

15 June 2017

**STRONG MINERALISATION INTERSECTED AT SHALLOW DEPTH**  
**IN FIRST DRILL HOLE AT LOS DOMOS GOLD-SILVER PROJECT**

Equus Mining Limited ('Equus') (ASX: EQE) is pleased to announce the first drill hole (LDD 001) at the Los Domos Gold-Silver Project has intersected a cumulative 12.9m downhole interval hosting visual indications of precious and base metal mineralisation. Assays will be in announced in due course. Drilling continues on numerous additional key targets.

**Discovery Detail**

- **First Drill Hole at T7 Structure Prospect Discovers Strong Mineralisation at Shallow Depth:** The first drill hole (LDD 001) at the previously undrilled Los Domos Gold-Silver Project has intersected a cumulative 12.9m downhole interval hosting visual indications of precious and base metal mineralisation within a 25m down hole interval of visible disseminated base metal sulphides from a down hole depth of 35.2m. See Map 1. This discovery was made at the T7 Structure Prospect, one of eight major structures targeted for drill testing defined by surface mapping and sampling at Los Domos to date.
- The mineralisation comprises a moderately north northeast dipping zone of brecciated, galena rich, banded epithermal quartz veins and matrix breccias hosted in quartz crystal rich tuff. Analyses of the drill core using a handheld Niton XFR device has returned elevated Ag and Pb values. Gold grades will be determined by laboratory analyses as it is not reliably detected using the XRF technique. Diamond saw cut, half core splits are being prepared for laboratory analysis and assays results will be in announced in due course.
- This drill intercept is interpreted as representing the down dip extension of a weaker, disseminated outcropping zone of fault hosted precious and base metal mineralisation which was previous channel sampled at surface. Mineralisation intersected in drill hole LDD 001 is visually significantly stronger and wider than that sampled at surface. Surface sampling and mapping also indicates that mineralisation extends 300m along strike to the west-northwest and the host west -northwest trending fault structure can be traced for at least 800m. See Map 2.
- **Drilling Programme to Test 8 Targets at Los Domos:** Drill hole LDD 001 is the first hole in a 2,000m drill programme at the Los Domos Gold-Silver Project. This program will test up to eight individually mapped target structures which have been defined through surface sampling and exhibit characteristic epithermal metal zonation<sup>(i, ii, iii, iv, v)</sup>. See Map 4. Detailed target descriptions are outlined in the March 2017 Quarterly Activities Report released 28 April 2017. In summary, four of these targets have returned high grade gold and silver mineralisation from quartz veins outcropping at surface and are considered to represent the interval within the hydrothermal system within or just above the precious metal bearing zone. Another four structures have returned anomalous gold and silver values and elevated epithermal pathfinder metals typically found above the precious metal zones. The four prospects with target structures that have yielded high-grade gold and silver mineralisation with average values expressed as gold equivalent over sampled strike lengths include:
 

|                                 |  |                            |
|---------------------------------|--|----------------------------|
| ➤ <b>T1 Structure Prospect:</b> | <b>15.02 g/t AuEq average sample grade</b> | <b>430 m strike length</b> |
| ➤ <b>T2 Structure Prospect:</b> | <b>3.99 g/t AuEq average sample grade</b>  | <b>250 m strike length</b> |
| ➤ <b>T7 Structure Prospect:</b> | <b>5.24 g/t AuEq average sample grade</b>  | <b>270 m strike length</b> |
| ➤ <b>T8 Structure Prospect:</b> | <b>7.59 g/t AuEq average sample grade</b>  | <b>100 m strike length</b> |
- **Project Attributes:** The Los Domos gold-silver project is well located, 15km south of the township of Chile Chico and adjacent to the Cerro Bayo gold-silver mine which is currently producing around 2 Mozpa of silver and 20 Kozpa gold<sup>(a)</sup> or approximately two thirds nominal capacity. With an altitude range of 800m to 1,200m and a dry, moderate climate, the Los Domos Project is able to be explored year round.

