

27 October 2015

The Manager Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(74 pages by email)

Dear Madam

**ANNUAL REPORT AND NOTICE OF AGM**

In accordance with Listing Rule 4.7 and 3.17, I attach the Company's Annual Report for the year ended 30 June 2015 and the Company's Notice of Annual General Meeting to be held at 11.00 am on 27 November 2015.

In accordance with Listing Rule 15.4 two hard copies of the Company's Annual Report will be delivered to the Company's Home Exchange.

Yours sincerely



Marcelo Mora  
Company Secretary

pjn8263

Equus Mining Limited ABN 44 065 212 679

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Sydney NSW 2000  
Australia

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# 2015 Annual Report

EQUUS MINING LIMITED  
ABN. 44 065 212 679



**EQUUS**  
MINING

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## Directors

Mark Lochtenberg	Non-Executive Chairman
Edward Leschke	Managing Director
Juerg Walker	Non-Executive Director
Robert Yeates	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](mailto:info@equusmining.com)  
Web site: [www.equusmining.com](http://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)



Dear Fellow Shareholders,

**Equus Mining's main priority during the year has been to implement the stated strategy of dominating prospective coal acreage and infrastructure positioning in the Magallanes basin, Chile's largest coal occurrence. This has been largely accomplished at minimal cost culminating with the acquisition in July 2015 of the remaining 49% equity interest in Andean Coal Pty Ltd.**

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.

Having acquired three thermal coal projects which in aggregate comprised a dominant position, within a country that is severely deficient in domestically supplied energy, and all achieved at a price one order below that of lesser projects means Equus Mining is well positioned. The silver lining of a subdued resources sector is that companies can acquire assets of strategic importance at a value price if they know where to look.

Equity markets for the resources sector remained subdued throughout the 2015 fiscal year. Unlike Australia, Chile's secured licencing system with no minimal exploration expenditure requirements means there isn't the same time pressure to spend large amounts of capital at a time when raising capital is

tough. Nevertheless, Equus Mining is not standing still with ongoing exploration and corporate activities focussed on the best value creating options available to the company.

Chile's strong growth in thermal coal consumption has been driven by economic growth, the loss of Argentinean supplied gas and the fervent opposition to hydro generated power. Alternative imported fuel sources such as LNG and diesel for power generation remain significantly more expensive than thermal coal.

Furthermore, Chile has amongst the higher cost power in South America. This means the growth trajectory in thermal coal demand is expected to continue. 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.

Yours sincerely,



Mark H. Lochtenberg  
Chairman

## MANAGING DIRECTOR'S REVIEW OF OPERATIONS

The Magallanes Basin is recognised as the largest coal occurrence in Chile and is the centre of a fledgling coal mining industry. Equus Mining Limited ('Equus' or 'the Company') controls exploration licences centred over the main coal bearing unit, the Loreto Formation. This unit extends for a distance over 200km (See Map 1). Despite Chile importing 80% to 90% of its current thermal coal needs, Chile has just one operating mine in the Magallanes basin.

Equus Mining's three projects Rubens, Perez and Mina Rica (See Maps 2 to 4) have strong potential to host shallow dipping coal deposits suitable for bulk, open cut extraction. This is demonstrated 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 Coal 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 idle Pecket port and coal loader owned by a third party.

During the 2015 financial year, Equus Mining continued to position itself in order to take advantage of the opportunity that is presented by Chilean energy deficiency and high dependency on coal imports.

Equus Mining's four simple strategic components are to:

- Dominate prospective coal acreage
- Strategic infrastructure positioning
- Define coal seams through drilling
- Invite JV offers from potential strategic partners

Key steps taken during the year to achieve these strategies include:

### Acquisition Completion of Andean Coal

Initially earning a 51% interest in Andean Coal Pty Ltd ('Andean' or 'Andean Coal') through the expenditure of A\$0.2 million on exploration and administration at Andean's coal projects. In July 2015, Equus completed the acquisition of the remaining 49% equity interest in Andean Coal by the early exercising of a 2 year option for the consideration of 16 million Equus shares.

### Data Acquisition

Collection and correlation of historic geological information including seismic data, oil & gas wells log data, geological maps and drilling reports. This data acquisition effort can take some time as Chile has no compulsory or formal reporting of exploration activities and results to government agencies and there is no central depository of historical information.

### Exploration Licence Applications

During the year, the Company applied for new exploration licences as ground became available. Since the acquisition announcement of Andean Coal in 2014, the total area controlled by Equus has increased from 170km<sup>2</sup> to 435km<sup>2</sup>. Equus is now the largest holder of prospective ground centred on the Loreto Formation with a potential for and near surface coal within the Magallanes basin, Chile's largest coalfield.

### Surface Work

Despite limited outcrop mapping, the general understanding of the stratigraphy within the Equus Mining's project areas has improved. During this process, several outcropping coal seams were discovered.

### Drill target delineation

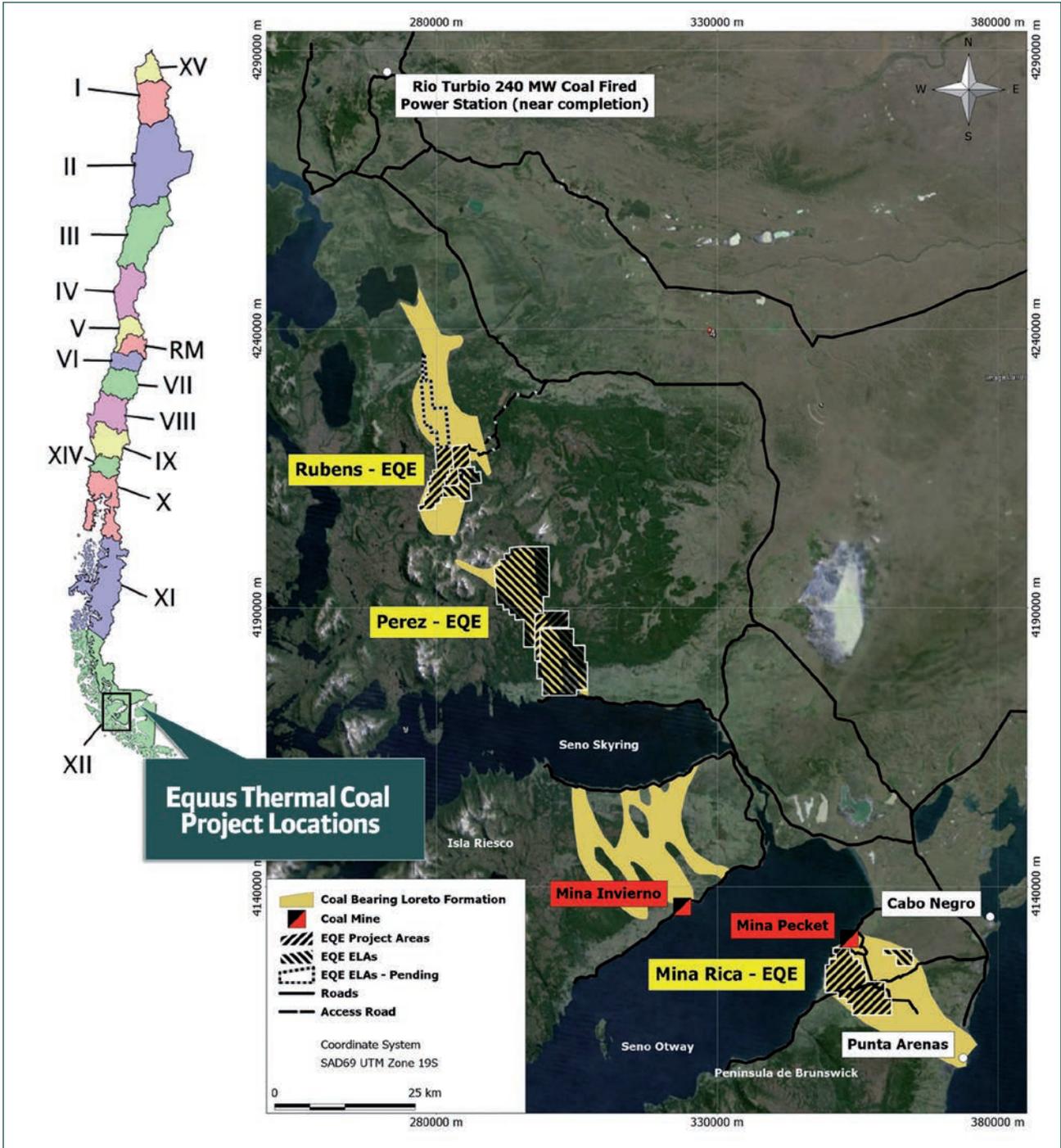
A number of exploration targets were delineated during the year with early stage drilling commencing towards the end of the financial year. Drilling of initial stratigraphic holes is being carried out at Mina Rica in order to better define the lithological sequence and to identify the optimum paleo-depositional position within the stratigraphy to host coal. Mina Rica is strategically located adjacent to an idle port and ship loader infrastructure, which means low capital costs and a short time frame for shipping of initial production should a resource be outlined. The sequence of target testing is being done in such a way so as to not impede on Equus Mining's ground acquisition strategy.

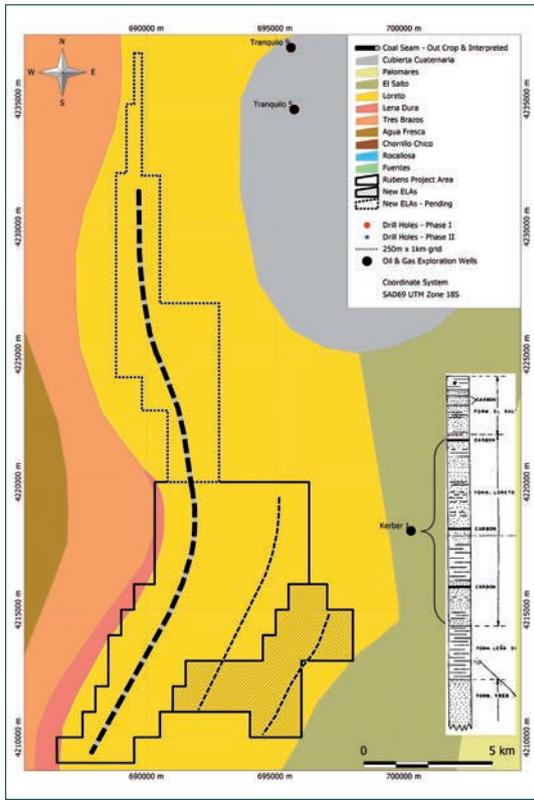
### Marketing

Early stage discussions were held with both domestic and international thermal coal buyers.

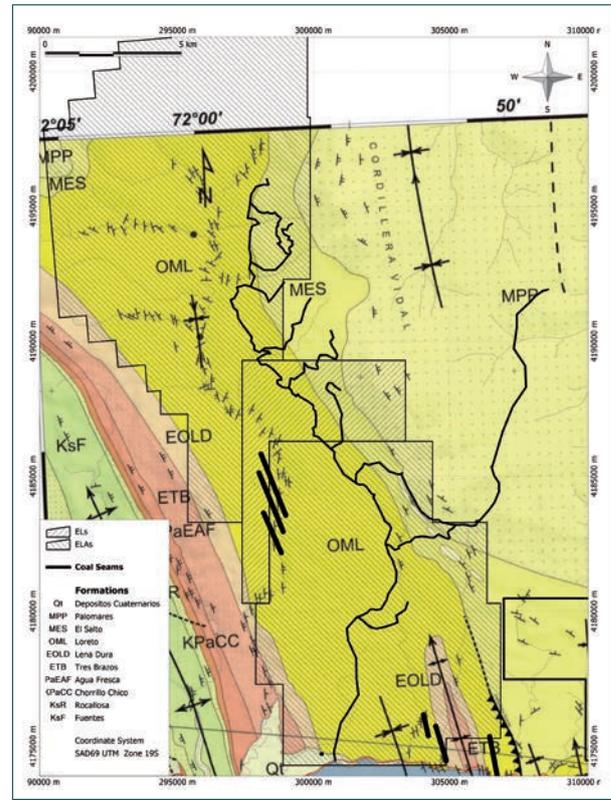
### Establishment of surface landowner relationships

Considerable time has been spent working to build solid relationships with landowners which will ensure ongoing seamless land access during the critical drilling phase.

