EQUUS MINING LIMITED

ABN 44 065 212 679

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2015

CONTENTS

The Directors of Equus Mining Limited ('Equus' or the 'Company') and its subsidiaries (the 'Group') present their report together with the condensed consolidated interim financial report and the auditor's review report thereon for the half year ended 31 December 2015.

Directors

The names and particulars of the Directors of the Company at any time during or since the end of the half year are:

Mark H. 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 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).

Edward Jan Leschke - BAppScAppGeo, Managing Director and Chief Executive Officer

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.

Juerg Walker, Non-Executive Director

Director since 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.

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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. He was also a senior executive in Cyprus Australia Coal.

Dr Yeates has gained operating, business development and infrastructure experience as a director of Port Waratah Coal Services (Newcastle Port), Port Kembla Coal Terminal and Great Northern Mining Corporation NL 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 2014 he was also Project Director then CEO of Newcastle Coal Infrastructure Group, which has developed and is operating coal export facilities in Newcastle.

Review of Operations

Corporate Activities

On 20 July 2015, the Group appointed Dr Robert Yeates as non Executive-Director of Equus Mining Limited.

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.

On 19 October 2015, the Company issued 36,213,783 new shares under a placement for a total consideration of $398,352.

On 11 December 2015, Equus announced the expansion of its Mina Rica thermal coal project through the submission of 8 Exploration Licences with the authorities in Chile. The pegging of these new areas has completed the ground acquisition strategy at Mina Rica.

On 16 December 2015, the Company issued 3,363,636 new shares under a placement to Directors of the Company for a total consideration of $37,000.

Equus Thermal Coal Project Background

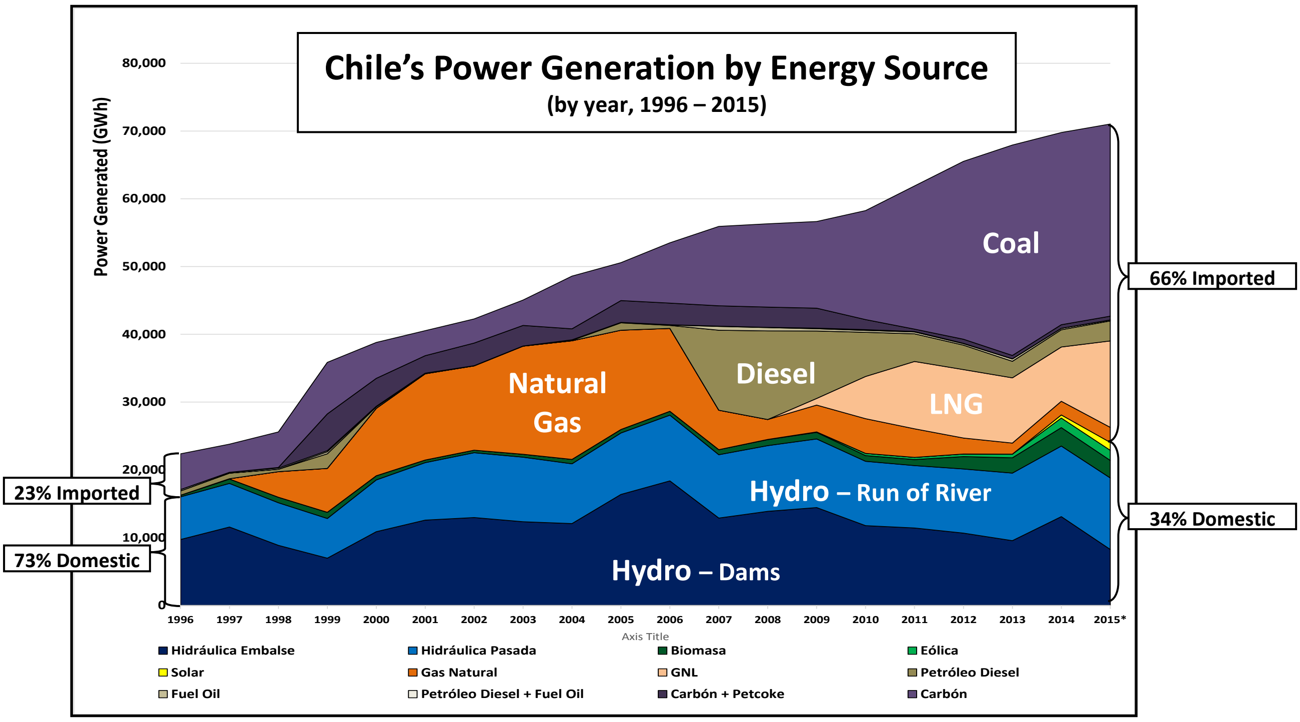
Equus is strategically positioned to take advantage of Chile's fast increase in coal fired electricity generation with a 100% interest in a coal package centred on the coal bearing Loreto Formation in Chile's largest coalfield, the Magallanes Basin in Region XII.

Since the initial acquisition, the total exploration project area has been increased by more than 50%, from 170 km² to 259 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.

Over the last 20 years Chilean power generation has transformed from predominately domestic sourced energy to predominately imported sourced energy (see Chart 1) which has obvious security of supply implications. Imported energy is mostly in the form of thermal coal, LNG and diesel. Industry production cost 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 and maintain a reliable supply.