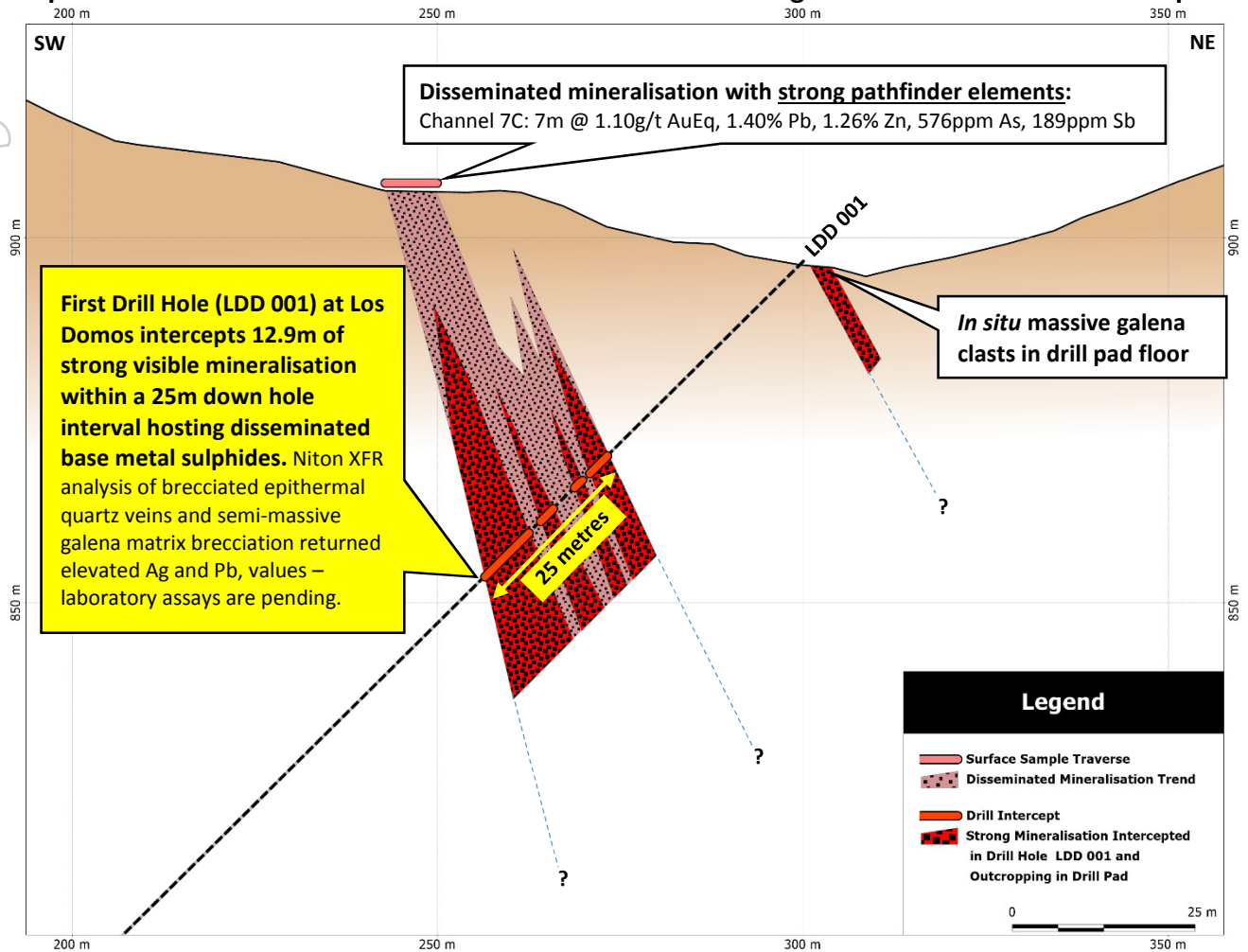
<sup>(i, ii, iii, iv, v,)</sup> & (a) – refer page 8.

Level 2, 66 Hunter Street  
Sydney NSW 2000  
Australia

T +61 2 9300 3366  
F +61 2 9221 6333  
E info@equusmining.com  
W www.equusmining.com

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**Map 1. Cross Section of Drill Hole LDD 001 with 12.9m of strong visible mineralisation intercept**

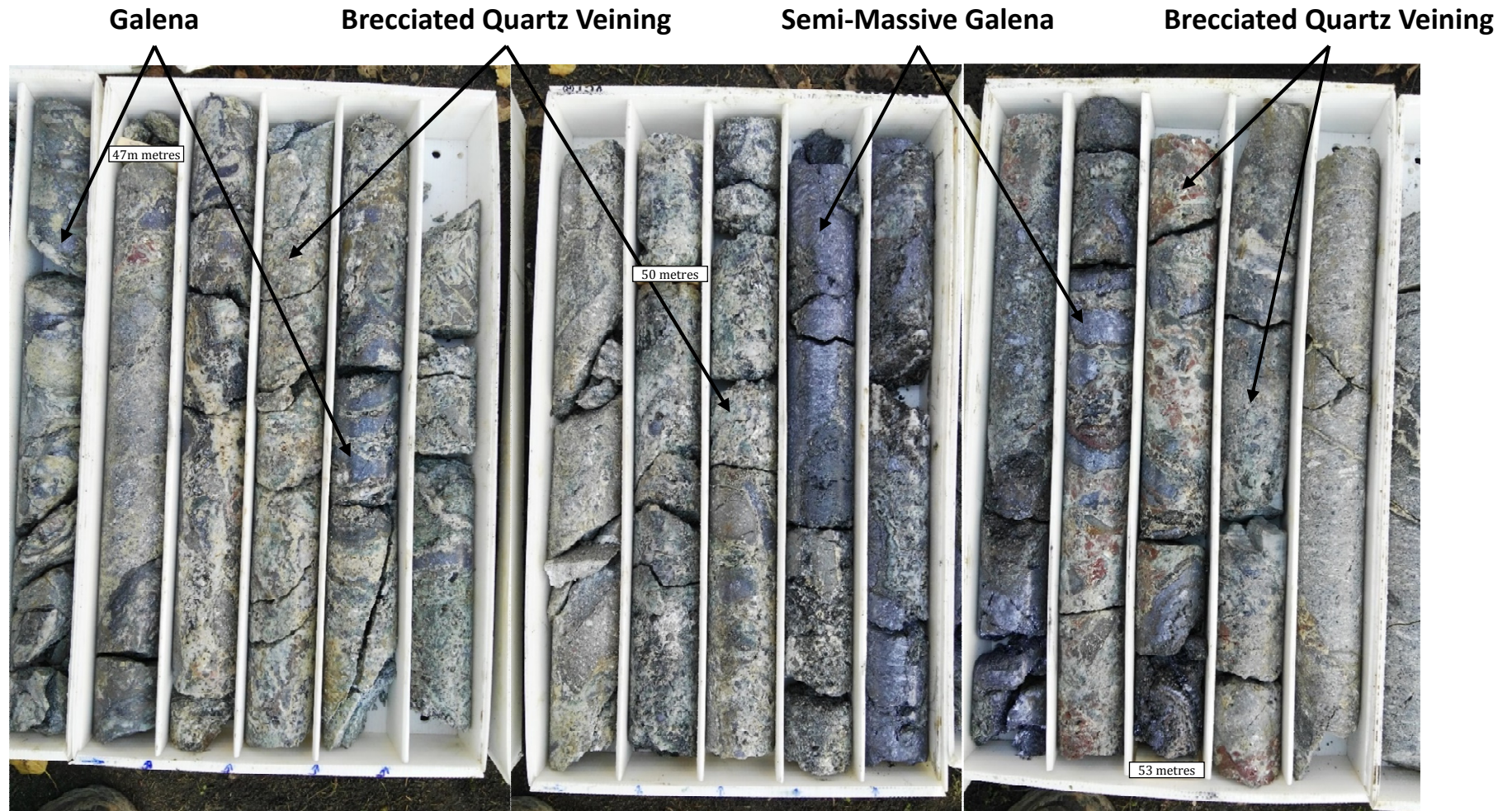


**Photo 1. Drilling Hole LDD 001 at Los Domos T7 Target**





**Photo 2. Drill Hole LDD 001 drill core at 46 to 55 metres depth showing strong galena rich, quartz vein and breccia mineralisation**



