



EQUUS
MINING LIMITED
ABN 44 065 212 679

18 October 2013

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(75 pages by email)

Dear Madam

ANNUAL REPORT AND NOTICE OF AGM

In accordance with Listing Rule 4.7 and 3.17, I attach the Company's Annual Report for the year ended 30 June 2013 and the Company's Notice of Annual General Meeting to be held at 11.00 am on 20 November 2013.

In accordance with Listing Rule 15.4 two hard copies of the Company's Annual Report will be delivered to the Company's Home Exchange.

Yours sincerely

Marcelo Mora
Company Secretary

Pjn7433

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EQUUS
MINING

2013 Annual Report

EQUUS MINING LIMITED
(formerly Caspian Oil & Gas Limited) and its controlled entities

ABN. 44 065 212 679

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Corporate Directory

Directors

Norman Seckold Non-Executive Chairman
Edward Leschke Managing Director
Robert Perring Non-Executive Director
Jürg Walker Non-Executive Director

Company Secretary

Marcelo Mora

Principal Place of Business and Registered Office

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66 Hunter Street
Sydney NSW 2000
Australia
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Facsimile: (61 2) 9221 6333
Email address: info@equusmining.com
Web site: www.equusmining.com

Share Registry

Advanced Share Registry Limited
150 Stirling Highway
Nedlands, Western Australia 6009
Telephone: (61 8) 9389 8033
Facsimile: (61 8) 9389 7871

Auditors

KPMG
Level 16, Riparian Plaza
71 Eagle Street
Brisbane QLD 4000

Stock Exchange Listings

Australian Securities Exchange (Code – EQE)
Berlin and Frankfurt Securities Exchanges
(Third Market Segment)



Dear Fellow Shareholders,

This has been a landmark year for your company. Over the course of the year, your Company has transferred its main focus from being an oil and gas explorer in Kyrgyzstan to a copper explorer in Chile. The Republic of Chile ranks as one of the leading destinations globally for mineral explorers and miners due to the country's sound licensing system and high mineral prospectivity, in particular for copper.

Equus Mining's foray into Chile has been via the Naltagua copper project which, given its paucity of modern exploration, demonstrates what Chile has to offer in terms of attractive exploration opportunities.


During the year Equus Mining completed a significant amount of surface exploration work at Naltagua including channel sampling and an Induced Polarisation survey, in preparation for an inaugural drilling programme. Whilst government approvals for drilling were belated, drilling did commence at the Naltagua copper project in the fourth quarter and some encouraging results were forthcoming from the initial drill holes.

The equity markets for the junior resource sector remained mostly subdued for the 2013 fiscal year. This in turn has severely hampered the ability of junior resource companies to raise funds. Fortunately, Equus Mining possessed a number of non-core assets which were progressively sold for cash. These proceeds have funded operations throughout the year as well as ensuring the Company has sufficient cash levels to fund activities in the medium term at Naltagua as well as the assessment of new opportunities. The malaise in the equity markets means potential new opportunities are likely to present themselves and Equus Mining is in a solid position to take advantage of such openings.

Yours sincerely,



Norman A. Seckold
Chairman



The Republic of Chile ranks as one of the leading destinations globally for mineral explorers and miners due to the country's sound licensing system and high mineral prospectivity, in particular for copper.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Overview

Equus Mining's exploration focus during the 2013 financial year was on the newly acquired Yerba and Araya projects, located within the Naltagua copper district in Chile. The Naltagua copper district is located 80km southwest of the Chilean capital of Santiago and 75km by road southeast of the port city of San Antonio (See Figure 1).

The copper deposits at Naltagua are interpreted to be 'manto-type' or stratabound in character and are preferentially hosted by permeable marine volcanic rocks and interflow sediments of the Lower Cretaceous (118 to 97 million years old) Prado Formation. The copper is interpreted to have been scavenged from intra-formational volcanic and sedimentary rocks by relatively low-temperature metamorphic hydrothermal fluids generated during diagenesis (burial) and expelled into permeable coarse grained lithologies and structures. These provide favourable trap-sites where metals are deposited and concentrated.

The historic Naltagua copper district has seen minimal exploration despite over 100 years of intermittent, small-scale mining. Noranda drilled one hole in 2008, which intersected 32 metres at 0.5% Cu in andesite volcanic breccia, although no follow-up drilling was undertaken at the time.

Prior to the commencement of drilling in April 2013, Equus Mining conducted systematic channel sampling of more than 1,000 metres of underground workings (adits), project-scale geological mapping, 26 line-kilometres of Induced Polarisation ('IP') geophysics and indicative metallurgical testwork on a 30kg sample of copper mineralised andesite breccia collected from the Yerba mullock dump.

This preliminary work outlined three initial project areas - Yerba, Araya and Cerro (See Figure 2).

