

Amendment to the Loan Facility Agreement

Equus Mining Limited (“**Equus**” or the “**Company**”) announces that it has executed an Amendment and Covenant Deferral Agreement with Equity Trustees Limited (ABN 46 004 031 298) in its capacity as the trustee of the Tribeca Global Natural Resources Fund (ABN 97 553 912 939), Tribeca Global Natural Resources Credit Master Fund, Tribeca Global Natural Resources Limited (ABN 16 627 596 418) and Tribeca Segregated Portfolio Company on behalf and for the account of Tribeca Global Natural Resources Segregated Portfolio (each, a **Lender** and together, the **Lenders**) dated 31 March 2023 (**Deferral Agreement**).

The Deferral Agreement varied the Loan Facility Agreement entered into between the parties on 14 October 2022 (which formally documented the terms of the loan as announced to ASX on 26 August 2022) under which the Lenders made available to the Company a cash advance facility in an aggregate amount of USD\$2,200,000 (**Facility Agreement**).

Under the Deferral Agreement the Company granted collateral security to the Lender, in respect of the same USD\$2,200,000 loan facility, over 11 real-estate properties (being non-core assets) located in the town of Chile Chico in Chile’s region 11 owned by the Company’s wholly owed subsidiary, Compañía Minera Cerro Bayo (**CMCB**).

The material terms of the Facility Agreement as amended by the Deferral Agreement are set out in Annexure A.

In addition to the above, the Lenders have provided other general waivers in relation to the Facility Agreement, as varied by the Deferral Agreement, to ensure that the Company is not in a subsisting default.

- END -

This announcement has been approved by the Managing Director, John Braham.

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Annexure A

Summary of Key Terms of Amended Facility Agreement

On 14 October 2022, the Company (the **Borrower**) and Equus Resources Pty Ltd (ACN 141 023 403) (the **Guarantor**) entered into the original Facility Agreement (which formally documented the terms of the loan as announced on 26 August 2022) with Equity Trustees Limited (ABN 46 004 031 298) in its capacity as trustee of the Tribeca Global Natural Resources Fund (ABN 97 533 912 939), Tribeca Global Natural Resources Credit Master Fund, Tribeca Global Natural Resources Limited (ABN 16 627 596 418) and Tribeca Segregated Portfolio Company on behalf and for the account Tribeca Global Natural Resources Segregated Portfolio (each, a **Lender**) (**Facility Agreement**). The Facility Agreement accompanies the General Security Deed (**GSD**) entered into between the abovementioned parties on or about the same date. Under the Facility Agreement, the Lenders made available to the Borrower a cash advance facility in an aggregate amount of USD\$2,200,000 (**Loan Facility** and each a **Loan**).

The parties varied the Facility Agreement by execution of an Amendment and Covenant Deferral Letter on 31 March 2023 (**Deferral Agreement**). Under the Deferral Agreement the Company granted collateral security to the Lender, in respect of the same USD\$2,200,000 Loan Facility, over 11 real-estate properties (being non-core assets) located in the town of Chile Chico in Chile's region 11 (**Properties**) owned by the Company's wholly owned subsidiary, Compañía Minera Cerro Bayo (**CMCB**).

The terms of the Facility Agreement as amended by the Deferral Agreement are as follows:

1. **Maturity date**

24 months from the date on which the Loan Facility was provided, being 14 October 2024. There was no change to the maturity date under the Deferral Agreement.

2. **Use of funds**

The Loan Facility was fully utilised, and the proceeds down streamed to the Company's subsidiary, CMCB, which was used to fund (among other things) working capital and exploration cost requirements.

3. **Interest rate**

Under the Facility Agreement, interest on the Loan Facility is calculated at a rate of 10% per annum. Interest is payable on the last business day of each calendar quarter. There was no amendment to the interest rate under the Deferral Agreement.

Default interest is payable on any overdue amounts from the due date up to the date of actual payment at the sum of 2% per annum and the rate which would have been payable if the overdue amount constituted a Loan.

4. **Repayment**

The Borrower must repay each Loan to the relevant Lender in full on the maturity date.