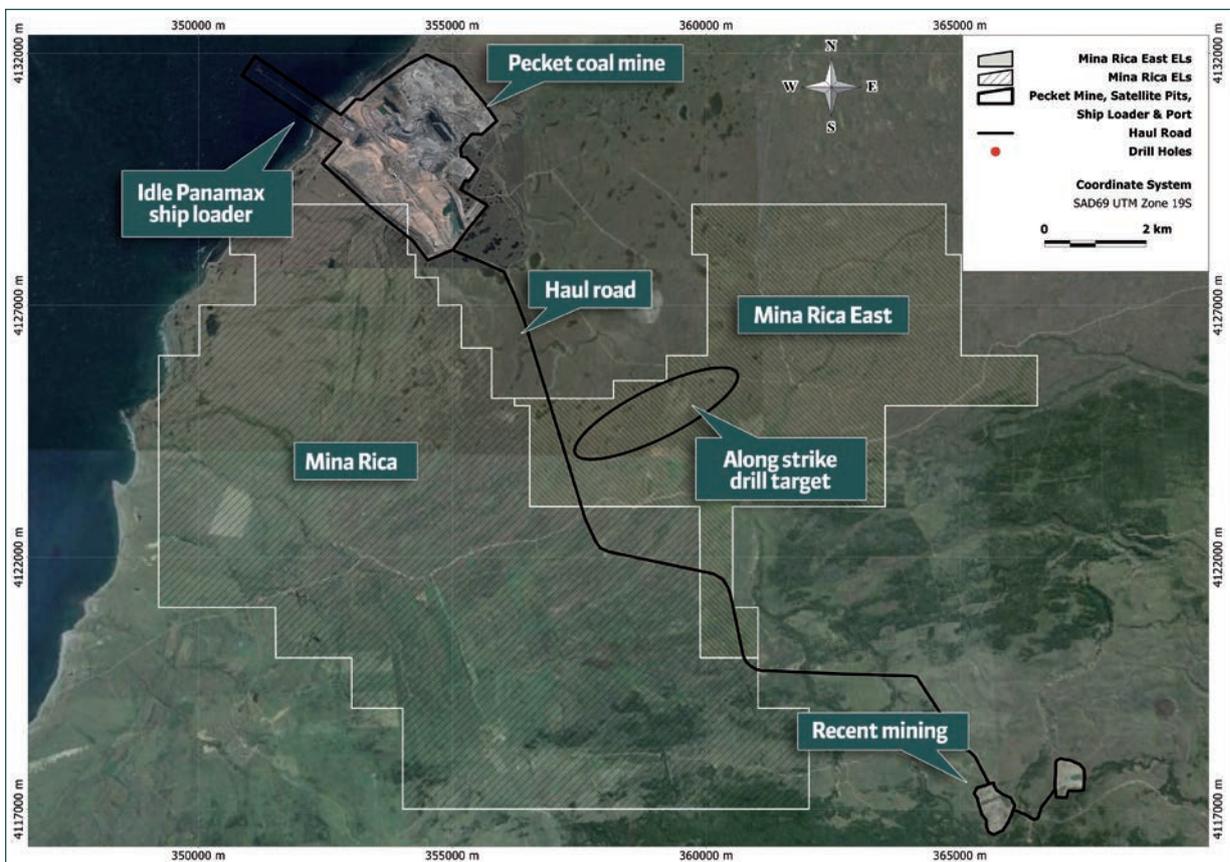




Map 2. Rubens Project



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 the majority of its energy needs including that needed

for power generation. Over the last 20 years Chilean power generation has transformed from predominately domestic sourced energy, which was mostly hydroelectric, to predominately imported sourced energy in the form of thermal coal, LNG and diesel (see Chart 1).

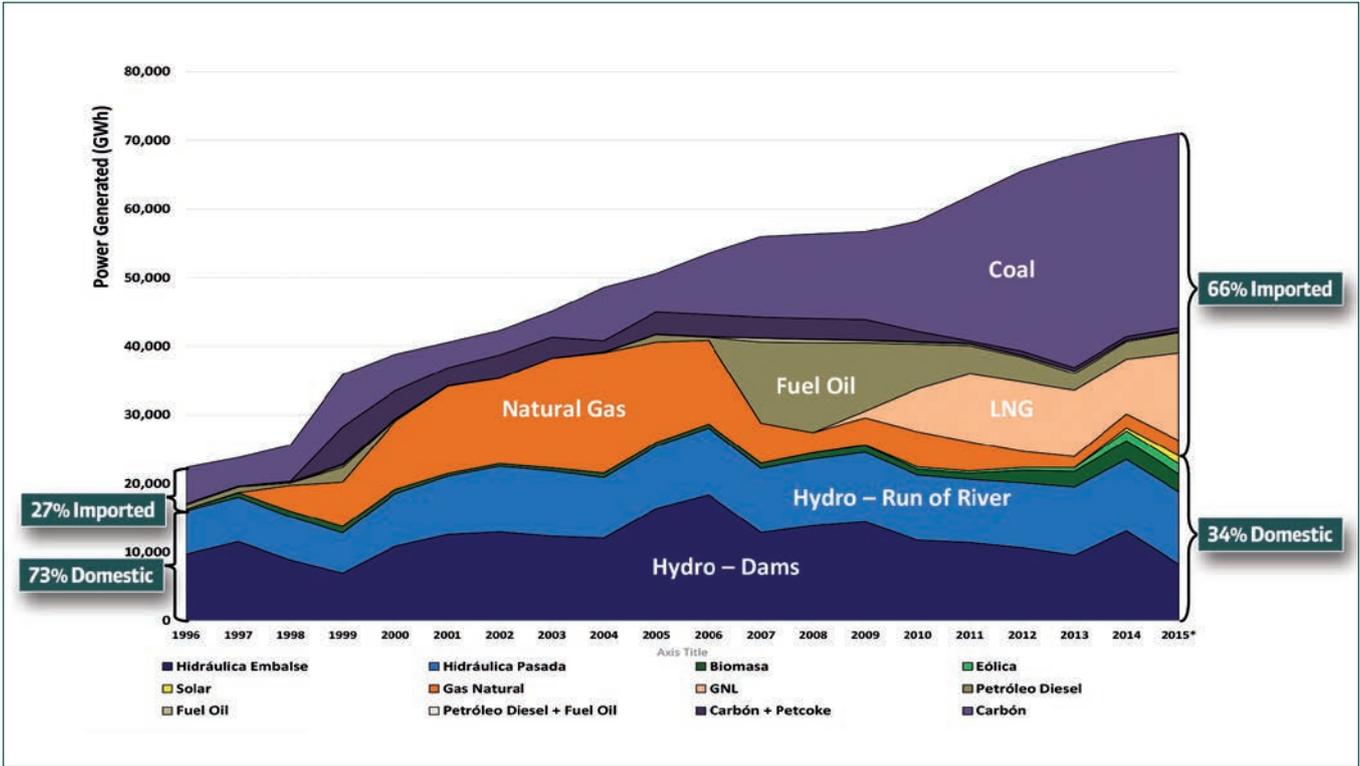


Chart 1. Chile's Power Generation by Energy Source (1996-2012)

Source: Comisión Nacional de Energía, Gobierno de Chile

Demand for thermal coal has grown significantly since the curtailment of gas exports from Argentina in 2007. Coal fired power generation (coal consumption) has tripled since 2005. 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 diesel. Producing power from coal is an important solution to reducing Chile's high cost of power production, which are amongst the highest in South America, and maintaining a reliable power supply.

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 15

million tonnes per annum in 2015 to approximate 30 million tonnes per annum over the next 10 years based on government power consumption growth forecast 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.



*Photo 1. Chile has 12 Coal Fired Power (80% to 90% of thermal requirements are imported)*

## Compliance statement

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 Member of the Australian Institute of Geoscientists 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 matters based on his information in the form and context in which it appears.

## 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



Ted Leschke  
Managing Director

Dated this 28th day of September 2015

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## 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 Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2015 corporate governance statement is dated 1 September 2015 and reflects the corporate governance practices throughout the 2015 financial year. The board approved the 2015 corporate governance on 1 September 2015. A description of the Company's current corporate governance practices is set out in the Company's corporate governance statement, which can be viewed at <http://www.equusmining.com/corporate-governance/>

**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 2015 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.

**Mark Hamish Lochtenberg, Non-Executive Chairman**  
Director since 10 October 2014.

Mr Lochtenberg graduated with a Bachelor of Law (Hons) degree from Liverpool University, U.K. and has been actively involved in the coal industry for more than 25 years.

Mark Lochtenberg is the former Executive Chairman and founding Managing Director of ASX-listed Cockatoo Coal Limited. He was a principal architect of Cockatoo's inception and growth from an early-stage grassroots explorer through to its current position as an emerging mainstream coal producer. He was also formerly the co-head of Glencore International AG's worldwide coal division, where he spent 13 years overseeing a range of trading activities including the identification, due diligence, negotiation, acquisition and aggregation of the coal project portfolio that would become Xstrata Coal.

Prior to this Mark established a coal "swaps" market for Bain Refco, (Deutsche bank) after having served as a senior coal trader for Hansen Neuerburg AG and as coal marketing manager for Peko Wallsend Limited.

Mr Lochtenberg has previously been a Director of ASX-listed Cumnock Coal Limited and of privately held United Collieries Pty Limited and is currently a Director of Australian Transport and Energy Corridor Pty Limited, (ATEC).

Mark has served as director of listed Company Cockatoo Coal Limited in the last three years.

**Edward Jan Leschke, Managing Director**  
Director since 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.

**Juerg Marcel Walker, Non-Executive Director**  
Director appointed 20 May 2002

Juerg 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 Ainslie Yeates, Non-Executive Director**  
Director appointed 20 July 2015

Rob Yeates is a graduate of the University of NSW, completing a Bachelor of Engineering (Honours 1) in 1971 and a PhD in 1977 and then an MBA in 1986 from Newcastle University. He began his career with Peko Wallsend working in a variety of roles including mining engineering, project management, mine management and marketing.

He became General Manager Marketing for Oakbridge Pty Limited in 1989 following a merger with the Peko Wallsend coal businesses and went on to become Managing Director of Oakbridge, which was the largest coal mining company in NSW at that time, operating one open cut and five underground coal mines.

Dr Yeates has gained operating, business development and infrastructure experience as a director of Port Waratah Coal Services (Newcastle Port), Port Kembla Coal Terminal, Great Northern Mining Corporation NL and Cyprus Australia Coal and for the past 18 years has been principal of his own mine management consultancy, providing a wide range of technical, management and strategic planning services to the mining industry. Until last year he was also Project

# Directors' Report

Director then CEO of Newcastle Coal Infrastructure Group, which has developed and is operating coal export facilities in Newcastle.

Dr Yeates was until recently and for the past three years a director in Cockatoo Coal Limited.

## Norman Alfred Seckold, Non-Executive Chairman

Director appointed 5 September 2012 and resigned 10 October 2014

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

## COMPANY SECRETARY

### Marcelo Mora

Company Secretary since 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 29 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.

## 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
Mark H. Lochtenberg	2	2
Edward J. Leschke	3	3
Juerg M. Walker	3	3
Norman A. Seckold	1	1

## DIRECTORS' INTERESTS

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

Director	Fully Paid	Options
	Ordinary Shares	over ordinary shares
Mark H. Lochtenberg	20,034,000	-
Edward J. Leschke	34,368,889	-
Juerg M. Walker	8,297,861	-
Norman A. Seckold *	31,877,420	-

\* At the time of resignation on 10 October 2014.

