EQUUS MINING LIMITED

Reducing Chile's High Dependency on Energy Imports

ASX Code: EQE

March 2016

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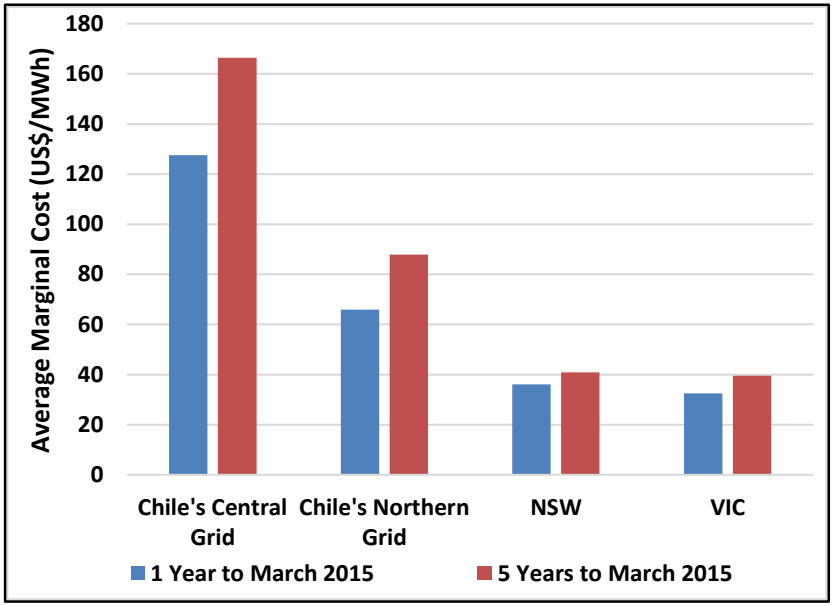
Equus Mining Limited

Equus Mining is focused on developing thermal coal resources for the Chilean power generation market and replacing the current high level of thermal coal imports.

- **ASX Code:** EQE
- **Ordinary Shares:** 432M
- **Share Price:** 1.0 cents
- **Market Capitalisation:** $4.2M
- **Top 20 Shareholders:** 54%
- **Equus Mining Board:** Mark Lochtenberg
  Ted Leschke
  Juerg Walker
  Robert Yeates

Chile's High Cost of Power Generation Compared to Australia



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

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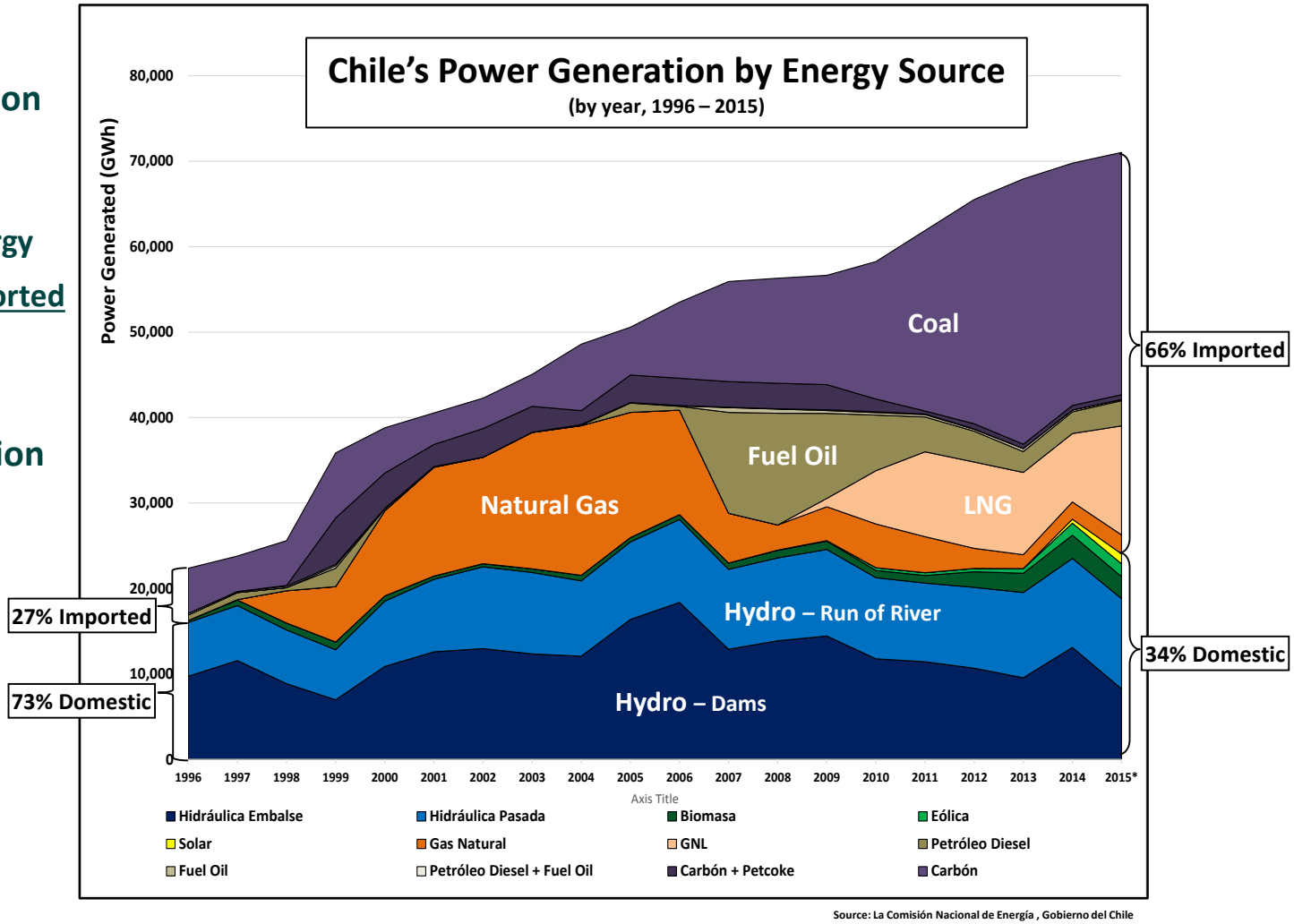
Chile's Energy Mix For Power Generation Is Now Mostly Imported

