EQUUS
MINING LIMITED
ABN 44 065 212 679

ASX Announcement

31 May 2013

Equus Intersects Shallow Copper Mineralisation in First Three Holes at the Yerba Project, Chile

Highlights

- **First three holes of 5,000m diamond drilling program at the Yerba Project intersect shallow copper mineralisation**
- **Hole 1 (YB-001-D) intersected 39m (true width) at 0.63% Cu and 4.6g/t Ag from 13m below historic mine rock-fill (mullock)**
- **Visible oxide and sulphide copper mineralisation present in Holes 2 and 3. Assays pending**
- **Mineralisation dips at a shallow angle (25 degrees) to the east into an untested Induced Polarisation ("IP") chargeability anomaly**
- **Hole 4 in 16 hole program in progress**
- **Next drill core assay results due early June.**

Yerba Project, Chile

Equus Mining Limited (ASX:EQE, "Equus" or "the Company") is pleased to advise that a coherent sheet of shallow, east-dipping copper mineralisation has been intersected in the Company's first three drill holes at the Yerba Project in Chile, South America (Figure 1). The holes are part of an initial 5,000m diamond drilling program at Yerba, which commenced in April 2013 to target the northern end of the 1,200m-long Yerba Trend (Figure 2).

Hole 1 (YB-001-D) intersected 39m (true width) at 0.63% Cu and 4.6g/t Ag from 13m, immediately below historic mine rock-fill (mullock). Visual oxide and sulphide copper mineralisation has also been logged in holes 2 and 3 in the same stratabound sheet comprising a mixture of both hydrothermally brecciated and massive vesicular andesite.

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The strong positive correlation between copper mineralisation intersect in holes 1 to 3 and an Induced Polarisation ("IP") chargeability anomaly is being used to target the interpreted down-dip extension of the mineralised sheet to be tested by hole 4 (in progress).

The recent drilling has helped clarify that while the IP resistivity anomalies (Figure 2) help define mineralised trends, it's the IP chargeability anomalies that correlate best with the bodies of sulphide mineralisation. An IP survey has been conducted over an area of 3km^2 and a number of chargeability anomalies have been defined. This data will be used to prioritise drilling.

Future Work

- Complete the drilling on the current section (6260775N) and test the down-dip extensions of the copper mineralisation.
- Commence the drilling on the next drill section located approximately 70m north of 6260775N where there is also outcropping copper mineralisation.

Background

Equus Mining Limited (ASX: EQE) acquired an interest in the Naltagua Copper District in Chile, South America by purchasing unlisted Australian public company Equus Resources Limited in August 2012. The Naltagua Copper District is located 80 kilometres southwest of Santiago (capital city of Chile) and 75 kilometres southeast of the Pacific Ocean port-city of San Antonio. The area is well-serviced by major infrastructure.

Equus holds the 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 areal extent of the large Naltagua Copper System. These mining leases encompass the Yerba and Araya project areas.

Equus' two main project areas within the Naltagua Copper District are the Yerba Project and Araya Project (Figure 3). The first copper target drilling on the Yerba Project commenced in April 2013.

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%) located 135 kilometres to the north of Naltagua.

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The planned 5000m program will evaluate an area centred on the historic Yerba workings - a cluster of surface and underground copper workings mined during the early 1900s and shown by Equus to contain significant widths and grade of copper mineralisation (e.g. 48m at 1.35% Cu in pit channel samples).

The initial drill area, with dimensions 300m (N-S) by 400m (E-W) by 300m (vertical), is located at the northern end of the prospective, 1200m-long, Yerba Trend – a trend defined by outcropping copper mineralisation, hydrothermal alteration (silica-epidote-albite) and an Inducted Polarisation resistivity anomaly (Figure 3).