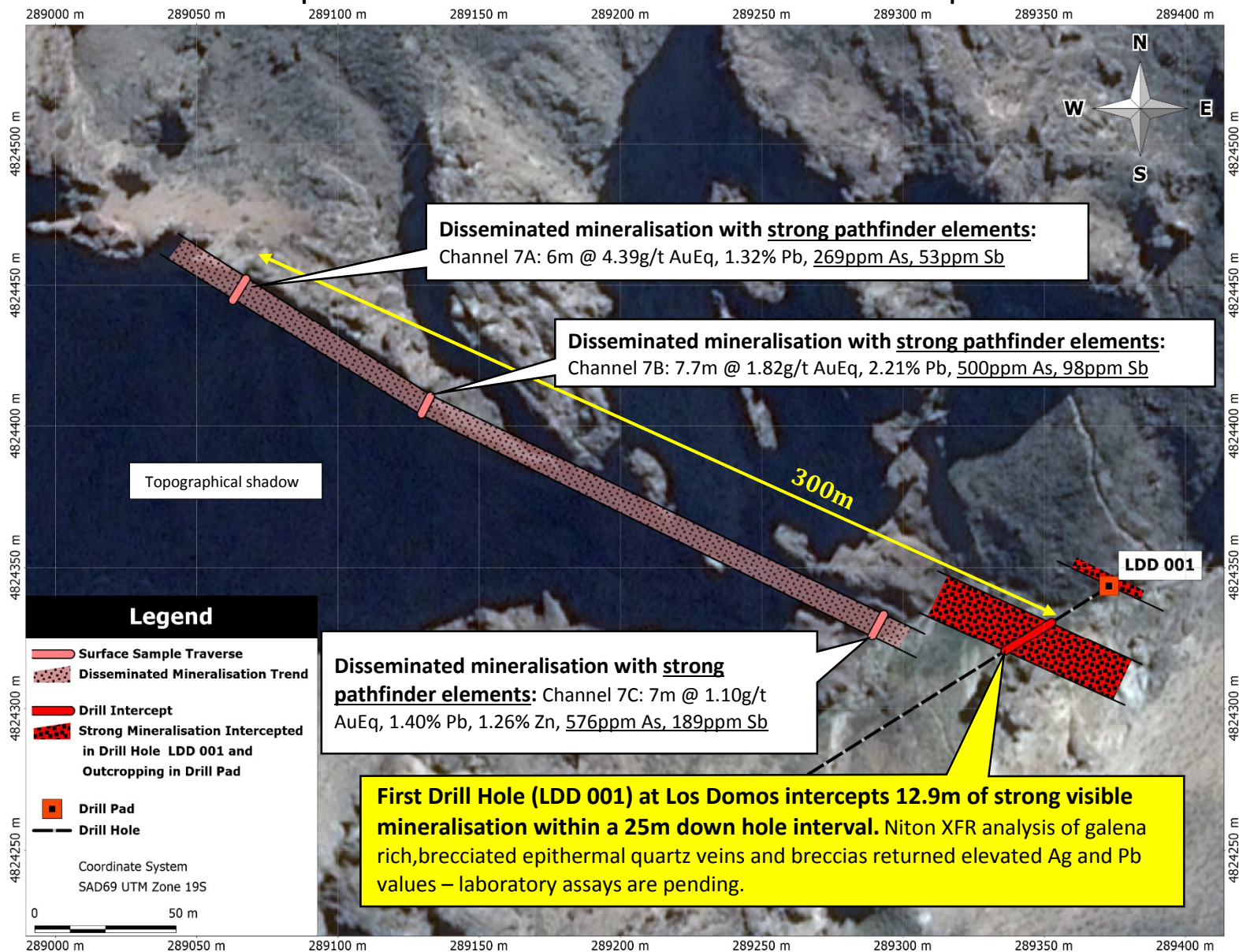




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**Map 2. Plan of Drill Hole LDD 001 and surface mineralised intercepts**



**Table 1. Previously Report Surface Channel Sampling**

**Channel 7A**

| Sample No. | Interval (m) | Au (g/t)    | Ag (g/t)   | AuEq (g/t)  | Pb (%)      | Zn (%)      | As (ppm)   | Sb (ppm)  |
|------------|--------------|-------------|------------|-------------|-------------|-------------|------------|-----------|
| LD00186    | 0.80         | 2.23        | 70         | 3.29        | 3.74        | 0.11        | 255        | 76        |
| LD00187    | 1.20         | 0.05        | 7          | 0.16        | 1.06        | 0.20        | 57         | 29        |
| LD00188    | 0.30         | 0.16        | 31         | 0.63        | 3.72        | 0.18        | 49         | 49        |
| LD00195    | 0.40         | 0.91        | 19         | 1.20        | 0.42        | 0.02        | 214        | 19        |
| LD00196    | 1.00         | 0.48        | 34         | 0.99        | 0.59        | 0.03        | 160        | 110       |
| LD00197    | 0.20         | 2.46        | 11         | 2.63        | 0.24        | 0.01        | 267        | 7         |
| LD00198    | 0.70         | 1.89        | 28         | 2.31        | 0.17        | 0.01        | 218        | 68        |
| LD00199    | 0.40         | 2.77        | 201        | 5.82        | 0.88        | 0.01        | 534        | 25        |
| LD00200    | 1.00         | 9.46        | 523        | 17.40       | 1.27        | 0.03        | 662        | 32        |
|            | <b>6.00</b>  | <b>2.52</b> | <b>123</b> | <b>4.39</b> | <b>1.32</b> | <b>0.08</b> | <b>269</b> | <b>53</b> |

