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Equus Executes Agreement to Explore and Option to Acquire Mandalay Resources Corporation's Cerro Bayo Mining Project

Equus Mining Limited ("**Equus**" or "**the Company**") has executed a non-binding Heads of Agreement with Mandalay Resources Corporation (TSX:MND, OTCQB: MNDJF) ("**Mandalay**") for a 3 year option to acquire all the mining properties, resources and mine infrastructure at Mandalay's Cerro Bayo project in Region XI, Southern Chile nearby Equus's existing Los Domos Project ("**Option**").

The Option will entitle Equus to explore Mandalay's 29,495 hectare Cerro Bayo mine district and to acquire all the mining properties, resources and mine infrastructure at Mandalay's Cerro Bayo project which includes a 1,500tpd processing plant (currently on care and maintenance).

This transaction will be structured through the acquisition of the entire issued share capital of Compania Minera Cerro Bayo Ltd, a wholly owned Mandalay subsidiary.

The Option is at no cost to Equus.

Consideration for completion of the acquisition, should Equus exercise its option, will be the issue to Mandalay of 19% of Equus's share capital at the time of exercise and a 2.25% NSR on production from the Cerro Bayo mining claims, subject to a re-purchase option in favour of Equus. Equus will also assume 50% of the closure costs at Cerro Bayo, up to an agreed maximum of those final approved closure costs.

The Heads of Agreement is subject to final documentation.

The Directors of Equus are very pleased to have entered into this transformational deal which has the potential to transform Equus, at very low cost, into an advanced brownfields exploration company holding the permitted rights to explore a +350 km² land package in a proven highly prospective district.

Subject to successful exploration results, the Company will then be well positioned to transition to production by virtue of the Cerro Bayo mine infrastructure and processing plant.

The Directors of Equus are confident about the exploration potential at Cerro Bayo and the Company's nearby Los Domos exploration project and believe Equus is well positioned to become a regional gold and silver producer.



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