Chart 1. Chile's Power Generation by Energy Source



Source: Comisión Nacional de Energía , Gobierno del Chile

Mina Rica Thermal Coal Project

Equus Mining's (ASX: EQE) ('Equus' or 'the Company') Mina Rica thermal coal project is located on the north side of the Brunswick Peninsula in Chile's XII Region and is considered highly strategic given its close proximity to key idle infrastructure and the potential for rapid development in order to supply into Chile's shortage of domestically produced thermal coal (see Map 1 & 2). Currently Chile consumes approximately 15mpta of mostly imported thermal coal and this is expected to double within the next decade.

Photo 1. Panamax ship loader at Port Pecket

Mina Rica is situated adjacent to the third party owned Pecket Mine and port/coal loading facility which has a capacity in excess of 10mtpa (see Photo 1). Unwashed coal product was historically loaded onto bulk carriers and transported to domestic coastal based thermal power stations however this operation is currently on care and maintenance following a high wall failure in the Pecket Mine's main pit. There are 13 recognised coal seams at the Pecket mine of which predominantly Seams 5 & 6 were previously mined commercially.

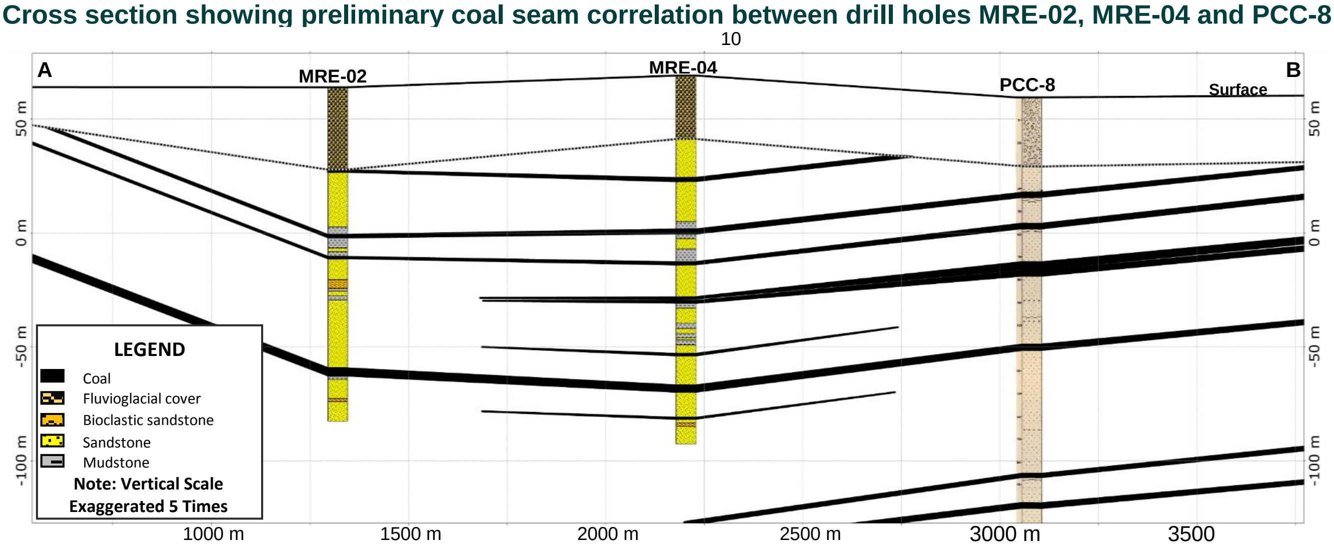
Initial Drilling at Mina Rica

Initial drilling by Equus was carried out during the second half of 2015 (see Photo 2), with the focus on defining the strike extension of the Pecket Mine coal sequence to within the eastern area of Mina Rica. The eastern tenements were acquired by Equus in July 2015 and are located immediately adjacent to the Company's original Mina Rica exploration tenements.

Photo 2. Extracting core at Mina Rica

Three of the four holes drilled, namely holes MRE-02, MRE-03 and MRE-04, intercepted coal bearing sequences with intercepted cumulative total coal seam thicknesses of 4.68m, 3.54m and 7.73m respectively (see section A-B and ASX release dated 27 October 2015(i)). The intercepted coal bearing stratigraphy is interpreted to represent the strike extension of the Pecket Mine coal sequence into the Company's tenements (See Map 1).

Section A-B.
Cross section showing preliminary coal seam correlation between drill holes MRE-02, MRE-04 and PCC-8



Further Ground Additions at Mina Rica

The initial drilling also indicated that the Pecket Mine sequence extends further along strike to the southeast than previously interpreted. Based on this new interpretation and combined with the knowledge that an adjacent tenement area to the southeast were to become available, Equus further expanded its Mina Rica thermal coal project area through the submission of 8 Exploration Licence applications totalling 2,100 hectares (See Map 1 and ASX release dated 14 December 2015).

Outcropping Coal Seams Identified in Mina Rica Southeast Extension Area

Field mapping throughout the Mina Rica southeast extension area commenced in mid December 2015. Whilst this work is still in progress some key observations have been made which include:

- Outcropping coal seams were recorded in several locations (See Map 1 and Photos 3 and 4) and are interpreted to be hosted within a closely analogous stratigraphic setting to that of the Pecket Mine sequence. These observations support the interpretation that the Pecket Mine coal seam sequence extends from the area to the northwest (as described above), where Equus conducted its initial drilling, to approximately 7.5km to the south where multiple outcropping coal seams with an approximate cumulative thickness greater than 15m have been previously mapped.

