

11 December 2015

Mina Rica Project Area Expansion

Equus at a Glance

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

Facts

ASX Code:	EQE
Share Price (23 Oct 2015):	\$0.01
Shares on Issue:	432M
Market Capitalisation:	A\$4.3M

Directors and Officers

Mark Lichtenberg
Non-Executive Chairman

Ted Leschke
Managing Director

Juerg Walker
Non-Executive Director

Robert Yeates
Non-Executive Director

Marcelo Mora
Company Secretary

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Highlights

- Equus has further expanded its Mina Rica thermal coal project area in Chile through the submission of 8 Exploration Licence applications over a new strategic exploration target area.
- The pegging of this new area has completed the ground acquisition strategy of consolidating an area with a target exploration potential of 50 - 90 million tonnes ⁽ⁱⁱ⁾ of coal.
- The Exploration Target ⁽ⁱⁱ⁾ area is interpreted to cover the strike extension of known coal seams which exist immediately to the northwest and to the south of the Mina Rica project area.
- This interpretation has been supported by results from the recently announced drilling completed by Equus additional to historical tri-cone drilling.
- The Mina Rica thermal coal project is strategically well positioned within 15km from an idle Panamax ship loader with a 2,000 tonne per hour loading capacity.
- Excellent positioning in relation to existing infrastructure means there is potential for rapid development at minimal development costs.
- Chile's severe shortage of domestically sourced energy means 80 - 90% of coal required for its 12 coal fired power stations is imported from distant sources such as Colombia, the USA and Australia.

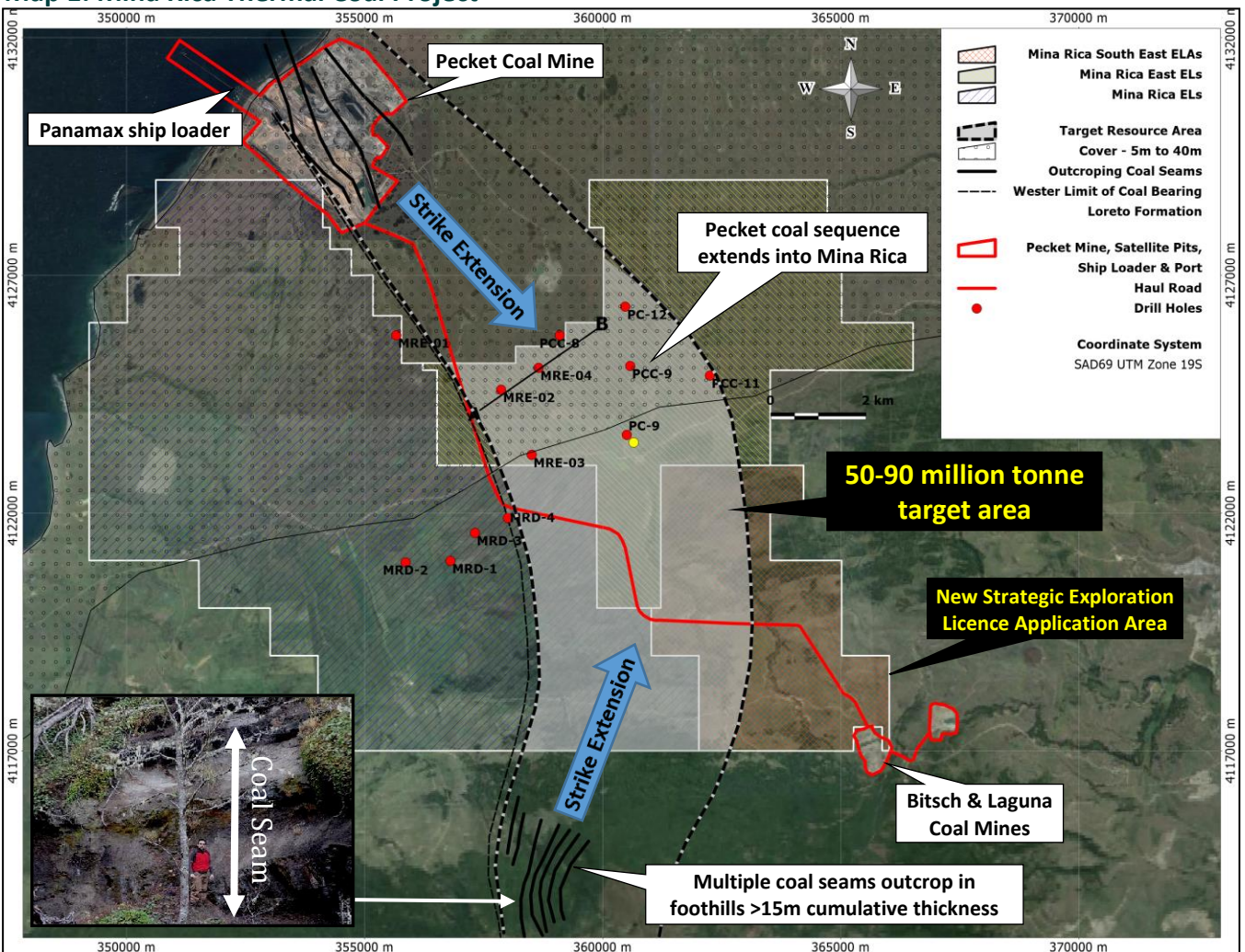
Mina Rica Thermal Coal Project Area Expansion