**Channel 7B**

| Sample No. | Interval (m) | Au (g/t)    | Ag (g/t)  | AuEq (g/t)  | Pb (%)      | Zn (%)      | As (ppm)   | Sb (ppm)  |
|------------|--------------|-------------|-----------|-------------|-------------|-------------|------------|-----------|
| LD00175    | 1.00         | 0.74        | 98        | 2.22        | 12.25       | 0.16        | 260        | 191       |
| LD00176    | 1.00         | 0.25        | 10        | 0.40        | 0.42        | 0.34        | 245        | 32        |
| LD00178    | 1.00         | 0.60        | 11        | 0.77        | 0.50        | 0.04        | 251        | 36        |
| LD00179    | 1.00         | 1.84        | 32        | 2.32        | 0.94        | 0.02        | 855        | 74        |
| LD00180    | 0.70         | 0.01        | 46        | 0.70        | 0.73        | 0.12        | 609        | 102       |
| LD00181    | 1.00         | 1.09        | 50        | 1.84        | 1.31        | 0.08        | 765        | 235       |
| LD00182    | 1.00         | 2.99        | 54        | 3.81        | 0.89        | 0.07        | 560        | 89        |
| LD00184    | 1.00         | 1.59        | 36        | 2.13        | 0.19        | 0.05        | 484        | 27        |
|            | <b>7.70</b>  | <b>1.18</b> | <b>42</b> | <b>1.82</b> | <b>2.21</b> | <b>0.11</b> | <b>500</b> | <b>98</b> |

