

**29 April 2016**

## **Equus Mining at a Glance**

ASX listed resource company focused on developing natural resource projects. The company's Mina Rica thermal coal project is focused on developing thermal coal resources for the Chilean power generation market and replacing the high level of thermal coal imports. New resource projects are constantly being assessed.

### **Facts**

<b>ASX Code:</b>	<b>EQE</b>
<b>Share Price (29 April 2016):</b>	<b>\$0.006</b>
<b>Shares on Issue:</b>	<b>434M</b>
<b>Market Capitalisation:</b>	<b>A\$2.6M</b>

## **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

## **Equus Mining Limited**

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## **Quarterly Activities Report** **March 2016**

Equus Mining Limited ('Equus' or 'Equus Mining') (ASX: EQE) is pleased to report on its activities for the quarter ended 31 March 2016.

### **Summary of Activities**

#### **Mina Rica Thermal Coal Project**

- Field mapping activities, which have identified outcropping coal seams, are on-going.
- This mapping supports the extrapolation of the Pecket Mine coal seam sequence between the area of Equus's initial drilling in the northwest to where multiple coal seams, with a >15m cumulative thickness, outcrop in foothills to the south.
- A planned drill program of approximately 15 to 20 holes on a 1km x 1km spaced grid is designed to test an interpreted Exploration Target which is based on extensive geological information obtained to date. This is subject to available funds.
- The Mina Rica East thermal coal project is strategically well positioned being only 7km from a Panamax ship loader with a 10 million tonne per annum ('mtpa') loading capacity.
- Excellent positioning in relation to infrastructure means there is potential for rapid development at minimal development costs.
- Equus Mining is continuously assessing new resource projects with the main criteria being resource quality potential.

## Mina Rica Thermal Coal Project

**Photo 1. Conveyor System at Port Pecket**



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 15mtpa of mostly imported thermal coal.

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.

## Preliminary Drilling at Mina Rica

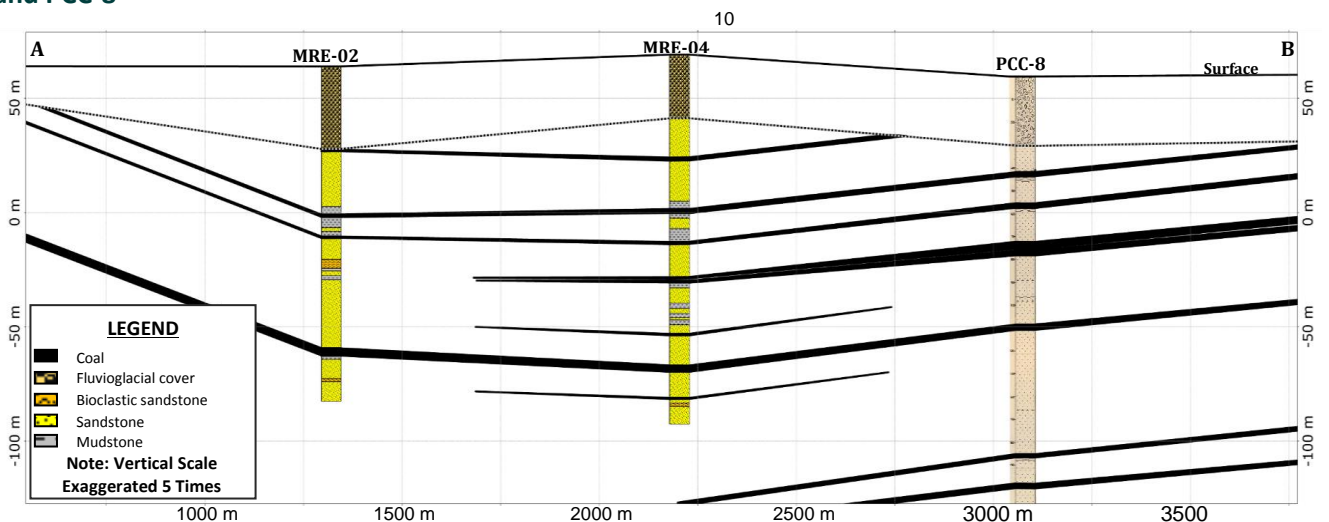
Initial drilling by Equus was carried out during the second half of 2015 (see Photo 2), with the focus on defining the strike extension of the Pecket Mine coal sequence to within the eastern area of Mina Rica. The eastern tenements were acquired by Equus in July 2015 and are located immediately adjacent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

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<sup>(i)</sup>). 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).