Equus Mining Limited (ASX: EQE) ('Equus' or 'the Company') has submitted applications for new, strategically located exploration licences expanding the overall Mina Rica thermal coal project area by 28 square kilometres to 154 square kilometres. More importantly, this application has completed the ground accumulation strategy of consolidating an area with a targeted exploration potential of 50 - 90 million tonnes of coal.

The Mina Rica Exploration Target ⁽ⁱⁱ⁾ area is interpreted as potentially hosting the coal bearing strata and the strike extension of coal seams located to the northwest at Pecket Mine which extend to the boundary of the Mina Rica project area as shown in report titled "Evaluacion De Los Recursos, Carboniferos Del Sector Pecket" by Corporación de Fomento de la Producción de Chile (CORFO) published in June 1980. In addition, to the south of the Mina Rica area a sequence of coal outcrops were mapped by the Chilean national petroleum company (Empresa Nacional del Petróleo or ENAP) and verified by Equus in the field as having a cumulative thickness of at least 15 metres and which trend towards the boundary of the Mina Rica project area.

This interpretation has been supported by recent drilling by Equus which has intercepted multiple coal seams (see A-B in Map 1 and Cross Section A-B shown overleaf), and the realisation that historical borehole logging data has shown that visual logging of drill cuttings from historical tri-cone drilling significantly under-represented coal seam thickness (see Announcement dated 27 October 2015 ⁽ⁱ⁾).

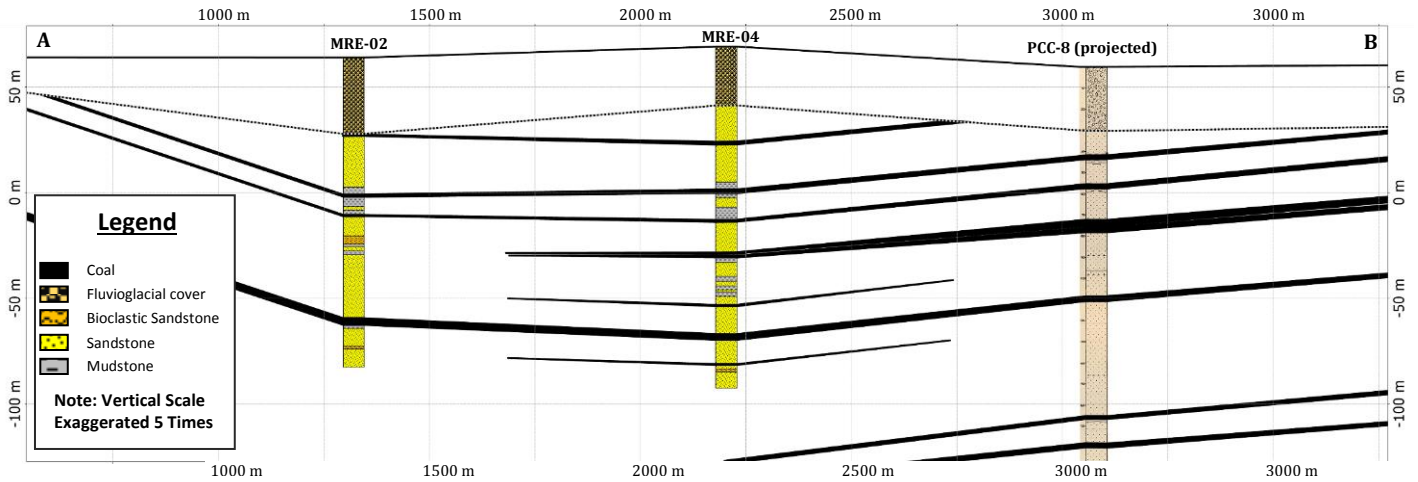
Map 1. Mina Rica Thermal Coal Project



The cumulative thickness of coal seams intercepted to date by Equus include: MRE-02 4.68m, MRE-03 3.54m, MRE-04 7.73m, PCC-8 10.69m and PCC-9 6.43m.

