



## March 2013 Quarterly Report

Equus Mining Limited ('the Company' or 'Equus') is pleased to report on its exploration activities in Chile, South America, and corporate developments for the Quarter ended 31 March 2013.

### Summary of Activities

#### EXPLORATION

##### **Yerba Project, Naltagua Copper District, Chile**

- Diamond drilling commences on 5,000 metres program at Yerba Project
- Maiden hole intersects **40 metres of oxide and sulphide copper mineralisation**
- Drilling program to take 5 months; first assay results expected mid-May 2013

##### **Araya Project, Naltagua Copper District, Chile**

- Purchase agreement executed for surface rights to 96 hectares covering the Araya Project, Naltagua Copper District

#### CORPORATE

- Robert Perring appointed as Director
- Naltagua Purchase Option Agreement period extended by 1 year to September 2015
- Unmarketable parcel sale facility completed

### Plans for the June 2013 Quarter

- Progress the initial 5,000 metres drilling program at Yerba Project
- Analyse and release assay results to market
- Continue selling non-core assets

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## Yerba Project – Chile

The Yerba Project is located within the Naltagua Copper District, 80 kilometres southwest of Santiago, Chile (Figure 1).

During the quarter, the Chilean Government issued Equus with a permit allowing drilling to commence, and the Company signed land access agreements with all three surface landowners. Santiago-based Assad Drilling is conducting the maiden program at Yerba, which is expected to take five months to complete. First assay results are expected mid-May. A purpose-built rig with 1,200 metres depth capacity was mobilised to site on the 26 March.

The first drill hole, YB-001-D, intersected 40 metres (20 metres interpreted true-width) of oxide and sulphide copper mineralisation in hydrothermal breccia from 13 metres depth below historic mine rock-fill. As the hole collared in mineralisation, the total true-width of the mineralised zone is interpreted to be significantly wider and will be quantified by the planned second hole that will undercut the mineralisation intersected in YB-001-D by 100 metres (Figure 2 & 3).

Confirmation of the cross-cutting body of copper mineralised hydrothermal breccia contained within the east-dipping sequence of andesite is a significant development for future drill targeting.

The planned maiden 5,000 metres drill program will evaluate an area centred on the historic Yerba workings - a cluster of surface and underground copper workings mined during the early 1900's and shown by Equus to contain significant widths and grade of copper mineralisation (e.g. 48 metres at 1.35% Cu in pit channel samples).

The drill programme is targeting an initial area with dimensions 300 metres (North - South) by 200 metres (East -West) by 300 metres (vertical) and is located at the northern end of the prospective, 1,200 metres long, Yerba Trend – a trend defined by outcropping copper mineralisation, hydrothermal alteration (silica-epidote-albite) and an Inducted Polarisation resistivity anomaly (Figure 4).

## Araya Project – Chile

The Araya Project is the Company's second copper project within the Naltagua Copper District (Figure 5). Copper workings and outcropping copper mineralisation has been mapped and sampled over a strike length of 1,300 metres and the zone remains open to the north and south (Figure 6).

Equus acquired the surface rights to 96 hectares of land (100% of the Araya Project Area) for approximately US\$210,000.

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## Corporate

### Board changes

Mr Michael Sandy resigned as a Non-Executive Director of the Equus Board on 19 February 2013 after seven years with the Company.

Mr Robert Perring was appointed to the Board as a Director. Mr Perring is a geologist with more than 30 years' experience in the mineral industry who has held senior corporate and technical positions with Normandy Mining Limited and Newmont Australia.

### Extension of Naltagua Purchase Option Agreement Period

The Naltagua Purchase Option Agreement period was extended by 1 year to September 2015 for no change in total payment (US\$5 million) and no additional consideration. The new option payment schedule is:

- September 2013 – US\$100,000
- September 2014 – US\$500,000
- September 2015 – US\$3.8 million

A total of US\$600,000 has already been paid.