Over the last 20 years Chilean power generation has transformed:

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

Current power generation costs:

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

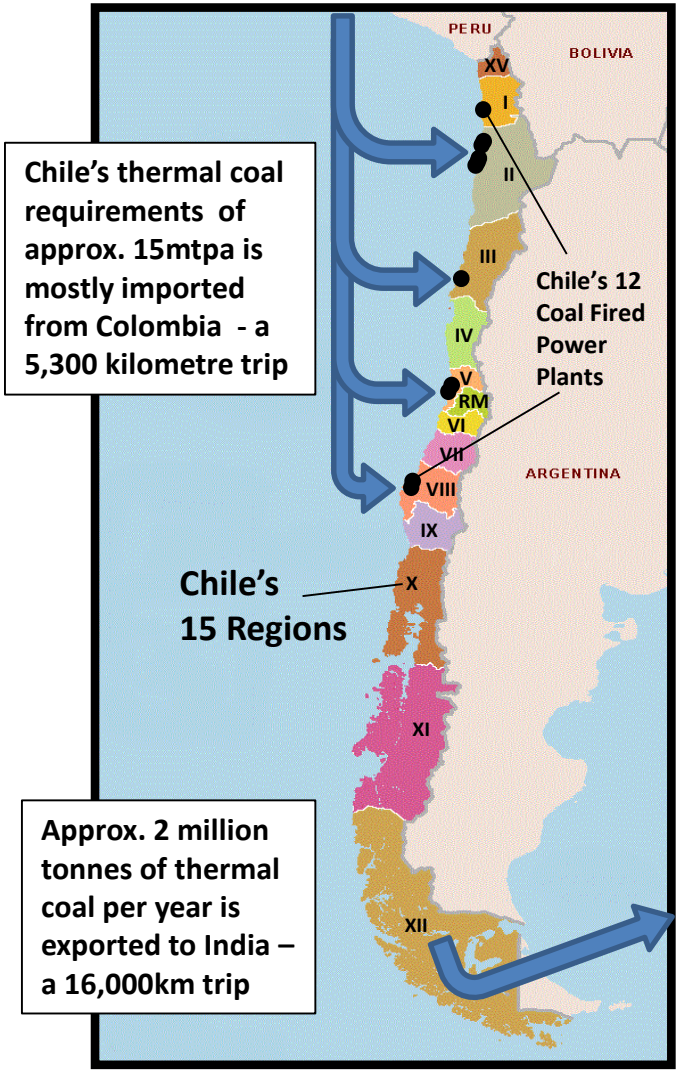


Source: La Comisión Nacional de Energía , Gobierno del Chile

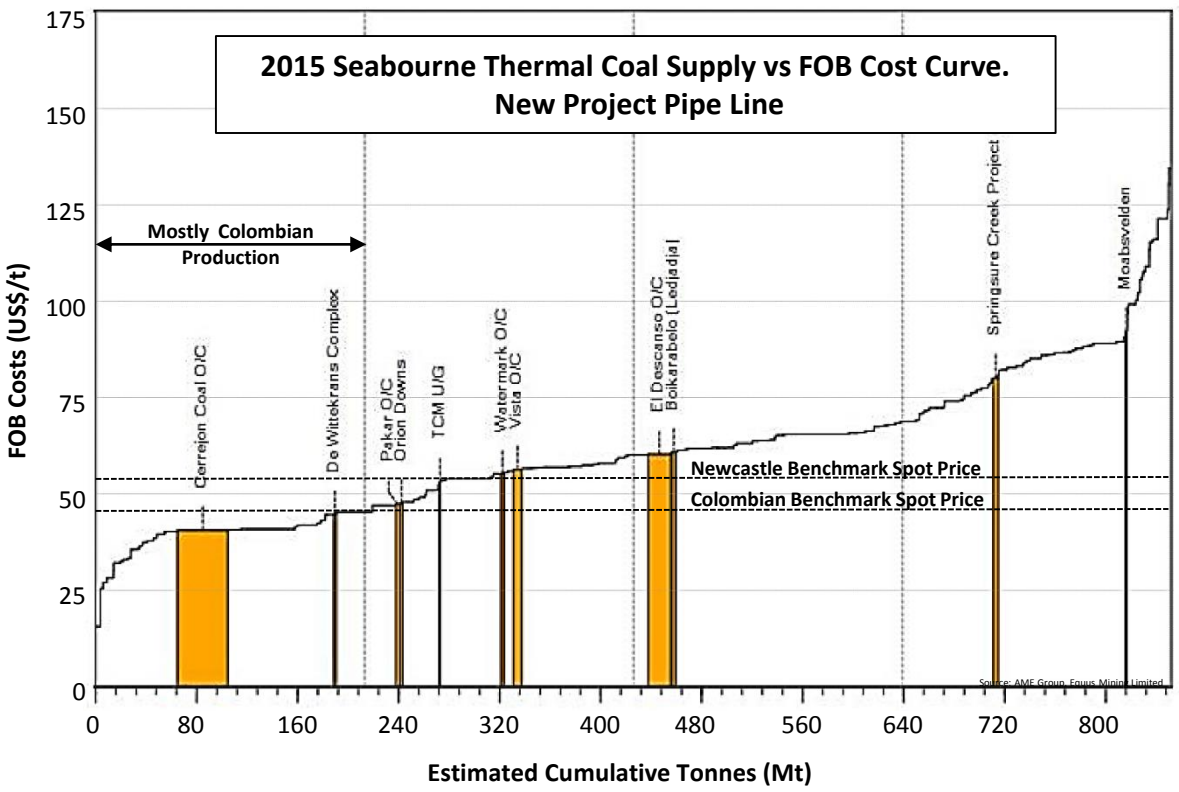
US$1.2 billion* lost to Chile Thermal Coal Imports

- Chile has 12 coastal based coal fired power plants, all have bulk carriers docking facilities
  - Chile imports 15 million tonnes of thermal coal per year or 90% of current requirements, mostly from Colombia
  - But at the same time Chile exports 2 million tonnes of thermal coal per year to India
- Results in a direct US$1.2 billion* value loss per year to the Chilean economy even at current coal low prices
- Consuming domestic coal means more jobs, lower power prices and less impact on the environment

*Does not include down stream economic impact of higher priced power



Seabourne Thermal Coal Supply Cuts are Nigh



Source: www.amegroup.com/Website/FeatureArticleDetail.aspx?faId=57

- The AME Group reported 11 proposed new projects or 50 million tonnes per annum capacity was due to be developed in the next three years
- Average capex is US$380 million per development or US$460 per tonne of additional capacity
- 70% of new projects and current thermal coal operations are uneconomic
- Supply cuts are expected resulting in thermal coal price stabilisation
- Mina Rica development cost will be minimal in comparison as all critical infrastructure is in place and idle – mainly drilling and pre-strip
- Mina Rica operating costs should be competitive with Colombia at FOB stage and more so at CIF stage