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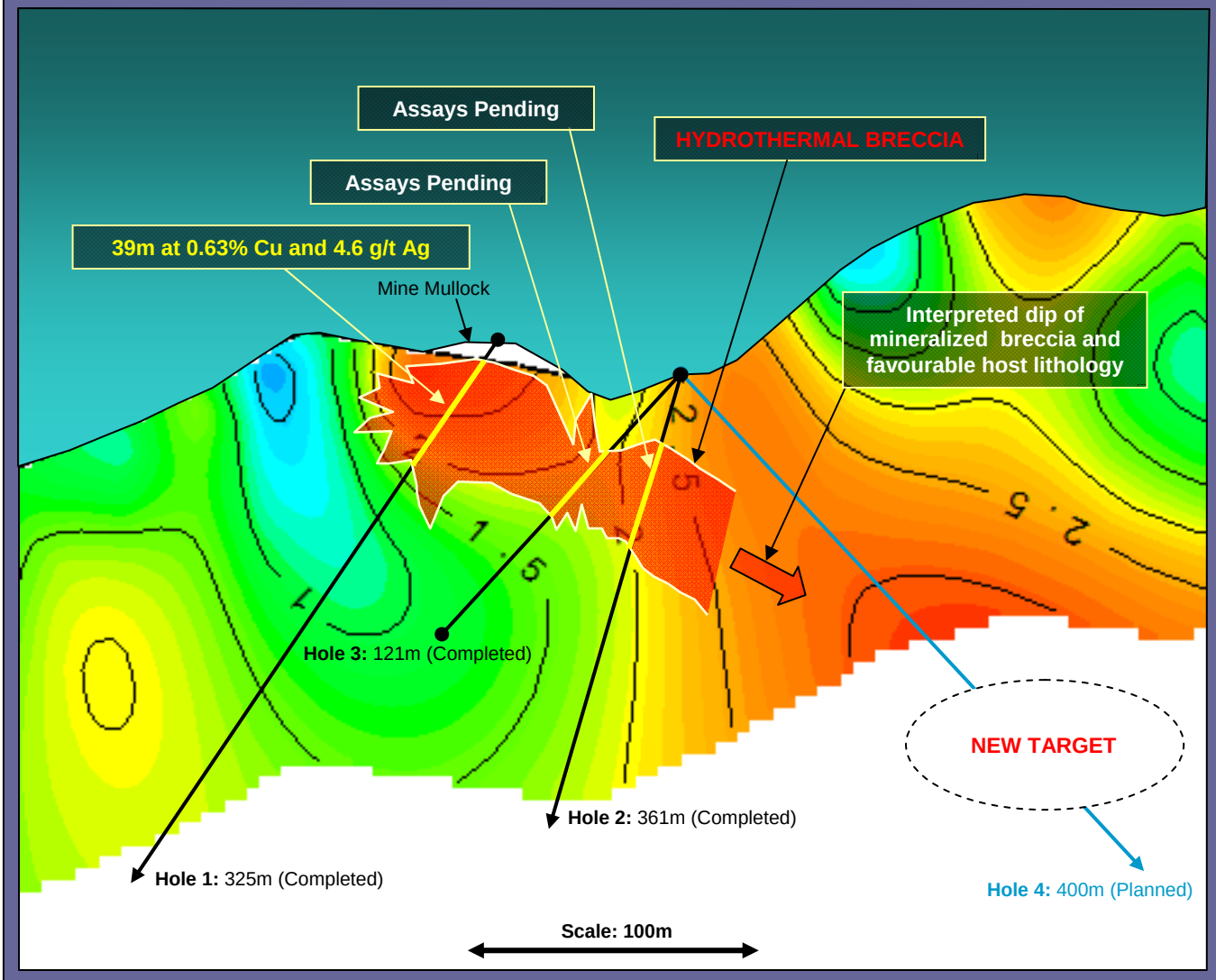
Information in this report that relates to Exploration Results for Naltagua is based on information compiled by Mr Robert Perring, who is a Member of the Australian Institute of Geoscientists. Mr Perring is a consultant and Director of Equus Mining Limited and has sufficient experience relevant to the 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.