## 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.

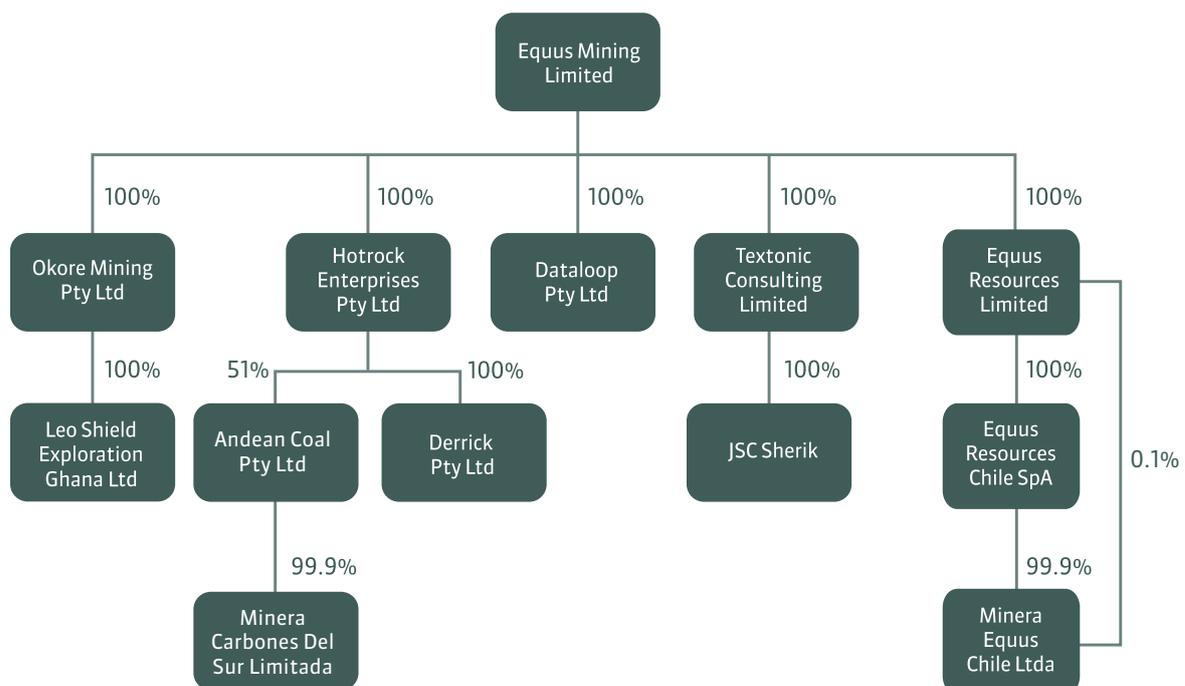
The Group has not issued any ordinary shares of the Company as a result of the exercise of options during or since the end of the financial year.

## 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 2015 is outlined below.

## EQUUS MINING LIMITED – GROUP STRUCTURE AT 30 JUNE 2015



The Companies referred above comprise the "Consolidated Entity" for the purposes of the Financial Statements included in this report. On 31 July 2015, the Group acquired the remaining 49% ownership interest in Andean Coal Pty Ltd to the already 51% owned by the Group as at 30 June 2015.

## PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was 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 for coal and applying for additional coal prospecting tenements in southern Chile.

In the medium term, the Group's objective is to complete the diamond drilling program aiming at defining a coal resource at its Mina Rica prospect. 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 \$1,048,648 (2014: \$9,856,444 loss).

## REVIEW OF OPERATIONS

A review of the Group's operations for the year ended 30 June 2015 is set out on pages 3 to 8 of this Annual Report.

## DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2015. No dividends have been paid or declared during the financial year (2014 - \$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 2015 were as follows:

- On 7 July 2014, the Company completed the sale of its equity interest in the Mansounia Gold Project in the Republic of Guinea for a consideration of up to US\$700,000 comprising of US\$42,857 in cash plus the issue of two tranches of shares in a US over the counter traded company, Blox-Inc. At 30 June 2014, the Company had received an initial deposit of

AUD\$2,857 and on 7 July 2014 the Company received the remaining cash balance of US\$40,000. On 31 July 2014, the Company received the first tranche of 1,861,150 shares in Blox-Inc. In addition, upon commencement of commercial gold production Equus will receive a second tranche of shares in Blox-Inc. 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.

- On 21 July 2014, the Group offered all eligible shareholders of Equus Mining Limited to participate in a Share Purchase Plan ("SPP"). The offer closed on 22 August 2014 and shareholders subscribed for 52,100,000 ordinary shares under the SPP, raising \$521,000. In conjunction with the SPP, on 2 September 2014 the Company issued 22,500,000 new shares for a total consideration of \$225,000 to sophisticated investors.
- On 29 August 2014, the Group notified in writing the owner of the Naltagua Copper Project in Chile that Equus would not acquire the project.
- On 3 October 2014, the Company issued 12,534,000 new shares under a placement for a total consideration of \$125,340.
- On 10 October 2014, Mark H. Lochtenberg was appointed as Non Executive Chairman of the Company and Norman Seckold resigned from the Board of Equus.
- On 31 October 2014, under the terms of the Sale and Purchase agreement entered into between Equus Mining Limited and Andean Coal Pty Ltd, Equus earned a 51% interest in Andean Coal Pty Limited after expending \$200,000 on exploration related activities. In accordance with the agreement Andean issued 312 shares to Hotrock Enterprises Pty Ltd (a wholly owned subsidiary of Equus Mining Limited). In addition, Equus has the option to acquire the remaining 49% of Andean Coal for the consideration of 16 million ordinary shares in Equus.
- On 16 January 2015 the Group completed a share placement for 30,500,000 ordinary shares at 1 cent raising \$305,000. In addition, on 3 March 2015 shareholders approved the issue of 5,000,000 ordinary shares to present and past directors raising a further \$50,000.

- On 6 February 2015, Equus executed an amended agreement for the sale of the drilling rig, plant and equipment and consumables held in the Kyrgyz Republic. The amended agreement supersedes the previous version executed on 23 September 2014. The amended consideration for the sale was US\$700,000 in cash which was paid on 6 February 2015 and the AUD\$100,000 deposit already paid was no longer refundable.

## 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 20 July 2015, the Group appointed Dr Robert Yeates as non Executive-Director of Equus Mining Limited for whom a detailed background of Dr Yeates is set out on page 9 of this Annual Report.

On 31 July 2015, the Group exercised its options to acquire the remaining 49% interest in Andean Coal Pty Ltd by issuing 16,000,000 ordinary shares in the capital of Equus to Sambas Energy Pty Ltd as consideration.

Other than the matters discussed above, no other matters or circumstances have 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 the Magellan province in southern Chile, the addition of new exploration licences in the Magellan Basin or by the addition of new ventures, 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 Equus.

The Group will focus on its coal interest during the course of 2015/2016 financial year. The Directors expect to receive results of the exploration program in the Magellan province, 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

During or since the end of the financial, the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company against a liability incurred as such by an officer or auditor. The Group has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

## 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 2015, or in the prior year. The remuneration disclosed below represents the cost to the Group for services provided under these arrangements.

Edward Leschke and Mark Lochtenberg are paid through the Company's payroll. All other Directors services are pay by way of arrangement with related parties.

There were no remuneration consultants used by the Company during the year ended 30 June 2015, 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.

	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
Net loss attributable to equity holders of the parent	1,048,648	9,856,444	3,546,382	3,519,829	3,656,276
Dividends paid	-	-	-	-	-
Change in share price	0.01	(0.02)	0.00	(0.06)	0.02
Return on capital employed*	(61.84%)	(748.56%)	(30.16%)	(73.19%)	(34.51%)

\* 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:

	Year	Short-term employee benefits		Post	Share based	Total
		Primary Salary / Fees	Consulting Fees	Employment Benefits Super-annuation	payments share options	
		\$	\$	\$	\$	\$
<b>Executive Directors</b>						
Edward Leschke	<b>2015</b>	150,000	-	14,250	-	164,250
	2014	150,000	-	13,875	-	163,875
<b>Non-Executive Directors</b>						
Norman Seckold ^	<b>2015</b>	8,306	-	-	-	8,306
	2014	30,000	-	-	-	30,000
Robert Perring *	<b>2015</b>	-	-	-	-	-
	2014	15,833	-	-	-	15,833
Juerg Walker	<b>2015</b>	30,000	-	-	-	30,000
	2014	30,000	-	-	-	30,000
Mark Lochtenberg **	<b>2015</b>	21,774	-	2,069	-	23,843
	2014	-	-	-	-	-
Total all directors	<b>2015</b>	210,080	-	16,319	-	226,399
	2014	225,833	-	13,875	-	239,708

^ Ceased to be Director on 10 October 2014.

\* Ceased to be Director on 10 January 2014.

\*\* Director since 10 October 2014.

## **REMUNERATION REPORT - Audited (Con't)**

### ***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***

In accordance with best practice corporate governance the company provided each key management personnel with a letter detailing the terms of appointment, including their remuneration.

### ***Executive Directors - Audited***

During the financial year ended 30 June 2015, only Edward Leschke was considered an Executive Director. His salary comprised of fixed remuneration plus 9.5% statutory superannuation paid through the Company's payroll.

### ***Non Executive Directors - Audited***

During the financial year ended 30 June 2015, the following Directors were considered Non Executive Directors:

- Mark Lichtenberg since 10 October 2014;
- Juerg Walker;
- Norman Seckold until 10 October 2014;

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

- fixed remuneration;
- 9.5% statutory superannuation for Australian resident directors pay through the Company's payroll; and
- an entitlement to receive options, subject to shareholders' approval.

The services of non-executive directors who are not paid through the Company's payroll system are provided by way of arrangements with related parties.

### ***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 2015 and 2014 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 2015 and 2014 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.

**REMUNERATION REPORT - Audited (Con't)*****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 2015 and 2014 financial years and no amounts were outstanding at 30 June 2015 (2014 - \$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 2015, 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 (2014 - \$240,000). There were amounts outstanding for the year ended 30 June 2015 (2014 - \$20,000).

***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 - 2015**

Key management personnel	Held at 1 July 2014	Purchases	Sales	Held at 30 June 2015
Mark H. Lochtenberg	-	20,034,000	-	20,034,000
Edward J. Leschke	35,068,889	300,000	1,000,000	34,368,889
Juerg M. Walker	8,297,861	-	-	8,297,861
Norman A. Seckold *	30,377,420	1,500,000	-	31,877,420

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

## NON-AUDIT SERVICES

During the year ended 30 June 2015 KPMG, the Group's auditor, has not performed certain other services in addition to the audit and review of the financial statements.

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.

	2015 \$	2014 \$
Services other than audit and review of financial statements:		
<i>Other services</i>		
Taxation advisory services	-	11,000
	-	11,000
Audit and review of financial statements	86,750	84,300
	86,750	95,300

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 19 and forms part of the Directors' Report for the financial year ended 30 June 2015.

Signed at Sydney this 28th day of September 2015  
in accordance with a resolution of the Board of Directors:



**Mark H. Lochtenberg**  
Chairman



**Edward J. Leschke**  
Managing 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 2015, 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**

A handwritten signature in blue ink, appearing to read 'Adam Twemlow'.

