



EQUUS
MINING LIMITED

ABN 44 065 212 679

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ASX Code: EQE

New Strategic Coal Exploration Tenements Secured at Mina Rica and Database Acquired Indicating Subcropping Extension of Coal Seams

Highlights

- **New strategic coal exploration tenements covering 28km² adjacent to both the Company's existing Mina Rica coal exploration tenements and existing infrastructure has been obtained by the Company at no acquisition cost.**
- **An historic exploration database over the new tenement has been sourced by the Company at no cost.**
- **The exploration database indicates potential near surface updip extension of the main economic coal seam previously mined at the neighbouring Mina Pecket in the Company's existing and newly acquired tenement areas.**

Equus Mining Limited (ASX: EQE) ('Equus' or 'the Company') has acquired new strategic coal exploration tenements located immediately adjacent to the Company's existing Mina Rica coal exploration tenements and along strike of the main economic coal seam (Manto 6) previously mined at Mina Pecket (see Map 1). Mina Rica is located near vital infrastructure and is a short distance from Punta Arenas.

These new tenements were obtained by Equus through filing new applications over and several months prior to the expiry of third party owned tenements which were due to expire during the month of June. These third party owned tenements had reached a two year anniversary requiring the elevation to exploitation status to maintain tenure. Since this did not occur the overlying tenements owned by Equus have automatically assumed title priority at no acquisition cost.

The 28 km² area acquired brings the total area covering the coal bearing Loreto Formation on the Brunswick Peninsula to 127 km². This further consolidates a dominant position in relation to prospective geology, available and currently idle coal loading infrastructure and services from the nearby city of Punta Arenas (population 130,000).

In addition to the new tenements acquisition, the Company has also sourced exploration data that strongly indicates that the main economic coal seam (Manto 6) previously mined at Mina Pecket is open on a 3km front immediately adjacent to the boundary of the Company's Mina Rica thermal coal exploration tenements and along strike of the newly acquired package tenements as described above (see Map 2). Additionally, this data indicates the presence of several coal seams that occur stratigraphically beneath the Manto 6 that could also extend into the Mina Rica thermal coal exploration tenements.

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The current remaining known resource in the Mina Pecket mine area is contained within a broad syncline. Since the general regional dip of the coal bearing stratigraphy is gently to the northeast, this suggests that Manto 6 is likely to extend updip under shallow fluvioglacial cover within the Company's project area and only 5 kilometres from the idle Pecket port and ship loader.

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 Mina Pecket area which was broadly centred on a historic underground thermal coal mine. The drilling outlined a global non-JORC compliant *in situ* resource of 126 million tonnes in four stacked seams including 36.5 million tonnes (29%) contained in Manto 5 and 77.0 million tonnes (61%) contained in Manto 6. EQE's newly expanded tenement package surrounds this resource on three sides.

From 1987 until the mine closure in April 2014 due to a highwall failure, the Mina Pecket 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.

Thermal coal sales were mainly to the domestic power generation market which, in the last decade, has grown strongly from 5.7 million tonnes per annum to the current level of 15 million tonnes per annum or a compound growth rate of 9.8% per annum. Based on continued major investment in expansion of coal fired thermoelectric energy generation in Chile, this domestic consumption is forecast to double by 2025 to 30 million tonnes per annum.

Since the closure of the Mina Pecket mine in April 2014, all of the Mina Pecket 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 1. Pecket ship loader