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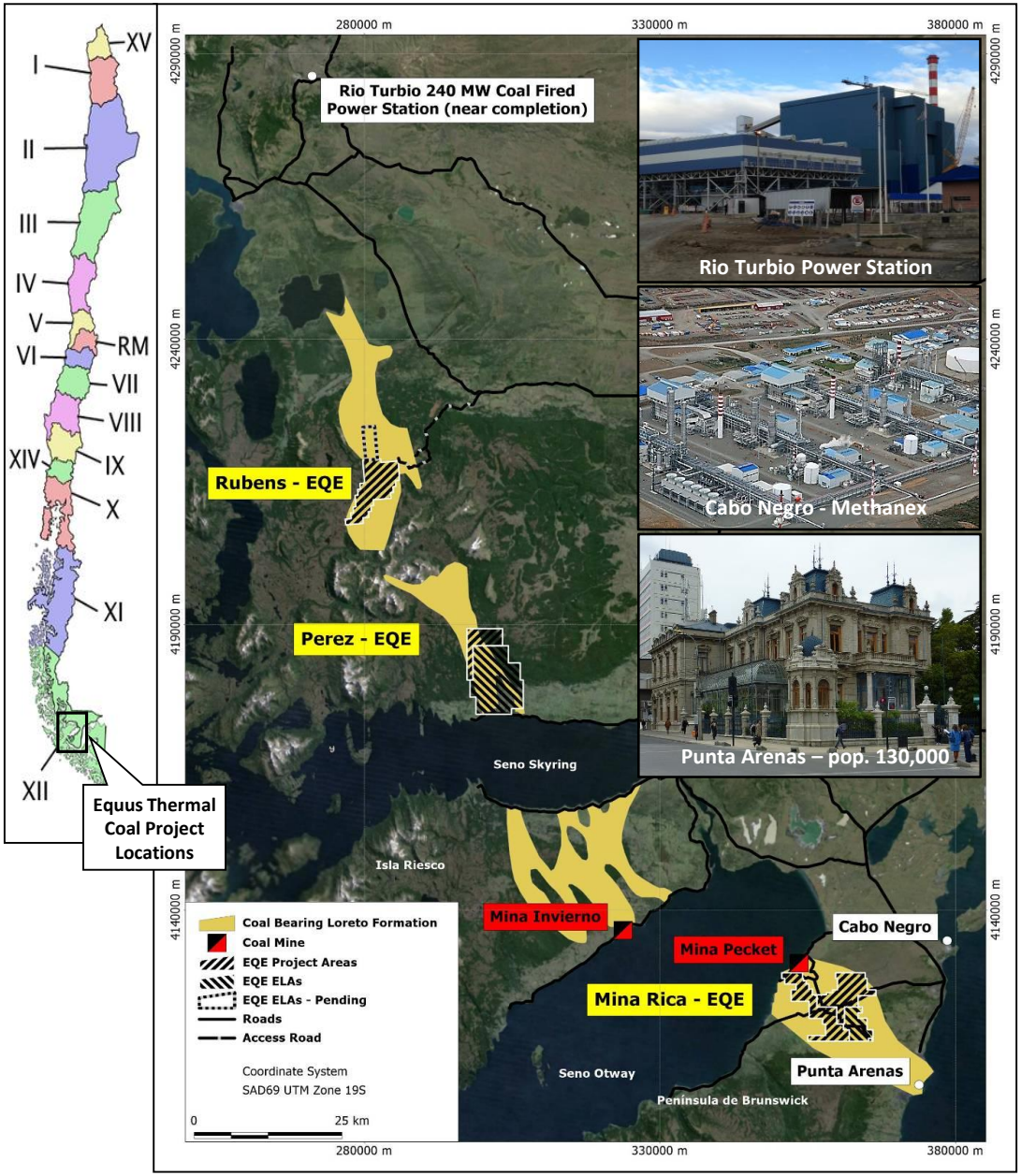
Equus Mining's Thermal Coal Assets

- EQE has gained 100% of Andean Coal Pty Ltd
- Three strategic project locations:
  - Rubens, Perez and Mina Rica
  - Total area 273km^2
  - Centred on coal bearing Loreto Formation
- EQE now holds a dominant position over the largest known near surface coal occurrence in energy starved Chile
- Shallowly dipping coal seams suitable for bulk open cut extraction
- Mina Rica is very strategic due to very close proximity to infrastructure and a deep water port