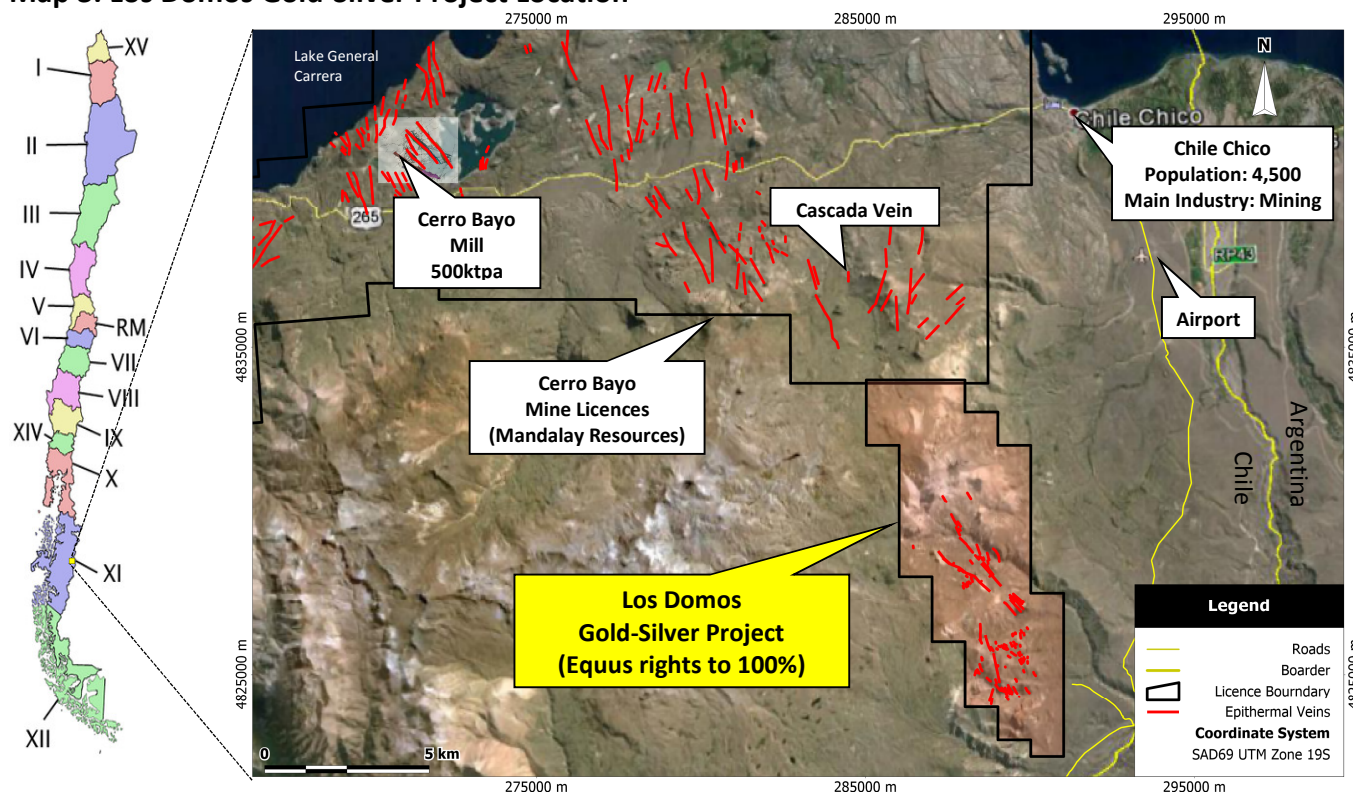
**Channel 7C**

| Sample No. | Interval (m) | Au (g/t)    | Ag (g/t)  | AuEq (g/t)  | Pb (%)      | Zn (%)      | As (ppm)   | Sb (ppm)   |
|------------|--------------|-------------|-----------|-------------|-------------|-------------|------------|------------|
| LD00112    | 1.00         | 0.50        | 5         | 0.58        | 0.50        | 0.41        | 457        | 33         |
| LD00113    | 1.00         | 1.87        | 4         | 1.92        | 0.12        | 0.06        | 785        | 16         |
| LD00114    | 1.00         | 0.51        | 12        | 0.68        | 0.58        | 0.06        | 659        | 11         |
| LD00115    | 1.00         | 0.18        | 3         | 0.23        | 0.07        | 0.17        | 322        | 11         |
| LD00116    | 1.00         | 1.63        | 52        | 2.41        | 4.35        | 2.07        | 1050       | 565        |
| LD00117    | 1.00         | 0.54        | 28        | 0.96        | 2.38        | 3.92        | 408        | 379        |
| LD00118    | 1.00         | 0.52        | 24        | 0.88        | 1.80        | 2.11        | 348        | 309        |
|            | <b>7.00</b>  | <b>0.82</b> | <b>18</b> | <b>1.10</b> | <b>1.40</b> | <b>1.26</b> | <b>576</b> | <b>189</b> |

## Los Domos Gold-Silver Project

Equus Mining Limited (ASX: EQE) has rights to 100% of the Los Domos gold-silver project located in the XI Region of Chile. See Map 1 for the project's location. The project area is located 15km southeast of the operating Cerro Bayo gold-silver mine and treatment plant (500ktpa capacity) which is owned by Mandalay Resources. Current production is around 2 Mozpa of silver and 20 Kozpa gold, or two thirds nominal capacity, and reserves as of December 2016 were 8.9 Moz of silver and 72 Koz gold<sup>(a)</sup>.

### Map 3. Los Domos Gold-Silver Project Location



Previous mapping and rock chip sampling throughout the Los Domos Project area has delineated multiple structural corridors hosting chalcedonic - saccharoidal quartz veins and hydrothermal breccias. 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 assay results have shown typical vertical precious metal, pathfinder element and quartz texture zonation whereby:

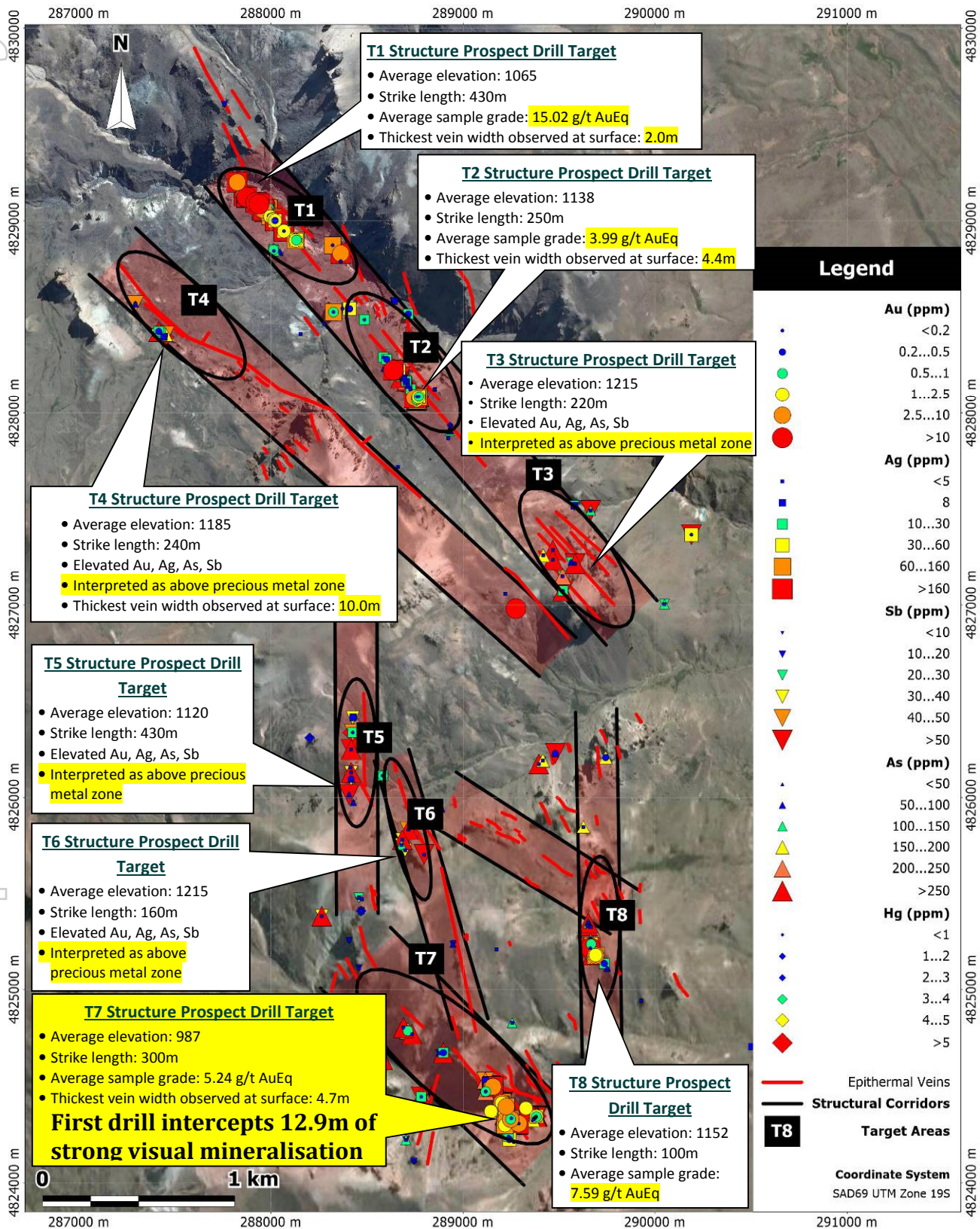
- High grade gold and silver grades are reported predominantly in saccharoidal veins which outcrop at lower altitudes throughout the Los Domos Project area – typically below 1100m. See areas T1 and T7 in Map 4.
- Areas where both relatively higher antimony and arsenic and intermittent grade gold and silver grades have been recorded typically occur between 1,100m and 1,200m. See area T2 and the newly discovered T8 area in Map 4.
- Areas where relatively higher antimony and arsenic and other pathfinder element values are reported with anomalous precious metal values are typically in veins at higher altitude above 1,200m. See areas T3, T4, T5, and T6 in Map 4.

