Progress
    4. Invite JV offers from potential strategic partners

"Equus Mining is well positioned to reduce Chile's dependency on energy imports"

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Appendix I

Transport cost advantage of domestically supplied coal

Chile Power Plants - *Existing*				Land Transport		Shipping Transport						Total Transport
				Colombia	Chile	Colombia			Chile			
Power Plant	Company	Installed Capacity (MW)	Region	Rail Carrejon to Puerto Bolivar Cost (US$/t)	Truck Mina Rica to Puerto Pecket Cost (US$/t)	Puerto Bolivar (Colombia) to Chile Power Stations			Puerto Pecket to Chile Power Stations			Difference - Chile Transport Advantage Cost Diff (US$/t)
						Distance (km)	Days	Cost (US$/t)	Distance (km)	Days	Cost (US$/t)	
Patache I	Endesa	150	I	9.0	1.5	4,710	7.5	15.5	4,316	6.9	14.2	**8.8**
Norgener	AES Gener	277	II	9.0	1.5	4,895	7.8	16.2	4,109	6.5	13.6	**10.1**
Tocopilla	E-CL	515	II	9.0	1.5	4,900	7.8	16.2	4,109	6.5	13.6	**10.1**
Andina Horitos	E-CL	340	II	9.0	1.5	4,900	7.8	16.2	4,038	6.5	13.3	**10.3**
Angamos I & II	AES Gener	545	II	9.0	1.5	4,990	8.0	16.5	4,038	6.5	13.3	**10.6**
Mejillones	E-CL	320	II	9.0	1.5	4,990	8.0	16.5	4,038	6.5	13.3	**10.6**
Guacolda I ,II, III & IV	AES Gener	608	III	9.0	1.5	5,440	8.7	18.0	3,400	5.5	11.2	**14.2**
Huasco Vapor	Endesa	16	III	9.0	1.5	5,440	8.7	18.0	3,400	5.5	11.2	**14.2**
Ventana	AES Gener	875	V	9.0	1.5	5,900	9.5	19.5	2,883	4.5	9.5	**17.5**
Santa María I	Colbún	372	VIII	9.0	1.5	6,366	10.2	21.0	2,435	3.9	8.0	**20.5**
Bocamina I	Endesa	128	VIII	9.0	1.5	6,370	10.2	21.0	2,435	3.9	8.0	**20.5**
	Total:	**4,146**			**Weighted Average:**	**5,381**	**8.6**	**17.8**	**3,529**	**5.6**	**11.6**	**13.6**

Chile Power Plants - *Construction/Approved*				Land Transport		Shipping Transport						Total Transport
				Colombia	Chile	Colombia			Chile			
Power Plant	Company	Installed Capacity (MW)	Region	Rail Carrejon to Puerto Bolivar Cost (US$/t)	Truck Mina Rica to Puerto Pecket Cost (US$/t)	Puerto Bolivar (Colombia) to Chile Power Stations			Puerto Pecket to Chile Power Stations			Difference - Magallanes Advantage Cost Diff (US$/t)
						Distance (km)	Days	Cost (US$/t)	Distance (km)	Days	Cost (US$/t)	
Patache II	Endesa	110	I	9.0	1.5	4,710	7.5	15.5	4,316	6.9	14.2	**8.8**
Pacífico I	Río Seco	350	I	9.0	1.5	4,710	7.5	15.5	4,316	6.9	14.2	**8.8**
Cochrane I	AES Gener	560	II	9.0	1.5	4,990	8.0	16.5	4,038	6.5	13.3	**10.6**
Mejillones IV & V	E-CL	750	II	9.0	1.5	4,990	8.0	16.5	4,038	6.5	13.3	**10.6**
Guacolda V	AES Gener	150	III	9.0	1.5	5,440	8.7	18.0	3,400	5.5	11.2	**14.2**
Punta Alcalde I	Endesa	740	III	9.0	1.5	5,440	8.7	18.0	3,400	5.5	11.2	**14.2**
Los Robles I	AES Gener	750	VII	9.0	1.5	6,130	9.9	20.2	2,659	4.2	8.8	**19.0**
Bocamina II	Endesa	370	VIII	9.0	1.5	6,370	10.2	21.0	2,435	3.9	8.0	**20.5**
Santa María II	Colbun	350	VIII	9.0	1.5	6,370	10.2	21.0	2,435	3.9	8.0	**20.5**
	Total:	**4,130**			**Weighted Average:**	**5,503**	**8.8**	**18.2**	**3,402**	**5.5**	**11.2**	**14.4**

Appendix II

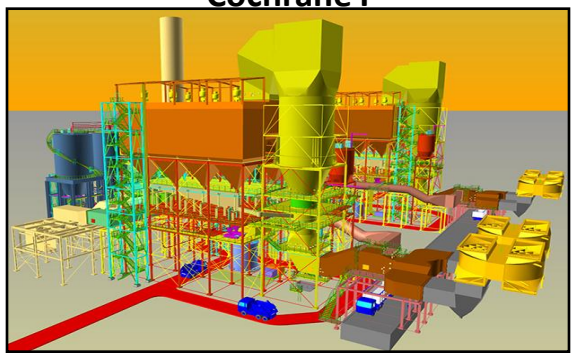
Coal Fired Thermoelectric Plants Under Construction and/or Approved

COMPANY	THERMAL ELECTRIC PLANT	POTENCIAL (MW)	SUB-BITUMINOUS PORTION OF FUEL MIX	SUB-BITUMINOUS (tpa)	BITUMINOUS (tpa)	REGIÓN	INVESTMENT US$M	OPERATIVE DATE/STATUS
AES Gener	Cochrane I	560	55%	1,089,000	748,000	II, Chile	1,100	May-16
AES Gener	Guacolda V	150	55%	457,000	235,000	III, Chile	235	Dec-15
AES Gener	Los Robles I	750	55%	1,047,000	730,000	VII, Chile	1,300	Approved
Endesa	Patache II	110	0%	0	368,000	I, Chile	150	Approved
Endesa	Punta Alcalde I	740	100%	3,974,000	0	III, Chile	1,400	Approved
Endesa	Bocamina II	370	30%	307,000	715,000	VIII, Chile	800	Approved
E-CL	Mejillones IV & V	750	50%	903,000	558,000	II, Chile	1,500	Jan-17
Río Seco	Pacífico I	350	30%	323,000	754,000	I, Chile	750	Approved
Colbun	Santa María II	350	0%	0	1,109,000	VIII, Chile	850	Approved
YCRT	Rio Turbio I	240	100%	1,400,000	0	Santa Cruz, Arg.	800	Apr-16
TOTAL		**4,370**		**9,500,000**	**5,217,000**		**8,885**	

Punta Alcalde I

Rio Turbio I

Cochrane I



Competent Person Statement

Competent Person:

The information in this report that relates to Exploration Results is based on information compiled by Damien Koerber, who is a geological consultant to the Company. Mr Koerber is a geologist who is a Member of the Australasian Institute of Geoscientist and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Koerber holds options in the Company and consents to the inclusion in this report of the information in the form and context in which it appears.

[i]*All the material assumptions underpinning the exploration results information in the initial public report (see ASX release dated 15 September 2015) continue to apply and have not materially changed.*

No new exploration results are reported for Mina Rica.