### Sale of non-core assets

Equus agreed to sell a 90% interest in subsidiary, Leo Shield Exploration Ghana Ltd (Leo Ghana), for a consideration of US\$600,000 to an entity incorporated in the Republic of Ghana, subject to government approval. Equus will retain a 10% interest in Leo Ghana. Equus received AUD\$100,000 deposit and will receive the balance once all conditions are met.

### Completion of Unmarketable Parcel Sale Facility

Equus unmarketable parcel sale facility, announced 9 November 2012, was completed on 6 February 2013. In total, 1,864 shareholders holding an aggregate 4,353,229 of shares took part in the sale plan. These shares were sold on-market on 5 February 2013. Proceeds from the sales have been distributed to the relevant shareholders.

### Cash

Equus's cash reserves at 31 March 2013 stood at \$574k. Equus intends to continue funding exploration activities principally through the on-going sale of surplus assets, which include a gold royalty, oil drilling rig and exploration plant and equipment. Equus has engaged interest from buyers and offers have been received. However, given the protracted sale process, a small capital raising (\$0.5 Million) managed by Patersons Securities Limited and involving sophisticated investors was completed in April 2013 to maintain working capital reserves.

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## Background

Equus Mining Limited acquired an interest in the Naltagua Copper District (Naltagua) in Chile, South America by purchasing unlisted Australian public company Equus Resources Limited.

Equus's two main project areas in Chile, Yerba and Araya, which are located within the Naltagua Copper District, 80 kilometres southwest of Santiago and 75 kilometres southeast of the port city of San Antonio, are well serviced by major infrastructure.

The Yerba and Araya projects show many geological similarities to the large, manto-type, Anglo American owned, El Soldado Cu-Ag deposit (200 million tonne @ 1.35% Cu) located 135 kilometres to the north of Naltagua.

Equus holds an option to acquire 100% of a contiguous group of 14 mining licences covering an area of 18.05 square kilometres and 75% of the known area extent of the large Naltagua Copper System. These mining leases encompass the Yerba and Araya project areas. Under the terms of the option agreement, Equus has the right (but not the obligation) to acquire the mining licences on an outright basis by making a payment of US\$100,000 in September 2013, a payment of US\$500,000 in September 2014 and a final payment of US\$3.8 million in September 2015 to the licence holder.

**Yours sincerely**



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

**30 April 2013**

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*Information in this report that relates to Exploration Results is based on information compiled by Mr Robert Perring, who is a Member of the Australian Institute of Geoscientists. Mr Perring is a consultant to, and director of Equus Mining Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities reported on to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Perring consents to the inclusion of the information in this report of the matters based on information in the format and context in which it appears.*

*Surface sampling and assaying: Sampling has been conducted by qualified geologists using a sample interval of 2 metres and 5 metres. Assay results have been composited (weighted arithmetic mean) to give an average grade estimate for the interval sampled. The samples were assayed for copper (and 33 other elements) by aqua regia digest ICP-ES/ICP-MS at Acme Analytical Laboratories, Santiago, Chile.*