- The observed outcropping coal seams are partially exposed where bedrock is incised by creeks and hence drill testing is required to define the complete seam thickness potential.

- The observed outcropping coal seams are potentially stratigraphically higher in the gently easterly dipping Pecket Mine coal bearing sequence and hence have expanded the target zone to the east.

- The top of most of the mapped outcropping coal seams have been eroded meaning that seam thicknesses remain undefined.

- Coal float has been observed throughout a large portion of neighbouring areas of the Mina Rica southeast extension area.

- Throughout the Mina Rica southeast extension area, unconsolidated fluvio-glacial cover is relatively thin which means minimal pre-strip and ground water flow rates.

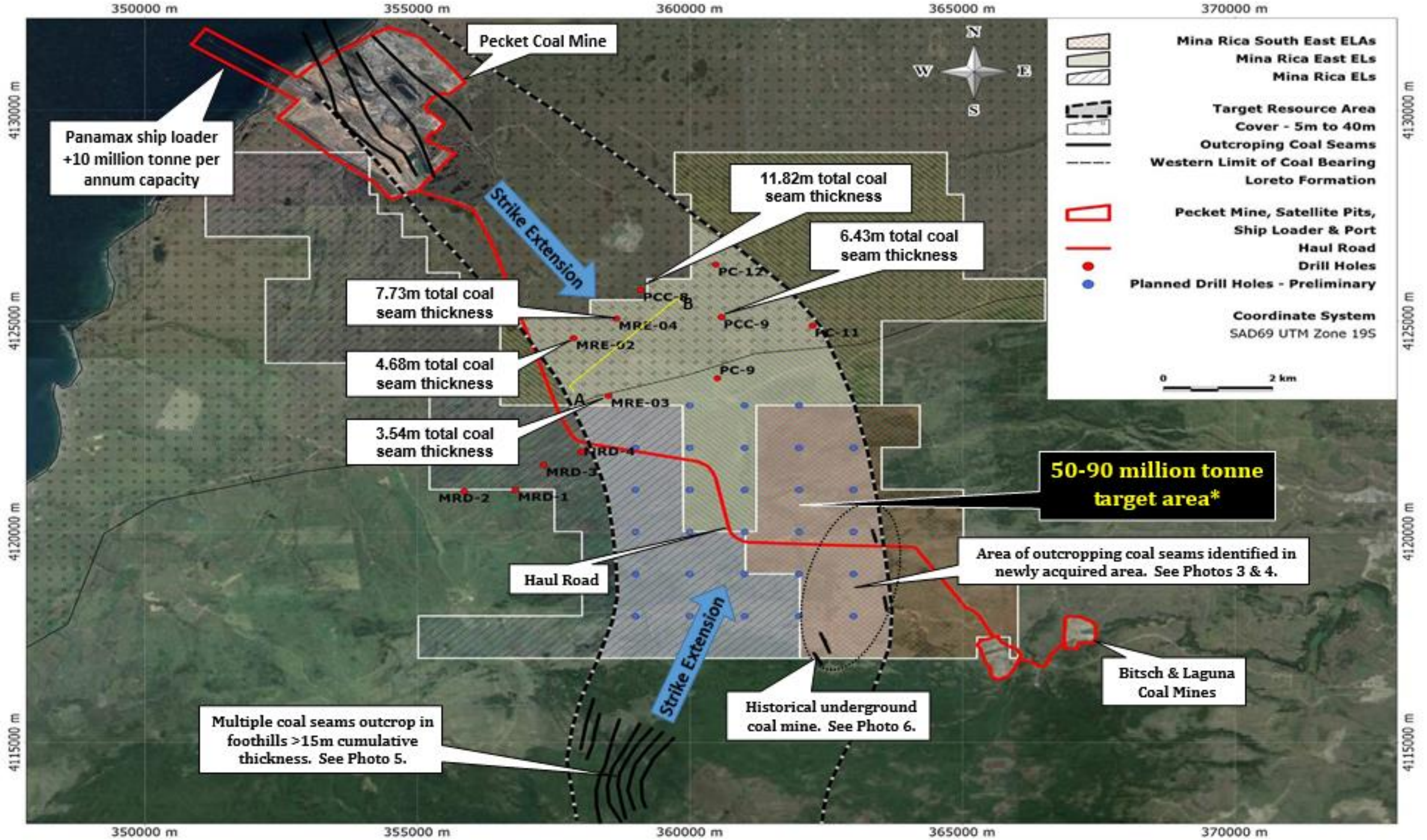
Drilling Program to Test Coal Exploration Target

Equus has maintained a strategy of acquiring new adjacent areas with high exploration potential at Mina Rica as they have become available. The expanded area now under control in combination with extensive geological information obtained to date has resulted in an interpreted Exploration Target[ii] of 50 to 90 million tonnes of coal. The interpretation is based on the extension of known coal seams from immediately to the northwest, as defined by recent drilling, and mapped coal seams to the south of the Mina Rica project area.

This Exploration Target 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 a qualified geological assessment. The Exploration Target assumes a potential coal seam strike length of 8km, 1km width, a cumulative thickness of 4.5m to 8.0m and a specific gravity of 1.4. There is insufficient information to establish whether further exploration will result in the determination of a JORC compliant resource.

A drilling programme of approximately 15 to 20 holes on a 1km x 1km spaced grid is planned to commence during the March quarter, subject to funds availability, and the drill program is likely to take 4 to 5 months to complete depending on operating conditions. A preliminary plan of the drill holes is shown in Map 1 however exact positioning will be determined during upcoming field planning and as successive results come to hand.

