

31 October 2016

Equus Mining at a Glance

ASX listed Resource Company focused on developing natural resource projects strategically located near infrastructure. The company has just acquired the rights to 100% of the Los Domos Gold and Silver project located adjacent to the operating Cerro Bayo mine.

The company's Mina Rica thermal coal project, located adjacent to ship loading facilities, is focused on developing thermal coal resources for the Chilean power generation market and replacing the high level of thermal coal imports.

Facts

ASX Code:	EQE
Share Price (28 Oct 2016):	\$0.012
Shares on Issue:	434M
Market Capitalisation:	A\$5.2M

Directors and Officers

Mark Lochtenberg
Non-Executive Chairman

Ted Leschke
Managing Director

Juerg Walker
Non-Executive Director

Robert Yeates
Non-Executive Director

Marcelo Mora
Company Secretary

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Quarterly Activities Report September 2016

Equus Mining Limited ('Equus' or 'Equus Mining') (ASX: EQE) is pleased to report on its activities for the quarter ended 30 September 2016.

Summary of Activities

Los Domos Gold-Silver Project

- Equus Mining has acquired the rights to 100% of the Los Domos gold-silver project located in Chile's XI Region and adjacent to the operating Cerro Bayo mine.
- Reconnaissance work has shown high grade gold-silver mineralization in sheeted and stockwork veins and hydrothermal breccias.
- Rock-chip channel sample results include the following:
 - 0.15m @ **110.1 g/t Au & 51 g/t Ag**
 - 0.40m @ **81.1 g/t Au & 1996 g/t Ag**
 - 0.40m @ **50.7 g/t Au & 326 g/t Ag**
 - 0.40m @ **32.7 g/t Au & 227 g/t Ag**
 - 0.70m @ **17.2 g/t Au & 449 g/t Ag**
- Vein mapping and sampling results indicate vertical precious metal, pathfinder element & quartz textural zoning typical of epithermal systems.
- Field work, including continuous diamond saw channel sampling and detailed geological mapping designed to better define extensions of high grade gold-silver mineralisation prior to drill testing, is to commence immediately.

Mina Rica Thermal Coal Project

- Thermal coal prices have risen up to 87% since the beginning of 2016. Equus Mining is accessing its options to maximise value of its strategic Mina Rica coal assets.

Acquisition of Los Domos Gold-Silver Project

Equus Mining Limited (ASX: EQE) has secured the rights to acquire 100% of the Los Domos gold-silver project via an earn-in and purchase agreement with Terrane Minerals SpA announced on 25 October subsequent to the Quarter ended September 2016. See Map 1 for the project's location.

Under the agreement Equus is to fund a programme of systematic surface sampling and 2,000m of drilling. On completion of the drilling program, Terrane Minerals Spa ('Terrane') is to transfer its Los Domos project assets into a newly formed Joint Venture Company ('JV'). Equus will hold a 51% equity interest and Terrane a 49% equity interest in the JV Company.

Equus has a two-year option to buy the remaining 49% interest in the JV by issuing Terrane A\$450,000 worth of Ordinary shares in the capital of Equus Mining Limited at an issue price of 1.2 cents equivalent to 37.5m shares. Upon exercising this option Equus will own 100% of the project. The shares will be voluntarily escrowed for a period of 12 months. In addition, Equus is to reimburse historic costs of US\$141k incurred by Terrane.