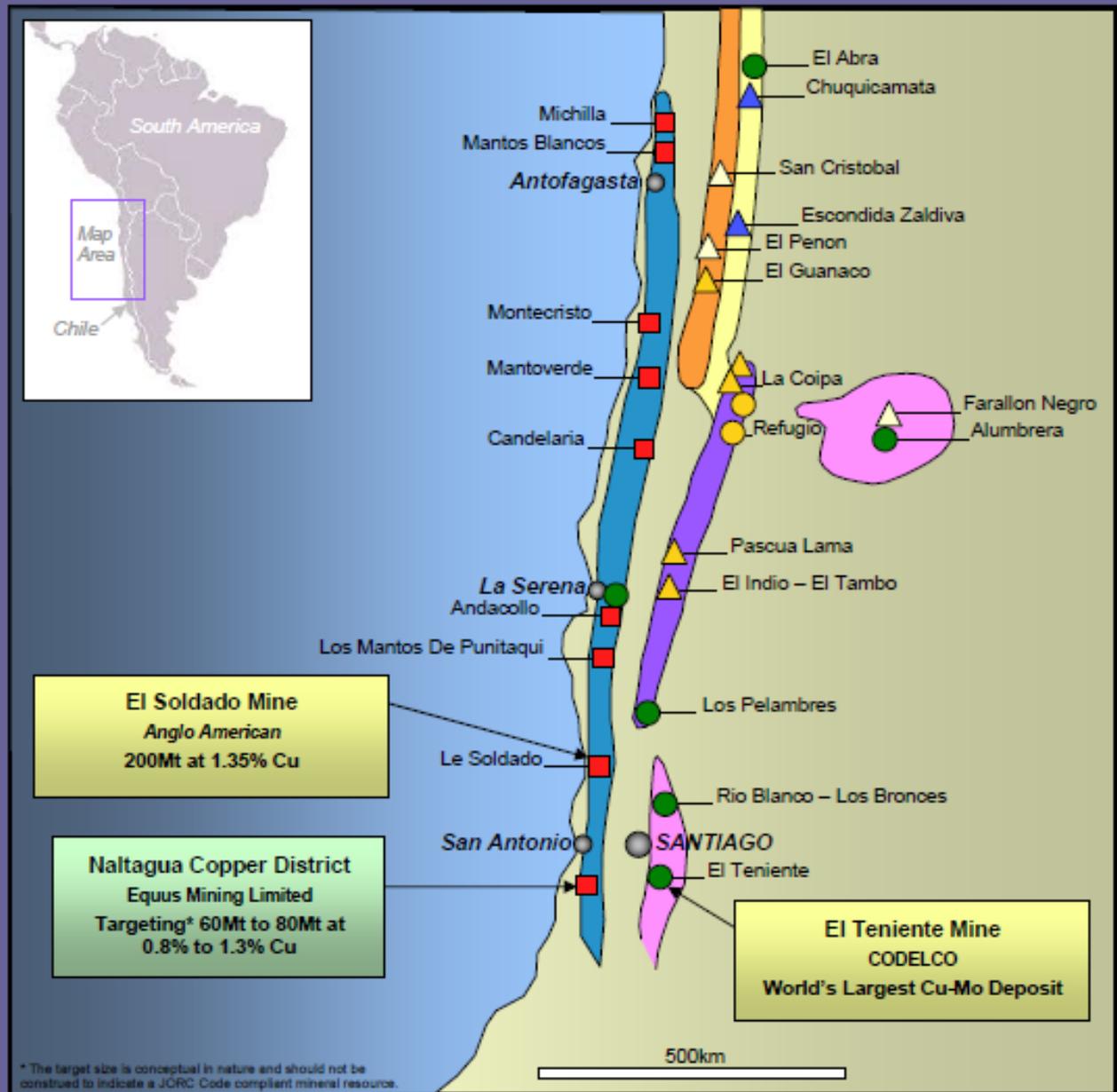
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# Northern Chile

Figure 1 – Metallogenic Map showing the location of the Naltagua Copper District



\* The target size is conceptual in nature and should not be construed to indicate a JORC Code compliant mineral resource.