The understanding of the vertical metal zonation within the epithermal vein system at Los Domos is key to guiding future exploration including drill testing, which has recently commenced. 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).

Exploration model types of both low sulphidation (e.g. Cerro Negro, Santa Cruz, Argentina) and intermediate sulphidation deposits (San Jose and Cerro Moro, Santa Cruz, Argentina) are being targeted at Los Domos.



**Map 4. Los Domos Gold-Silver Geochemical Sampling Results**



**For further information, please contact:**

Ted Leschke – Managing Director

Ph: +61 2 9300 3366

Email: tleschke@equusmining.com

**Website:** www.equusmining.com

**pjn8954**

(a) *www.mandalayresources.com*

(i) *All the material assumptions underpinning exploration results for sample numbers LD00001 to LD00102 are outlined in Table 1 and Appendix 1 in the initial public report titled Los Domos Gold-Silver project (see ASX release dated 25 October 2016) and continue to apply and have not materially changed.*

(ii) *All the material assumptions underpinning exploration results for sample numbers LD00103 to LD00205 are outlined in Table 1 and Appendix 1 in the December 2016 Quarterly Activities Report (see ASX release dated 31 January 2017) continue to apply and have not materially changed.*

(iii) *All the material assumptions underpinning exploration results for sample numbers LD00206 to LD00382 are outlined in Table 1 and Appendix 1 in the report titled Los Domos Gold-Silver Project High Grade Assay Results (see ASX release dated 3 March 2017) continue to apply and have not materially changed.*

(iv) *All the material assumptions underpinning exploration results for sample numbers LD00283 to LD00400 are outlined in Table 1 and Appendix 1 in the report titled Los Domos Gold-Silver Project Yields Further High Grade Assay Results (see ASX release dated 31 March 2017) continue to apply and have not materially changed.*

**(v) Gold Equivalent Calculation Formula (AuEq)**

$$\text{AuEq(g/t)} = \text{Au(g/t)} + \text{Ag(g/t)} \times \frac{\text{Price per 1 Ag(g)} \times \text{Ag Recovery (\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$$

ie Ag:Au = 68:1

**Gold Equivalent Calculation Assumptions**

|                        |                     |                 |   |
|------------------------|---------------------|-----------------|---|
| Gold Price:            | US\$1244 per ounce  | US\$40 per gram | The metallurgical recoveries for Au and Ag are based on the recoveries being achieved by a neighbouring Cerro Bayo mine which is operating in the same geologic setting as the Los Domos project. It is EQE's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. |
| Silver Price:          | US\$18.35 per ounce | US\$9c per gram |   |
| 2016 Gold Recovery*:   | 84.93%              |                 |   |
| 2016 Silver Recovery*: | 87.40%              |                 |   |

\*Source: [http://www.mandalayresources.com/wp-content/uploads/2013/09/Cerro\\_Bayo\\_Operating\\_Statistics\\_Q4\\_2016.pdf](http://www.mandalayresources.com/wp-content/uploads/2013/09/Cerro_Bayo_Operating_Statistics_Q4_2016.pdf)

**COMPETENT PERSON'S STATEMENT:**

*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.*



# JORC Code, 2012 Edition – Table 1 LOS DOMOS EXPLORATION PROGRAM EQUUS MINING LIMITED

## A. DIAMOND DRILLING

### Section 1 Sampling Techniques and Data

| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
| <b>Sampling techniques</b>                            | <ul style="list-style-type: none"> <li>Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul> | <ul style="list-style-type: none"> <li>Industry standard diamond drilling is used to obtain continuous core samples.</li> <li>Continuous core sampling ensures high sampling representation.</li> <li>All HQ (63.5 mm diameter) and NQ (47.6 mm diameter) core sample depths are recorded according to depths maintained by the project geologist's technician. These depths are determined by a combination of cross checking of driller recorded depths and the geologists own recorded depths which takes into account core loss and gain.</li> <li>All core samples are placed in secure industry standard core storage trays.</li> <li>Core sampling and logging by a qualified geologist is targeting Au-Ag and base metal bearing quartz veins, breccias and zones of silicification, which are known to host gold-silver and base metal mineralisation, within rhyolite ignimbrite of the Jurassic age Ibanez Formation.</li> </ul> |
| <b>Drilling techniques</b>                            | <ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>  | <ul style="list-style-type: none"> <li>All holes are cored in their entirety from the base of surface regolith cover and HQ (63.5 mm diameter) coring is conducted to hole completion.</li> <li>Diamond drilling size may be reduced to NQ (47.6 mm diameter) in the case that broken ground is encountered.</li> </ul>   |
| <b>Drill sample recovery</b>                          | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>   | <ul style="list-style-type: none"> <li>Each core hole drill interval is reviewed for linear core recovery based on measured recovered intervals from drilled intervals from which percentage recoveries are calculated.</li> </ul>  |
| <b>Logging</b>  | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>   | <ul style="list-style-type: none"> <li>All diamond drill core is geologically logged, marked up and photographed by a qualified geologist. All geological and geotechnical observations including mineralisation type, orientation of mineralised structures with respect to the core axis, recoveries and RQD is recorded.</li> </ul>  |
| <b>Sub-sampling techniques and sample preparation</b> | <ul style="list-style-type: none"> <li>If core, whether cut or Rock Chip and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half</li> </ul>   | <ul style="list-style-type: none"> <li>Mineralised core and core intervals adjacent to mineralised core will be bisected using a diamond saw and sampled at intervals ranging from a minimum 0.3m interval to maximum 1m interval, based on geological boundaries, under the supervision of a qualified geologist.</li> <li>Assaying will be undertaken on sawn half of HQ core (63.5 mm diameter) and NQ (47.6 mm diameter) core.</li> <li>As laboratory testing of the core samples has not yet been conducted at this stage, reference to laboratory testing and results is not applicable.</li> </ul>   |