Map 1. Mina Rica Thermal Coal Project



***** 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 a 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.

Photo 3. Outcropping coal seam

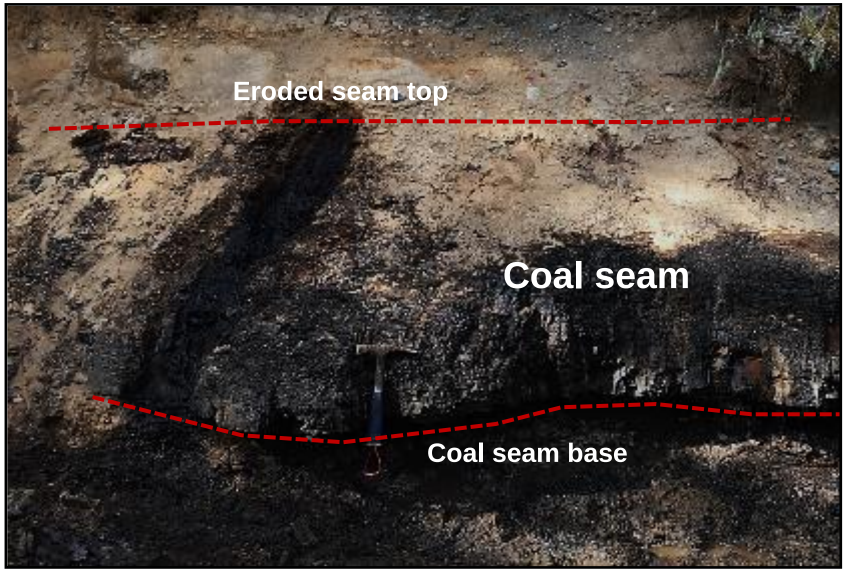


Photo 4. Outcropping coal seam – eroded and oxidised

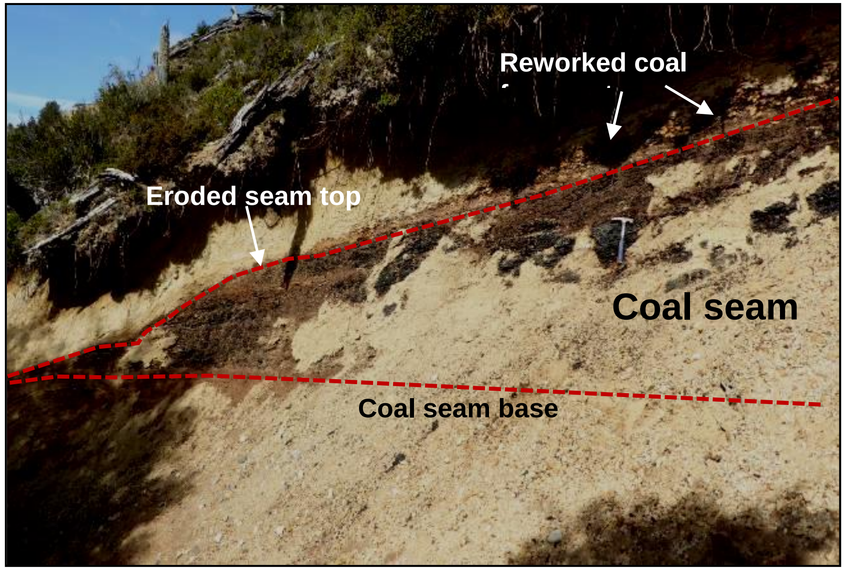


Photo 5. Multiple coal seams

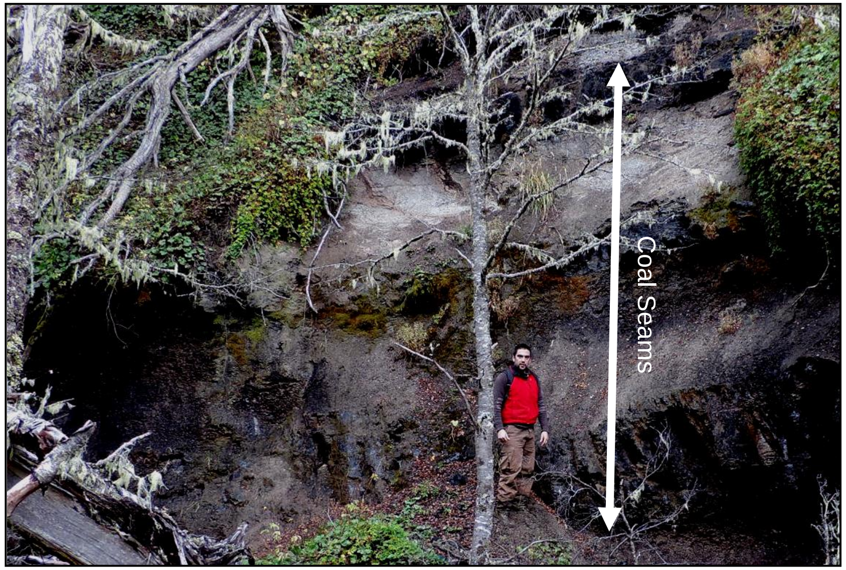
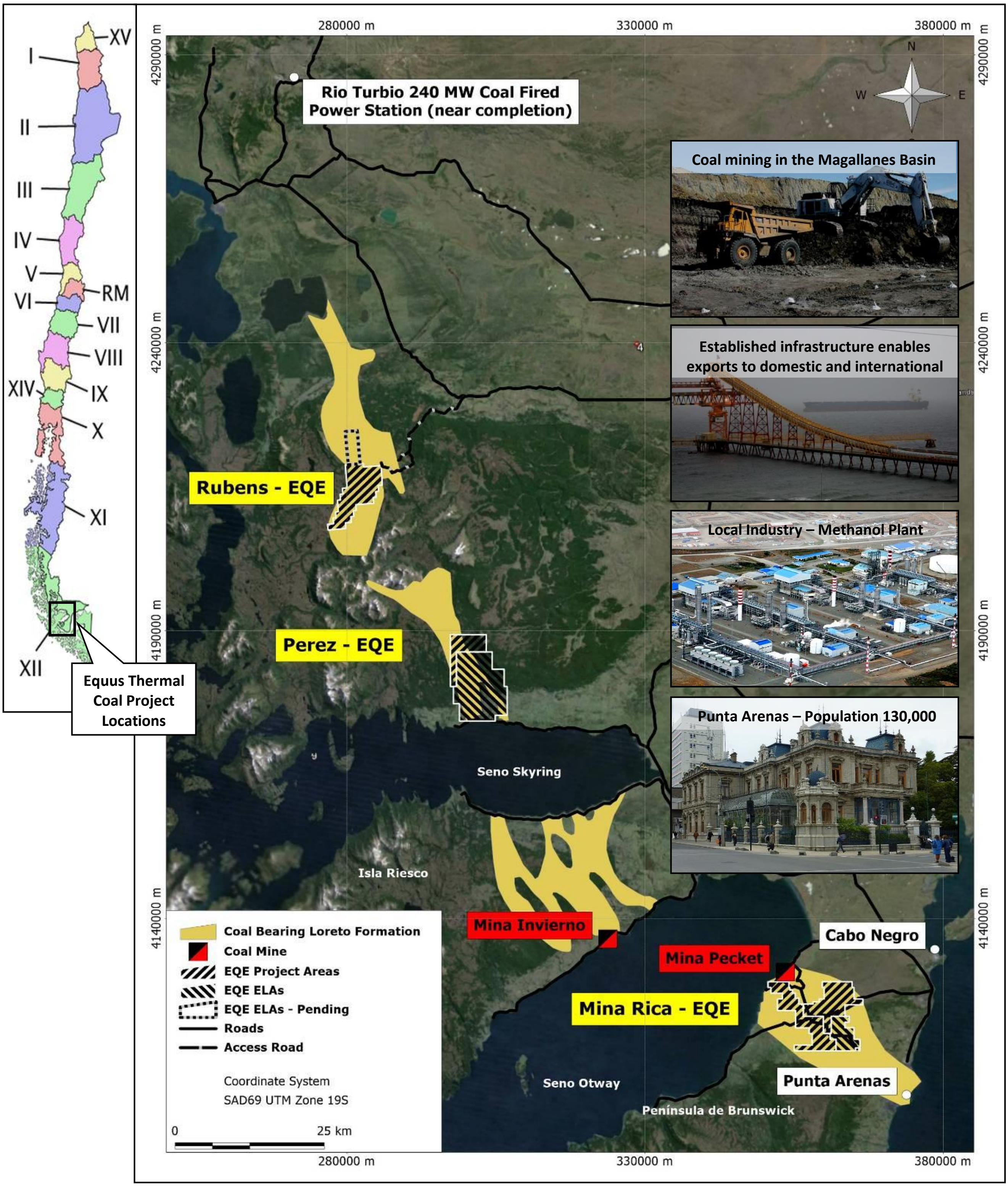


Photo 6. Historical underground coal mine

Map 2. Equus' Thermal Coal Projects in the Magallanes Basin - Chile's Largest Known Coal Occurrence



History of the Neighbouring Pecket Mine

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

From 1987 until the mine closure due to a high wall failure in April 2014, the Pecket Mine resource has been exploited by both state and private companies via open pit mining with the thermal coal being trucked a short distance to an adjacent port and ship loader.

Since the closure of the Pecket Mine the entire mine infrastructure, including the deep water port with a 2,000 tonne per hour coal loader, mining fleet and haul roads has been maintained on care and maintenance.

Photo 7. Pecket Mine during final cut-back in 2014

Advantages of Established Infrastructure

Direct trucking of coal from potential mining operations to an existing Panamax ship loader over a distance of just several kilometres is a major cost advantage:

- Capital development and permitting costs would be expected to be relatively negligible in comparison to most other undeveloped coal basins which are typically hundreds of kilometres from deep water loading ports and which require building of major infrastructure.

- Operating costs are expected to be relatively low as no long distance land haulage would be required hence removing a major operating cost component.

The close proximity to services and a highly skilled work force at the nearby city of Punta Arenas (population 130,000) is another major advantage.

Photo 8. Idle trucks at Pecket Mine

Photo 9. Idle conveyor system

[(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.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results and Exploration Target 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.

Subsequent Events

No matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 13 and forms part of the Directors' Report for the half year ended 31 December 2015.