**Adam Twemlow**  
**Partner**  
Brisbane

28 September 2015

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>CONTINUING OPERATIONS</b>			
Other income	4	293,218	2,857
<b>Expenses</b>			
Employee, directors and consultants costs		(402,261)	(499,285)
Depreciation expense		(862)	(2,608)
Impairment of exploration expenditure	11	-	(8,832,568)
Impairment of property	12	-	(192,710)
Travel expenses		(7,546)	(26,908)
Business development		-	(47,112)
Other expenses	4	(413,301)	(377,316)
<b>Results from operating activities</b>		<b>(530,752)</b>	<b>(9,975,650)</b>
Finance income	5	65,403	24,912
Finance costs	5	(97,251)	(7,790)
<b>Net finance income/(expense)</b>		<b>(31,848)</b>	<b>17,122</b>
Profit/(loss) before tax		(562,600)	(9,958,528)
Tax benefit/(expense)	6	-	378,804
<b>Profit/(loss) from continuing operations</b>		<b>(562,600)</b>	<b>(9,579,724)</b>
<b>DISCONTINUED OPERATION</b>			
Loss from discontinued operation (net of tax)	28	(479,561)	(276,720)
<b>Loss for the year</b>		<b>(1,042,161)</b>	<b>(9,856,444)</b>
<b>Other comprehensive income for the year</b>			
<b>Items that may be classified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations	15	29,745	(585,027)
Net change in fair value of available-for-sale financial assets	10	(97,251)	(7,790)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	10	97,251	7,790
<b>Total other comprehensive income/(loss)</b>		<b>29,745</b>	<b>(585,027)</b>
<b>Total comprehensive loss for the year</b>		<b>(1,012,416)</b>	<b>(10,441,471)</b>
<b>Loss for the year attributable to:</b>			
Equity holders of the Company		(1,048,648)	(9,856,444)
Non-controlling Interests		6,487	-
		<b>(1,042,161)</b>	<b>(9,856,444)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(1,018,903)	(10,441,471)
Non-controlling Interests		6,487	-
		<b>(1,012,416)</b>	<b>(10,441,471)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share attributable to ordinary equity holders (dollars)	16	(0.003)	(0.038)
<b>Earnings per share - continuing operations</b>			
Basic and diluted loss per share attributable to ordinary equity holders (dollars)	16	(0.002)	(0.037)

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

# Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	644,765	167,597
Receivables	8	5,120	25,307
Assets held for sale	27	-	1,442,125
Other	9	6,014	2,863
<b>Total Current Assets</b>		<b>655,899</b>	<b>1,637,892</b>
<b>Non-Current Assets</b>			
Available-for-sale financial assets	10	194,503	-
Exploration and evaluation expenditure	11	1,073,712	43,092
Property, plant and equipment	12	937	1,775
<b>Total Non-Current Assets</b>		<b>1,269,152</b>	<b>44,867</b>
<b>Total Assets</b>		<b>1,925,051</b>	<b>1,682,759</b>
<b>Current Liabilities</b>			
Payables	13	229,377	366,027
<b>Total Current Liabilities</b>		<b>229,377</b>	<b>366,027</b>
<b>Total Liabilities</b>		<b>229,377</b>	<b>366,027</b>
<b>Net Assets</b>		<b>1,695,674</b>	<b>1,316,732</b>
<b>Equity</b>			
Share capital	14	107,814,973	106,622,162
Reserves	15	144,000	(125,930)
Foreign currency translation reserve	15	(3,262,982)	(3,022,797)
Accumulated losses		(103,205,351)	(102,156,703)
<b>Parent entity interest</b>		<b>1,490,640</b>	<b>1,316,732</b>
Non-controlling interests	22	205,034	-
<b>Total Equity</b>		<b>1,695,674</b>	<b>1,316,732</b>

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

# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

	Share Capital \$	Accumulated Losses \$	Reserves \$	Total \$	Non- controlling Interest \$	Total Equity \$
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 (loss)/income	-	-	(585,027)	(585,027)	-	(585,027)
<b>Total comprehensive loss for the year</b>	-	(9,856,444)	(585,027)	(10,441,471)	-	(10,441,471)
<b>Transactions with owners recorded directly in equity</b>						
Transfer of expired options	-	20,700	(20,700)	-	-	-
<b>Balance at 30 June 2014</b>	<b>106,622,162</b>	<b>(102,156,703)</b>	<b>(3,148,727)</b>	<b>1,316,732</b>	<b>-</b>	<b>1,316,732</b>
Balance at 1 July 2014	106,622,162	(102,156,703)	(3,148,727)	1,316,732	-	1,316,732
Profit/(Loss) for the year	-	(1,048,648)	-	(1,048,648)	6,487	(1,042,161)
Total other comprehensive income	-	-	29,745	29,745	-	29,745
<b>Total comprehensive profit/(loss) for the year</b>	-	(1,048,648)	29,745	(1,018,903)	6,487	(1,012,416)
<b>Transactions with owners recorded directly in equity</b>						
Ordinary shares issued	1,226,340	-	-	1,226,340	-	1,226,340
Transaction costs on issue of shares	(33,529)	-	-	(33,529)	-	(33,529)
<b>Changes in ownership interest in subsidiaries</b>						
Non-controlling interest on acquisition of subsidiaries	-	-	-	-	198,547	198,547
<b>Balance at 30 June 2015</b>	<b>107,814,973</b>	<b>(103,205,351)</b>	<b>(3,118,982)</b>	<b>1,490,640</b>	<b>205,034</b>	<b>1,695,674</b>

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

# Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		16,887	15,036
Cash payments in the course of operations		(856,695)	(1,260,016)
Net cash used in operations		(839,808)	(1,244,980)
Interest received		12,283	17,283
<b>Net cash used in operating activities</b>	17	(827,525)	(1,227,697)
<b>Cash flows from investing activities</b>			
Payments for exploration and development expenditure		(823,250)	(861,739)
Proceeds from sale of plant and equipment		893,883	74,273
Proceeds from sale of investments		-	19,940
Proceed from sale of tenement interest		41,249	2,857
Deposit received for the sale of drill rig		-	100,000
<b>Net cash from/(used in) investing activities</b>		111,882	(664,669)
<b>Cash flows from financing activities</b>			
Proceeds from share issues		1,226,340	-
Share issue expenses		(33,529)	-
<b>Net cash provided by financing activities</b>		1,192,811	-
<b>Net increase / (decrease) in cash held</b>		477,168	(1,892,366)
Cash and cash equivalents at 1 July		167,597	2,059,438
Effects of exchange rate fluctuations on cash held		-	525
<b>Cash and cash equivalents at 30 June</b>	17	644,765	167,597

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 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 2015 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 coal resource opportunities in 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 28 September 2015.

### (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.

During the year the Company raised \$1,192,811 (net of associated costs) through several placements. In addition, the Company completed the sale of the drilling rig, plant and equipment and associated consumables held in the Kyrgyz Republic on 6 February 2015 for US\$700,000 (A\$893,883).

The Group recorded a loss attributable to equity holders of the Company of \$1,048,648 for the year ended 30 June 2015 and has accumulated losses of \$103,205,351 as at 30 June 2015. The Group has cash on hand of \$644,765 at 30 June 2015 and used \$1,650,775 of cash in operations, including payments for exploration and evaluation, for the year ended 30 June 2015. Additional funding will be required to meet the Group's projected cash outflows for a period of 12 months from the date of the directors' declaration.

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 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 shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditure to the level of funding available.

In the event that the Group does not obtain additional funding 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.

## 2. BASIS OF PREPARATION (Cont.)

### (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.

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 29 - Acquisition of controlled entities.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (b) Exploration and evaluation expenditure (Cont.)

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.

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*

<i>Class of assets</i>	<i>Depreciation basis</i>	<i>Depreciation rate</i>
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%

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (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.

#### *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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (d) Financial instruments (Cont.)

#### *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.

### (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.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (g) Impairment (Cont.)

#### *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.

#### *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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (i) Income Tax (Cont.)

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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (o) Provisions (Cont.)

#### *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) 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.

### (q) 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.

#### *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.

### (r) 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 probable 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (r) Assets held for sale, and discontinued operations (Cont.)

#### *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.

### (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 2014, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

#### *AASB 9 Financial Instruments*

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for the Company's annual reporting period beginning 1 July 2018 and can be early adopted. The Company does not plan to adopt this standard early and the standard is not expected to have a significant effect on the financial statements.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 4. LOSS FROM OPERATING ACTIVITIES

	Continuing operations		Discontinued operations*		Total	Total
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
<b>Revenue from ordinary activities</b>	-	-	<b>7,756</b>	7,419	<b>7,756</b>	7,419

The Group generated rental income from the provision of equipment from its subsidiary JSC Sherik

\*Discontinued - see Note 28.

	2015	2014
	\$	\$
<b>Other income</b>		
<b>Recognised in profit or loss</b>		
Gain on sale of tenement interest	<b>279,883</b>	2,857
Other	<b>13,335</b>	-
	<b>293,218</b>	2,857

On 7 July 2014, the Group completed the sale of its tenement interest in the Mansounia Gold Project in the Republic of Guinea West Africa for a cash consideration of US\$42,857 and the allotment of 1,861,150 ordinary shares in a US over the counter traded company, Blox-Inc at US\$0.12 with a total value of AU\$238,634. Equus had received an initial amount of AU\$2,857 during 2014 with the balance of US\$40,000 and the allotment of the shares in July 2014.

	2015	2014
	\$	\$
<b>Other expenses</b>		
Administration costs	<b>32,871</b>	9,800
Accounting and secretarial fees	<b>61,220</b>	107,771
Commissions	<b>37,500</b>	54
Insurance	<b>10,269</b>	14,577
ASIC and ASX fees	<b>17,159</b>	25,838
Share registry fees	<b>22,078</b>	12,650
Legal fees	<b>46,885</b>	26,438
Audit fees – KPMG Australia audit and review of financial reports	<b>86,750</b>	84,300
Loss on sale of plant and equipment	-	10,227
Other expenses	<b>98,569</b>	84,186
	<b>413,301</b>	377,316

## 5. FINANCE INCOME AND FINANCE COSTS

<b>Recognised in profit and loss</b>		
Interest income on cash deposits	<b>12,283</b>	17,283
Income on sale of minor assets	-	7,618
Foreign exchange gain	<b>53,120</b>	11
	<b>65,403</b>	24,912
Impairment of available-for-sale investments reclassified to profit or loss	<b>(97,251)</b>	(7,790)
Net finance income/(costs) recognised in profit or loss	<b>(31,848)</b>	17,122
<b>Recognised in other comprehensive income</b>		
Net change in fair value of available-for-sale financial assets	<b>(97,251)</b>	(7,790)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	<b>97,251</b>	7,790
Finance cost recognised in other comprehensive income, net of tax	-	-

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 6. INCOME TAX EXPENSE

### Current tax expense

	2015 \$	2014 \$
Current year	(18,289)	(134,834)
Overprovision in prior year	-	(378,804)
Losses not recognised	18,289	134,834
	-	(378,804)

Numerical reconciliation of income tax expense to prima facie tax payable:

Loss before tax	1,042,161	(10,235,248)
Prima facie income tax benefit at the Australian tax rate of 30% (2014 - 30%)	(312,648)	(3,070,574)
Decrease in income tax benefit due to:		
- non-deductible expenses	272,075	1,797,849
- overprovision in prior year	-	378,804
- tax losses not recognised	16,343	248,475
- effect of net deferred tax assets not brought to account	24,230	266,642
Income tax expense/(benefit)	-	(378,804)

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Capital losses	6,845,041	6,845,041
Tax losses	3,141,021	3,177,403
Net deductible temporary differences	298,812	(568,853)
Potential tax benefit at 30%	10,284,874	9,453,591

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

	2015 \$	2014 \$
Cash at bank	98,536	58,979
Deposits at call	546,229	108,618
	644,765	167,597

## 8. RECEIVABLES

### Current

Bank bond guarantee - credit card	-	10,602
Property bond deposit	-	1,171
Sundry debtors	5,120	13,534
	5,120	25,307

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

	2015 \$	2014 \$
<b>9. OTHER ASSETS</b>		
Current		
Prepayments	<u>6,014</u>	<u>2,863</u>
<b>10. INVESTMENTS</b>		
Equity securities - available-for-sale at fair value	<u>194,503</u>	-

On 31 July 2014, the Company received 1,861,150 shares in Blox.Inc, a US over the counter traded company as part consideration for the sale of the tenement interests in the Mansounia Gold Project in the Republic of Guinea. The shares had a fair value of US\$0.12 each based on the closing share price on the date of acquisition. Based on a closing share price of US\$0.08 at 30 June 2015 a net decrease in fair value of US\$74,446 (AUD\$97,251) has been recorded in profit or loss.

	2015 \$	2014 \$
<b>11. EXPLORATION AND EVALUATION EXPENDITURE</b>		
Costs carried forward in respect of areas of interest in the following phases:		
Carrying amount at the beginning of the year	43,092	8,268,874
Additions	665,924	861,741
Acquisitions (including non-controlling interest)	353,545	-
Impairments	-	(8,832,568)
Foreign currency translation movement	11,151	(254,955)
Balance carried forward	<u>1,073,712</u>	<u>43,092</u>

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 prior year, the Group assessed its exploration and evaluation expenditure assets for impairment and recorded \$8,832,568 of impairment relating to the Naltagua project in central Chile.