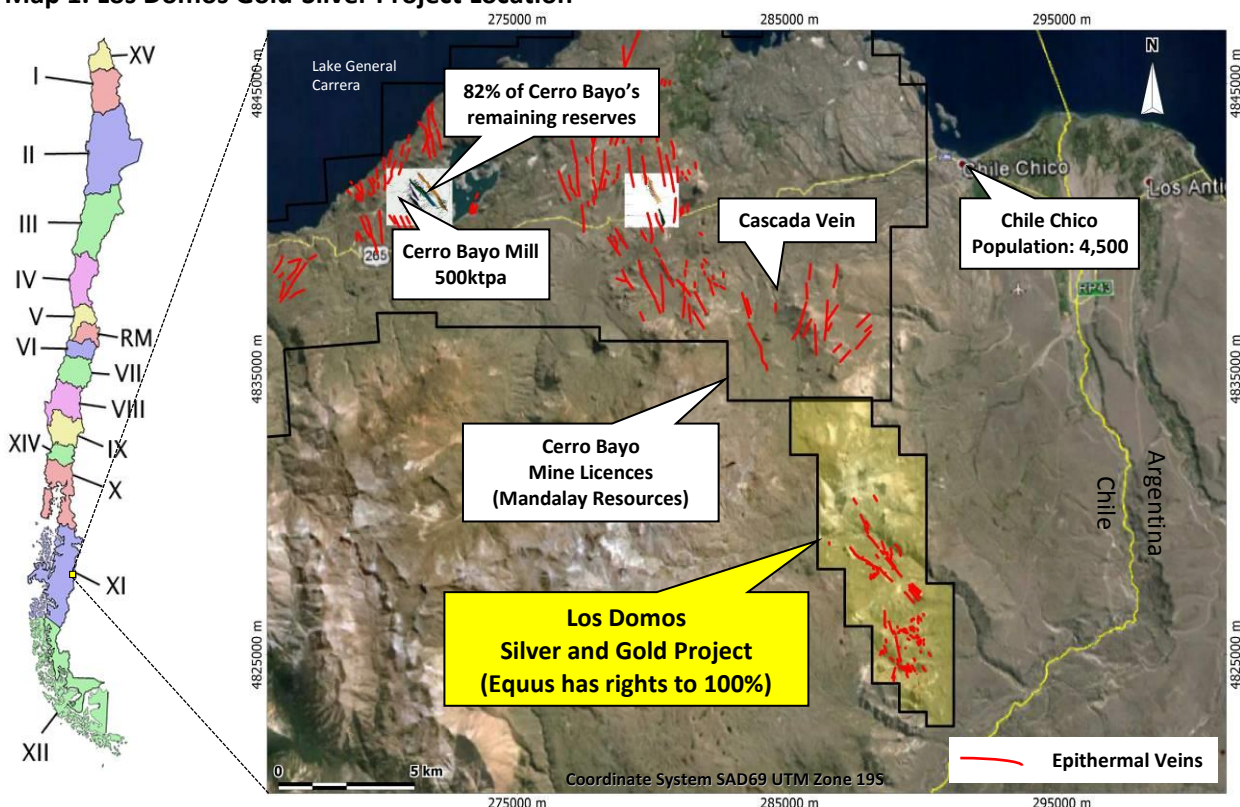
The Los Domos gold-silver project comprises 4,100 hectares of mining and exploration licences, located in Chile's XI Region. The Los Domos gold-silver project is made up of 12 exploration licence and exploration licence applications owned by Terrane Minerals SpA and 3 mining licences held under option expiring December 2017 by Terrane Minerals SpA.

The Los Domos gold-silver project is located adjacent to the Cerro Bayo gold-silver mining operations currently owned by TSX listed Mandalay Resources. Historical production & current resources are shown in following table and historical drilling has totalled some 662,000 metres.

Production	Tonnes	Au g/t	Ag g/t	Au Oz	Ag Oz
Pre 2002	2,430,000	2.1	135	161,000	10,560,000
2002-2008	2,600,000	4.2	347	352,258	29,103,226
2010-2015	1,872,553	1.8	251	108,729	15,161,639
Dec 31-2014 Resources	Tonnes	Au g/t	Ag g/t	Au Oz	Ag Oz
Measured	132000	2.46	250	10,475	1,064,516
Indicated	1699000	3.16	315	173,188	17,264,032
Inferred	511000	2.32	181	38,243	2,983,581

Source: Mandalay Resources Corporation – Cerro Bayo Project Technical Report NI 43-101 – March 13, 2015