## Principal Copper Deposits

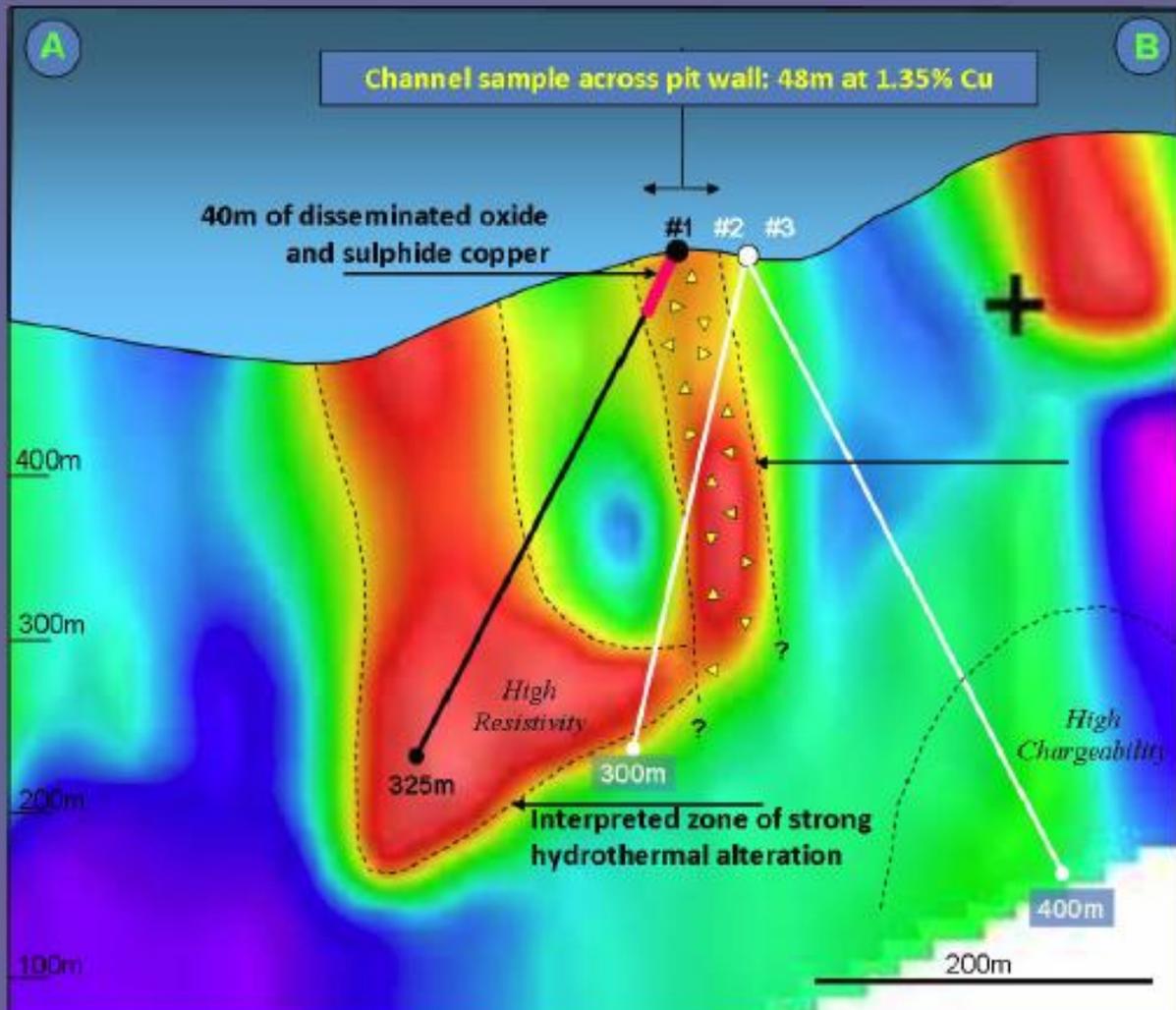
- Manto-type and Iron Oxide-type
- Porphyry-type
- ▲ Porphyry-type + high sulphidation overprint

## Principal Gold Deposits

- ▲ High sulphidation-type
- ▲ Low sulphidation-type
- Porphyry-type

## Metallogenic Belts

- Middle Miocene – Early Pliocene
- Early – Middle Miocene
- Late Eocene – Early Oligocene
- Palaeocene – Early Eocene
- Early Cretaceous



#2 Hole Number  
(YB-002-D)

●—● Completed Drilling

○—○ Planned Drilling

Hole #1: Photos of oxide and sulphide mineralization in hydrothermal breccia



15.7m below surface  
(18.5m down-hole)