	2015 \$	2014 \$
<b>12. PROPERTY, PLANT AND EQUIPMENT</b>		
Furniture and fittings - at cost	1,892	157,173
Accumulated depreciation	(955)	(155,546)
Net book value	<u>937</u>	<u>1,627</u>
Office equipment - at cost	2,785	69,751
Accumulated depreciation	(2,785)	(69,603)
Net book value	<u>-</u>	<u>148</u>
Property - at cost	192,710	192,710
Impairment	(192,710)	(192,710)
Net book value	<u>-</u>	<u>-</u>
Total property, plant and equipment net book value	<u>937</u>	<u>1,775</u>

During the year ended 30 June 2015, the Group assessed the carrying value of its fixed assets for impairment/reversal and recorded no impairment or reversal (2014: \$192,710 fully impaired the carrying value of the property held at Naltagua, Central Chile).

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 12. PROPERTY, PLANT AND EQUIPMENT (Cont.)

### Reconciliation:

	2015 \$	2014 \$
Carrying amount at the beginning of the year	1,775	247,058
Disposals	-	(23,466)
Depreciation	(862)	(2,608)
Impairment	-	(192,710)
Foreign currency translation movement	24	(26,499)
Carrying amount at the end of the year	<u>937</u>	<u>1,775</u>

## 13. TRADE AND OTHER PAYABLES

### Current liabilities

Trade creditors and accruals	216,025	343,090
Employee leave entitlements	13,352	22,937
	<u>229,377</u>	<u>366,027</u>

## 14. ISSUED CAPITAL

379,295,675 (2014: 256,661,675) fully paid ordinary shares 107,814,973 106,622,162

	2015		2014	
	N°	\$	N°	\$
<b>Fully paid ordinary shares</b>				
Balance at beginning of financial year	256,661,675	106,622,162	256,661,675	106,622,162
Issued ordinary shares 28 August 2014 for \$0.01	52,100,000	521,000	-	-
Issued ordinary shares 2 September 2014 for \$0.01	22,500,000	225,000	-	-
Issued ordinary shares 3 October 2014 for \$0.01	12,534,000	125,340	-	-
Issued ordinary shares 16 January 2015 for \$0.01	30,500,000	305,000	-	-
Issued ordinary shares 3 March 2015 for \$0.01	5,000,000	50,000	-	-
Less cost of issue	-	(33,529)	-	-
	<u>379,295,675</u>	<u>107,814,973</u>	256,661,675	106,622,162

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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

	2015 \$	2014 \$
<b>15. RESERVES</b>		
Equity based compensation reserve (a)	144,000	144,000
Fair value reserve (b)	-	-
Foreign currency translation reserves (c)	<b>(3,262,982)</b>	(3,292,727)
	<b>(3,118,982)</b>	(3,148,727)
<i>Movements during the period:</i>		
<i>(a) Equity based compensation reserve</i>		
Balance at beginning of period	144,000	164,700
Expired options	-	(20,700)
Balance at end of period	<b>144,000</b>	144,000
<i>(b) Fair value reserve</i>		
Balance at beginning of period	-	-
Net change in fair value of available-for-sale financial assets	-	(7,790)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	7,790
Balance at end of period	-	-
<i>(c) Foreign currency translation reserves</i>		
Balance at beginning of period	<b>(3,292,727)</b>	(2,707,700)
Currency translation differences	<b>29,745</b>	(585,027)
Balance at end of period continuing operations	<b>(3,262,982)</b>	(3,292,727)

## 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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 16. LOSS PER SHARE

	Continuing operations \$	2015 Discontinued operations \$	Total \$	Continuing operations \$	2014 Discontinued operations \$	Total \$
Basic and diluted profit/(loss) per share:						
Net profit/(loss) for the year attributable to equity holders of the parent	<b>(569,087)</b>	<b>(479,561)</b>	<b>(1,048,648)</b>	(9,579,724)	(276,720)	(9,856,444)

### Weighted average number of ordinary shares (basic and diluted)

	2015	2014
Issued ordinary shares at beginning of year	<b>256,661,675</b>	256,661,675
Effect of shares issued (Note 14)	<b>86,922,685</b>	-
Weighted average ordinary shares at the end of the year	<b>343,584,360</b>	256,661,675

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

	2015 \$	2014 \$
<b>17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash flows from operating activities</b>		
Loss for the year	<b>(1,042,161)</b>	(9,856,444)
<b>Non-cash items</b>		
Depreciation	<b>862</b>	2,608
Loss/(Profit) on sale of plant and equipment	-	(50,808)
Impairment of available for sale financial assets	<b>97,251</b>	7,790
Impairment of value added tax in Kyrgyzstan	-	8,526
Impairment of property, plant and equipment	<b>494,266</b>	192,710
Impairment of exploration and evaluation expenditure	-	8,832,568
Income tax expense/(benefit)	-	(378,804)
Foreign currency gain	<b>(53,120)</b>	-
Gain on sale of tenement interest	-	(2,857)
<b>Changes in assets and liabilities</b>		
Decrease/(increase) in receivables	<b>20,187</b>	390
Decrease/(increase) in other assets	<b>(183,034)</b>	812
(Decrease)/Increase in payables	<b>(152,190)</b>	15,812
(Decrease)/Increase in other liabilities	<b>(9,586)</b>	-
<b>Net cash used in operating activities</b>	<b>(827,525)</b>	(1,227,697)

### 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:

<b>Cash and cash equivalents</b>	<b>644,765</b>	167,597
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# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 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 2015, 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 (2014 - \$240,000). For the year ended 30 June 2015 no amounts were outstanding (2014 - \$20,000).

## 19. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

	2015	2014
	\$	\$
<b>Key management personnel compensation</b>		
Primary fees/salary	210,080	225,833
Superannuation	16,319	13,875
	<u>226,399</u>	<u>239,708</u>

At 30 June 2015 no fees were outstanding (2014 - \$18,656). There were no loans made to key management personnel or their related parties during the 2015 and 2014 financial years.

The Board reviews remuneration arrangements annually based on services provided. Apart from the details disclosed in this note and Note 18, 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 2015

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 2015

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
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
	4,000,000	-	-	-	-	4,000,000	4,000,000

### 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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 20. SHARE BASED PAYMENTS (Cont.)

### Weighted average exercise price of options

Year	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
2014	\$0.182	-	-	-	\$0.300	\$0.169	\$0.169
2015	\$0.169	-	-	-	-	\$0.169	\$0.169

The weighted average remaining contractual life of share options outstanding at the end of the year was 0.37 years (2014: 1.37 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.

During the year ended 30 June 2015, no options expired unexercised (2014: 460,000 options expired unexercised).

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 2015 was \$nil (2014: \$nil).

## 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 Secretary under the authority of the Board.

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

### 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 \$644,765 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						
<b>30 June 2015</b>	<b>229,377</b>	<b>(229,377)</b>	<b>(229,377)</b>	-	-	-
30 June 2014	366,027	(366,027)	(366,027)	-	-	-

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:

	2015 \$	2014 \$
Cash and cash equivalents	<b>644,765</b>	167,597
Receivables	<b>5,120</b>	25,307
	<b>649,885</b>	192,904

### Cash and cash equivalents

At 30 June 2015, the Group held cash and cash equivalents of \$644,765 (2014: \$167,597), 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 2015, the Group does not a significant value of trade receivables, and therefore has minimal exposure to credit risk.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 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:

	2015 \$	2014 \$
Cash and cash equivalents	<b>644,765</b>	167,597

There are no fixed rate instruments (2014 - \$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. This arises from investments held by the Group and classified in the balance sheet as available-for-sale.

The Group's investments are publicly traded on the Over-The-Counter-Market ('OTC market') in the USA.

The table below summarises the impact of increases/decreases of the bid price on the Group's post-tax profit for the year and on equity

	Impact on post-tax profit		Impact on other components of equity	
	2015 \$	2014 \$	2015 \$	2014 \$
Blox-Inc. - 10% bid price increase	<b>19,450</b>	-	<b>19,450</b>	-
Blox-Inc. - 10% bid price decrease	<b>(19,450)</b>	-	<b>(19,450)</b>	-

## 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				
<b>30 June 2015</b>	<b>194,503</b>	-	-	<b>194,503</b>
30 June 2014	-	-	-	-

All available for sale financial assets relate to investments held in listed equity securities (designated as level 1 financial assets). The fair value is based on quoted market prices at the end of the reporting period. The quoted market price used is the current bid price at the reporting date.

There have been no transfers between the levels of valuation method for each classification of financial assets held during the years ended 30 June 2015 or 30 June 2014.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 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	
		2015 %	2014 %
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
<b>(i) Subsidiaries of Textonic Consulting Limited</b>			
JSC Sherik	Kyrgyz Republic	100	100
<b>(ii) Subsidiary of Hotrock Enterprises Pty Ltd</b>			
Derrick Pty Ltd	Australia	100	100
Andean Coal Pty Ltd (vii)	Australia	51	-
<b>(vii) Subsidiary of Andean Coal Pty Ltd</b>			
Minera Carbones Del Sur Limitada	Chile	99.9	-
<b>(iii) Subsidiary of Okore Mining Pty Ltd</b>			
Leo Shield Exploration Ghana Ltd	Ghana	100	100
<b>(iv) Subsidiary of Equus Resources Limited</b>			
Equus Resources Chile SpA (v)	Chile	100	100
Minera Equus Chile Ltda	Chile	99.9	99.9
<b>(v) Subsidiary of Equus Resources Chile SpA</b>			
Minera Equus Chile Ltda	Chile	0.1	0.1

During the year the Company acquired a 51% interest in Andean Coal Pty Ltd and its 99.9% owned subsidiary Minera Carbones Del Sur Limitada ('the Andean Group') (refer to Note 29).

The Andean Group reported a profit of \$13,239 for the period to 30 June 2015, with \$6,487 being allocated to the non-controlling interests. Further details of the assets and liabilities acquired have been disclosed in Note 29.

## 23. COMMITMENTS

### Exploration expenditure commitments

The Group does not have any minimum expenditure commitments in relation to its mineral interests in the Magellan Basin in southern Chile at the date of this report. The Group's mineral interests in West Africa 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.

## 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 2015, 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 27).

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 24. OPERATING SEGMENTS (Cont.)

	Oil Exploration (discontinued) \$	Mineral Exploration \$	Investing \$	Total \$
<b>30 June 2015</b>				
External revenues	7,756	-	-	<b>7,756</b>
Reportable segment loss before tax	(479,561)	(50,543)	247,909	<b>(282,195)</b>
Interest income	-	126	12,157	<b>12,283</b>
Interest expense	-	-	-	-
Depreciation	-	(862)	-	<b>(862)</b>
Other material non-cash items:				
Impairment of investment	-	-	(97,251)	<b>(97,251)</b>
Reportable segment assets	28,557	1,137,282	194,644	<b>1,360,483</b>
Reportable segment liabilities	37,233	27,257	-	<b>64,490</b>
<b>30 June 2014</b>				
External revenues	7,419	-	-	<b>7,419</b>
Reportable segment loss before tax	(276,720)	(9,131,597)	-	<b>(9,408,317)</b>
Interest income	-	907	-	<b>907</b>
Interest expense	-	-	-	-
Depreciation	-	(2,608)	-	<b>(2,608)</b>
Other material non-cash items:				
Impairment of exploration and evaluation	-	(8,832,568)	-	<b>(8,832,568)</b>
Impairment of property, plant & equipment	(119,054)	(192,710)	-	<b>(311,764)</b>
Reportable segment assets	1,488,477	64,421	-	<b>1,552,898</b>
Reportable segment liabilities	29,114	20,105	-	<b>49,219</b>
<b>Reconciliations of reportable segment revenues and profit or loss</b>				
	<b>2015</b>			2014
	<b>\$</b>			<b>\$</b>
<b>Revenues</b>				
Total revenue for reportable segments	<b>7,756</b>			7,419
Elimination of discontinued operations disposed (Note 27)	<b>(7,756)</b>			(7,419)
Consolidated revenue	-			-
<b>Profit or loss</b>				
Total loss for reportable segments	<b>(282,195)</b>			(9,408,317)
Elimination of discontinued operations (Note 27)	<b>479,561</b>			276,720
Unallocated amounts:				
Proceeds from sale of tenement interest	-			2,857
Proceeds from other income	<b>9,130</b>			-
Net finance income	-			17,122
Net other corporate expenses	<b>(769,096)</b>			(468,106)
Consolidated (loss)/profit before tax from continuing operations	<b>(562,600)</b>			(9,579,724)

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 24. OPERATING SEGMENTS (Cont.)