Table 1 – Drill Hole Summary

Hole No.	North WGS-84 UTM	East WGS-84 UTM	Zone UTM	Dip	Azimuth Grid - UTM	Depth metres
YB-001-D (Hole 1)	6260781	313270	19S	-60	270	325 (completed)
YB-002-D (Hole 2)	6260775	313330	19S	-75	270	361 (completed)
YB-003-D (Hole 3)	6260775	313330	19S	-50	270	121 (completed)
YB-004-D (Hole 4)	6260775	313332	19S	-50	090	In Progress

Yerba Project, Naltagua

Figure 1 – Drill Section 1 (6260775N)

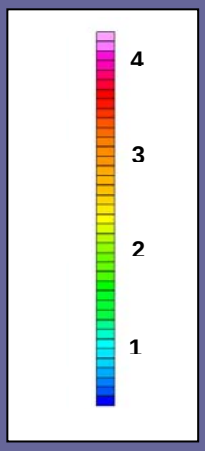


Hole 1: Hole Number (YB-001-D)

Completed Drilling

Planned Drilling

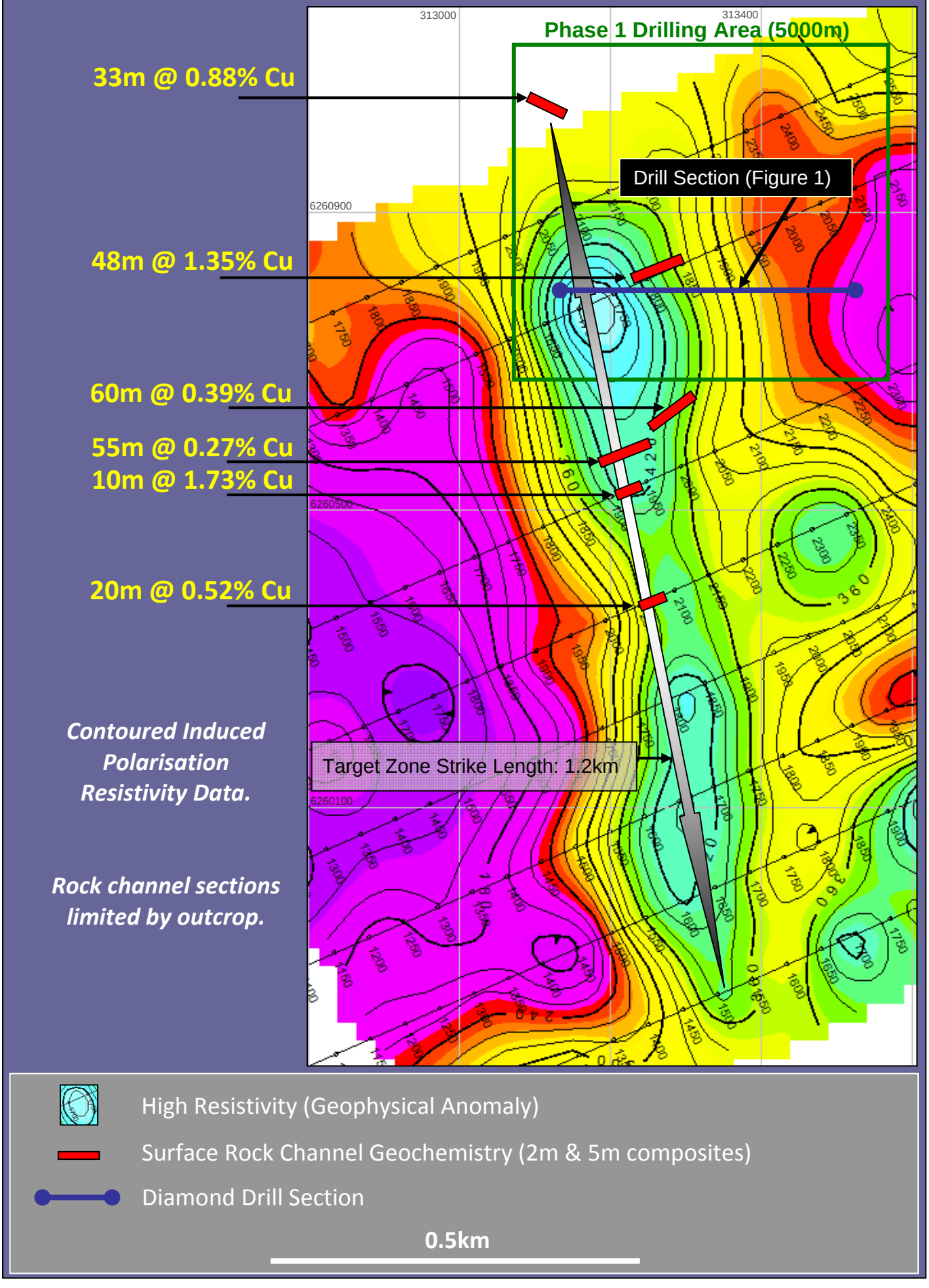
Induced Polarisation Chargeability - 50m Dipole (mV/V)