**Photo 2. Drilling at Mina Rica**



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



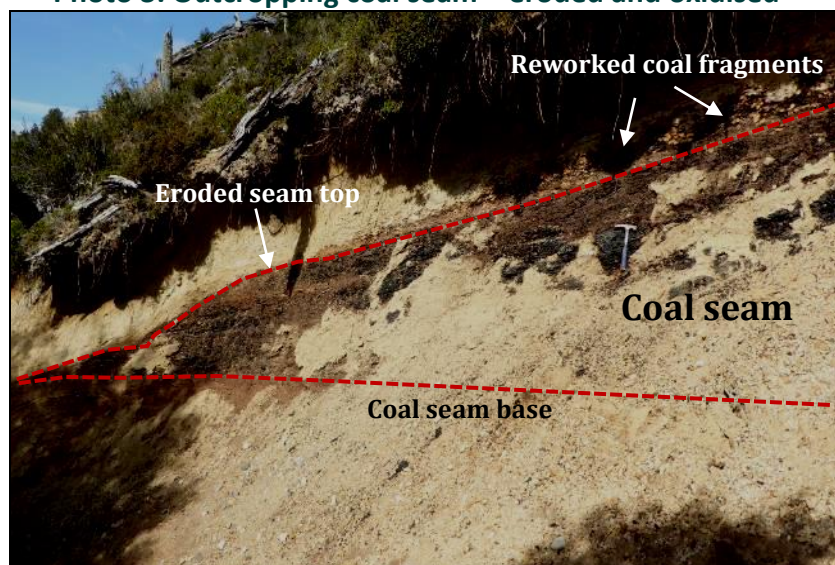
Initial drilling also indicated that the Pecket Mine sequence extends further along strike to the southeast than previously interpreted. Based on this new interpretation and combined with the knowledge that an adjacent tenement area to the southeast were to become available, Equus further expanded its Mina Rica thermal coal project area through the submission of 8 Exploration Licence applications totalling 2,100 hectares in late 2015. Further Exploration Licence applications may be made depending on ground availability.

## Outcropping Coal Seam Mapping

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

- Outcropping coal seams have been 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.