Reconciliations of reportable segment revenues and profit or loss (Cont.)

	2015 \$	2014 \$
<b>Assets</b>		
Total assets for reportable segments	1,360,483	1,552,898
Unallocated corporate assets	564,568	129,861
Consolidated total assets	<u>1,925,051</u>	<u>1,682,759</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	64,490	49,219
Unallocated corporate liabilities	164,887	316,808
Consolidated total liabilities	<u>229,377</u>	<u>366,027</u>

### Geographical information

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

	2015		2014	
	Revenue \$	Non-current assets \$	Revenues \$	Non-current assets \$
Australia	-	-	-	-
<b>All foreign locations</b>				
- Kyrgyz Republic	7,756	-	7,419	-
- Ghana	-	937	-	937
- Chile	-	-	-	44,867

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

## 25. SUBSEQUENT EVENTS

On 20 July 2015, the Group appointed Dr Robert Yeates as non Executive-Director of Equus Mining Limited for whom a detailed background of Dr Yeates is set out on page 8 of this Annual Report.

On 31 July 2015, the Group exercised its options to acquire the remaining 49% interest in Andean Coal by issuing 16,000,000 ordinary shares in the capital of Equus as consideration to the seller.

Other than the matters discussed above, no matters or circumstances have 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.

## 26. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2015 the parent entity of the Group was Equus Mining Limited.

	Company	
	2015	2014
	\$	\$
<b>Result of the parent entity</b>		
Net (loss)/profit	(454,689)	(8,051,734)
Other comprehensive income	-	-
<b>Total comprehensive profit/(loss)</b>	<b>(454,689)</b>	<b>(8,051,734)</b>
<b>Financial position of the parent entity at year end</b>		
Current assets	564,709	129,919
Non-current assets	194,503	43,092
<b>Total assets</b>	<b>759,212</b>	<b>173,011</b>
Current liabilities	164,887	316,808
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>164,887</b>	<b>316,808</b>
<b>Net assets</b>	<b>594,325</b>	<b>(143,797)</b>
<b>Equity</b>		
Share capital	107,814,973	106,622,162
Accumulated losses	(107,364,648)	(106,909,959)
Fair value reserve	-	-
Equity based compensation reserve	144,000	144,000
Option premium reserve	-	-
<b>Total equity</b>	<b>594,325</b>	<b>(143,797)</b>

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

## 27. ASSETS HELD FOR SALE

Certain assets within the oil exploration segment of the Group in the Kyrgyz Republic have been presented as assets held for sale following the continued commitment of the Group's management to a plan to sell certain assets within its one remaining oil exploration entity in the Kyrgyz Republic, JSC Sherik. A Sale and Purchase Agreement was signed with an Australian Private Company during June 2014, subsequently amended in September 2014.

Completion under the original sale agreement did not occur, and the original agreement and previous amendment were terminated and replaced with a revised agreement. The new consideration under the revised agreement was executed and paid by the purchaser, net of taxes on 6 February 2015. Total consideration received was US\$700,000 (approximately A\$893,883).

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2015

## 27. ASSETS HELD FOR SALE (Cont.)

The agreement was 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 now that the sale of the drill rig including the plant and equipment has been completed. These assets were classified as assets held for sale at 30 June 2014.

	2015	2014
	\$	\$
As at 30 June the disposal group comprised the following assets and liabilities:		
Property, plant and equipment	-	71,081
Consumables and operating supplies	-	1,371,044
	<u>-</u>	<u>1,442,125</u>

The Group determined that an adjustment was necessary to the carrying value of the assets held for sale prior to disposal 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 amended Sale and Purchase Agreement signed. An impairment of \$494,266 was recorded against the disposal group (refer to Note 28) (2014: \$119,054).

Included within equity is a cumulative foreign currency translation reserve amount of \$2,986,853 (2014: \$3,022,797) relating to JSC Sherik (refer to Note 15).

### Measurement of fair values

#### Fair value hierarchy

In the prior year the non-recurring fair value measurement for the disposal group of \$1,442,125 had 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 in the prior year. The fair value was measured with reference to the signed Sale and Purchase agreement in place at that time for consideration of US\$2.0 million of convertible notes (face value). The fair value of the convertible notes had been calculated based on a present value calculation of the expected cash flows with a discount rate applied.

#### Disposal group held for sale

In the 2013 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 subsidiary has been classified as a disposal group held for sale. The assets and liabilities held in this entity are immaterial.

## 28. DISCONTINUED OPERATIONS

In September 2012 the Group committed to discontinue 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 exploration activities in Chile. At 30 June 2014 and during the current period, certain fixed assets and consumables within JSC Sherik were classified as held for sale and on 6 February 2015 the Group sold these fixed assets and consumables for US\$700,000.

## 28. DISCONTINUED OPERATIONS (Cont.)

	2015 \$	2014 \$
<b>Results of discontinued operation</b>		
Revenue	7,756	7,419
Other income	211,277	72,482
Expenses	(204,328)	(237,567)
<b>Results from operating activities</b>	<b>14,705</b>	<b>(157,666)</b>
Income tax expense	-	-
<b>Results from operating activities, net of income tax</b>	<b>14,705</b>	<b>(157,666)</b>
Impairment of assets held for sale	(494,266)	(119,054)
Income tax on loss on sale of discontinued operation	-	-
<b>Loss for the year</b>	<b>(479,561)</b>	<b>(276,720)</b>
Basic and diluted loss per share	(0.001)	(0.001)
<b>Cash flows from (used in) discontinued operation</b>		
Net cash used in operating activities	(201,455)	(244,372)
Net cash from investing activities	183,660	270,544
Net cash from financing activities	-	-
Net cash flows for the year	(17,795)	26,172

## 29. ACQUISITION OF CONTROLLED ENTITIES

On 1 November 2014, the Company acquired a 51% interest in Andean Coal Pty Ltd ('Andean'). The Company paid \$200,000 for exploration and administration expenditure relating to Andean's subsidiary Minera Carbones Del Sur Limitada, a company incorporated in Chile. Minera Carbones Del Sur Limitada holds explorations licences covering three projects, Mina Rica, Rubens and Perez in the Magallanes Basin in southern Chile.

The above transaction has been accounted for as an acquisition of assets and the consideration paid of \$200,000 has been attributed to exploration and evaluation assets. The value attributed to the 49% non-controlling interest was \$196,637 which has been accounted for as a step-up in exploration and evaluation assets upon acquisition (refer to Note 11).

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 Andean Coal Pty Ltd.

Andean Coal Pty Ltd'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.

Under the terms of the Share subscription deed Equus had the option to acquire the remaining 49% of Andean for the consideration of 16 million ordinary shares in Equus. Subsequent to 30 June 2015, the Group exercised this option and completed the acquisition of the remaining 49% in Andean on 31 July 2015. The impact of acquiring the remaining 49% non-controlling interest has not been reflected in these financial statements.

# 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 20 to 51, and the Remuneration Report as set out on pages 14 to 17 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 2015 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 2015.
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 28th day of September 2015 in accordance with a resolution of the Board of Directors:



**Mark H. Lichtenberg**  
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 2015, 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 2015 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 the Group 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 14 to 17 of the Directors' Report for the year ended 30 June 2015. 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 2015 complies with Section 300A of the Corporations Act 2001.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG  
28 September 2015

A handwritten signature in blue ink, appearing to be 'Adam Twemlow'.

Adam Twemlow  
Partner  
Brisbane

Additional information as at 31 August 2015 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

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

The total distribution of fully paid shareholders as at 31 August 2015, was as follows:

Range	Total shareholders Shares	Total Number of	13 November 2015 Option holders			
			\$0.075	\$0.150	\$0.200	\$0.250
1 - 1,000	275	129,241				
1,001 - 5,000	339	975,542				
5,001 - 10,000	361	3,275,022				
10,001 - 100,000	713	23,736,704				
100,001 and over	276	367,179,166	1	1	1	1
<b>Total</b>	<b>1,964</b>	<b>395,295,675</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

## Less than Marketable Parcels

On 31 August 2015, 1,439 shareholders held less than marketable parcels of 31,250 shares.

## On Market Buy Back

There is no current on-market buy-back.

## Substantial Holders

The name of the substantial shareholders in Equus Mining Limited as advised to the Company are set out below.

	<b>Number of Ordinary Shares</b>
Permgold Pty Ltd	34,377,420
Augusta Enterprises Pty Ltd	33,619,471
Mark Lochtenberg <The Rigi Super Fund A/C>	20,034,000

# Additional Stock Exchange Information

## Twenty Largest Shareholders

As at 31 August 2015, the twenty largest quoted shareholders held 55.89% of the fully paid ordinary shares as follows:

	<b>Name</b>	<b>Number</b>	<b>%</b>
1	Permgold Pty Ltd	34,377,420	8.70
2	Augusta Enterprises Pty Ltd	33,619,471	8.50
3	HSBC Custody Nominees (Australia) Limited	20,918,024	5.29
4	JP Morgan Nominees Australia Limited	20,880,046	5.28
5	Mark Hamish Lochtenberg & Michael Lochtenberg <The Rigi Super Fund A/C>	20,034,000	5.07
6	Sambas Energy Pty Ltd	16,000,000	4.05
7	Peter John Bartter	15,000,000	3.79
8	John Wardman & Associates Pty Ltd <The Wardman Super Fund A/C>	8,096,566	2.05
9	Tetramin Pty Ltd <Perring Superannuation A/C>	8,000,000	2.02
10	Cynthia Wardman	6,000,000	1.52
11	Annlew Investments Pty Ltd < Annlew Investments PL SF A/C>	6,000,000	1.52
12	John Desmond Martin	5,000,000	1.26
13	Karen Aviva Schumer & Gary Leon Lewis <Lewis Super Fund A/C>	5,000,000	1.26
14	DRYCA Pty Ltd <DRYC Employees Ret/F A/C>	5,000,000	1.26
15	CRX Investments Pty Limited	3,582,943	0.91
16	Integral Admin Services Pty Ltd	2,890,616	0.73
17	Colin James McCavana & Debra Dianne McCavana < Colin McCavana S/Fund A/C>	2,850,000	0.72
18	Rosignol Pty Ltd <Nightingale Family A/C>	2,795,308	0.71
19	A M Van Heyst Superannuation Pty Ltd < A Van Heyst Private S/F A/C>	2,600,000	0.66
20	Marc Sampson	2,550,668	0.65

## The number of holders in each class of securities

As at 31 August 2015, the numbers of holders in each class of securities on issue were as follows:

<b>Type of security</b>	<b>Number of holders</b>	<b>Number of securities</b>
Ordinary shares	1,964	395,295,675
Unlisted options	1	1,000,000

## Substantial Optionholders in the entity

The Company provides the names of the holders of 20% or more options in these unquoted securities below:

<b>Name</b>	<b>Number of options held</b>	<b>% of Options Held</b>
Damien Koerber	4,000,000	100.00%

## Escrow securities

As at 31 August 2015, 16,000,000 ordinary shares are voluntary escrow until 23 May 2016.