Map 1. Los Domos Gold-Silver Project Location



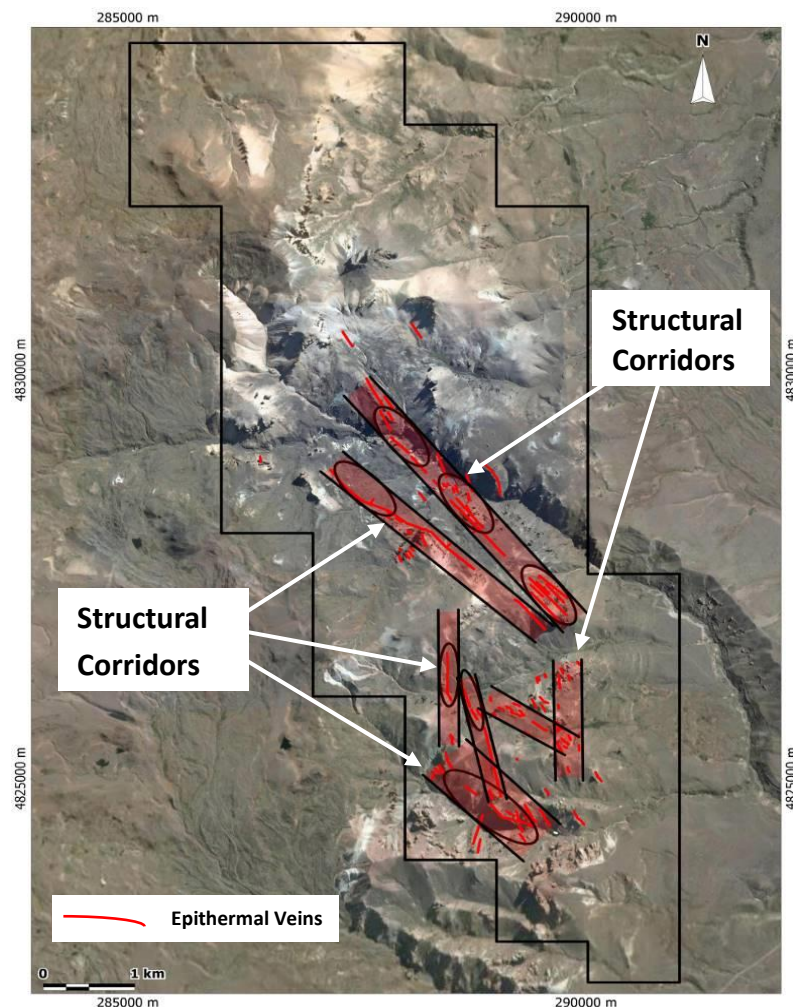
Los Domos Gold-Silver Project

The Los Domos gold-silver project is well located, being just 10km south of the township of Chile Chico, Region XI, Chile and the project area's altitude range of 800-1200m and a dry, moderate climate permits year-round exploration. The project area is located 15km southeast of the operating Cerro Bayo gold-silver mine and treatment plant which is owned by Mandalay Resources and is currently producing around 30 Kozpa gold and 3 Mozpa of silver.

Mapping and rock chip sampling to date throughout the Los Domos Project area (See Map 2) has delineated multiple structural corridors hosting chalcedonic - saccharoidal quartz veins and hydrothermal breccias for which results include:

- 0.15m (float) @ **110.1 g/t Au & 51 g/t Ag** - LD00014
- 0.40m @ **81.1 g/t Au & 1996 g/t Ag** - LD00013
- 0.40m @ **50.7 g/t Au & 326 g/t Ag** - LD00007
- 0.40m @ **32.7 g/t Au & 227 g/t Ag** - LD00035
- 0.70m @ **17.2 g/t Au & 449 g/t Ag** - LD00008
- 0.40m @ **5.7 g/t Au & 1340 g/t Ag** - LD00081
- 2.50m @ **5.6 g/t Au & 116 g/t Ag** - LD00086
- 0.10m (float) @ **4.9 g/t Au & 179 g/t Ag** - LD00009
- 1.50m @ **4.8 g/t Au & 134 g/t Ag** - LD00065

Map 2. Los Domos Gold-Silver Project & Interpreted Structural Corridors



Apart from reconnaissance style mapping and sampling, these newly discovered structural corridors have never received any modern systematic exploration and hence have never been drill tested.

Vein mapping and sample results indicate typical vertical precious metal, pathfinder element and quartz texture zonation with high grade gold and silver grades returned dominantly in veins which outcrop at lower relative altitudes throughout the Los Domos Project area. Sampled areas where high grade gold and silver grades were reported in veins at lower altitude between 850m and 1150m are shown as areas T1 and T7SE in Map 3. Sampled areas where relatively higher antimony and arsenic and other pathfinder element values were reported in veins at higher altitude above 1150m are shown as areas T2, T3, T4, T5, T6 and T7NW.

The vertical geochemical and textural zonation evident at Los Domos is comparable to zonation reported at the nearby Cerro Bayo mine. Higher Au-Ag grade zones are dominantly defined to occur in the topographically lower portions of the host structures indicative that the precious metal bearing zones maybe preserved below lower altitude portions of the project. To date, 6 of the 8 sampled structural corridors which host veining appear to occur at topographic levels interpreted to be above both the potentially preserved, enhanced gold and silver depositional zone, and underlying stratigraphy with characteristics more favourable for vein development.