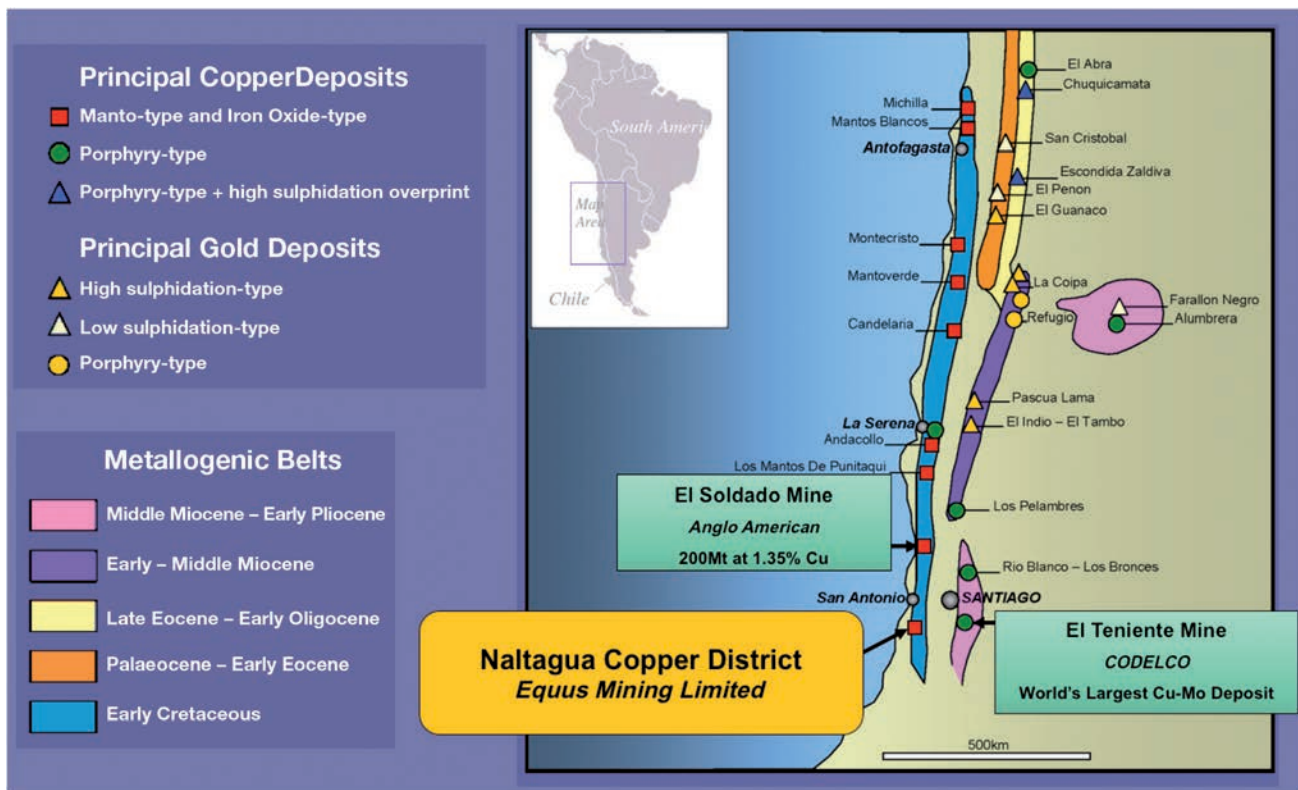


Figure 1. Naltagua Copper District Location

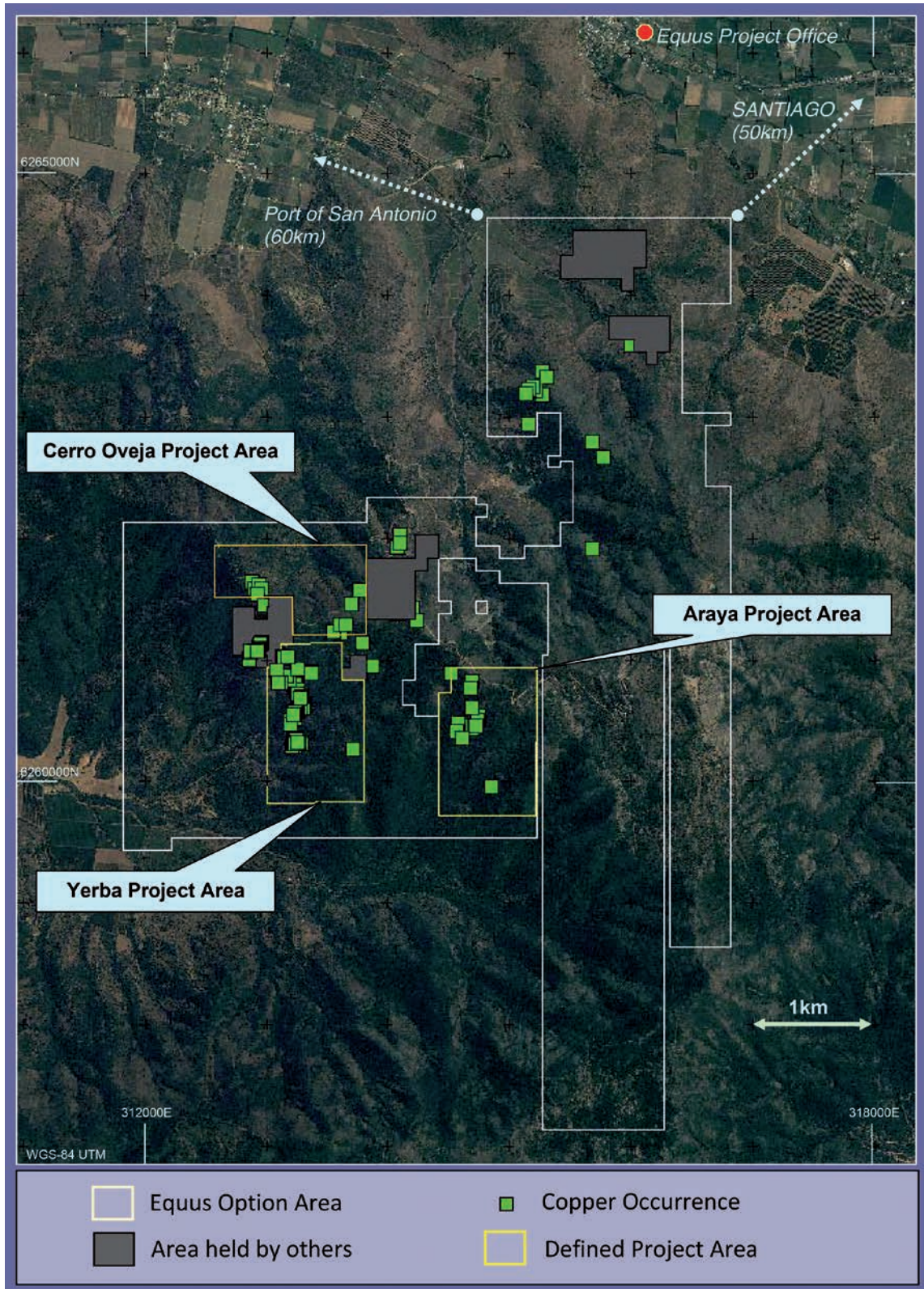


Figure 2. Project Locations

Yerba Prospect

Geological mapping, surface rock-chip sampling and the channel sampling of 541 metres of underground workings led to the delineation of a north-northwest trending zone of copper mineralization, partly associated with hydrothermal breccias, in an east-dipping sequence of andesite and interflow calcareous black shale. The underground sampling returned a best result of 48 metres (apparent width) at 1.35% Cu and the surface sampling returned a best result of 33 metres (true width) at 0.88% Cu. Additional surface channel sampling of outcropping copper mineralisation returned 10 metres (apparent width) at 1.73% Cu and 20 metres (apparent width) at 0.52% Cu in altered andesite, which extended the area of discontinuous outcropping copper mineralization to over 700 metres in a zone approximately 75 meters wide (See Figure 3).

The Company's inaugural diamond drilling commenced on 1 April 2013 and 4 holes (YB-001-D to YB-004-D) for 1,003 metres were completed during the June quarter of 2013 (See Figure 4). All four holes intersected variable widths and grades of oxide and sulphide copper mineralization with a best result of 39 metres (true width) at 0.63% Cu and 4.6g/t Ag from 13 metres, immediately below historic mine rock-fill (mullock), in hole YB-001-D. Other significant results include 55 metres (true width) at 0.34% Cu from 22 metres, including 17 metres (true width) at 0.68% Cu from 23 metres in hole YB-002-D. Drill hole locations and a summary of drill hole assay results are summarised in Tables 1 and 2 respectively.