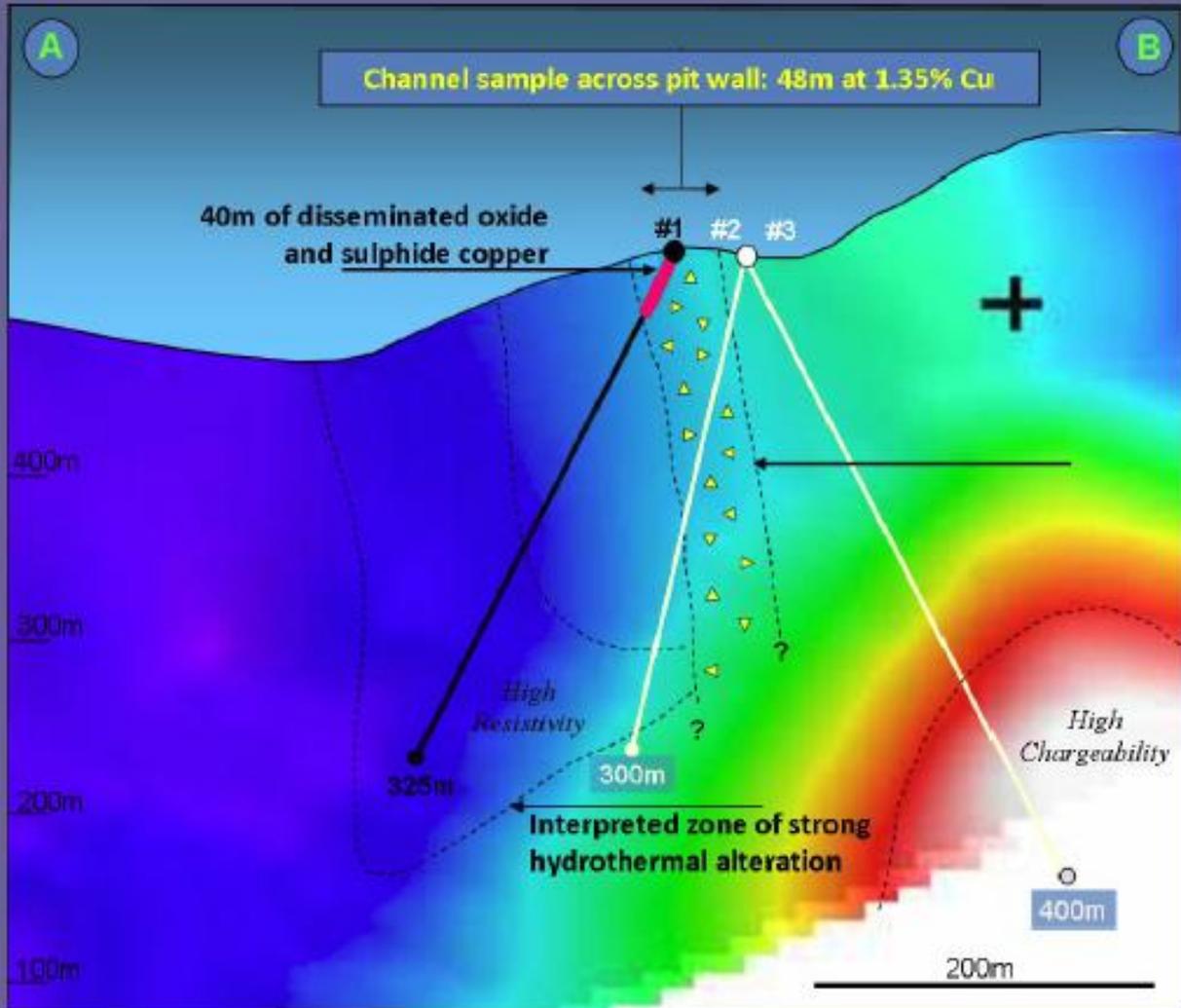
38.5m below surface  
(43.3m down-hole)



39.5m below surface  
(46.5m down-hole)



41.5m below surface  
(48.8m down-hole)



#2 Hole Number (YB-002-D)

●—● Completed Drilling

○—○ Planned Drilling

Hole #1: Photos of oxide and sulphide mineralization in hydrothermal breccia



15.7m below surface  
(18.5m down-hole)



38.5m below surface  
(43.3m down-hole)