## Group Mineral Concession Interests at 31 August 2015

The Company provides the following information regarding its mining tenements:

Project	Location	Tenement	Ownership	Type of Tenement
Mina Rica	Chile	Mina Rica 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 3	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 4	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 5	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 6	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 7	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 8	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 9	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 10	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 11	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 12	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 13	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 14	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 15	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 16	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 17	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 18	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 19	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 20	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 21	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 22	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 23	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 24	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 25	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 26	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 27	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 28	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 29	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 30	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Mina Rica 31	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
Chile	Kol 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 3	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 4	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 5	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 6	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 7	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 8	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 9	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 10	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 11	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 12	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 14	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 15	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Kol 16	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	

## Additional Stock Exchange Information

Project	Location	Tenement	Ownership	Type of Tenement
Perez	Chile	Rio Perez A	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Perez B	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Perez C	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Perez D	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Perez E	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Perez F	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Perez G	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Perez H	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 3	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 4	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 5	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 6	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 7	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 13	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 15	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 17	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 21	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 22	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 23	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 25	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 27	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 31	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 32	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 35	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 36	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 38	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon 40	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon I	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon II	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon III	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
Chile	Charbon IV	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon V	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon VI	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon VII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon VIII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon IX	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon X	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XI	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XIII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XIV	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XV	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XVI	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XVII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XVIII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XIX	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XX	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XXI	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Charbon XXII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	

Project	Location	Tenement	Ownership	Type of Tenement
<b>Perez</b>	Chile	Charbon XXIII	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon XXIV	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Charbon XXV	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 3	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 4	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 5	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 6	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 7	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 8	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 9	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 10	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 11	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 12	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 13	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 14	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 15	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 16	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 17	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 18	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 19	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 20	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 21	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 22	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 23	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 24	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 25	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 26	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 27	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Skyring 28	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
Chile	Skyring 29	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Skyring 30	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Skyring 31	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
<b>Rubens</b>	Chile	Rio Rubens Este 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens Este 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens Este 3	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens Este 4	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens Este 5	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens Este 6	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens Este 7	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 3	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 4	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 5	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 6	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 7	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
Chile	Rio Rubens 8	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	
Chile	Rio Rubens 9	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration	

## Additional Stock Exchange Information

Project	Location	Tenement	Ownership	Type of Tenement
Rubens	Chile	Rio Rubens 10	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Rio Rubens 11	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kull 20	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kull 21	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kull 22	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kolen 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kolen 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kolen 3	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kolen 5	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kolen 6	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kolen 7	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Kolen 8	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Balmaceda 1	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration
	Chile	Balmaceda 2	Minera Carbones Del Sur Limitada <sup>1</sup>	Exploration

### Mining interest in African countries

Concession name	Location	Registered Holder	File Number / Licence Type	Equus current equity interest	Concession Type
Osenase	Ghana 2	Osenase Prospecting Licence	Equus Mining 90%	N/A	Exploration
Asamankese	Ghana 2	Asamankese Prospecting Licence	Equus Mining 90%	N/A	Exploration
Pramkese	Ghana 2	Pramkese Prospecting Licence	Equus Mining 90%	N/A	Exploration
Kwatechi	Ghana 2	Kwatechi PL3/64 Prospecting Licence	Equus Mining 0%	7% <sup>3</sup>	Exploration

### Notes

- <sup>1</sup> Subsequent to 30 June 2015, Equus acquired the remaining 49% equity interest in Andean Coal Pty Ltd for consideration of 16 million ordinary shares in Equus Mining Limited. This has resulted in Andean Coal Pty Ltd becoming a wholly owned subsidiary.
- <sup>2</sup> 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.
- <sup>3</sup> 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.



[www.equusmining.com](http://www.equusmining.com)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members is to be convened at Suite 2, Level 3, 66 Hunter Street, Sydney, NSW, 2000 on 27 November 2015 at 11 am.

### AGENDA

#### ORDINARY BUSINESS

##### Financial Statements

To receive and consider the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2015.

To consider and, if thought fit, pass the following resolutions, with or without amendment:

##### **Resolution 1 Adoption of the Remuneration Report**

'That the Remuneration Report for the year ended 30 June 2015 be and is hereby adopted.'

##### **Resolution 2 Re-election of a Director**

'That Mark H. Lochtenberg be and is hereby re-elected as a Director.'

##### **Resolution 3 Re-election of a Director**

'That Robert A. Yeates be and is hereby elected as a Director.'

##### **Resolution 4 Ratification of Prior Issue of Shares**

'That the issue of 16,000,000 fully paid ordinary shares in the Company on 31 July 2015 as consideration to the vendors of Andean Coal Pty Ltd ('Andean' or 'Andean Coal') be and is hereby ratified for the purposes of ASX Listing Rules 7.4 and 7.5 on the terms and conditions as set out in the explanatory memorandum accompanying this Notice of Meeting.

##### **Resolution 5 Ratification of Prior Issue of Shares**

'That the issue of 36,213,783 fully paid ordinary shares in the Company on 19 October 2015 for A\$0.011 per share be and is hereby ratified for the purposes of ASX Listing Rules 7.4 and 7.5.'

##### **Resolution 6 Approval of the Proposed Issue and allotment of Shares**

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders authorise and is hereby approve Mr Robert Yeates and/or his nominee R&D Yeates Holdings Pty Ltd to participate in the placement to the extent of up to 1,090,909 fully paid ordinary shares in the Company as set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

##### **Resolution 7 Approval of the Proposed Issue and allotment of Shares**

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders authorise and is hereby approve Mr Mark Pty Lochtenberg and/or his nominee The Rigi Super Fund Account to participate in the placement to the extent of up to 2,272,727 fully paid ordinary shares in the Company as set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

##### **Resolution 8 Additional capacity to issue securities**

'That the additional capacity to issue equity securities up to 10% of the issued capital of the Company as set out in the Explanatory Memorandum attached to this Notice of Meeting be and is hereby approved for the purposes of ASX Listing Rule 7.1A.'

To transact any other business that may be brought forward in accordance with the Company's Constitution.

##### **By order of the Board**

**Marcelo Mora**

**Company Secretary**

27 October 2015

Equus Mining Limited ABN 44 065 212 679

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## **Explanatory Memorandum to the Notice of Annual General Meeting**

This Explanatory Memorandum has been prepared to assist members to understand the business to be put to members at the Annual General Meeting to be held at Level 3, 66 Hunter Street, Sydney, NSW, on Friday, 27 November 2015 at 11 am Eastern Daylight Saving Time (EDST).

### **Financial Report**

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2015 will be laid before the meeting. There is no requirement for shareholders to approve these reports, however, the Chair of the meeting will allow a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

### **1. Adoption of Remuneration Report**

The Remuneration Report, which forms part of the Directors' Report in the Company's 2015 Annual Report, contains certain prescribed details, sets out the policy adopted by the Board of Directors and discloses the payments to Directors.

In accordance with section 250R of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. The resolution is advisory only and does not bind the Directors or the Company.

Shareholders will be given a reasonable opportunity at the meeting to comment on and ask questions about the Company's Remuneration Report.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

### ***Voting Exclusion Statement***

A vote on the resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the key management personnel details of whose remuneration are included in the remuneration report;
- a close related party of such a member.

However such a person may cast a vote on the resolution if:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of such a person.

**The Directors recommend that you vote IN FAVOUR of this advisory Resolution 1.**

**The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 1.**

### **2. Re-election of Mark Lochtenberg**

Pursuant to Article 3.6 of the Company's Constitution and the Corporations Act, Mark Lochtenberg who retires by rotation and, being eligible, offers himself for re-election.

Mr Lochtenberg graduated with a Bachelor of Law (Hons) degree from Liverpool University, U.K. and has been actively involved in the coal industry for more than 25 years.

Mark Lochtenberg is the former Executive Chairman and founding Managing Director of ASX-listed Cockatoo Coal Limited. He was a principal architect of Cockatoo's inception and growth from an early-stage grassroots explorer through to its current position as an emerging mainstream coal producer. He was also formerly the co-head of Glencore International AG's worldwide coal division, where he spent 13 years overseeing a range of trading activities including the identification, due diligence, negotiation, acquisition and aggregation of the coal project portfolio that would become Xstrata Coal.

Prior to this Mark established a coal “swaps” market for Bain Refco, (Deutsche bank) after having served as a senior coal trader for Hansen Neuerburg AG and as coal marketing manager for Peko Wallsend Limited. He has previously been a Director of ASX-listed Cumnock Coal Limited and of privately held United Collieries Pty Limited and is currently a Director of Australian Transport and Energy Corridor Pty Limited, (ATEC).

**With Mark Lichtenberg abstaining, the Directors recommend that you vote IN FAVOUR of Resolution 2.  
The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 2.**

### **3. Election of Robert A. Yeates**

Pursuant to Article 3.5 of the Company’s Constitution and the Corporations Act, Robert Yeates who was appointed as a Director during the year retires in accordance with these requirements and, being eligible, offers himself for re-election.

Robert Yeates is a graduate of the University of NSW, completing a Bachelor of Engineering (Honours 1) in 1971 and a PhD in 1977 and then an MBA in 1986 from Newcastle University. He began his career with Peko Wallsend working in a variety of roles including mining engineering, project management, mine management and marketing.

He became General Manager Marketing for Oakbridge Pty Limited in 1989 following a merger with the Peko Wallsend coal businesses and went on to become Managing Director of Oakbridge, which was the largest coal mining company in NSW at that time, operating one open cut and five underground coal mines.

Dr Yeates has gained operating, business development and infrastructure experience as a director of Port Waratah Coal Services (Newcastle Port), Port Kembla Coal Terminal, Great Northern Mining Corporation NL and Cyprus Australia Coal and for the past 18 years has been principal of his own mine management consultancy, providing a wide range of technical, management and strategic planning services to the mining industry. Until last year he was also Project Director then CEO of Newcastle Coal Infrastructure Group, which has developed and is operating coal export facilities in Newcastle. He currently served as Non-executive Director of Cockatoo Coal Limited.

**With Robert Yeates abstaining, the Directors recommend that you vote IN FAVOUR of Resolution 3.  
The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 3.**

### **4. Ratification of Prior Issue of Shares**

Resolution 4 seeks the ratification by shareholders of the issue of 16,000,000 fully paid ordinary shares in the capital of Equus Mining Limited (‘Equus’) to the vendors of Andean Coal Pty Ltd as consideration for 49% equity interest. Andean Coal owns 99.9% interest in Carbones del Sur Limitada (‘Carbones’) a company incorporated in the Republic of Chile that holds a package of exploration licenses located in Chile’s largest coal fields in the Magellan basin.

As announced on 23 May 2014 Equus secured the rights to acquire 100% of Andean Coal in two tranches. On 3 November 2014 Equus announced that it has met the requirements of tranche one and received 51% interest in Andean Coal.

On the 20 July 2015, Equus announced the acquisition of the remaining 49% equity interest in Andean Coal and accordingly on 31 July 2015 Equus issued 16,000,000 ordinary shares to the vendors of Andean Coal Pty Ltd.

This ratification will provide the Company with the ability to raise further funds, if required, will maximise the flexibility of the Company’s funds management and will facilitate planning for the Company’s ongoing activities.

Details of the issue, as required by ASX Listing Rule 7.5 are as follows:

- Number of securities allotted: 16,000,000.
- Issue price: There is no issue price for the securities as they were issued as consideration for the acquisition of 49% interest in Andean Coal Pty Ltd.
- Terms: Fully paid ordinary shares ranking pari passu with existing fully paid ordinary shares.
- Names of allottees: Sambas Energy Pty Ltd
- Intended use of the funds: No funds were raised, the issued was in consideration for the acquisition of 49% interest in Andean Coal Pty Ltd.

### ***Voting Exclusion Statement***

The Company will disregard any votes cast on Resolution 4 by:

- Sambas Energy Pty Ltd and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

**The Directors recommend that you vote IN FAVOUR of Resolution 4.**

**The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 4.**

### **5. Ratification of Prior Issue of Shares**

Resolution 5 seeks the ratification by shareholders of the issue of 36,213,783 fully paid ordinary shares in the Company on 19 October 2015 for the purposes of ASX Listing Rules 7.4 and 7.5. This ratification will provide the Company with the ability to raise further funds, if required, will maximise the flexibility of the Company's funds management and will facilitate planning for the Company's ongoing activities.