Table 1 – Drill Hole Locations

Hole No.	North WGS-84 UTM	East WGS-84 UTM	Zone UTM	Dip	Azimuth Grid - UTM	Depth metres
YB-001-D (Hole 1)	6260781	313270	19S	-60	270	325
YB-002-D (Hole 2)	6260775	313330	19S	-75	270	361
YB-003-D (Hole 3)	6260775	313330	19S	-50	270	121
YB-004-D (Hole 4)	6260775	313332	19S	-50	090	196 (Abandoned)

Table 2 – Drill Hole Assay Summary

Hole No.	Project	From (metres)	To (metres)	Interval (metres)	Estimated True Width (metres)	Copper (%)
YB-001-D	Yerba	13	52	39	39	0.63
YB-002-D	Yerba	22	77	55	55	0.34
including		23	40	17	17	0.68
including		34	40	6	6	1.21
YB-003-D	Yerba	19	23.4	4.4	3.3	0.74
YB-003-D		51.7	64	12.3	9.2	0.44
YB-004-D	Yerba	37	68	31	15.5	0.26
YB-004-D		84	107	23	11.5	0.16
YB-004-D		152	171	19	9.5	0.32

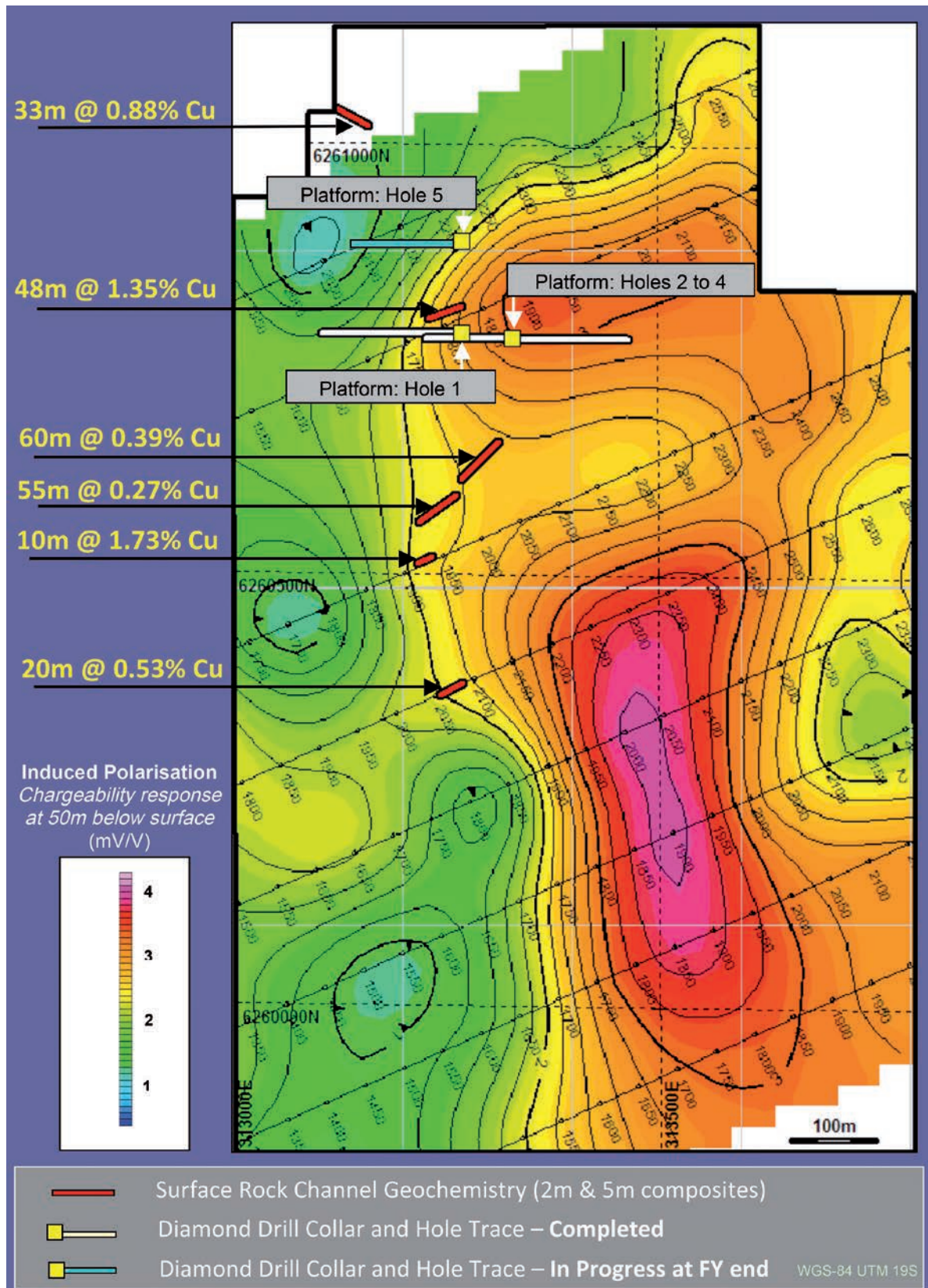


Figure 3. Yerba Project Area

Review of Operations

Hole YB-004-D was planned to test the peak of an IP chargeability anomaly down-dip of near-surface oxide and sulphide copper mineralization. However, the hole intersected variably weathered andesite much deeper than anticipated down to the final hole depth of 196 metres before the hole was lost (abandoned) in a 10 metres wide, strongly weathered, post-mineralization shear.

Since the program's commencement in April, considerable progress has been made towards better understanding the controls on copper mineralization and as a consequence, the current drilling program has been substantially modified and a greater range of targets are now being considered.

A 30 kilogram metallurgical sample was collected from the Yerba mine dump and despatched to ALS Ammtec in Sydney for preliminary qualitative test work. A simple flotation test produced a high grade (41% Cu, 463g/t Ag), premium-quality sulphide concentrate containing no penalty elements.

Araya Prospect

The Araya Project is the Company's second copper project within the extensive Naltagua copper district. Copper workings and outcropping copper mineralization have been mapped and sampled over a strike-length of 1,300 metres and the zone remains open to the north and south. Drill targets have been defined, but no drilling has been undertaken within the current reporting year.