Signed at Sydney this 11th day of March 2016
in accordance with a resolution of the Board of Directors:

Mark H. Lochtenberg **Non Executive 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 review for the half-year ended 31 December 2015, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Adam Twemlow
Partner

11 March 2016

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2015

	Notes	Consolidated 31 December 2015 $	Consolidated 31 December 2014 $
CONTINUING OPERATIONS			
Other income	3	**23,295**	322,846
Expenses			
Employee, directors and consultants costs		**(237,583)**	(229,202)
Depreciation expense		**(937)**	(832)
Travel expenses		**(8,355)**	(466)
Impairment of available-for-sale financial assets	4	**(157,770)**	(45,638)
Other expenses		**(117,234)**	(188,351)
Total expenses		**(521,879)**	(464,489)
Loss before income tax		**(498,584)**	(141,643)
Income tax benefit/(expense)		**-**	-
Loss from continuing operations		**(498,584)**	(141,643)
DISCONTINUED OPERATIONS			
Loss from discontinued operations (net of tax)	10	**(27,204)**	(541,955)
Loss for the period		**(525,788)**	(683,598)
Other comprehensive income for the period			
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**7,739**	42,125
Net change in fair value of available-for-sale financial assets		**(157,770)**	(45,638)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		**157,770**	45,638
Total other comprehensive gain/(loss)		**7,739**	42,125
Total comprehensive loss for the period		**(518,049)**	(641,473)
Loss attributable to:			
Owners of the Company		**(527,380)**	(682,673)
Non-controlling interests		**1,592**	(925)
		(525,788)	(683,598)
Total comprehensive loss attributable to:			
Owners of the Company		**(520,756)**	(640,548)
Non-controlling interests		**2,707**	(925)
		(518,049)	(641,473)
Earnings per share			
Basic and diluted loss per share		**(0.13) cents**	(0.22) cents
Earnings per share - continuing operations			
Basic and diluted loss per share		**(0.13) cents**	(0.05) cents

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

Condensed Consolidated Interim Statement Of Financial Position
As at 31 December 2015

	Notes	Consolidated 31 December 2015 $	30 June 2015 $
Current Assets			
Cash and cash equivalents		**266,009**	644,765
Receivables		**14,318**	5,120
Other		**19,716**	6,014
Total Current Assets		**300,043**	655,899
Non-Current Assets			
Available-for-sale financial assets	4	**51,004**	194,503
Exploration and evaluation expenditure	5	**1,400,911**	1,073,712
Property, plant and equipment		**-**	937
Total Non-Current Assets		**1,451,915**	1,269,152
Total Assets		**1,751,958**	1,925,051
Current Liabilities			
Payables		**164,087**	229,377
Total Current Liabilities		**164,087**	229,377
Total Liabilities		**164,087**	229,377
Net Assets		**1,587,871**	1,695,674
Equity			
Issued capital	6	**108,545,219**	107,814,973
Reserves	7	**-**	144,000
Foreign currency translation reserves	7	**(3,256,358)**	(3,262,982)
Accumulated losses		**(103,700,990)**	(103,205,351)
Parent entity interest		**1,587,871**	1,490,640
Non-controlling interest		**-**	205,034
Total Equity		**1,587,871**	1,695,674

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

Condensed Consolidated Interim Statement Of Changes In Equity

For the half-year ended 31 December 2015

Consolidated	Issued Capital	Accumulated Losses	Other Reserves	Foreign Currency Translation Reserves	Total	Non-Controlling Interest	Total Equity
	$	$	$		$	$	$
Balance at 1 July 2014	**106,622,162**	**(102,156,703)**	**144,000**	**(3,292,727)**	**1,316,732**	**-**	**1,316,732**
Loss for the period	**-**	**(682,673)**	**-**	**-**	**(682,673)**	**(925)**	**(683,598)**
Total other comprehensive income	**-**	**-**	**-**	**42,125**	**42,125**	**-**	**42,125**
Total comprehensive loss for the period	**-**	**(682,673)**	**-**	**42,125**	**(640,548)**	**(925)**	**(641,473)**
Transactions with owners recorded directly in equity							
Ordinary shares issued	**871,340**	**-**	**-**	**-**	**871,340**	**-**	**871,340**
Transaction costs on issue of shares	**(17,113)**	**-**	**-**	**-**	**(17,113)**	**-**	**(17,113)**
Changes in ownership interest in subsidiaries							
Non-controlling interest on acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**195,302**	**195,302**
Balance at 31 December 2014	**107,476,389**	**(102,839,376)**	**144,000**	**(3,250,602)**	**1,530,411**	**194,377**	**1,724,788**
Balance at 1 July 2015	**107,814,973**	**(103,205,351)**	**144,000**	**(3,262,982)**	**1,490,640**	**205,034**	**1,695,674**
Loss for the period	**-**	**(527,380)**	**-**	**-**	**(527,380)**	**1,592**	**(525,788)**
Total other comprehensive income	**-**	**-**	**-**	**6,624**	**6,624**	**1,115**	**7,739**
Total comprehensive loss for the period	**-**	**(527,380)**	**-**	**6,624**	**(520,756)**	**2,707**	**(518,049)**
Transactions with owners recorded directly in equity							
Ordinary shares issued	**435,352**	**-**	**-**	**-**	**435,352**	**-**	**435,352**
Transaction costs on issue of shares	**(25,106)**	**-**	**-**	**-**	**(25,106)**	**-**	**(25,106)**
Transfer of expired options	**-**	**144,000**	**(144,000)**		**-**	**-**	**-**
Changes in ownership interest in subsidiaries							
Acquisition of non-controlling interest	**320,000**	**(112,259)**	**-**	**-**	**207,741**	**(207,741)**	**-**
Balance at 31 December 2015	**108,545,219**	**(103,700,990)**	**-**	**(3,256,358)**	**1,587,871**	**-**	**1,587,871**