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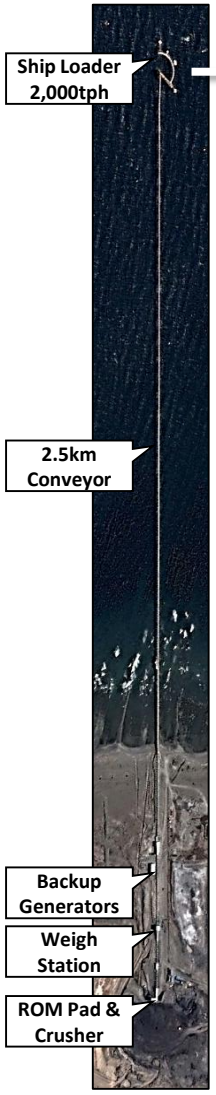
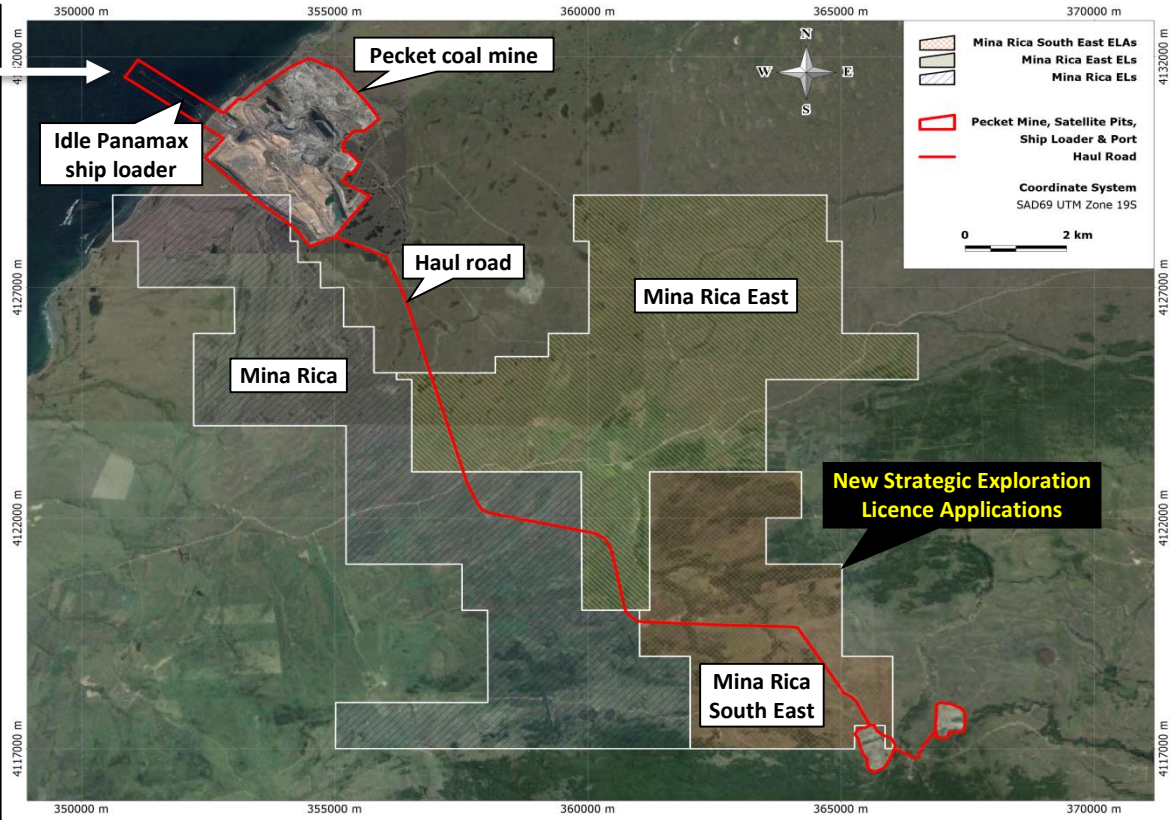
Mina Rica Thermal Coal Project