Cerro Prospect

Ubiquitous malachite (green secondary copper mineral) after bornite (primary copper sulphide) is variably exposed in an east-dipping sheet of altered andesite volcanic breccia on the main Naltagua ridge. A total of 12 samples of outcropping mineralization collected along a ridge-top traverse over a distance of 210 metres returned results ranging from 0.16% Cu to 3.53% Cu. The true width of the mineralized unit is interpreted to be 70 metres, dipping at 30 degrees to the east. Drill targets have been defined, but no drilling has been undertaken with the financial year ended 30 June 2013.

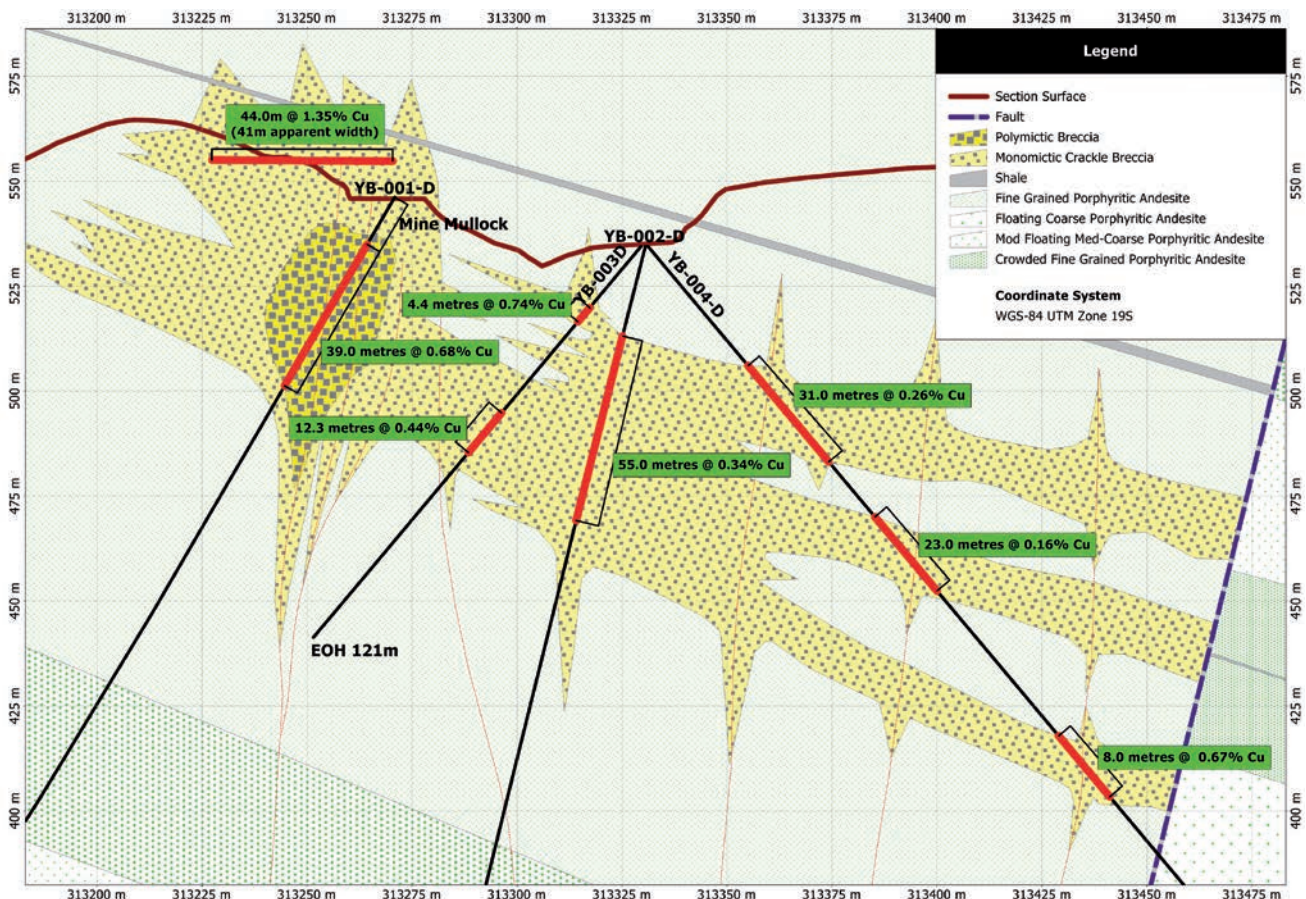


Figure 4. Drill Section 6260825 - Yerba Project

Corporate

A considerable number of corporate events occurred during the 2013 financial year as the Company was transformed from an oil and gas explorer in the Kyrgyzstan to a copper explorer in Chile. These events are listed below:

September Quarter 2012

- The Company acquired the Naltagua copper project in Chile by purchasing unlisted Australian public company, Equus Resources Limited ('Equus Resources'). Shareholders approved the acquisition at a General Meeting held on Friday, 31 August 2012. Equus Resources' shareholders were issued with new Equus Mining Limited (formerly Caspian Oil & Gas Limited) shares comprising 45% of the expanded share capital base.
- Equus Resources has the option to acquire 100% of a contiguous group of 14 mining licences covering an area of 18.05 square kilometres and 75% of the known extent of the large (4 kilometres by 2 kilometres) Naltagua copper field. Under the terms of the option agreement, Equus Mining Limited ('Equus' or 'The Company') has the right (but not the obligation) to acquire the mining licences on an outright basis by making a payment of US\$100,000 in September 2013, with a final payment of US\$4.3 million in September 2014 to the licence holder (the terms were subsequently extended – please see below).
- If Equus decides to exercise the option under this agreement and once mining production commences the Company will be obligated to pay the mining licence owner on this agreement, as variable price, a Royalty equivalent to 1% (one per cent) of the Net Smelting Return ("NSR"), for a maximum term of 100 years, with a maximum limit of US\$5,000,000.
- Following shareholders approval at the General meeting held on 31 August 2012, the Company consolidated its share capital on a 1 for 10 basis, the number of shares on issue at that date was reduced from 1,331,500,513 to 133,149,810 after allowing for rounding down of fractions.
- The Company issued 4,570,914 new fully paid ordinary shares for a total consideration of \$251,400 before issue costs for \$0.055 per share.

- Edward (Ted) Leschke appointed as Managing Director
- Norman Seckold appointed as Non-executive Chairman
- Resignation of Directors Graeme Parsons and Avraham Ben-Natan
- Completed the sale of two subsidiary companies, which held oil licences in Kyrgyzstan for US\$800,000.

