

8 August 2017

Mr Andrew Kabega
Senior Adviser, Listing Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

Dear Mr Kabega,

I refer to your letter dated 4 August 2017 querying the cash expenditure of Equus Mining Limited's ('the Company or Equus') reported on Appendix 5B on 28 July 2017 and provide the following response:

1. Does EQE expect that it will continue to have negative operating cash flows for the time being and, if not, Why not?

Equus Mining Limited is a mining exploration Company and it does not generate revenue. It thus requires financing from investors for its trading operations. The Company will continue to have negative cash until it successfully developed and commercially exploit a mine.

2. Has EQE taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company has recently completed a capital raising to undertake a drilling program at Los Domes Gold-Silver project in Chile. The drilling program is expected to be completed by late next quarter at which time, depending on the results of the drilling program, the Company will assess if further funding is required for further exploration. A success drilling campaign is very likely to result in a successfully capital raising (refer to recent announcements made by the Company on the drilling campaign).

3. Does EQE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Following the June 2017 quarter expenditure (Appendix 5B dated 28 July 2017) and the cash forecast for the quarter ending September 2017, the Company will have completed the current drilling program. Therefore, the expenditure for the December quarter ending 2017 will be reduced substantially and with the existing cash the Company will have more than sufficient funds to keep operating for more than two consecutive quarters.



EQUUS
MINING LIMITED

ABN 44 065 212 679

4. Please provide any other information that EQE considers may be relevant to ASX forming an opinion on whether EQE is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

If Equus does not proceed with the project beyond the quarter ending December 2017, The Company plans to reduce expenditure to the level of funding available to continue settle its liabilities and if required differ settlement of liabilities to related parties.

5. Please confirm that EQE is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

The Company confirms that it is, to the best of its knowledge and belief, in compliance with the Listing Rules and in particular, Listing Rule 3.1 and relevant information has been public or given to the ASX.

6. Please confirm that EQE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EQE with delegated authority from the board to respond to ASX on disclosure matters.

Yes, the response was authorised and approved in accordance with the continuous disclosure policy.

Yours sincerely

Marcelo Mora
Company Secretary

pjn9025

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4 August 2017

Mr Marcelo Mora
Company Secretary
Level 2, 66 Hunter Street
Sydney, NSW 2000

By Email

Dear Mr Mora,

Equus Mining Limited (“EQE”): Appendix 5B Query

I refer to the EQE’s Appendix 5B quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform on 28 July 2017 (the “Appendix 5B”).

ASX notes that SCI has reported:

- negative net operating cash flows for the quarter of \$461,000
- cash at the end of the quarter of \$1,121,000 and
- estimated cash outflows for the next quarter of \$590,000.

It is possible to conclude, based on the information in the Appendix 5B that if EQE were to continue to expend cash at the rate indicated by the Appendix 5B, EQE may not have sufficient cash to continue funding its operations. In view of that, ASX asks EQE respond separately to each of the following questions and requests for information:

1. Does EQE expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has EQE taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does EQE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that EQE considers may be relevant to ASX forming an opinion on whether EQE is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that EQE is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that EQE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EQE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 09:30 am AEST on Wednesday, 9 August 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in EQE's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EQE's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to EQE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that EQE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in EQE's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.



You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

Andrew Kabega
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