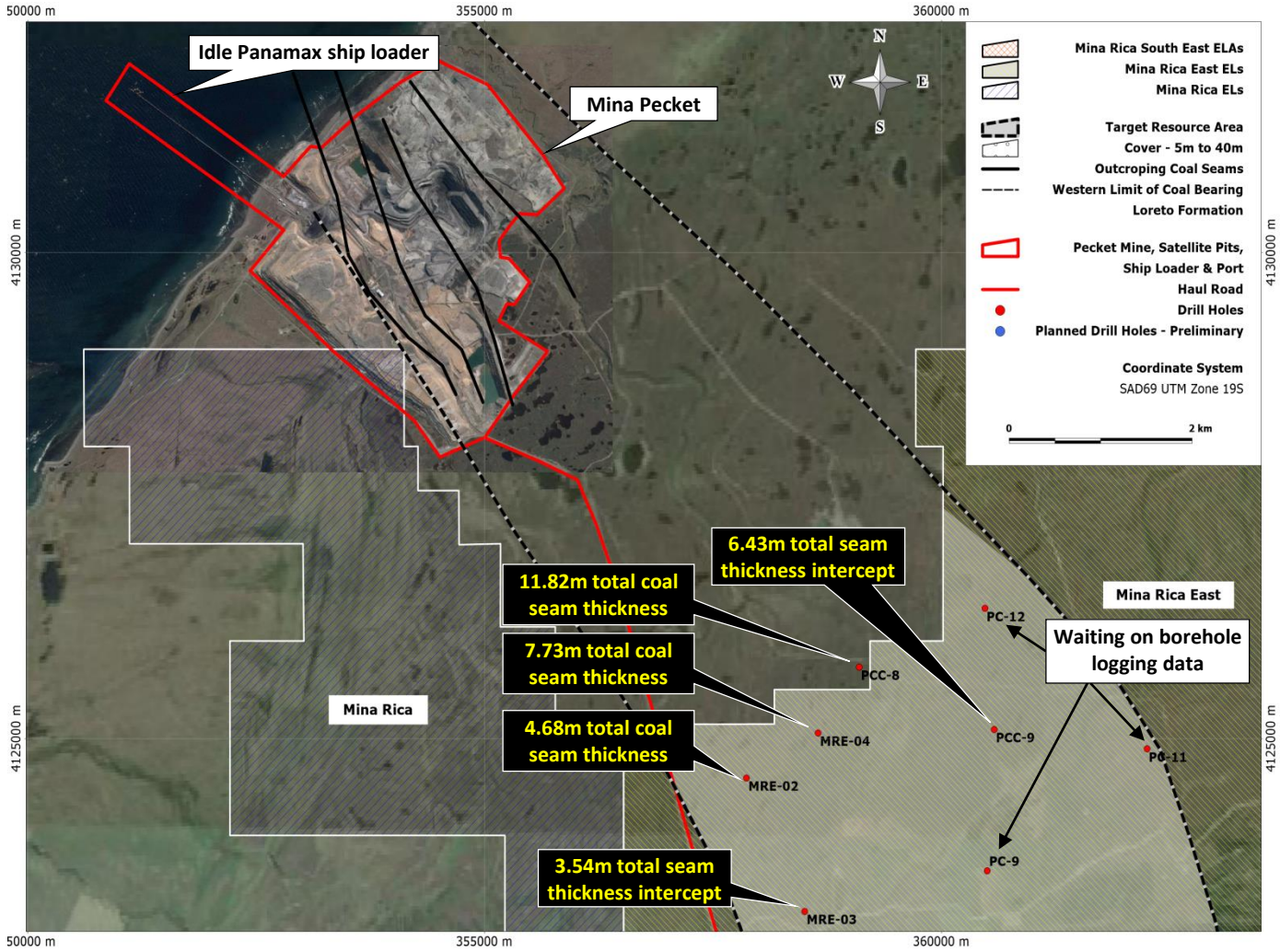

Pecket ship loader


Conveyor belt


Haulage fleet

- 106km² area adjacent to critical and available infrastructure
- Port, 2000tph ship loader, haul roads and mining fleet all on care and maintenance
- Minimal capex required & short development time frame to production
- Low operating costs vs Colombia due to:
  - ✓ Simple open cut mining
  - ✓ Established infrastructure
  - ✓ No camp required
  - ✓ Grid power at site
  - ✓ No long distance rail
  - ✓ No double handling
  - ✓ Shorter shipping distances
  - ✓ No Panama Canal tolls