December Quarter 2012

- The Company changed its name from Caspian Oil and Gas Limited to Equus Mining Limited (ASX code: EQE) on 28 November 2012 and relocated its Registered Office and principal place of business to Level 2, 66 Hunter Street, Sydney, NSW 2000.
- A share sale facility was initiated for all holders of unmarketable parcels (less than \$500 or 8,475 shares) of Equus shares. In total 1,864 shareholders, holding in aggregate 4,353,229 shares, took part in the sale plan.
- Mr Damien Koerber was appointed Head of Exploration - South America in November 2012. Mr Koerber is an experienced and highly regarded geologist with more than 22 years' exploration experience, principally in Latin America. He has held senior positions with North Limited (Chile), Rio Algom (Chile), Newcrest (Chile and Peru), MIM (Argentina and Brazil) and Patagonia Gold SA (Argentina).
- Mr Marcelo Mora was appointed Company Secretary in October 2012. Mr Mora holds a Bachelor of Business and Graduate Diploma of Applied Corporate Governance with Chartered Secretaries Australia. He has more than 25 years' experience in both Australia and Chile providing financial reporting and company secretarial services to a range of publicly-listed resources companies.

Review of Operations

March Quarter 2013

- Equus Mining agreed to sell a ninety percent interest in its subsidiary, Leo Shield Exploration Ghana Ltd ('Leo Ghana'), for consideration of US\$600,000 to an entity incorporated in the Republic of Ghana, subject to obtaining government approval. The Company will retain a 10% interest in Leo Ghana. A deposit of A\$100,000 was received, with the balance due once all government approval conditions are met. Leo Shield Ghana's assets include the Osenase and Asamankese prospecting licences in the Kibi gold belt, the Pramkese prospecting licence in the Birim diamond field, a 7% interest in the Kwatechi gold joint venture in the Ashanti gold belt and a 0.5% royalty interest in potential future gold production from the Grumesa prospecting licence.
- The Naltagua Purchase Option Agreement period was extended by 1 year (to September 2015) for no change in total payment (US\$5 million) and no other additional consideration. The new option payment schedule is September 2013 – US\$100,000, September 2014 – US\$500,000, and September 2015 – US\$3.8 million. US\$600,000 has previously been paid.
- Robert Perring appointed as a Non-executive Director

June Quarter 2013

- The Company issued 10,000,000 new fully paid ordinary shares for a total consideration of \$500,000 from professional and sophisticated investors for \$0.05 per share.
- Colin Carson resigned as Non-Executive Director.
- Equus sold its Tengrela Royalty Interest in Perseus Mining's Sissingué Gold Project in Côte d'Ivoire to Franco-Nevada Corporation for A\$2 million. The funds were ear marked for the diamond drilling program at Naltagua in Chile, to accelerate the identification of a second project in Chile and for working capital.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Perring, who is a Member of the Australian Institute of Geoscientists. Mr Perring is a non-executive director of Equus Mining Limited, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities reported on to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Perring consents to the inclusion of the information in this report of the matters based on information in the format and context in which it appears.

Surface and Adit Sampling and Assaying: Sampling has been conducted by qualified geologists using a sample interval of 2 metres and 5 metres. Assay results have been composited (weighted arithmetic mean) to give an average grade estimate for the interval sampled. The samples were assayed for copper (and 33 other elements) by aqua regia digest ICP-ES/ICP-MS at Acme Analytical Laboratories, Santiago, Chile.

Yours sincerely



Ted Leschke
Managing Director
Dated this 30th day of September 2013

This statement outlines the main Corporate Governance practices that were in place throughout or implemented during the financial year, which comply with the Australian Stock Exchange ('ASX') Corporate Governance Council recommendations, unless otherwise stated.

Corporate Governance Statement

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Group's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council ('Council'). Whilst the Group's practices are largely consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Group's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Group and the best interests of shareholders as a whole. When the Group is not able to implement one of the Council's recommendations the Group applies the 'if not, why not' explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Group complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at <http://www.asx.com.au>

Principle 1 – Lay solid foundations for management and oversight

Board of Directors

The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Group. The Board is also responsible for the overall corporate governance and management oversight of the Group and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Group as a whole.

The Board also ensures that the Group complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Group.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Group;
- the prudential control of the Group's finances and operations and monitoring the financial performance of the Group;
- the resourcing, review and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

The Group has followed Recommendation 1.1 by establishing the functions reserved to the Board and those delegated to senior executives as disclosed above.

The Group has followed Recommendation 1.2 by evaluating the performance of senior executives. The Board reviews the performance of the Group's senior executives on a face to face basis with the performance evaluation of the Managing Director being conducted by the Chairman of the Board.

The Group has taken the appropriate measures to provide each Director and senior executive with a copy of the Group's policies which spells out the rights, duties and responsibilities that they should follow.

The Group has followed Recommendation 1.3 by conducting the evaluations of senior executives in accordance with the process described above.

Principle 2 – Structure the Board to add value

Board of Directors - Composition, Structure and Process

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Group's current size, scale and nature of its activities.

Independent Directors

At the date of this report, the Company classified all of the present directors as Non-Independent Directors, the Group does not follow Recommendation 2.1. However, it is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective of whether they are independent or not. The names of the directors of the Company in office at the date of this report, specifying which are independent, are set out in the Directors' Report on page 15 of this report.

Regular assessment of independence

An independent Director, in the view of the Group, is a non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Group, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Group, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Group other than as a Director of the Group;

- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

Chairperson and Managing Director

Norman A. Seckold, a non-independent Director, holds the office of Chair. The Group does not follow Recommendation 2.2 because the small size of the Group does not warrant the appointment of more Directors. However, the Board considers that Norman A. Seckold best serves the office of Chair due to his extensive experience in the industry.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable the Directors to perform their duties as a Board.

The Managing Director is responsible and accountable to the Board for the Group's management. Edwards J. Leschke has been appointed as the Managing Director of the Group and performs the role of Chief Executive Officer. Therefore, the Group follows Recommendation 2.3.

Board nominations

Having regard to the current membership of the Board and the size, organisational complexity and scope of operation of the Group, a Nomination Committee has not been established and therefore Recommendation 2.4 has not been followed.

Performance review and evaluation

The Group has followed Recommendations 2.5 and 2.6 by disclosing the process for evaluating the performance of the Board, and disclosure requirements under Principle 2 below.

It is the policy of the Board to ensure that the Directors and executives of the Group are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Group is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

Induction and education

The Group has the policy to provide each new Director or officer with a copy of the following documents:

- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Shareholders Communication Policy.

Access to information

Each Director has access to Board papers and all relevant documentation.

Skills, knowledge and experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Group. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public Group administration, and, director-level business or corporate experience required by the Group.

Professional advice

Board members, with the approval of the Chairman, may seek from time to time external professional advice.

Term of appointment as a Director

The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

Remuneration

The remuneration of the Directors is determined by the Board as a whole, with the Director to whom a particular decision relates being absent from the meeting during the time that the remuneration level is discussed and decided upon.