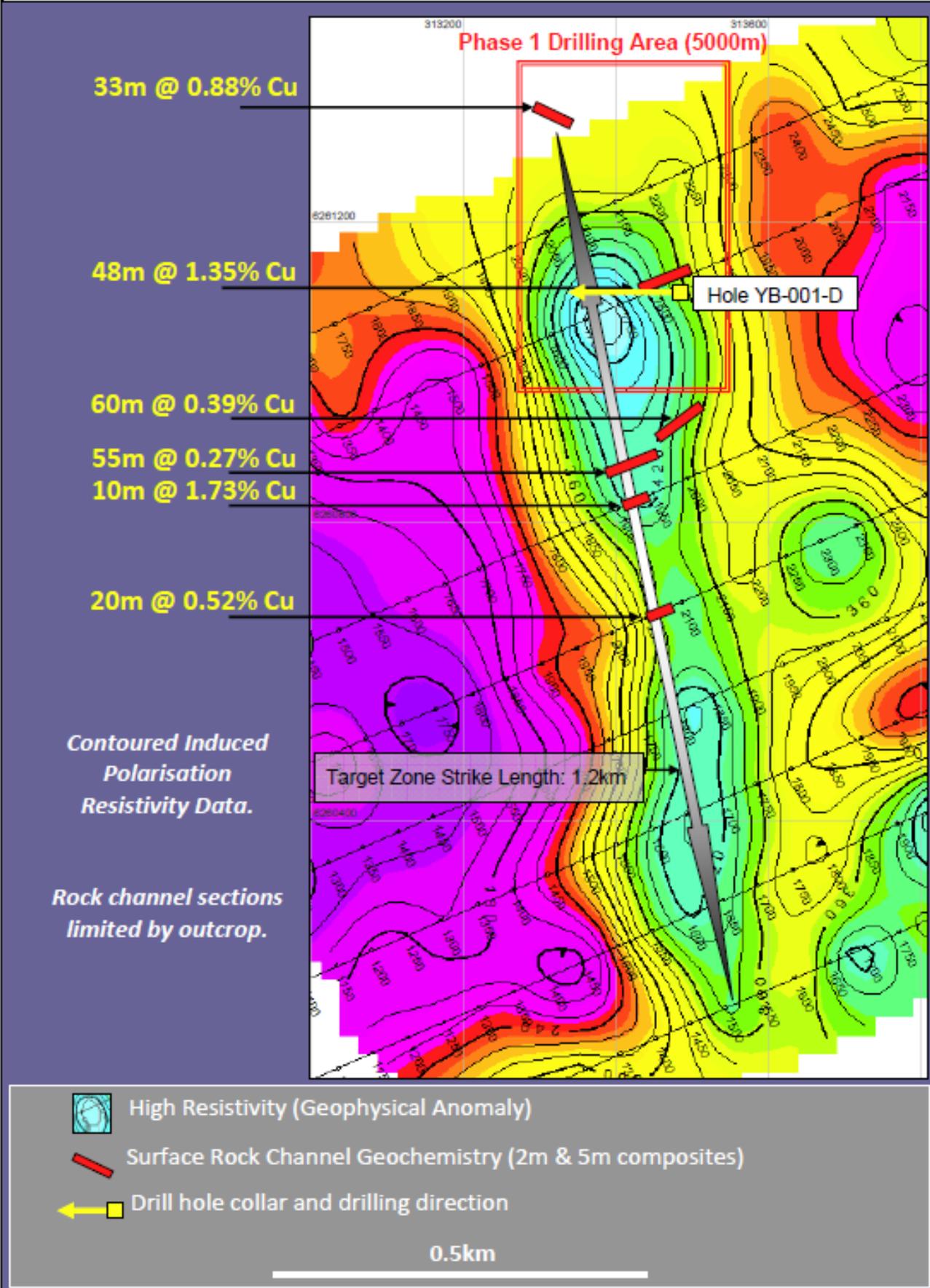
39.5m below surface  
(46.5m down-hole)