Pecket Coal Sequence Extended Into Mina Rica



- Drilling demonstrates that Pecket coal sequence extends into Mina Rica
- Accumulative intercept thicknesses [i]:
  - MRE-02 4.68m
  - MRE-03 3.54m
  - MRE-04 7.73m
  - PCC-8 10.69m
  - PCC-9 6.43m
- Historical borehole logging shows that visual logging of drill cuttings from historical tri-cone drilling significantly unrepresented coal seam thickness
- Neighbouring Pecket mined at 10:1 strip ratio*

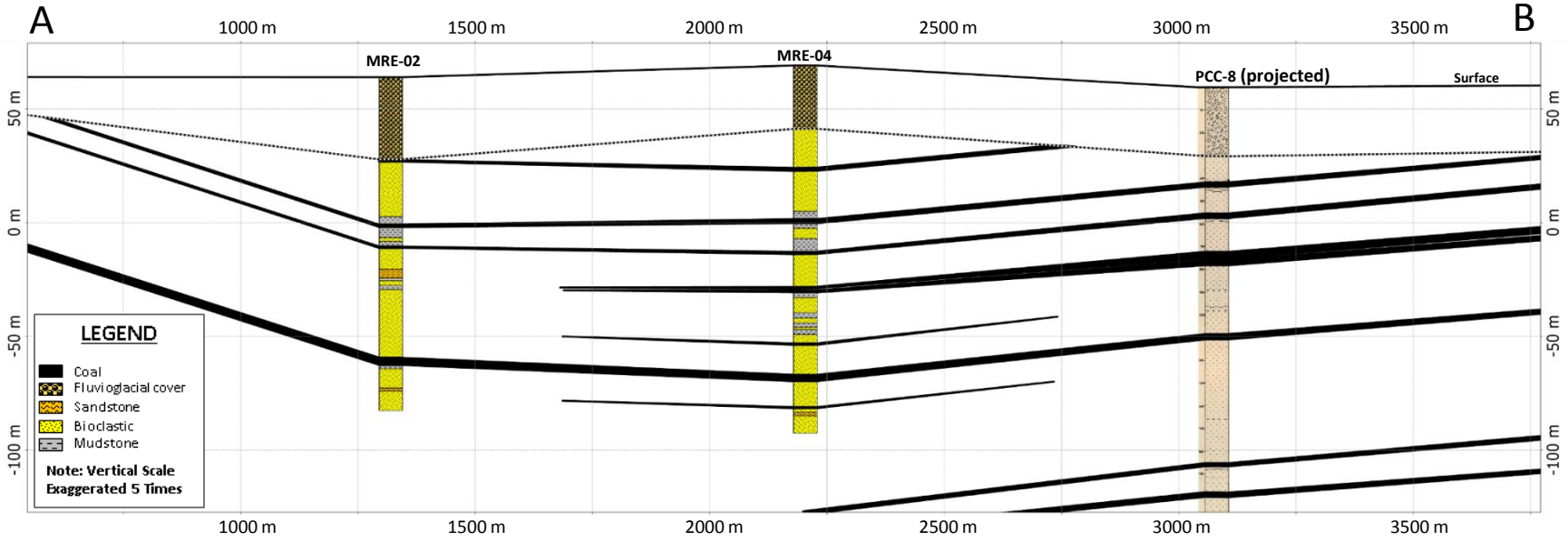
* Based on drill hole information from report titled "Evaluacion De Los Recursos, Carboniferos Del Sector Pecket" by Corporación de Fomento de la Producción de Chile (CORFO) published in June 1980, and mine site visits.