For details on the amount of remuneration and any amount of equity based executive remuneration payment for each Director, refer to the Key Management Personnel note to the financial statements and the Remuneration Report in the Directors' Report.

Internal controls

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. The system of internal control adopted by the Group seeks to provide an appropriate division of responsibility and careful selection and training of personnel relative to the level of activities and size of the Group.

Principle 3 – Promote ethical and responsible decision making

Code of Conduct and Ethical Standards

All Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, endeavouring at all times to enhance the reputation and performance of the Group. Every employee has direct access to a Director to whom they may refer any ethical issues that may arise from their employment. The Group has followed Recommendation 3.1 and has adopted a formal Code of Conduct.

Access to Group information and confidentiality

All Directors have the right of access to all relevant Group books and to the Group's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Group have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Share dealings and disclosures

The Group has adopted a policy relating to the trading of Company securities. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors should consult with the Chairman prior to dealing in securities in the Company or other companies with which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

The trading windows for restricted persons is one week before and 24 hours after the release of the Company's quarterly reports, half year results, the full year results or additional periods which are imposed by the Company when senior management becomes aware of a matter that is considered to be price sensitive. Restricted persons are prohibited from trading in the Company's securities outside these trading windows unless in special circumstances and with the approval of the Board.

Conflicts of interest

To ensure that Directors are at all times acting in the best interests of the Group, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Group; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

Related party transactions

Related party transactions include any financial transaction between a Director and the Group as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Group also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

Board diversity

Given the small size of the Group, the Group has not set a policy concerning diversity and therefore Recommendations 3.2, 3.3, 3.4 and 3.5 have not been followed. However, the Company's Board does take into account the gender, age, ethnicity and cultural background of potential Board members.

Principle 4 – Safeguard integrity in financial reporting

Audit Committee

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, an Audit Committee has not been established and therefore Recommendations 4.1, 4.2, 4.3 and 4.4 have not been followed.

The objective of an Audit Committee is to make recommendations to the Board regarding various matters including the adequacy of the external audit, risk management and compliance procedures, to evaluate from time to time the effectiveness of the financial statements prepared for the Board and to ensure that independent judgement is always exercised. These functions of an Audit Committee are performed by the full Board.

Principle 5 – Make timely and balanced disclosure

The Group has followed Recommendations 5.1 and 5.2 and has adopted a formal Continuous Disclosure Policy.

Continuous Disclosure to the ASX

The Board has designated the Managing Director and CFO as being responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities

Principle 6 – Respect the rights of shareholders

The Company has followed Recommendations 6.1 and 6.2 and has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings as disclosed below.

Communication to the market and shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Board considers that information will be communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements are made available on the Company's website, www.equusmining.com, and on the ASX website, www.asx.com.au, under ASX code 'EQE'.

Principle 7 – Recognise and manage risk

The Group has followed Recommendation 7.1 and has designed policies for the oversight and management of material business risks as disclosed below.

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, Recommendation 7.2 is not relevant because the Board has the oversight function of risk management and internal control systems. Therefore, the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

Internal control and risk management

The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

Statement of Corporate Governance

Appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

Internal audit function

The internal audit function is carried out by the Board. The Group does not have an internal audit department nor has an internal auditor. The size of the Group does not warrant the need or the cost of appointing an internal auditor.

CEO and CFO declarations

The Group has followed Recommendation 7.3. The Board has determined that the Managing Director and the CFO or the Company Secretary if the Company does not have a CFO are the appropriate persons to make the CEO and CFO declarations as required under section 295A of the Corporations Act. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Group has followed Recommendation 7.4 by disclosing the information above

Principle 8 – Remunerate fairly and responsibly

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, a Remuneration Committee has not been established and therefore Recommendations 8.1, 8.2, 8.3 and 8.4 have not been followed.

However, the functions and responsibilities listed below were carried out by the Board.

Remuneration responsibilities

The role and responsibility of the Board is to review and make recommendations in respect of:

- executive remuneration policy;
- executive Director and senior management remuneration;
- executive incentive plan;
- non-executive Directors' remuneration;

- performance measurement policies and procedures;
- termination policies and procedures;
- equity based plans; and
- required remuneration and remuneration benefits public disclosure.

Remuneration policy

The Directors' total remuneration is adopted by shareholders at the Annual General Meeting. The Board approves the salary and emoluments paid to officers. Consultants are engaged as required pursuant to service agreements. The Group ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Group. All salaries of Directors and officers are disclosed in the Annual Report of the Group.

In line with Recommendation 8.2, the Group has a policy to remunerate its Directors and officers based on fixed and incentive component salary packages to reflect the short and long term objectives of the Group.

The salary component of the Managing Director's remuneration is made up of:

- fixed remuneration;
- Superannuation of 9%; and
- equity based remuneration in the form of options when the Board considers that the executive is able to influence the generation of shareholders wealth and thus have a direct impact on the Company's performance.

The salary component of non-executive and executive Directors is made up of:

- fixed remuneration; and
- an entitlement to receive options, subject to shareholders' approval, when a director is able to influence the generation of shareholders wealth.

The Directors present their report, together with the consolidated financial statements of the Group, comprising of Equus Mining Limited ('Equus' or 'the Company') and its controlled entities for the financial year ended 30 June 2013 and the auditor's report thereon.

DIRECTORS

The names and details of the Directors in office during or since the end of the previous financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Norman Alfred Seckold BEcon, Non-Executive Chairman

Director appointed 5 September 2012

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 30 years in the full time management of natural resource companies, both in Australia and overseas, including the role of Chairman for a number of publicly listed companies including;

- Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA
- Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA
- Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA
- Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria
- Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria
- Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden and Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico
- Bolnisi Gold N.L., which discovered and is currently operating the Palmarejo and Guadalupe gold and silver deposits in Mexico
- Cockatoo Coal Limited, an Australian coal mining, exploration and project development company.

- Chairman of Cerro Resources Ltd, a precious metals exploration company with a development project in Mexico.

Mr Seckold is currently Chairman of the following listed companies:

- Augur Resources Limited, a minerals exploration and development company operating in Australia and Indonesia
- Santana Minerals Limited, a precious metals exploration company operating in Mexico
- Planet Gas Limited, a coalbed methane exploration and development company operating in Australia

He is also currently a director of the unlisted public companies Mekong Minerals Limited and Nickel Mines Limited.

Edward Jan Leschke BAppScApp Geo, Managing Director

Director appointed 5 September 2012

Mr. Leschke graduated with a Bachelor of Applied Science – Applied Geology degree from the Queensland University of Technology. During a 22 year professional career Mr Leschke initially worked as a mine geologist at the Elura zinc-lead-silver mine in central New South Wales as well as holding geological positions in a number of locations such as the Central Queensland coal fields, South Australia and Papua New Guinea.