Cross Section A-B.

Showing preliminary correlation of coal seams between drill holes MRE-02, MRE-04 and PCC-8



Planned Resource Delineation Drilling

With project ground accumulation complete at the Mina Rica thermal coal project area exploration and resource delineation drilling including 15 to 20 drill holes on 1km spacing (1,500m to 2,000m) is planned. The aim of this drilling is to define an inferred or potentially an indicated global resource in the order of 50 - 90 million tonnes ^(#) of coal.

Mina Rica Thermal Coal Project’s Strategic Position

The Mina Rica thermal coal project is located on the northern side of the Brunswick Peninsula in Chile’s XII Region. The project is considered highly strategic given its close proximity to vital and idle infrastructure including a third party owned deep water port, 2000tph Panamax ship loader (see Photo 1), haul roads and mining fleet, all of which are on care and maintenance. Mina Rica is also located a short distance from Punta Arenas providing a skilled work force and industrial services.

Photo 1. Panamax ship loader at Puerto Pecket



The close proximity of available infrastructure means that minimal capex is required and a short development timeframe required for production in order to supply into Chile's shortage of domestically produced thermal coal. The demand for thermal coal by the domestic power generation market has grown strongly in the last decade, from 5.7 million tonnes per annum to the current level of 15 million tonnes per annum with a compound growth rate of 9.8% per annum.

Mina Rica Costs Should Be Competitive

Currently the majority of Chile's thermal coal is sourced from Colombia. This involves the costs of long distance rail (typically 150km), long distance shipping (averaging 5,300km) and passage through the Panama Canal. Equus believes coal sources from Mina Rica will be competitive to Colombia both in terms of operating and capital cost due to:

- Simple open cut mining with direct trucking to ship loader
- Established infrastructure
- No camp required
- Grid power at site
- No long distance rail
- No double handling
- Shorter shipping distances
- No Panama Canal toll

It is worth noting that the neighbouring dormant Mina Pecket mined up to a 10:1 strip ratio as witnessed during recent mine site visits and based on drill hole information from the report titled "Evaluacion De Los Recursos, Carboniferos Del Sector Pecket" by CORFO published in June 1980.

Mina Rica is situated adjacent to the third party owned Mina Pecket and port/coal loading facility with a capacity in excess of 10mtpa. Mina Pecket operated from 1987 until the suspension of mining in April 2014. The thermal coal resource has been exploited by both state and private companies via open pit mining with the thermal coal being trucked a short distance to an adjacent port and ship loader. Unwashed coal product was historically loaded onto bulk carriers and transported to domestic coastal based thermal power stations

Operations at the Pecket Mine were suspended in April 2014 due to a high wall failure in the main pit which had reached a depth of approximately 100m. All the Pecket Mine infrastructure, including the deep water port with a 2,000 tonne per hour coal loader, mining fleet and haul roads are on care and maintenance.