Details of the issue, as required by ASX Listing Rule 7.5 are as follows:

- Number of securities allotted: 36,213,783.
- Issue price: A\$0.011 per share.
- Terms: Fully paid ordinary shares ranking pari passu with existing fully paid ordinary shares.
- Names of allottees:

Allottees	Ordinary shares allotted
Dolphin Partners Pty Ltd	2,000,000
Peter David Koller	1,000,000
Taycol Nominees Pty Ltd	6,000,000
Chifley Portfolios Pty Ltd <David Hannon Retirement Fund>	5,909,091
Mikaliz Pty Ltd	1,500,000
Equity Trustees Limited <Dolphin Capital Partners A/C>	2,000,000
Cynthia Wardman	5,000,000
Rosignol Pty Ltd <Nightingale Family A/C>	2,204,692
Colvic Pty Ltd	3,600,000
Christopher John Morgan-Hunn	1,000,000
Lee United Pty Ltd <The DJ Lee Super Fund A/C>	1,000,000
T & E Brabin Super Fund Pty Ltd <T & E Brabin Super Fund A/C>	1,000,000
Martin James Pyle <M Pyle Super Fund A/C>	2,000,000
Geoffrey Guild Hill	2,000,000

- Intended use of funds: To accelerate the Company's strategy of further increasing its ground dominance in the Magallanes thermal coal basin and working capital.

### ***Voting Exclusion Statement***

The Company will disregard any votes cast on Resolution 5 by:

- Participants in the placement and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

**The Directors recommend that you vote IN FAVOUR of Resolution 5.**

**The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 5.**

## 6. Approval of the proposed issue and allotment of shares

Resolution 6 seeks the approval by shareholders of the issue and allotment of 1,090,909 fully paid ordinary shares in the Company to R&D Yeates Holdings Pty Ltd as soon as practicable after the date of this Annual General Meeting, and in any event, within 1 month of the date of this Annual General Meeting for the purposes of ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

This proposed issue, which was announced to the ASX on 7 October 2015 and in conjunction with the placement completed on that day, will provide funding for the drilling activities at the Mina Rica thermal coal project in southern Chile.

Shareholder approval is required in accordance with Listing Rule 10.11 and Section 228 of the *Corporations Act* because Robert Yeates a Director of Equus has a beneficial interest in R&D Yeates Holdings Pty Ltd. If approved, the shares are issue on the same terms and conditions as the placement completed 7 October 2015.

Furthermore, Shareholder approval of the issue placement to the Directors means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Details of the issue, as required by ASX Listing Rule 7.1 and 10.11 are as follows:

- Number of securities to be allotted: 1,090,909.
- Issue price: A\$0.011 per share.
- Terms: Fully paid ordinary shares ranking pari passu with existing ordinary shares.
- Names of allottees: R&D Yeates Holdings Pty Ltd 1,090,909 ordinary shares.
- Allotment date: Within one month of the date of this Annual General Meeting.
- Intended use of funds: To fund initial drilling activities at Mina Rica thermal coal project in Chile and to provide and working capital

### ***Voting Exclusion Statement***

The Company will disregard any votes cast on this Resolution by Robert Yeates and his nominee R&D Yeates Holdings Pty Ltd and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**The Directors recommend that you vote IN FAVOUR of Resolution 6.**

**The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 6.**

## 7. Approval of the proposed issue and allotment of shares

Resolution 7 seeks the approval by shareholders of the issue and allotment of 2,272,727 fully paid ordinary shares in the Company to The Rigi Super Fund Account as soon as practicable after the date of this Annual General Meeting, and in any event, within 1 month of the date of this Annual General Meeting for the purposes of ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

This proposed issue, which was announced to the ASX on 7 October 2015 and in conjunction with the placement completed on that day, will provide funding for the drilling activities at the Mina Rica thermal coal project in southern Chile.

Shareholder approval is required in accordance with Listing Rule 10.11 and Section 228 of the *Corporations Act* because Mark Lochtenberg a Directors of Equus has a beneficial interest in The Rigi Super Fund Account. If approved, the shares are issue on the same terms and conditions as the placement completed 7 October 2015.

Furthermore, Shareholder approval of the issue placement to the Directors means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Details of the issue, as required by ASX Listing Rule 7.1 and 10.11 are as follows:

- Number of securities to be allotted: 2,272,727.
- Issue price: A\$0.011 per share.
- Terms: Fully paid ordinary shares ranking pari passu with existing ordinary shares.
- Names of allottees: The Rigi Super Fund Account 2,272,727 ordinary shares.
- Allotment date: Within one month of the date of this General Meeting.
- Intended use of funds: To fund initial drilling activities at Mina Rica thermal coal project in Chile and to provide and working capital

### ***Voting Exclusion Statement***

The Company will disregard any votes cast on this Resolution by Mark Lochtenberg and his nominee The Rigi Super Fund Account and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**The Directors recommend that you vote IN FAVOUR of Resolution 7.**

**The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 7.**

## **8. Approval of additional capacity to issue securities**

ASX Listing Rule 7.1A enables the Company to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the AGM ('10% Placement Facility'). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 8, which is a Special Resolution requiring 75% of votes cast to be in favour of the resolution, seeks shareholder approval for the Company to have the ability to issue equity securities under the 10% Placement Facility on the following terms:

### **(a) Placement Period**

Shareholder approval of the 10% Placement Facility is valid from the date of the AGM and expires on the earlier of:

- (i) the date that is 12 months after the date of the AGM; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

### **(b) Equity Securities**

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company which, in the Company's case, are fully paid ordinary shares.

### **(c) Formula for calculating 10% Placement Facility**

The maximum number of shares that can be issued under the 10% Placement Facility is calculated as follows:

$(A \times D) - E$

Where: A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid ordinary shares that became fully paid in the 12 months;

- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;
- (iv) less the number of fully paid shares cancelled in the 12 months.

*D* is 10%.

*E* is the number of fully paid ordinary shares issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

The current maximum number of shares, as at the date of this meeting, that can be issued under the 10% Placement Facility is 37,929,568. The Company's current capacity to issue securities as at the date of the meeting pursuant to listing rule 7.1 is 56,894,351.

(d) Minimum Issue Price

The minimum issue price of equity securities issued for the purpose of Listing Rule 7.1.A.3 must be not less than 75% of the volume weighted average price of equity securities in the same class calculated over the 15 trading days on which trades were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

(e) Risk of Economic and Voting Dilution

If Resolution 8 is approved by shareholders and the Company issues equity securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the table below. Further, there is a risk that:

- (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the AGM; and
- (ii) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date.

Because Variable A in the formula for calculating 10% Placement Facility, and consequently the number of shares that can be issued under the 10% Placement Facility, can change during the Placement Period, the table below shows a matrix of scenarios of the potential dilution of existing shareholders as at the date of the AGM on the basis of:

- (i) the issue price of equity securities being the current approximate market price of fully paid ordinary shares, plus 50% and minus 50%; and
- (ii) the maximum number of shares that can be issued under the 10% Placement Facility in accordance with the definition of Variable A in the formula for calculating 10% Placement Facility increasing by 50% and 100%.

Variable A in 10% Placement Facility under ASX Listing Rule 7.1A.2	Voting Dilution and Placement Facility Capacity	Issue Price and Funds Raised		
		50% Decrease in Current Approximate Market Price \$0.006	Current Approximate Market Price \$0.012	50% Increase in Current Approximate Market Price \$0.018
<b>Current Variable A</b> 379,295,675 shares	10% 37,929,568 Shares	\$227,577	\$455,155	\$682,732
<b>50% increase in current Variable A</b> 568,943,513 shares	13.0% 56,894,351 Shares	\$341,366	\$682,732	\$1,024,098
<b>100% increase in current Variable A</b> 758,591,350 shares	16.7% 75,859,135 shares	\$455,155	\$910,310	\$1,365,464

As an example, if Variable A is increased to 758,591,350 shares, the 10% Placement Facility capacity is 75,859,135 shares and therefore the dilution of existing shares as at the date of the AGM, being 379,295,675 shares, is calculated as:

$$75,859,135 \div (379,295,675 + 75,859,135) = 16.7\%$$

(f) Other Matters

The Company may issue equity securities under the 10% Placement Facility for cash consideration to support the Company's ongoing exploration activities and working capital or non-cash consideration for the acquisition of compatible business opportunities which may arise. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. As there is no issue currently proposed, the identity of the allottees is not currently known and will be determined on a case-by-case basis at the time of allotment, having regard to factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the equity securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not currently been determined but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

As the Company has not previously obtained shareholder approval under ASX Listing Rule 7.1A, no equity securities have been issued under the 10% Placement Facility.

**Voting Exclusion:**

The Company will disregard any votes cast on Resolution 8 by:

- a person who may participate in the proposed issue; and
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any such associates of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**The Directors recommend that you vote IN FAVOUR of Resolution 8.**

**The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 8.**



Shareholder Name:  
\_\_\_\_\_

Shareholder Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sub Register	CHESS
HIN / SRN	X

**FORM OF PROXY**

I/we being a member/members of Equus Mining Limited HEREBY APPOINT

the Chair of the Meeting (mark box)

OR if you are not appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

\_\_\_\_\_

or failing him, the Chair of the Meeting, as my/our Proxy to vote for me/us and on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Members of the Company to be held at 11 am on 27 November 2015 and at any adjournment thereof.

**The Chair of the Meeting is authorised to exercise undirected proxies on remuneration related matter (Resolution 1):** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolution 1 (except where I/we have indicated a different voting intention above) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel for Equus Mining Limited, which includes the Chair.

**The Chair of the Meeting intends to vote all undirected proxies in favour of each resolution (including Resolution 1).** If you have appointed the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default), and you wish to give the Chair specific voting directions on an item, you should mark the appropriate box/es opposite those resolutions below (directing the Chair to vote for, against or to abstain from voting).

If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

**RESOLUTIONS**

1. Adoption of the Remuneration Report
2. Re-election of Mr Mark Lochtenberg
3. Re-election of Mr Robert Yeates
4. Ratification of prior issued shares
5. Ratification of prior issued shares
6. Approval of proposed issue shares
7. Approval of proposed issue shares
8. Approval the additional capacity to issue equity securities

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Signature of Securityholder(s)** *This section must be completed.*

Dated this ..... day of ..... 2015

Signatures of Securityholder(s)

Individual or Securityholder 1  
\_\_\_\_\_

Sole Director and  
Sole Company Secretary

Securityholder 2  
\_\_\_\_\_

Director

Securityholder 3  
\_\_\_\_\_

Director

## PROXY INSTRUCTIONS

1. A member entitled to attend and vote is entitled to appoint not more than 2 proxies.
2. Where more than 1 proxy is appointed, each proxy must be appointment to represent a specified proportion of the member's voting rights. If you appoint 2 proxies and the appointment does not specify the proportion or number of your votes the proxy may exercise, each proxy may exercise half of the votes.
3. The vote on the resolutions will be decided on a show of hands unless a poll is demanded. On a show of hands, every shareholder who is present in person or by proxy, or by representative or by attorney, will have one vote. Upon a poll, every shareholder who is present in person or by proxy, or by representative or by attorney, will have one vote for each Share held by that shareholder.
4. A proxy need not be a member.
5. All joint holders must sign.
6. Where the company has a Sole Director and Company Secretary, that person must sign. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.
7. All executors of deceased estates must sign.
8. Corporate Representatives  
If a representative of the corporation is to attend the meeting. The representative must bring to the Annual General Meeting evidence of his or her appointment, including any authority under which it was signed in accordance with section 253B of the Corporations Act 2001.
9. The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the Company's shares quoted on the ASX Limited at 7.00 pm Sydney time on 25 November 2015 are taken, for the purposes of the Annual General Meeting to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the meeting.
10. This Proxy form (and the original or certified copy of any power of attorney under which this proxy form is signed) must be received at an address given below no later than 48 hours before the time appointed for holding the meeting:
  - in person or by mail at the Company's registered office, Level 2, 66 Hunter Street, Sydney, NSW 2000 Australia; or
  - by facsimile on +61 2 9221 6333.