| Criteria   | JORC Code explanation  | Commentary  |
|--|--|---|
|  | <i>sampling.</i> <ul style="list-style-type: none"> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>   |   |
| <b>Quality of assay data and laboratory tests</b>              | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul> | <ul style="list-style-type: none"> <li>Samples are stored in a secure location and transported to the ALS laboratory in Santiago for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% &lt; 75µm under laboratory code Prep-31.</li> <li>Pulps are analysed by ALS Santiago using method code Au-ICP21, ME-MS41, Ag-OG46 (for Ag values &gt; 100 g/t Ag) and Zn-AA62 y Pb-AA62 for Zn and Pb values over 1% respectively</li> <li>Alternate blanks and certified standards are submitted within each laboratory batch at a ratio of 1:15 (i.e. 6.5%) for which acceptable levels of accuracy were reported.</li> </ul> |
| <b>Verification of sampling and assaying</b>                   | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>  | <ul style="list-style-type: none"> <li>For rock chip sample data, laboratory CSV result files are merged with GPS Location data files using unique sample numbers.</li> <li>For drill core sample data, laboratory CSV result files will be merged with downhole geological logs and unique sample numbers.</li> <li>No adjustments were made to assay data.</li> </ul>   |
| <b>Location of data points</b>                                 | <ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>  | <ul style="list-style-type: none"> <li>Drill hole collar position are currently located using handheld GPS receivers and will be more accurately surveyed by a qualified surveyor at a later date using a differential GPS system.</li> <li>Coordinate Projection System SAD69 UTM Zone 19S.</li> <li>All holes are to be surveyed for downhole deviation using a Gyroscope downhole survey tool.</li> </ul>  |
| <b>Data spacing and distribution</b>                           | <ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>   | <ul style="list-style-type: none"> <li>Results will not be used for resource estimation prior to any supporting drilling being carried out.</li> <li>Compositing of assay results where applicable on contiguous samples has been applied on a weighted average basis.</li> </ul>   |
| <b>Orientation of data in relation to geological structure</b> | <ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>   | <ul style="list-style-type: none"> <li>Drilling is designed to intersect host mineralised structures as perpendicular to the strike and dip as practically feasible. It is interpreted that hole LDD-001 intersected the host T7 structure at approximately 60 degrees with respect to the strike.</li> </ul>   |
| <b>Sample security</b>   | <ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>  | <ul style="list-style-type: none"> <li>Samples are to be dispatched and transported by a registered courier to ALS Minerals in Santiago by a qualified geologist and are not left unattended at any time.</li> </ul>  |
| <b>Audits or reviews</b>                                       | <ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>  | <ul style="list-style-type: none"> <li>No audits or reviews of the data management system have been carried out.</li> </ul>   |