Photograph of mineralized breccia (Hole 2 at 61m)

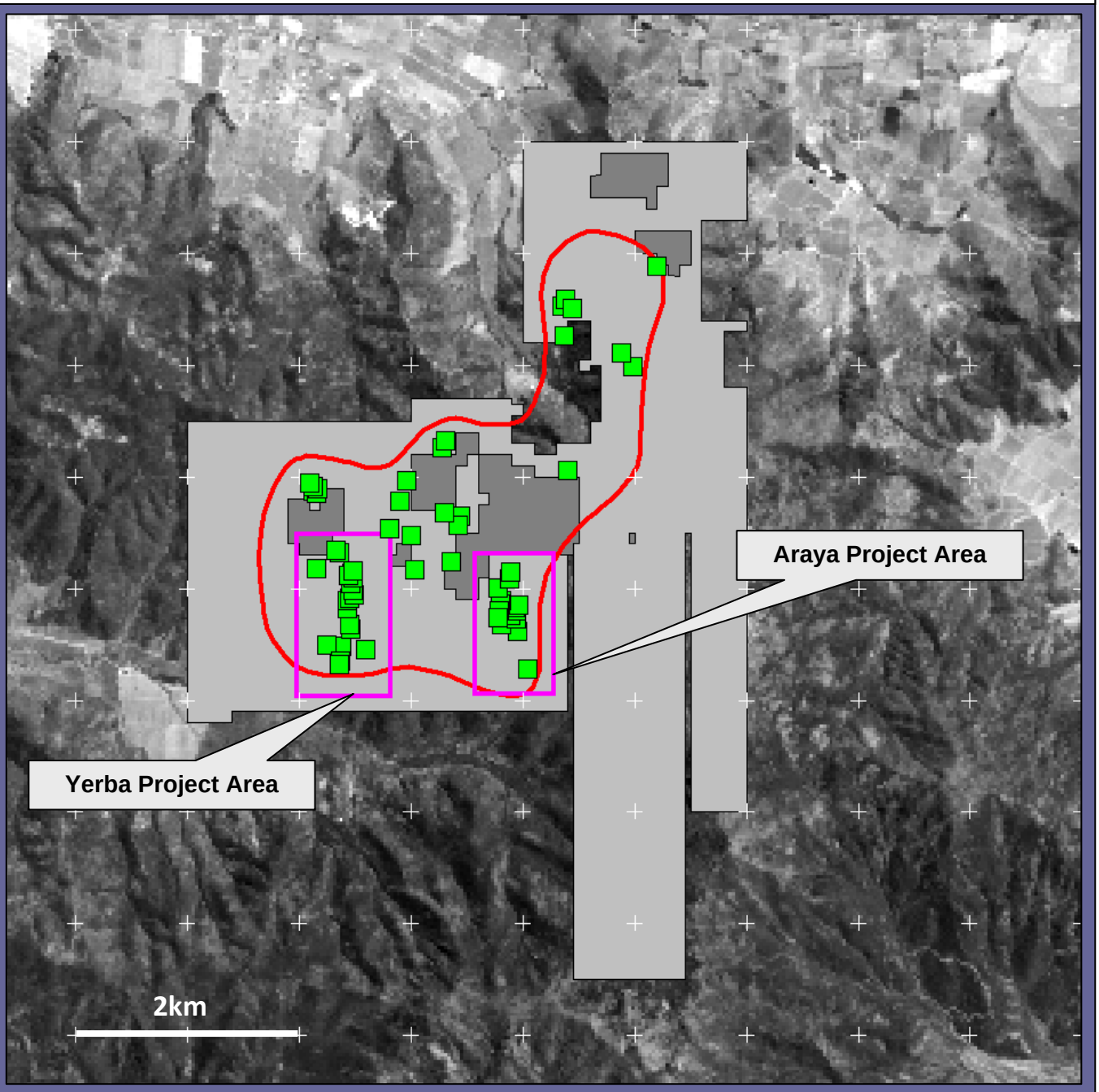
Yerba Project, Naltagua

Figure 2 – IP Resistivity, Surface Channel Geochemistry and Drill Section Location



Naltagua Copper District, Chile

Figure 3 – Yerba Project Area



Naltagua Copper District

Equus Option Area

Equus Project Areas

Copper Occurrence

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Appendix I – Notes on Sampling Techniques and Data

Sampling Techniques	Half-core from diamond drill holes – 'right' side systematically taken - 1m samples in significant visually identified mineralization – 2m samples in visually 'barren' and unaltered wallrock.
Drilling Techniques	Diamond drilling – HQ in weathered rock – NQ in fresh rock. Collar azimuths are surveyed by compass and all diamond holes down-hole surveyed at 20m intervals using a gyroscopic survey tool by an independent contractor.
Drill Sample Recovery	Diamond core recovery is measured and close to 100% recovery is achieved in fresh rock. Some reduction of recovery does occur in fault zones and partially weathered rock, however there is insufficient data available at present to estimate the likely effect on estimated copper grade.
Logging	Diamond drill core is geologically and structurally logged and photographed before being sawn in half. Logged items: lithology (primary, secondary), weathering (intensity, depth), hydrothermal alteration (mineralogy, intensity, colour, morphology), mineralization (mineralogy, percentage, morphology, mode of occurrence) and structure (faults, shears, joints, cleavage, bedding, angle to core axis). Logging is conducted by qualified geologists experienced in the style of mineralization and type of deposit being evaluated.
Sub-Sampling Techniques and Sample Preparation	Diamond drill core is sawn in half using a motorized, diamond blade saw – 'right' half sent for assay – 'left' half stored in metal core trays in a secure compound for future reference. Once the core is 'bagged' and allocated a unique sample number, the samples are delivered to ALS Minerals in Santiago, Chile by a full-time employee of Equus Mining Limited. At ALS Minerals, the entire sample is crushed (70% <2mm) and a 1kg sub-sample pulverized to 85% <75microns. The sub-sampling is considered appropriate and representative for the style of mineralisation being evaluated.
Quality of Assay Data and Laboratory Tests	The samples are assayed by 4 acid digest, ICP-AES for 33 elements (dynamic range for copper 10ppm to 10%, and silver 1ppm to 200ppm). Certified standards are inserted at the rate of 2 per 100; blanks at the rate of 2 per 100 and duplicates (1/4 core) at the rate of 1 per 100. Internal laboratory standards, duplicates and repeats are used by the laboratory to monitor assay quality. QA/QC data is assessing by Equus using an external consultant before any assay results are published. Assaying quality is considered reliable and acceptable.