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

Condensed Consolidated Interim Statement Of Cash Flows
For the half-year ended 31 December 2015

	Consolidated	
	31 December 2015	31 December 2014
	$	$
Cash flows from operating activities		
Cash receipts in the course of operations	**4,585**	15,606
Cash payments in the course of operations	**(428,467)**	(536,307)
Net cash used in operations	**(423,882)**	(520,701)
Interest received	**2,674**	3,707
Net cash used in operating activities	**(421,208)**	(516,994)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	**(367,794)**	(309,745)
Proceeds from sale of tenement interests	**-**	41,249
Net cash used in investing activities	**(367,794)**	(268,496)
Cash flows from financing activities		
Proceeds from share issues	**435,352**	871,340
Transaction costs on share issue	**(25,106)**	(17,113)
Net cash provided by financing activities	**410,246**	854,227
Net (decrease)/increase in cash held	**(378,756)**	68,737
Cash at the beginning of the reporting period	**644,765**	167,597
Cash and cash equivalents at 31 December	**266,009**	236,334

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

1. REPORTING ENTITY

Equus Mining Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements, of the Company as at and for the half year ended 31 December 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.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2015 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.equusmining.com.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting.*

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2015. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

This condensed consolidated interim financial report was approved by the Board of Directors on 11 March 2016.

(b) Going concern

The condensed consolidated interim 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 period the Company raised $410,246 (net of associated costs) through several placements.

The Group has incurred a loss of $525,788 for the half-year ended 31 December 2015 and has accumulated losses of $103,700,990 as at 31 December 2015. The Group has cash on hand of $266,009 at 31 December 2015 and used $789,002 of cash in operations, including payments for exploration and evaluation for the half year ended 31 December 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 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 and which is inherently uncertain at the date of approval of this interim financial report, the Group plans to reduce expenditures to the level of funding available.

In the event that the Group does not obtain additional funding and reduce expenditure in-line with available cash reserves, 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 condensed consolidated interim financial statements.

2. BASIS OF PREPARATION (continued)

(c) Estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 30 June 2015.

(d) Changes in Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2015.

3. LOSS BEFORE INCOME TAX

	Consolidated	
	31 December 2015 $	31 December 2014 $
The following items are relevant in explaining the financial performance for the half year:		
Interest income on cash deposits	**2,674**	3,707
Proceeds from sale of tenement interests	**-**	279,883
Foreign exchange (loss)/gain	**17,104**	35,198
Other	**3,517**	4,058
Total	**23,295**	322,846

4. INVESTMENTS

	31 December 2015 $	30 June 2015 $
Equity securities - fair value through profit or loss	**51,004**	194,503

At 31 December 2015 the Directors compared the carrying value of the 1,861,150 shares held in Blox.Inc, a US over the counter traded company and recorded a reduction in fair value within equity of $157,770 (2014 - $45,638) based on a closing share price of US$0.02 at 31 December 2015. The decrease in fair value of $157,770 has been reclassified to profit or loss.

5. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2015 $	30 June 2015 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase - at cost		
Balance at beginning of the period	**1,073,712**	43,092
Additions	**367,794**	665,924
Acquisitions (including non-controlling interest)	**-**	353,545
Foreign currency translation difference movement	**(40,595)**	11,151
Balance at close of the period	**1,400,911**	1,073,712

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.

6. ISSUED CAPITAL

(a) Issued and paid-up share capital

	Consolidated			
	31 December 2015		31 December 2014	
	Number	$	Number	$
Ordinary shares, fully paid at 1 July	**379,295,675**	**107,814,973**	256,661,675	106,622,162
Movement in Ordinary Shares:				
Issued ordinary shares 28 August 2014 for $0.01	**-**	**-**	52,100,000	521,000
Issued ordinary shares 22 September 2014 for $0.01	**-**	**-**	22,500,000	225,000
Issued ordinary shares 3 October 2014 for $0.01	**-**	**-**	12,534,000	125,340
Less cost of issue	**-**	**-**	-	(17,113)
Issued ordinary shares 31 July 2015 – non-cash[1]	**16,000,000**	**320,000**	-	-
Issued ordinary shares 19 October 2015 for $0.011	**36,213,783**	**398,352**	-	-
Issued ordinary shares 16 December 2015 for $0.011	**3,363,636**	**37,000**	-	-
Less cost of issue	**-**	**(25,106)**	-	-
	434,873,094	**108,545,219**	343,795,675	107,476,389

[1] Shares issued on 31 July 2015 relate to the acquisition of the remaining 49% shareholding in Andean Coal Pty Ltd. Refer Note 11.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Share Options

The Company has a share option program that entitles key management personnel to be granted options in the Company. The terms and conditions of the share option program are disclosed in the financial statements as at and for the year ended 30 June 2015.

During the half-year ended 31 December 2015, all issued options expired unexercised (half year ended 31 December 2014 nil).

There were no options issued during the half-year ended 31 December 2015 (half-year ended 31 December 2014 Nil).

Share based payment expense arising from options issued in prior periods for the half year ended 31 December 2015 was nil (half year ended 31 December 2014 nil).