Mina Rica East Drilling

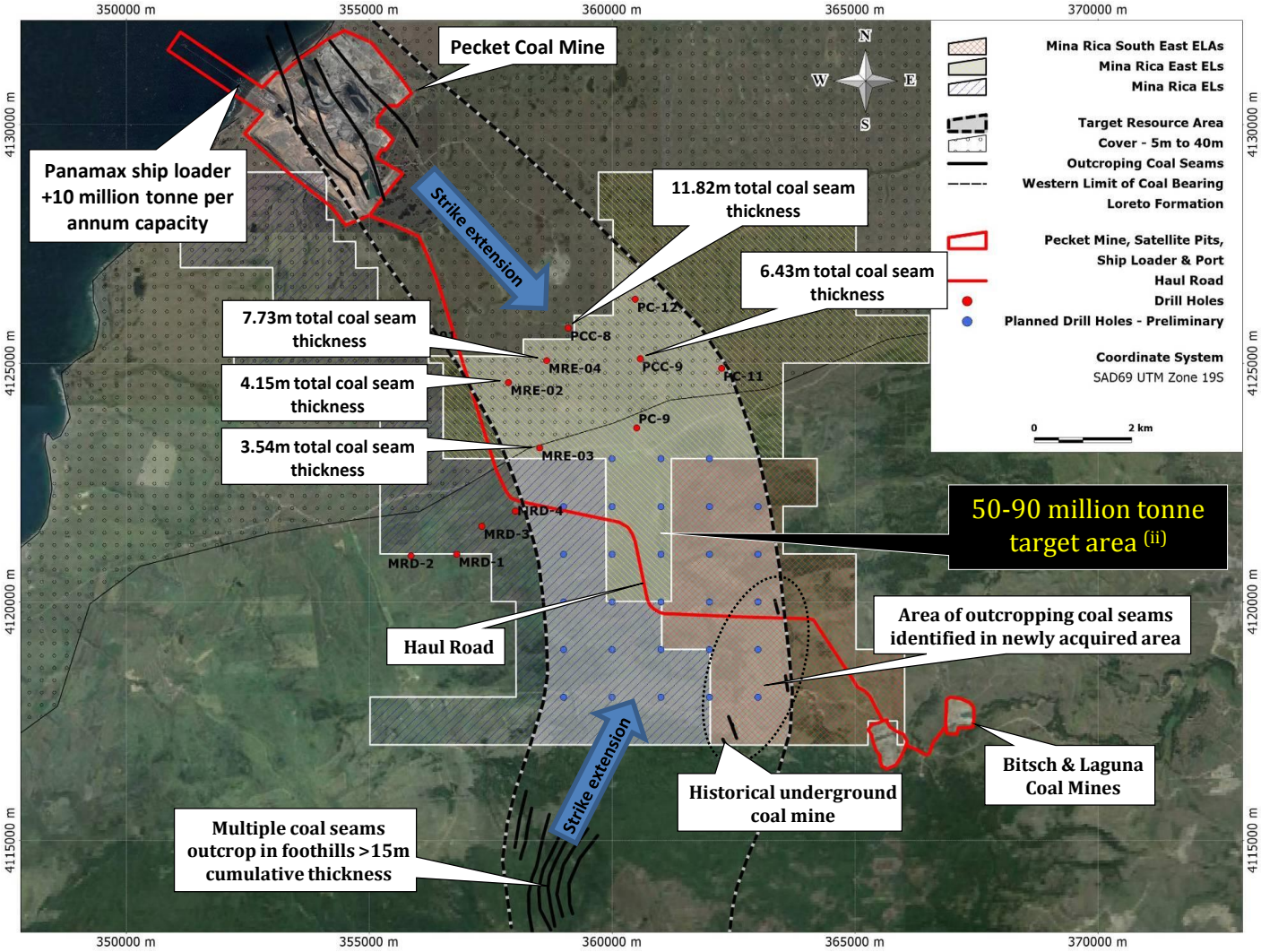
Brown drill water indicative of coal being drilled

Extracting core

Coal in core barrel



Mina Rica - Resource Delineation Planned



- New Mina Rica South East exploration licence applications have consolidated key target area
- Future drilling at Mina Rica to span exploration & resource delineation stage
- 15 to 20 drill holes (1,500 to 2,000m) planned
- 1km spacing to define inferred to potentially indicated global resource

Targeting 50 million to 90 million tonnes. 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, 1km 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.

Summary & Strategy

- **Chile is heavily dependent on imported thermal coal for power generation – 15mtpa**
- **Chile imports thermal coal but at the same time exports coal – a large value loss to Chilean economy**
- **Equus controls 273km^2 of coal licences - most dominate position over the largest known near surface coal occurrence in energy starved Chile**
- **Mina Rica thermal coal project in close proximity to idle infrastructure and deep water loader:**
  - **Minimal capex required**
  - **Short development time frame to production**
  - **Low operating costs**
- **Strategy is to simply:**
  1. **Dominate prospective coal acreage – Done**
  2. **Dominate strategic infrastructure positioning – Done**
  3. **Drilling – Resource delineation stage at Mina Rica**
  4. **Invite JV offers from potential strategic partners – In Progress**

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

Competent Person Statement

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Exploration Results and Target Exploration 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 consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

(i) All the material assumptions underpinning the exploration results information in the initial public report (see ASX release dated 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, 1km 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.