## Section 2 Reporting of Exploration Results

| Criteria                                       | JORC Code explanation  | Commentary  |                           |                            |        |                           |                            |                 |     |         |                 |         |             |    |         |           |     |      |      |     |
|--|--|---|---------------------------|----------------------------|--------|---------------------------|----------------------------|-----------------|-----|---------|-----------------|---------|-------------|----|---------|-----------|-----|------|------|-----|
| <b>Mineral tenement and land tenure status</b> | <ul style="list-style-type: none"><li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li><li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li></ul>  | <ul style="list-style-type: none"><li>Equus Mining Limited holds the rights to acquire 100% of Los Domos Project which consists of exploration licences Electrum 1A to 7A, 8 to 11 and 12A and mining licenses Pedregoso 7 1-30, Pedregoso 1 1-30 and Honda 20 1-20.</li><li>Through an agreement, Terrane Minerals SpA will transfer all its Los Domos Project assets into a new JV company (51% Equus, 49% Terrane) for Equus funding a programme of systematic surface sampling and 2,000m of drilling.</li><li>Post the initial exploration programme Equus has a one-year option to acquire the remaining 49% of the JV company by issuing Terrane A\$450k in shares at a fixed share price based on the market at the time of agreement execution. Vendor shares will be escrowed for 1 year.</li><li>The laws of Chile relating to exploration and mining have various requirements. As the exploration advances, specific filings and environmental or other studies may be required. There are ongoing requirements under Chilean mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by Equus Mining’s environmental and permit advisors specifically engaged for such purposes.</li></ul> |                           |                            |        |                           |                            |                 |     |         |                 |         |             |    |         |           |     |      |      |     |
| <b>Exploration done by other parties</b>       | <ul style="list-style-type: none"><li>Acknowledgment and appraisal of exploration by other parties.</li></ul>  | <ul style="list-style-type: none"><li>All sampling to date has been done by Damien Koerber who is a qualified geologist with 20 years of experience in Latin America and is a Member of the Australian Institute of Geoscientists.</li></ul>  |                           |                            |        |                           |                            |                 |     |         |                 |         |             |    |         |           |     |      |      |     |
| <b>Geology</b>                                 | <ul style="list-style-type: none"><li>Deposit type, geological setting and style of mineralisation.</li></ul>  | <ul style="list-style-type: none"><li>The Cerro Bayo District hosts veins and breccias containing gold and silver mineralization. The deposits show multiple stages of mineralization and display open-space filling and banding, typical of low-sulphidation epithermal style mineralization. Mineralogy is complex and is associated with mineralization and alteration assemblages that suggest at least three stages of precious metal deposition. Exploration model types of both low sulphidation (e.g. Cerro Negro, Santa Cruz, Argentina) and intermediate sulphidation deposits (San Jose and Cerro Moro, Santa Cruz, Argentina) are being targeted at Los Domos.</li></ul>  |                           |                            |        |                           |                            |                 |     |         |                 |         |             |    |         |           |     |      |      |     |
| <b>Drill hole Information</b>                  | <ul style="list-style-type: none"><li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<ul style="list-style-type: none"><li>easting and northing of the drill hole collar</li><li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li><li>dip and azimuth of the hole</li><li>down hole length and interception depth</li><li>hole length.</li></ul></li><li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li></ul> | <ul style="list-style-type: none"><li>Drill hole collar position are determined by Garmin GPS using grid system SAD69 UTM Zone 19S and will be more accurately surveyed by a qualified surveyor at a later date.</li></ul> <table><tr><th>Hole ID</th><th>Tenement</th><th>Area</th><th>Easting (SAD 69 Zone 19S)</th><th>Northing (SAD 69 Zone 19S)</th><th>RL (m)</th><th>Dip</th><th>Azimuth</th><th>Total Depth (m)</th></tr><tr><td>LDD 001</td><td>Electrum 7A</td><td>T7</td><td>289,390</td><td>4,824,383</td><td>900</td><td>-45°</td><td>240°</td><td>210</td></tr></table>   | Hole ID                   | Tenement                   | Area   | Easting (SAD 69 Zone 19S) | Northing (SAD 69 Zone 19S) | RL (m)          | Dip | Azimuth | Total Depth (m) | LDD 001 | Electrum 7A | T7 | 289,390 | 4,824,383 | 900 | -45° | 240° | 210 |
| Hole ID  | Tenement   | Area  | Easting (SAD 69 Zone 19S) | Northing (SAD 69 Zone 19S) | RL (m) | Dip                       | Azimuth                    | Total Depth (m) |     |         |                 |         |             |    |         |           |     |      |      |     |
| LDD 001  | Electrum 7A  | T7  | 289,390                   | 4,824,383                  | 900    | -45°                      | 240°                       | 210             |     |         |                 |         |             |    |         |           |     |      |      |     |
| <b>Data aggregation methods</b>                | <ul style="list-style-type: none"><li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li><li>Where aggregate intercepts incorporate short lengths of high grade</li></ul>  | <ul style="list-style-type: none"><li>Neither equivalent, aggregate or upper or lower cut-off grades are used in any tables or summations of the data.</li><li>The assumptions used for reporting gold equivalent values in summaries and maps are:</li></ul>   |                           |                            |        |                           |                            |                 |     |         |                 |         |             |    |         |           |     |      |      |     |

| Criteria  | JORC Code explanation   | Commentary  |             |                    |                 |               |                     |                |                      |        |  |                        |        |
|---|---|---|-------------|--------------------|-----------------|---------------|---------------------|----------------|----------------------|--------|--|------------------------|--------|
|   | <p>results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"><li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li></ul>  | <div><div><math display="block">\text{AuEq(g/t)} = \text{Au(g/t)} + \text{Ag(g/t)} \times \frac{\text{Price per 1 Ag(g)} \times \text{Ag Recovery (\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}</math><p>ie Ag:Au = 68:1</p><table><tr><td>Gold Price:</td><td>US\$1244 per ounce</td><td>US\$40 per gram</td></tr><tr><td>Silver Price:</td><td>US\$18.35 per ounce</td><td>US59c per gram</td></tr><tr><td>2016 Gold Recovery*:</td><td>84.93%</td><td rowspan="2"></td></tr><tr><td>2016 Silver Recovery*:</td><td>87.40%</td></tr></table></div><div>The metallurgical recoveries for Au and Ag based on the recoveries being achieved at the neighbouring Cerro Bayo mine which is operating in the same geologic setting as the Domos project. It is EQE's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.</div></div> | Gold Price: | US\$1244 per ounce | US\$40 per gram | Silver Price: | US\$18.35 per ounce | US59c per gram | 2016 Gold Recovery*: | 84.93% |  | 2016 Silver Recovery*: | 87.40% |
| Gold Price:   | US\$1244 per ounce  | US\$40 per gram   |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| Silver Price:   | US\$18.35 per ounce   | US59c per gram  |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| 2016 Gold Recovery*:  | 84.93%  |   |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| 2016 Silver Recovery*:  | 87.40%  |   |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| <b>Relationship between mineralisation widths and intercept lengths</b> | <ul style="list-style-type: none"><li>These relationships are particularly important in the reporting of Exploration Results.</li><li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li><li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li></ul> | <ul style="list-style-type: none"><li>Intercepts quoted from drill hole LDD 001 relate only to down hole intervals at this stage and to determine the true widths of mineralization will require further drilling.</li></ul>  |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| <b>Diagrams</b>   | <ul style="list-style-type: none"><li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li></ul>  | <ul style="list-style-type: none"><li>The location and visual results received in diamond drilling are displayed in the attached maps and/or tables.</li></ul>  |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| <b>Balanced reporting</b>   | <ul style="list-style-type: none"><li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li></ul>   | <ul style="list-style-type: none"><li>Results for all samples collected in this program are displayed on the attached maps and/or tables.</li></ul>   |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| <b>Other substantive exploration data</b>                               | <ul style="list-style-type: none"><li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li></ul>       | <ul style="list-style-type: none"><li>No metallurgical or bulk density tests were conducted at the project.</li></ul>   |             |                    |                 |               |                     |                |                      |        |  |                        |        |
| <b>Further work</b>   | <ul style="list-style-type: none"><li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li><li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li></ul>  | <ul style="list-style-type: none"><li>Further work is dependent on management review of the existing data and pending assays.</li></ul>   |             |                    |                 |               |                     |                |                      |        |  |                        |        |