7. RESERVES

	Consolidated	
	31 December 2014	**30 June 2015**
	$	**$**
Equity based compensation reserve	**-**	144,000
Foreign currency translation reserves	**(3,304,692)**	(3,262,982)
	(3,304,692)	(3,118,982)
Movements during the period:		
(a) Equity based compensation reserve		
Balance at beginning of period	**144,000**	144,000
Expired options	**(144,000)**	-
Balance at end of period	**-**	144,000
(b) Foreign currency translation reserves		
Balance at beginning of period	**(3,262,982)**	(3,292,727)
Currency translation differences	**6,624**	29,745
Balance at end of period	**(3,256,358)**	(3,262,982)

8. OPERATING SEGMENTS

The Group's chief operating decision maker has considered the requirements of AASB 8, Operating Segments, and has concluded that, during the half-year ended 31 December 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 10).

	Oil Exploration*	Other Mineral Exploration	Investing	Unallocated	Total
	$	$	$	$	$
31 December 2015					
Revenue and other income					
Revenue from external customers	1,069	-	-	-	1,069
Other income	-	48	16,898	6,349	23,925
	1,069	48	16,898	6,349	24,364
Results					
Operating profit/(loss) before income tax	(27,204)	(18,813)	(140,872)	(338,899)	(525,788)
Income tax benefit	-	-	-	-	-
Elimination of discontinued operations					27,204
Loss from continuing operations					(498,584)
Assets					
Segment assets	54,939	1,453,876	51,145	209,998	1,751,958
Liabilities					
Segment liabilities	681	30,616	-	132,790	164,087
31 December 2014					
Revenue and other income					
Revenue from external customers	5,804	-	-	-	5,804
Other income	-	4,133	277,464	41,249	322,846
	5,804	4,133	277,464	41,249	328,650
Results					
Operating profit/(loss) before income tax	(541,955)	(20,318)	231,826	(353,151)	(683,598)
Income tax benefit	-	-	-	-	-
Elimination of discontinued operations					541,955
Loss from continuing operations					(141,643)
Assets					
Segment assets	917,211	583,964	228,335	211,971	1,941,481
Liabilities					
Segment liabilities	33,876	15,378	-	167,439	216,693

* ***Discontinued – see note 10.***

9. EVENTS OCCURRING SUBSEQUENT TO 31 DECEMBER 2015

No matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

10. DISCONTINUED OPERATION

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. On 6 February 2015 the Group sold the segment fixed assets and consumables for US$700,000. At 31 December 2015 the subsidiary entity, JSC Sherik is dormant and is expected to be wound up by the Group now that the sale of the segment assets has been completed.

For the six months ended 31 December

	2015	2014
	$	$
Results of discontinued operation		
Revenue	**1,069**	5,804
Expenses	**(28,273)**	(43,732)
Results from operating activities	**(27,204)**	(37,928)
Income tax expense	**-**	-
Results from operating activities, net of income tax	**(27,204)**	(37,928)
Impairment of assets held for sale	-	(504,027)
Loss for the period	**(27,204)**	(541,955)
Basic and diluted loss per share (cents)	**(0.01)**	(0.17)

Included within equity is a cumulative foreign currency translation reserve amount of $2,985,738 (30 June 2015: $2,986,853) relating to JSC Sherik (refer to Note 7).

11. 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.

During the half year ended 31 December 2015 the Company, under the terms of the Share subscription deed, exercised the option to acquire the remaining 49% of Andean for the consideration of 16 million ordinary shares in Equus (refer to Note 6).

12. RELATED PARTIES

Transactions with key management personnel

No director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at 31 December 2015.

13. FINANCIAL INSTRUMENTS

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2015.

Carrying amounts versus fair values

The carrying amounts of financial assets and financial liabilities included in the balance sheet approximate fair values.

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
31 December 2015	**-**	**51,004**	**-**	**51,004**
31 December 2014	228,194	-	-	228,194

The financial assets held at 31 December 2015 and 31 December 2014 relate to investments held in quoted equity securities and were designated as available-for-sale financial assets.

Transfers between Levels 1 and 2

At 31 December 2015, available-for-sale investments with a carrying amount of $51,004 were transferred from Level 1 to Level 2 because quoted prices in the market for such securities was no longer considered to be regularly available.

DIRECTORS'DECLARATION
31 December 2015

In the opinion of the directors of Equus Mining Limited (the 'Company'):

(a) the financial statements and notes set out on pages 14 to 25, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* 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.

Signed at Sydney this 11th day of March 2016
in accordance with a resolution of the Board of Directors:

Mark H. Lochtenberg
Chairman

Edward J. Leschke
Managing Director

Independent auditor's review report to the members of Equus Mining Limited

We have reviewed the accompanying interim financial report of Equus Mining Limited (the 'Company'), which comprises the condensed consolidated interim statement of financial position as at 31 December 2015, condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half year ended on that date, notes 1 to 13 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 half year's end or from time to time during the half year.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation and fair presentation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the Directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Equus Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Equus Mining Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and

b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without modifying our conclusion, we draw attention to Note 2(b), 'Going Concern' in the interim financial report. The conditions disclosed in Note 2(b), including the need to raise additional funding from shareholders or other parties and the Group reducing expenditure in line with available cash reserves, 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 interim financial report.

KPMG

KPMG

Adam Twemlow
Partner
11 March 2016

CORPORATE DIRECTORY

Directors:

Mr Mark H. Lochtenberg (Chairman)
Mr Edward J. Leschke (Managing Director)
Mr Jürg M. Walker
Mr Robert A. Yeates

Company Secretary:

Mr Marcelo Mora

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