Mr Leschke made the transition to the financial sector specialising in mining investment, analysis and corporate finance and has worked for a number of financial institutions including BZW Stockbroking, Aberdeen Asset Management and Shaw Stockbroking. Mr Leschke has been responsible for the inception of Equus Resources Ltd and the two wholly owned subsidiaries in the Republic of Chile.

He has not served as a director of any other listed company during the past three years.

Directors' Report

Robert John Perring, Non-Executive Director

Appointed 15 February 2013.

Robert Perring is a geologist with more than 30 years experience in the mineral industry and has held senior corporate and technical positions in Normandy Mining Limited and Newmont Australia. While at Newmont, his regional exploration team discovered the Moolart Well gold deposit in Western Australia (now in production). He has also directed exploration within and around some of Australia and New Zealand's largest gold and base metal mines - Boddington (WA), Jundee (WA), Bronzewing (WA), Golden Grove (WA), Callie (NT), Mt Leyshon (QLD), Pajingo (QLD) and Waihi (NZ).

Mr Perring has worked in a broad range of geological terrains within Australia and New Zealand (General Manager Exploration, Newmont Australia), the Middle East (Managing Director, Gulf & Asian Mining Limited) and South America (Technical Director, Equus Resources Limited).

He is a graduate of Imperial College, London (DIC) and the University of London (MSc) and is a Member of the Australian Institute of Geoscientists (MAIG). He has not served as a director of any other listed company during the past three years.

Jürg Walker, Non-Executive Director

Director since, 20 May 2002

Jürg Walker is a European portfolio manager and investor. He has over 20 years experience in the Swiss banking industry, operating his own portfolio management company after leaving his position as senior vice president of a private bank in Zurich. He has not served as a director of any other listed company during the past three years.

Colin John Carson CPA FCIS FCIM, Non-Executive Director and Company Secretary

Director since 10 October 1994, resigned 27 May 2013

Colin Carson has been involved as a director and company secretary of a number of Australian public companies since the early 1980s and is responsible for joint venture negotiations and corporate and legal matters. He ceased to serve as Executive Chairman on 10 September 2012 and, with effect from 1 October 2012, he assumed a non-executive director role until the date of his resignation. During the past three years he has also served as a director of the following listed companies:

- Perseus Mining Limited
- Manas Resources Limited

Michael John Sandy BSc (Hons), Non-Executive Independent Director

Appointed 23 September 2005, resigned 15 February 2013

Michael Sandy is a petroleum geologist with over 35 year's resource industry experience. During the past three years he has also served as a director of the following listed companies:

- Burleson Energy Limited
- Tap Oil Limited
- Hot Rock Limited

Graeme Leslie Parsons BSc, Executive Director and Chief Executive Officer

Appointed 18 October 2006, resigned 5 September 2012

Mr Parsons is a Petroleum Geoscientist with over 30 years experience in the Australian and international oil and gas sectors. His skills set covers a broad spectrum across the petroleum industry including exploration (geology & geophysics including basin & acreage evaluation), appraisal, development, operations (drilling, completions, fracking), project management, production forecasting, economic evaluation, reserves estimation, portfolio analysis and Government and landholder relations. During the past three years he has not served as a director of any other listed company.

Avraham Ben-Natan - Non-Executive Independent Director

Appointed 30 November 2011, resigned 5 September 2012

Mr Ben-Natan is an experienced businessman and investor who resides in the Kyrgyz Republic. He has not served as a director of any other listed company during the past three years.

COMPANY SECRETARIES

Marcelo Mora

Company Secretary Appointed 16 October 2012

Marcelo Mora holds a Bachelor of Business degree and Graduate Diploma of Applied Corporate Governance, and is a Chartered Secretary (ACIS). Mr Mora has been an accountant for more than 25 years and has experience in resources and mining companies both in Australia and internationally, providing financial reporting and company secretarial services to a range of publicly listed companies.

Susmit Mohanlal Shah BScEcon CA

Appointed 30 April 2003, resigned 16 September 2013

Susmit Shah is a Chartered Accountant with over 25 years experience. Over the last 15 years, Mr Shah has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He ceased to serve as Company Secretary on 16 September 2013.

Colin John Carson

Appointed 20 June 1994, resigned 16 October 2012.

For details relating to Colin Carson, please refer to the details on Directors above.

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors (while they were a Director) of the Company during the year are:

Director	Board Meetings	
	Held	Attended
Norman A. Seckold	1	1
Edward J. Leschke	1	1
Robert J. Perring	-	-
Jürg Walker	1	1
Colin J. Carson	1	1
Graeme L. Parsons	-	-
Michael J. Sandy	1	1
Avraham Ben-Natan	-	-

DIRECTORS' INTERESTS

Directors' beneficial shareholdings at the date of this report are:

Director	Fully Paid Ordinary Shares	Options over ordinary shares
Norman A. Seckold	30,377,420	-
Edward J. Leschke	34,619,471	-
Robert J. Perring	8,100,000	-
Jürg Walker	8,297,861	-

OPTION HOLDINGS

Options granted to directors' and officers'

The Company did not grant any options over unissued ordinary shares during or since the end of the financial year to directors as part of their remuneration. The Directors do not hold any options over unissued shares at the date of this report nor did they hold any at the reporting date.

The Company has not granted any options over unissued ordinary shares during or since the end of the financial year to officers as part of their remuneration.

Directors' Report

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Number of shares	Exercise price	Expiry date
460,000	\$0.30	31 October 2013
1,000,000	\$0.075	13 November 2015
1,000,000	\$0.15	13 November 2015
1,000,000	\$0.20	13 November 2015
1,000,000	\$0.25	13 November 2015

All options expire on the earlier of their expiry date or termination of the employee's employment. Details of options issued by the Company are set out in the reserves note to the financial report. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the Corporations Act 2001. This register may be inspected free of charge.

The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of the Company or any other body corporate.