The Borrower may, with not less than 3 Business Days' notice to the Lenders, voluntarily repay all or part (being a minimum amount of \$250,000) of the Loans.

The Borrower must apply the net proceeds of the exercise of the 22,863,081 unlisted options (issued to the Lenders on 14 October 2022, with a strike price of \$0.15) in repayment of the outstanding Loans, immediately on receipt of such proceeds.

Other repayment terms include mandatory prepayment of an applicable percentage on disposal of the assets of the Cerro Bayo Gold-Silver Project or in relation to receipt of joint venture proceeds.

5. **Financial covenants**

Under the Facility Agreement, the Company was required to comply with two financial covenants:

- on each calculation date, the current ratio shall exceed 1.10:1.0; and
- on each calculation date, the minimum liquidity shall not be less than AUD\$250,000,

(the **Financial Covenants**).

Pursuant to the Deferral Agreement, the Lenders agreed to provide a deferral for the abovementioned Financial Covenants with respect of the reporting quarters ending 31 March 2023, 30 June 2023, 30 September 2023, and 31 December 2023. The Company's obligations with respect to the Financial Covenants will resume in respect of the quarter ending 31 March 2024 and each reporting quarter thereafter.

6. Representation and warranties

The Facility Agreement (as varied by the Deferral Agreement) includes representations and warranties given by the Borrower in favour of the Lender which are typical for agreements of this nature. These include representations regarding the Borrower or the Guarantor (the **Obligors**) being duly incorporated, having corporate power and authority to enter into the Facility Agreement and that the Facility Agreement constitutes binding obligations on the Obligors and are permitted under their constitution and under law.

7. Conditions under Deferral Agreement

Conditions of the Deferral Agreement (among other things) include the following:

- In consideration for the deferral of the Financial Covenants provided by the Lenders, subject to necessary shareholder approval, the Company shall grant to the Lenders 25,000,000 unlisted options pursuant to an Option Agreement with the key terms and conditions set out in Annexure A.
- The Company's subsidiary, CMCB, provides the Lender with first ranking mortgages in favour of the Lenders over certain real estate properties owned by CMCB in the town of Chile Chico in Chile's region 11 and executes other relevant documents and authorisations necessary to effect the transfer (**Security Documents**).
- The Company must raise no less than AUD\$2 million in new equity.
- Mr Mark Lochtenberg must subscribe for not less than AUD\$0.5 million of the new equity.

Binding commitment for the above new equity has been received by the Company.

8. Events of Default

The Facility Agreement includes events of default which are typical for agreements of this nature. Tribeca have provided a waiver to the Company in respect of the current ASX suspension to extend the maximum allowable suspension.

In respect of the Deferral Agreement, if any of the deferral conditions are not satisfied by the respective due dates, an event of default shall immediately occur under the Facility Agreement and all moneys owing under the Facility Agreement shall immediately become due and payable by the Company and each Security Document shall immediately become enforceable by the Lenders.

9. Security

Under the GSD, the Obligors provided security over all of the Grantor's present and future undertaking, assets and rights and all of the Grantor's present and future rights and interest in any asset, including all present and after-acquired property and any asset and property in which that Grantor has sufficient rights to be able to grant a security interest. Further, the GSD and the Facility Agreement contemplate the potential provision of collateral security as security for, or to credit enhance, the payment of any of the secured money. Accordingly, the Deferral Agreement grants collateral security in the form of first ranking mortgages in favour of the Lenders over the Properties.

10. Negative Pledge

The Facility Agreement contains a negative pledge that none of the Company's subsidiaries will create or permit to subsist any security over any of their assets.

11. Group Structure

The Facility Agreement requires the Company to maintain its corporate structure and direct and indirect ownership it had in each of its subsidiaries (other than in the event of a permitted restructure).

12. Other provisions

The amended Facility Agreement includes other provisions which are typical in agreements of this nature such as various undertakings, restrictions on assignment, provisions relating to costs and expenses, indemnities and illegality, arranger fees, guarantee (provided by the Guarantor) and increased costs arising from a change in law or regulation or arising as a result of increased compliance costs.