**Photo 3. Outcropping coal seam – eroded and oxidised**



**Photo 4. Multiple coal seams >15m cumulative thickness**



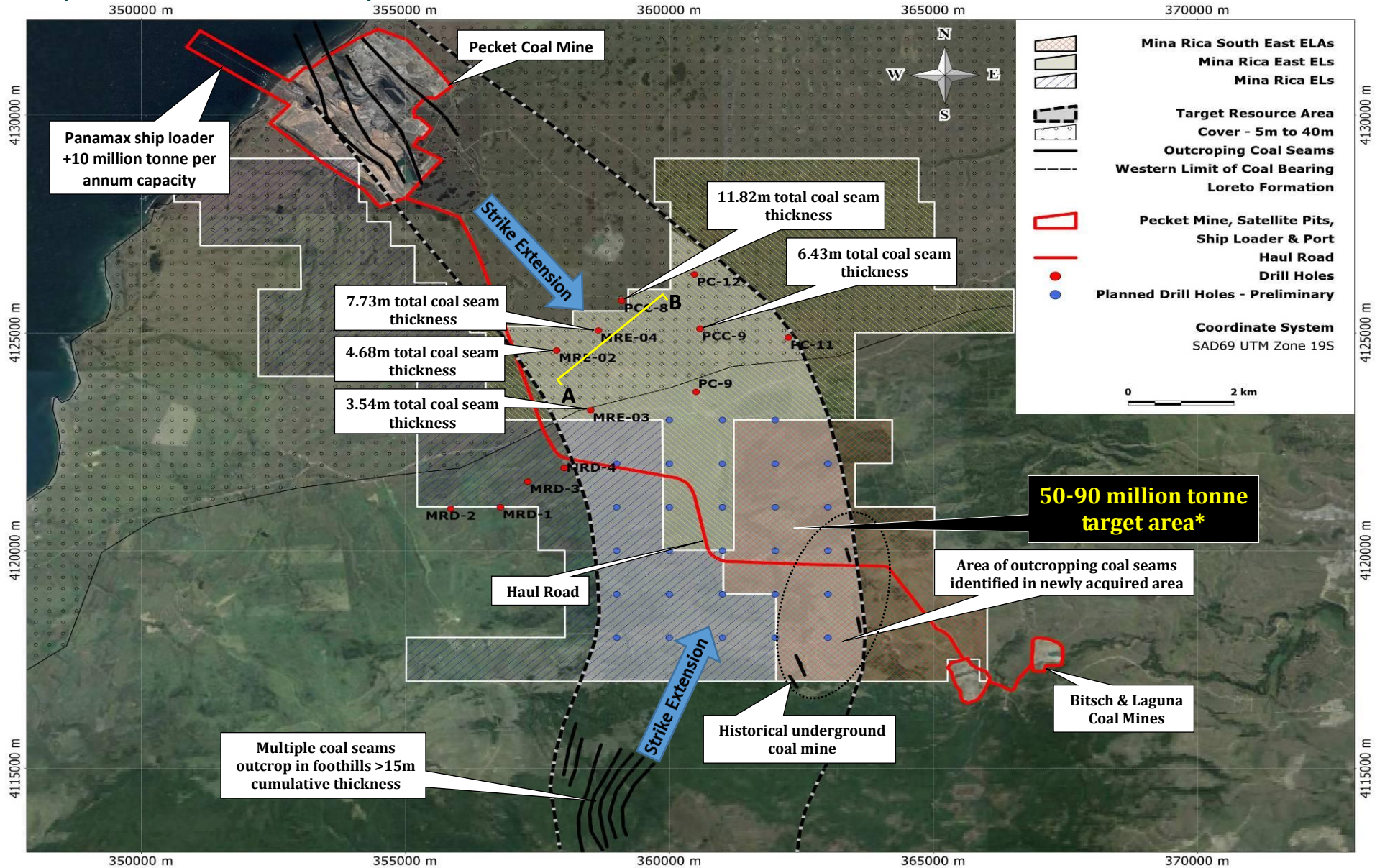
## Coal Exploration Target

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<sup>(iii)</sup> 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.