Equus Mining's Thermal Coal Project Background

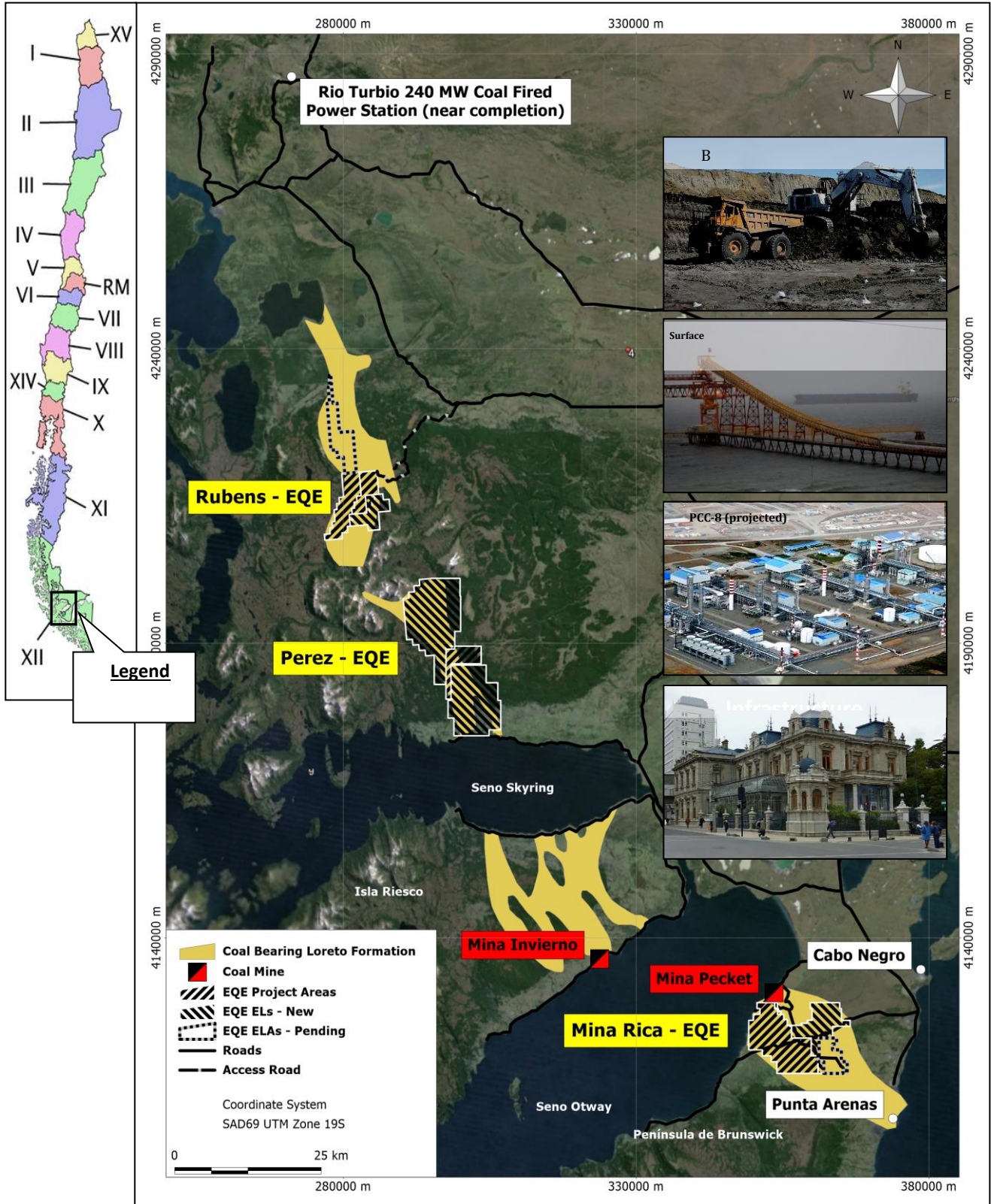
Equus is strategically positioned to take advantage of Chile's fast increase in coal fired electricity generation with a 100% interest in a coal package centred on the coal bearing Loreto Formation in Chile's largest coalfield, the Magallanes Basin in Region XII.

Since the initial acquisition, the total exploration project area has been more than doubled, from 170 km² to 450 km² through additional exploration licence applications. These licences are situated in three project areas: Rubens, Perez and Mina Rica (see Map 2) and Equus now holds considerably greater than 50% of the available near surface strike extent of the coal bearing Loreto Formation. This is a dominate position over the largest known near surface coal occurrence in energy starved Chile.

All three projects have strong potential to host shallow dipping coal deposits suitable for bulk open cut extraction as indicated by a combination of coal outcrop, coal float and intercepts in oil and gas wells in the general licence areas as well as historic regional work by Chile's state owned petroleum company ENAP and development agency CORFO. Despite Chile importing 80% to 90% of its current thermal coal needs and the Magallanes Basin being recognised as hosting the largest coal occurrence in Chile, the centre of a fledgling coal mining industry currently hosts just one operating mine.



Map 2. Equus Mining's thermal coal projects in the Magallanes Basin - Chile's largest known coal occurrence



Yours sincerely



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⁽ⁱ⁾All the material assumptions underpinning the exploration results information in the initial public report (see ASX release dated 27 October 2015) continue to apply and have not materially changed. No new exploration results are reported for Mina Rica.

⁽ⁱⁱ⁾The Exploration Target described in this presentation is conceptual in nature and should not be construed as a JORC compliant Resource. The Exploration Target is based on projections of established coal seams over appropriate widths and strike lengths having regard for geological considerations including seam orientations, specific gravity and expected seam continuity as determined by qualified geological assessment. The Exploration Target assumes coal seam strike length of 8km, 1m width, 4.5m to 8m cumulative thickness and specific gravity of 1.4. There is insufficient information to establish whether further exploration will result in the determination of a JORC compliant Resource.

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Exploration Results is based on information compiled by Damien Koerber and the information in relation to historical and foreign estimates is an accurate representation of the available data and studies of the mining project which is endorsed by Mr Koerber.

Mr Koerber 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.