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Verification of Sampling and Assaying	Significantly mineralized core, as determined by visual inspection, is sampled at a higher rate (1m sample interval) compared to visually unmineralized core (2m sample interval). There are no twin holes. Drill hole information is captured at the Equus secure compound, 40 minutes drive from the drill site. Internal audits are conducted daily to ensure the actual sampled interval and the documented sample interval correspond. All hard copy records are entered into a standard digital logging spreadsheet. The hard copy records are then file at the Project Office at Naltagua. Digital records are emailed to an independent consultant for validation and merging of field data with certified assay data provided in a digital form by the assay laboratory. Equus maintains a centralized geochemical database in Perth, Western Australia. The data manager is a broadly experienced independent consultant who operates from his own office in Perth. The data manager is supervised and audited by Equus's Technical Director. Once validated, assay data is then distributed electronically as derivative files for internal use.
Location of Data Points	Drill positions are initially established using a hand-held GPS and then surveyed at the completion of drilling using a D-GPS by a certified contract surveyor. The grid system used is WGS-84 UTM (Zone 19 South). A digital terrain model (DTM) with 2m contours is also used to plan holes. The DEM was created by Earthscan Pty Ltd (Australia) using accurately surveyed control points and high-resolution satellite data.
Data Spacing and Distribution	Drill hole spacing is sufficient to establish a preliminary estimation of the nature and continuity of mineralization to a notional depth of 300m below surface.
Orientation of Data in Relation to Geological Structures	Orientation of drill sections is approximately at right-angles to the strike of the mineralized trend. Drill holes are angled to pass through the mineralized zones and maximize the recovery of geological information, which is then integrated to develop the geological model. The principal target style of mineralization is disseminated copper sulphide in propylitically altered massive and brecciated andesite. The evaluation method is considered appropriate for this style of mineralization.
Sample Security	An Equus supervisor is on-site at all times during drilling operations. Drill core is collected in metal trays and secured with bolted lids. The core is then transported by Equus vehicle to the Equus secure project compound for logging and sampling. Dispatch of samples from the secure compound to ALS in Santiago is by Equus staff and company vehicle. All aspects of the process are supervised by Equus personnel and limited opportunity exists for tampering with core and samples.
Audits and Reviews	Drilling systems, core collection, core transport, core logging, core sampling, sample dispatch and sample security are reviewed and audited at least every 6 weeks by the Equus Technical Director.

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Appendix II – Reporting of Exploration Results

Mineral Tenement and Land Tenure Status	The project areas at Naltagua fall within a contiguous block of 14 Mining (Exploitation) Leases covering an area of 18.05 square kilometers. The leases are renewed annually and there is no minimum expenditure commitment. Equus Mining Limited has an option agreement with the licensee. The option agreement runs until September 2015 when the final payment of US$3.8M is payable if Equus elects to exercise the purchase option to acquire 100% ownership of the leases. A 0.5% net smelter royalty, capped at US$5.0M, is payable to the vendor from any future production. Equus Mining Limited has purchased the surface rights to 100Ha and has land access (easement) agreements with three other surface rights owners. Naltagua is a historical mining centre operated between 1895 to 1945 and contains in excess of 40 adits developed during this period.
Exploration Done by Other Parties	Equus has compiled the exploration data collected by previous explorers and universities. This data consists principally of surface rock-chip geochemistry, geological mapping, petrology, and one exploration drill hole (Noranda). The core from this hole has been located and is now stored in the Equus secure compound at Naltagua.
Geology	The Naltagua Copper District contains a number of manto-type, copper–silver deposits hosted by marine volcanic rocks of the Lower Cretaceous Prado Formation – a sequence dominated by volcanic rocks of andesitic composition. The copper is interpreted to have been scavenged from intra-formational volcanic and sedimentary rocks by relatively low-temperature metamorphic fluids generated during diagenesis (burial and compaction) and expelled along permeable lithologies and structural channel ways into favourable trap-sites were the metals were deposited and concentrated.
Drill Hole Information	As per Appendix I.
Data Aggregation Methods	Drill hole intervals are aggregated using the weighted averaging technique. Sample intervals containing less that 0.3% copper may be included in an aggregated interval providing the total number of such intervals represent less than 10% of the total number of intervals aggregated. No top-cut is applied.
Relationship between Mineralization Widths and Intercept Lengths	The apparent width (drill intercept) and estimated true width of mineralization are reported when the geological model is sufficiently robust to estimate true width. If true width can not be reliably estimated, then the interval is reported as 'true width unable to be estimated' until at time when multiple drill intersections permit a reasonable estimate of the true width of the mineralization to be undertaken and reported.

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Diagrams	Scaled plans and sections provided.
Balanced Reporting	Representative reporting of both low and high grade widths is practiced.
Other Substantive Exploration Data	Geological, geophysical, geochemical, petrological and metallurgical data are reported when considered substantive.
Further Work	The nature and scale of planned future work is reported when relevant to the matter and circumstanced under discussion.

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