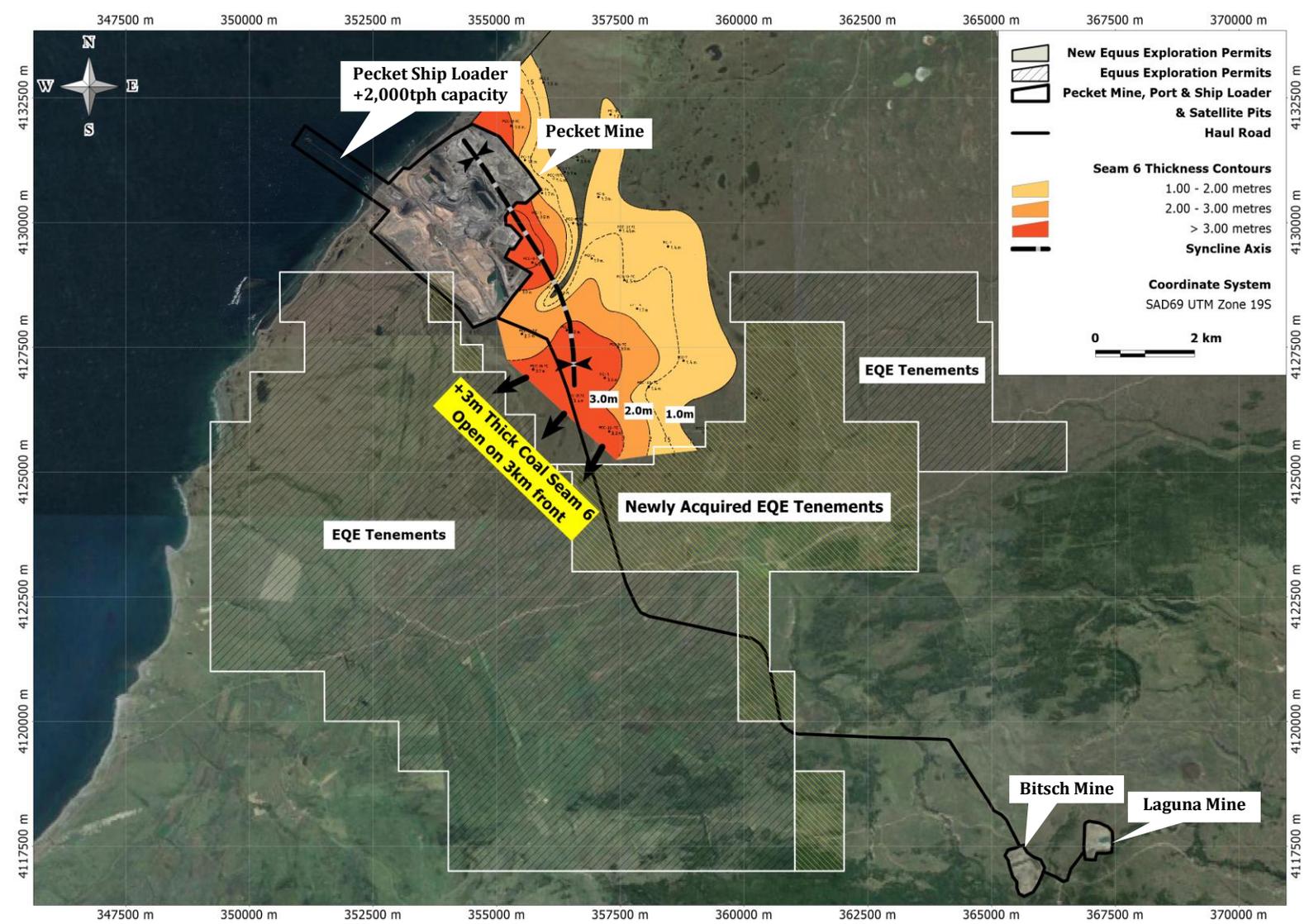
Photo 2. Conveyor belt



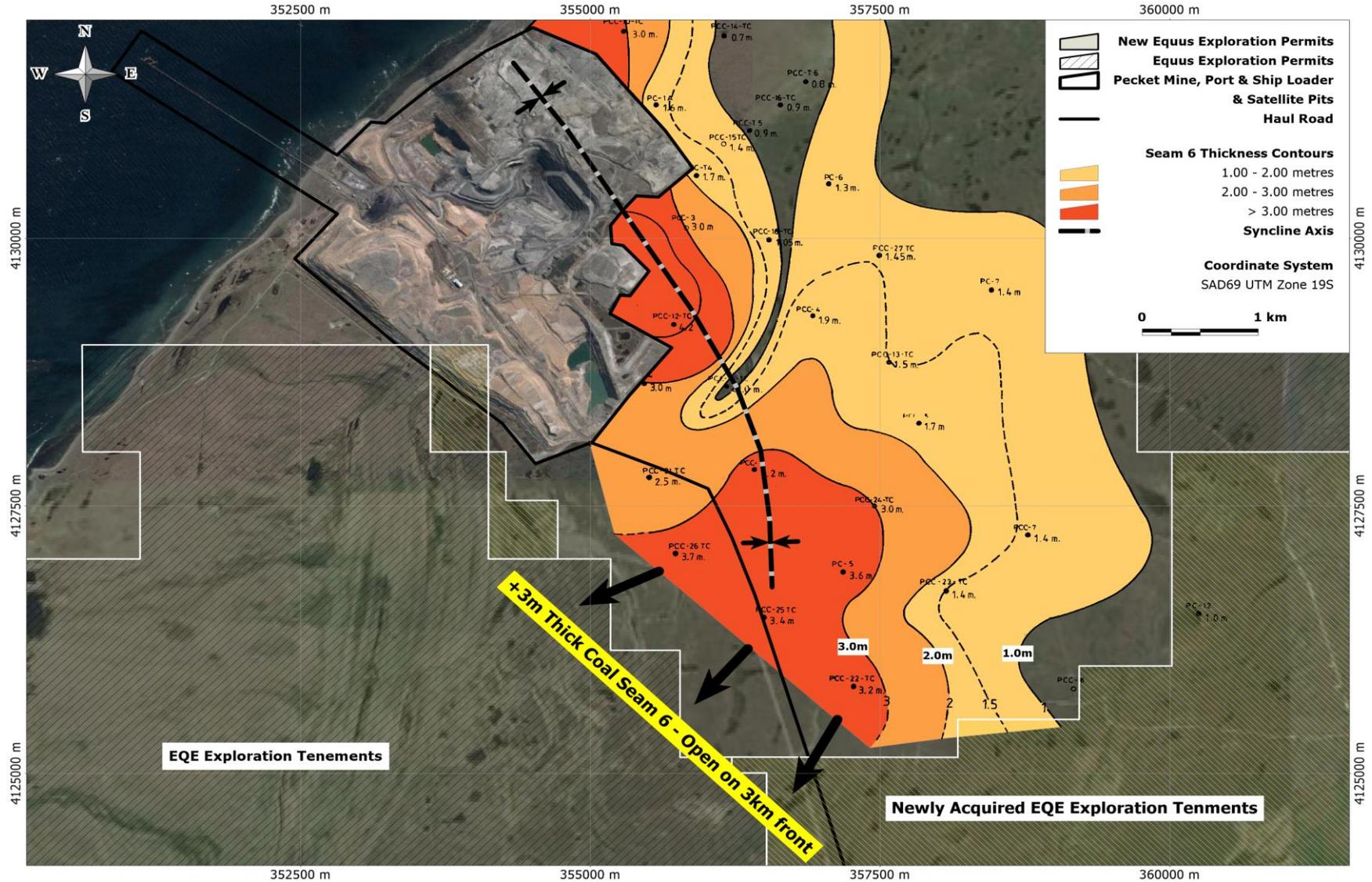
Photo 3. Haulage fleet



Map 1. Plus 3m Thick Coal Seam 6 - Open on 3km front at Punta Arenas



Map 2. Plus 3m Thick Coal Seam 6 - Open on 3km front





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Equus - Background

Equus is strategically positioned to take advantage of Chile's fast increase in coal fired electricity generation with a 51% interest in a coal package centred on the coal bearing Loreto Formation in Chile's largest coalfield, the Magallanes Basin in Chile's Region XII. Equus also has a 2 year option to purchase the remaining 49% for the consideration of 16 million in shares.

Since the initial acquisition, the total exploration project area has been more than doubled, from 170 km² to 435 km² through additional exploration licence applications. These licences are situated in three project areas: Rubens, Perez and Mina Rica (see Map 3) 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, float and intercepts in oil and gas wells in the general licence areas as well as historic regional work by BHP and Chile's state owned petroleum company ENAP. 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 Chilean, the centre of a fledgling coal mining industry currently hosts just one operating mine.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Jason Beckton, a consultant of Equus, who 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 Jason Beckton is a shareholder of Andean Coal Pty Ltd. He is to receive a consideration of 8 million shares in Equus Mining should Equus Mining exercise its option to acquire the remaining 49% of Andean Coal Pty Ltd and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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Map 3. Equus Mining's Thermal Coal Projects in the Magallanes Basin - Chile's Largest Known Coal Occurrence