Understanding of vertical metal zonation within the epithermal vein system at Los Domos will guide future exploration drill testing. Increased recognition of geochemical, vein quartz texture and alteration zonation of epithermal Au-Ag systems is delivering the next generation of discoveries of concealed deposits, such as those of Cerro Bayo (Mandalay) and Cerro Negro (Goldcorp).

Fieldwork to Commence Immediately at Los Domos

Field work to better define and extend known high grade gold-silver mineralisation is to commence immediately. Traverses have been planned to carry out continuous channel sampling with a diamond saw across the entire structure associated with high grade gold-silver veins so far identified. Continuous channel sampling with a diamond saw is generally comparable in sample quality to that of core drilling. See Photo 1.

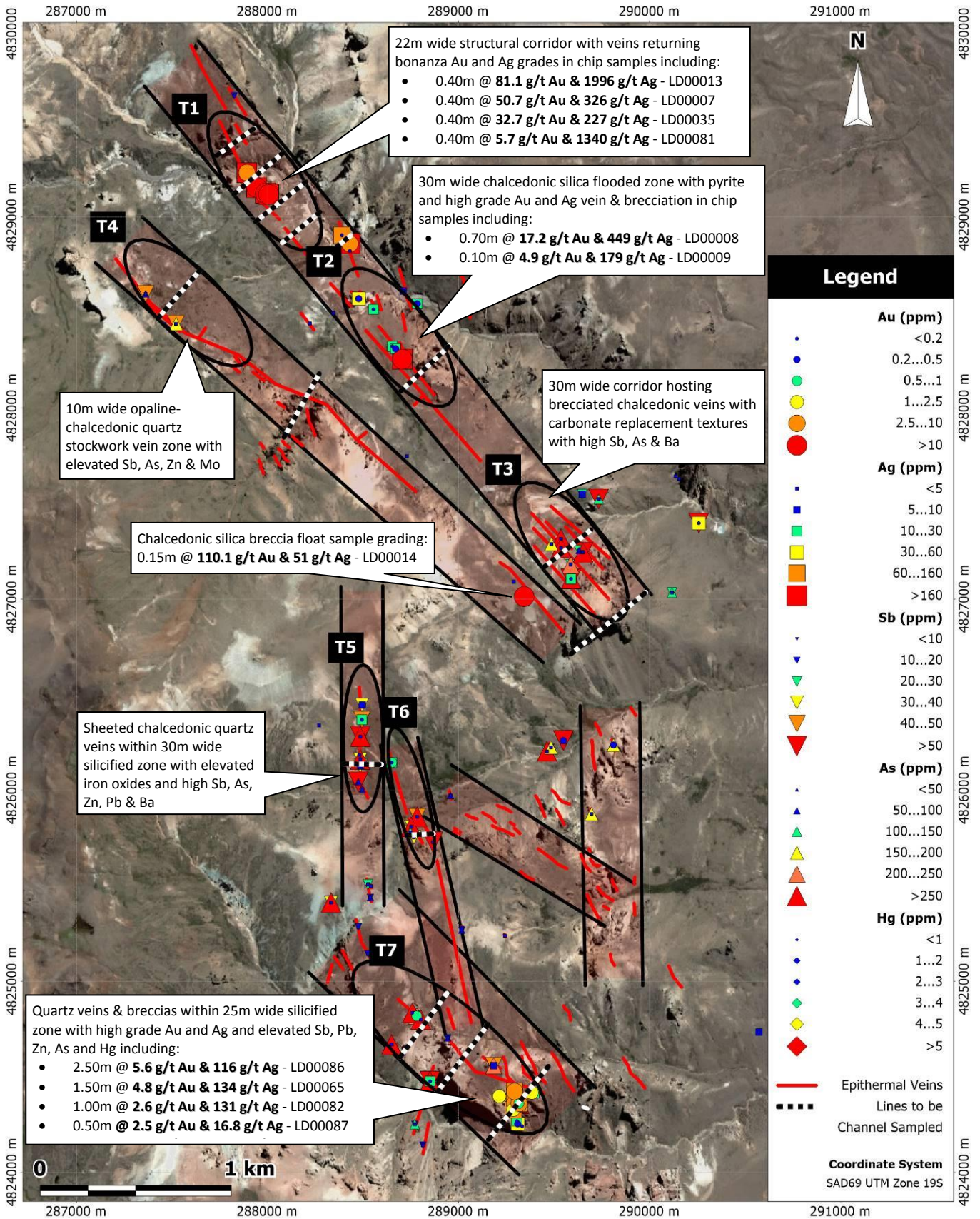
The aim of the systematic sampling and mapping of surface gold - silver bearing vein and breccia structures and peripheral stockwork zones is to better define potential extensions to mineralised structures at surface and provide vectors to mineralization at depth for subsequent drill testing.