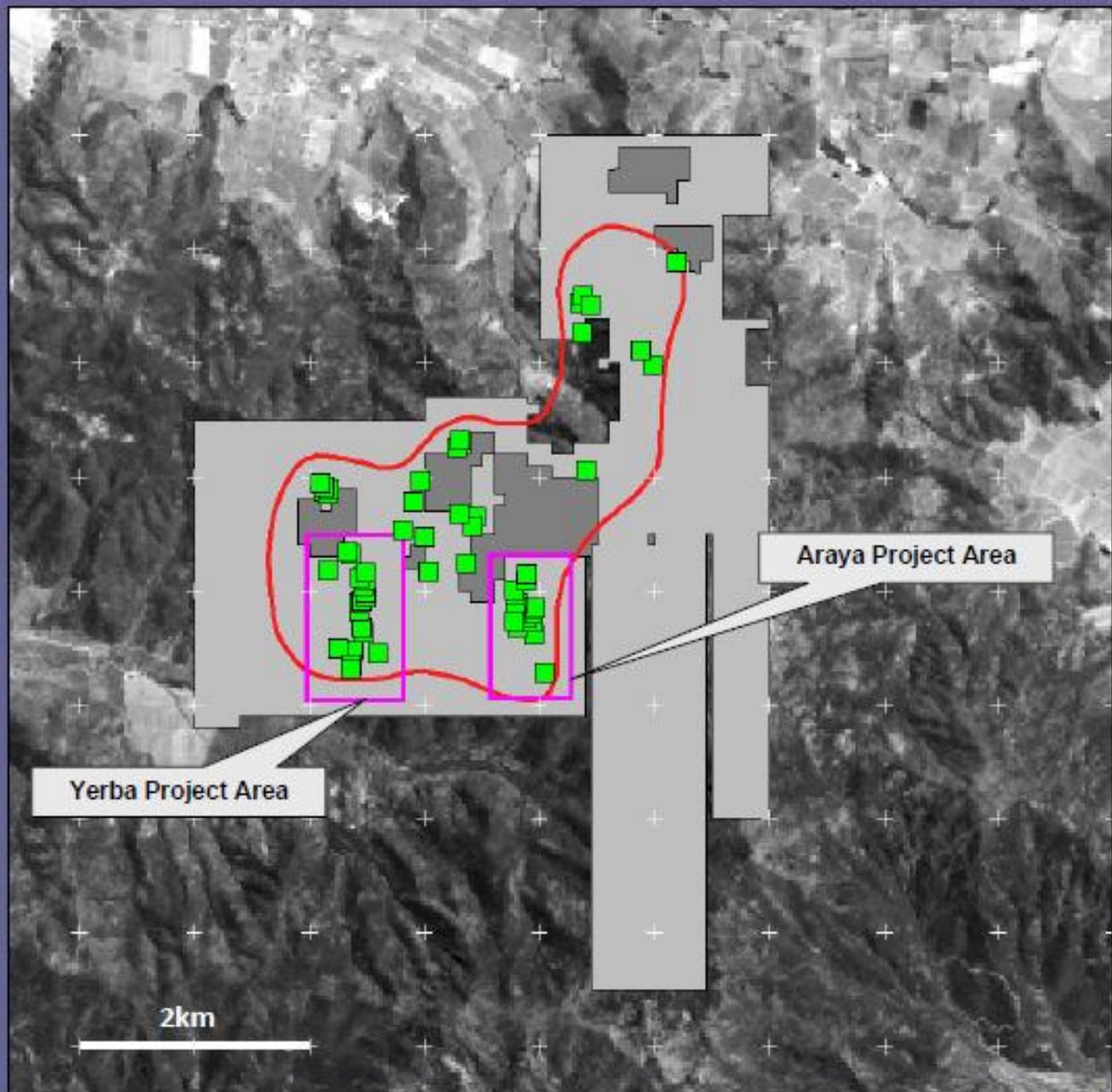


41.5m below surface  
(48.8m down-hole)

# Yerba Project, Naltagua

Figure 4 – IP Resistivity, Surface Channel Geochemistry and Drill Hole Location





-  Naltagua Copper District
-  Equus Option Area
-  Equus Project Areas
-  Copper Occurrence