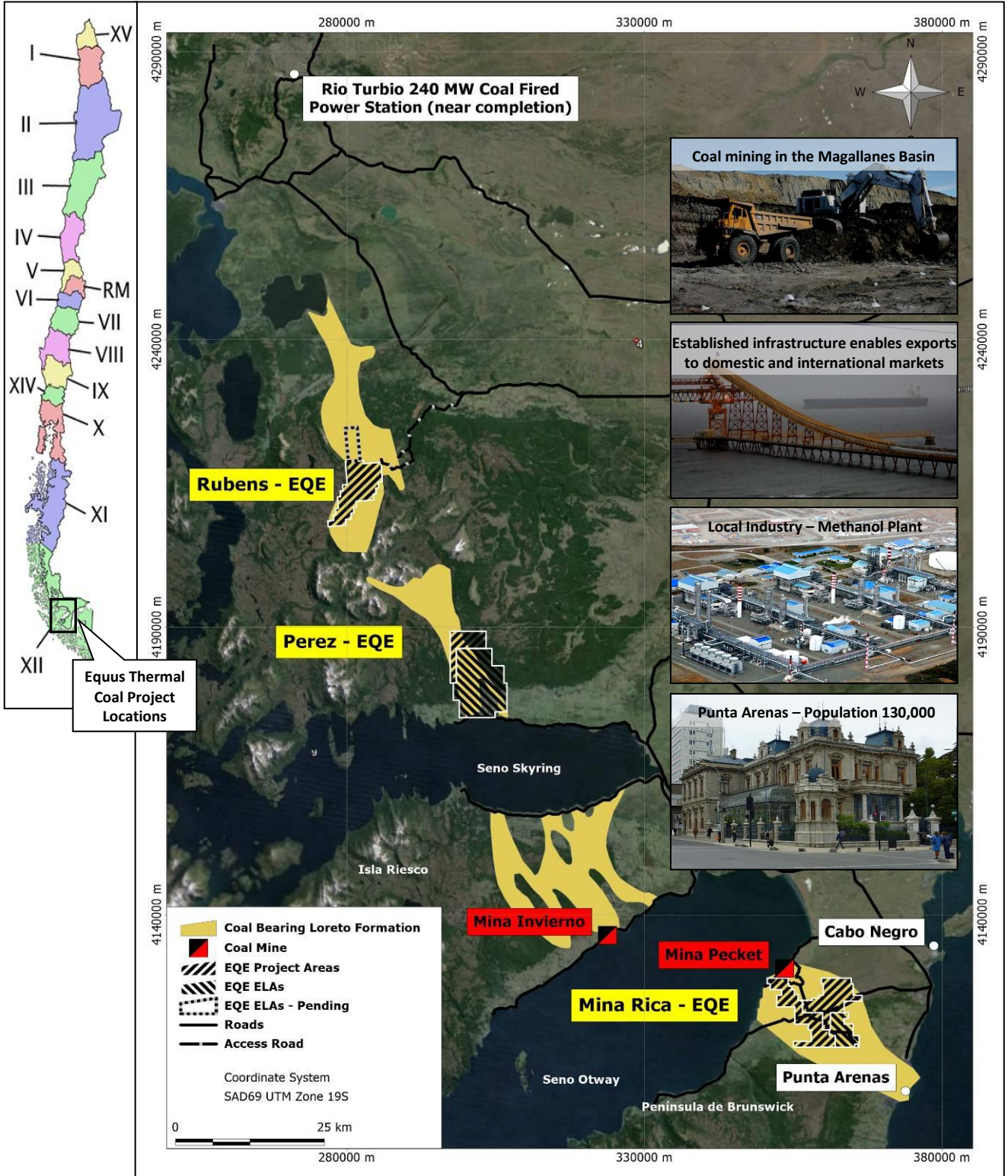
This Exploration Target is conceptual in nature and should not be construed as a JORC compliant resource. The Exploration Target is based on projections of established coal seams over appropriate widths and strike lengths having regard for geological considerations including seam orientations, specific 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 upon funds becoming available, 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 field planning.

**Map 1. Mina Rica Thermal Coal Project**



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



## Corporate

### Exploration Expenditure

During the quarter ended 31 March 2016 Equus invested a total of A\$53K in exploration at its thermal coal projects in Chile.

### Corporate Opportunities

Equus Mining is continuously assessing new resource projects with the main criteria being resource quality potential.

Yours sincerely



**Edward Leschke**  
**Managing Director**

pjn8457

### For further information please contact:

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*<sup>(i)</sup>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.*

*<sup>(ii)</sup>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.*

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### 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.*

## Tenement Information

Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter	Location	Ownership
N/A	N/A	Mina Rica 1, 2, 4, 6, 8, 11, 12, 15, 16, 19, 20, 23, 26, 29 - 31	Mina Rica, Magallanes, Chile	Carbones del Sur
		Kol 1 to 12, 14 - 16	Mina Rica, Magallanes, Chile	Carbones del Sur
		Brunswick 3A, 4A	Mina Rica, Magallanes, Chile	Carbones del Sur
		Rio Rubens 1 to 11	Rubens, Magallanes, Chile	Carbones del Sur
			Rubens, Magallanes, Chile	Carbones del Sur
		Rio Rubens Este 1 to 7	Rubens, Magallanes, Chile	Carbones del Sur
			Rubens, Magallanes, Chile	Carbones del Sur
		Rio Perez A to H	Perez. Magallanes, Chile	Carbones del Sur
			Perez, Magallanes, Chile	Carbones del Sur
			Perez, Magallanes, Chile	Carbones del Sur
		Skyring 1 - 31	Perez, Magallanes, Chile	Carbones del Sur
		Osenace	Ghana	Equus 90%
		Asamankese	Ghana	Equus 90%
		Pramkese	Ghana	Equus 90%
		Kwatechi	Ghana	Equus 7% equity interest