It is estimated that 300 - 400m of diamond saw rock channel sampling is to commence in October/November.

Photo 1. Example of Diamond Saw Cutting for Continuous Channel Sampling



Map 3. Los Domos Gold-Silver Geochemical Sampling Results



Mina Rica Thermal Coal Project

Photo 2. Panamax Ship Loader at Port Pecket



Equus Mining’s Mina Rica thermal coal project is located on the Brunswick Peninsula in Chile’s XII Region and is considered highly strategic given its close proximity to key idle infrastructure (see Photo 2) and the potential for rapid development in order to supply into Chile’s shortage of domestically produced thermal coal (see Map 4). Currently Chile consumes approximately 15mpta of mostly imported thermal coal.

Initial drilling has 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 2,200 hectares in late 2015 (Exploration claims Mina Rica 32-39) and these are now granted. Field mapping and additional historic data has resulted in further new exploration licence applications being made.

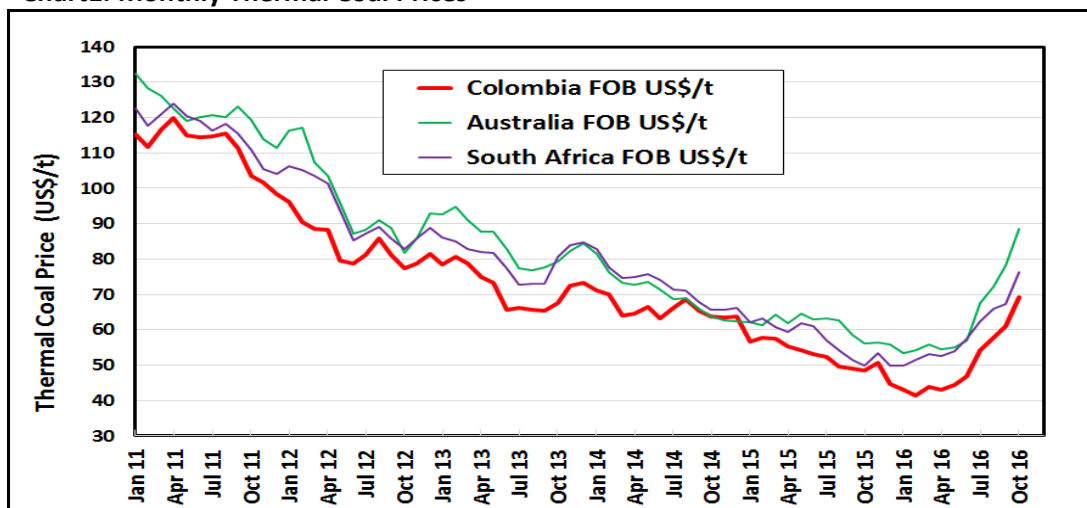
Coal Exploration Target

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.

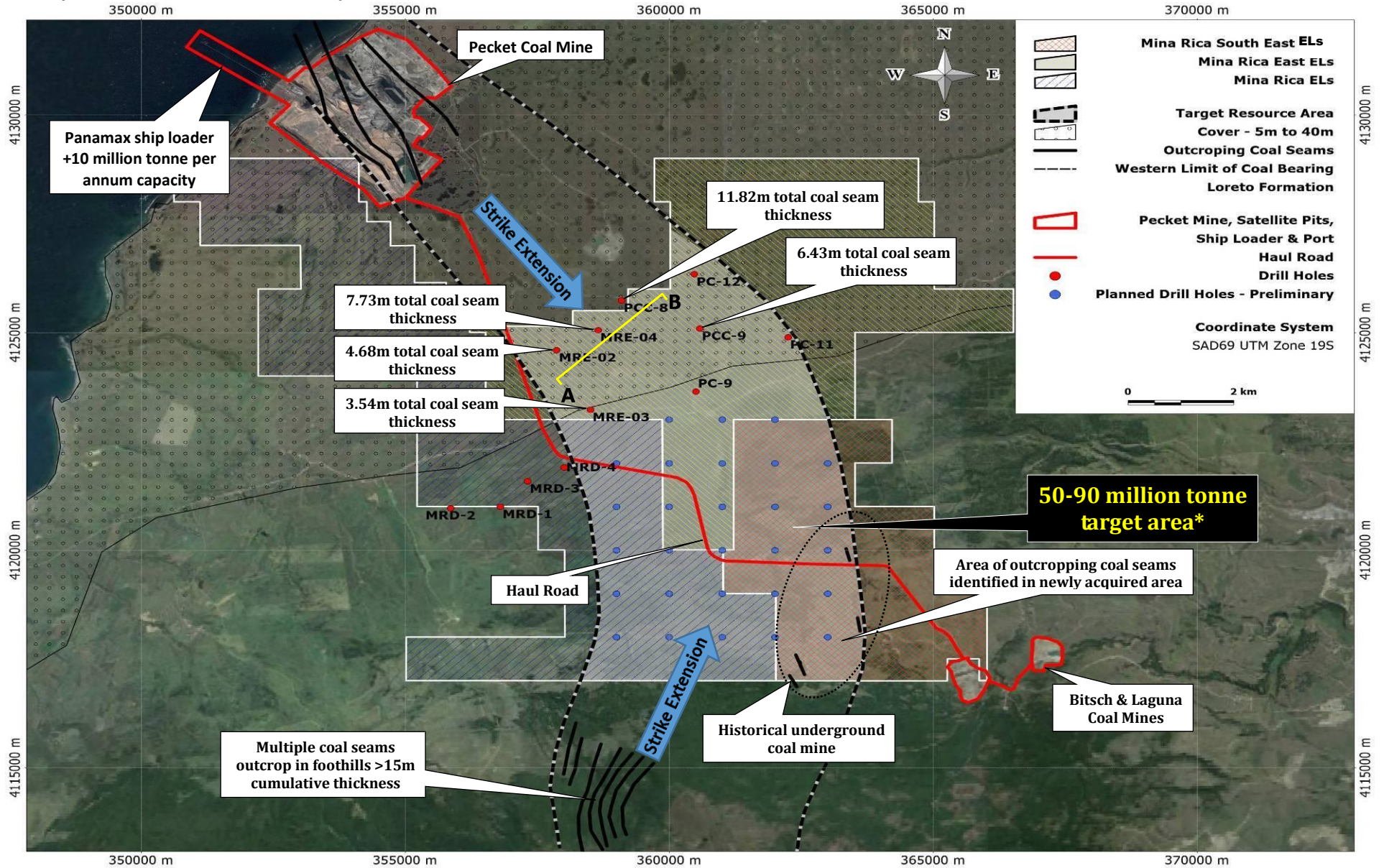
With spot thermal coal prices rallying up to 87% since the beginning of 2016 Equus Mining is accessing its options as to how to maximise the value of its strategic Mina Rica coal assets (see Chart 1).

Chart1. Monthly Thermal Coal Prices



Source: World Bank

Map 4. Mina Rica Thermal Coal Project



Corporate

Exploration Expenditure

During the quarter ended 30 September 2016 Equus invested a total of \$nil in exploration at its thermal coal projects in Chile.

Yours sincerely



Edward Leschke
Managing Director

pjn8666

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⁽ⁱ⁾All the material assumptions underpinning exploration results information in the initial public reports for Mina Rica Coal project (see ASX release dated 27 October 2015) and Los Domos Gold-Silver project (see ASX release dated 25 October 2016) continue to apply and have not materially changed. No new exploration results are reported for Mina Rica and Los Domos.

⁽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 for the Mina Rica Coal project 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. The information in this report that relates to Exploration Results for the Los Domos Gold-Silver project is based on information compiled by Damien 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 has a beneficial interest as shareholder and Director of Terrane Minerals SpA ('vendor') in Los Domos Gold-Silver project and 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
Mina Rica 32-39		Mina Rica 32-39	Mina Rica, Magallanes, Chile	Carbones del Sur
		Rio Rubens 1 to 11	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