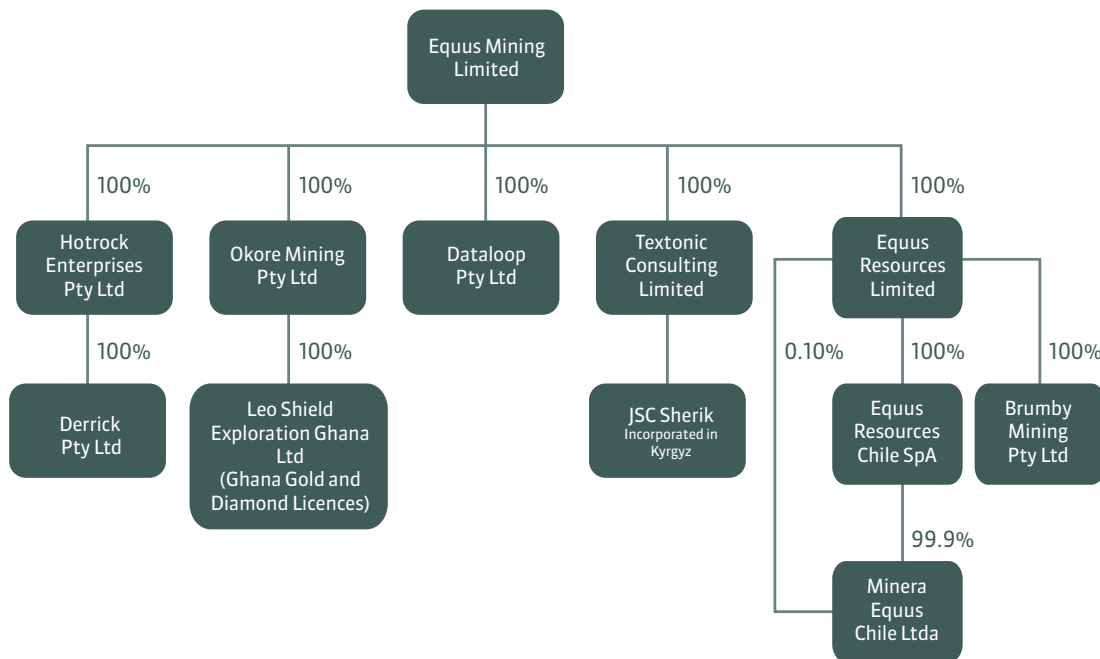
The Group has not issued any ordinary shares of the Company as a result of the exercise of options during or since the end of the financial year.

CORPORATE INFORMATION

Corporate Structure

Equus Mining Limited is a limited liability company that is incorporated and domiciled in Australia. It has prepared a consolidated financial report incorporating

the entities that it controlled during the financial year. The Group's structure at 30 June 2013 is outlined below.



The companies referred to above comprise the "Consolidated Entity" for the purposes of the Financial Statements included in this report. On 26 September 2012, the Company's ownership interests in JSC Textonic, LLC South Derrick and Caspkaz Pty Ltd were disposed and are not included in the above Corporate Structure diagram. The results of the disposed entities are included in the consolidated financial statements of the Group up until the date of disposal.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was the mineral exploration of the recently acquired Naltagua Copper project in Chile. As at the date of this report, the objective of the group is to complete the drilling program at the Yerba and Araya projects at its Naltagua copper district in Chile that would create long-term shareholder value through the discovery or redefining of a JORC copper resource. In a medium term, the Group's objective is to seek new opportunities of mineral prospective areas in the region. However, there are no guarantees that our existing or future exploration programs will be successful.

FINANCIAL RESULTS

The consolidated loss after income tax attributable to members of the Company for the year was \$3,590,628 (2012: \$3,573,858 loss).

REVIEW OF OPERATIONS

A review of the Group's operations for the year ended 30 June 2013 is set out on pages 2 to 8 of this Annual Report.

DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2013. No dividends have been paid or declared during the financial year (2012 - Nil)

CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2013 were as follows:

- On 5 September 2012, the Company issued 108,940,951 ordinary shares to the shareholders of Equus Resources Limited (the holder of the Naltagua copper project in Chile), which became a wholly owned subsidiary of the Company.
- On 26 September 2012, the Group disposed of its ownership interests in JSC Textonic, LLC South Derrick and Caspkaz Pty Ltd raising a total of \$789,109.
- The Company sold the entirety of its investment in Perseus Mining Limited raising \$1,239,610.
- The Company sold part of its investment in Manas Resources Limited raising \$24,210.
- The Company sold its royalty interest in the Tengrela Gold Project raising \$2,000,000.
- The Company issued 4,570,914 ordinary shares raising \$251,400 before issue costs.
- The Company issued 10,000,000 ordinary shares raising \$500,000 before issue costs.
- The Company issued 4,000,000 unlisted options to Mr Damien Koerber, who was appointed Head of Exploration in Chile. The options were issued in four tranches of 1,000,000 each with the expiry date for all tranches being 13 November 2015. The tranches are exercisable at \$0.075, \$0.15, \$0.20 and \$0.25 and all tranches vested in March 2013 when drilling commenced at the Naltagua Copper projects in Chile.
- Norman Seckold was appointed as Chairman of the Group effective from 5 September 2012
- Edward Leschke was appointed as Managing Director of the Group effective from 5 September 2012.
- Robert Perring was appointed as Director of the Group effective 19 February 2013.
- Marcelo Mora was appointed as Company Secretary on 16 October 2012.

ENVIRONMENTAL REGULATIONS

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The Group's exploration activities in Chile are subject to environmental laws, regulations and permit conditions as they apply in the country of operation. There have been no breaches of environmental laws or permit conditions while conducting operations in Chile during the year.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LIKELY DEVELOPMENTS

Equus considers growth as a vital strategy for the Company taking into consideration its existing operations in Naltagua central Chile or by the addition of new projects through mergers or acquisitions.

The Group will focus on its mineral interest during the course of 2013/2014 financial year with focus on the Naltagua project. The Directors expect to receive further results of the exploration program at Naltagua which they will make public once the information is received in accordance with ASX listing rules.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers of any entity within the Group against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. Directors and officers of the Group have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

The insurance premium, amounting to \$12,765 relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

REMUNERATION REPORT – Audited

Principals of compensation - Audited

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company. No other employees have been deemed to be key management personnel.

The remuneration policy of Directors and senior executives is to ensure the remuneration package properly reflects the persons' duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board approves the salary and emoluments paid to officers. Consultants are engaged when required pursuant to service agreements. The Group ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Group.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at a shareholders meeting on 29 November 2005 when the shareholders approved an aggregate remuneration of \$200,000 per year.

Directors' fees cover all main Board activities. Fees may also be paid to Non-Executive Directors for additional consulting services provided to the Company. Non-Executive Directors are entitled to receive options (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves.

The Managing Director is employed directly by the Group. All other Directors, except for Colin Carson who was paid through the Company's payroll, are compensated for their services by way of arrangements with related parties. The remuneration disclosed below represents the cost to the Group for the services provided under these arrangements.

No directors or senior executives receive performance related remuneration.

There were no remuneration consultants used by the Company during the year ended 30 June 2013, or in the prior year.

Remuneration Structure - Audited

In accordance with best practice corporate governance, the structure of Executive Director and Non-Executive Director remuneration is separate and distinct.

Service contracts - Audited

There are no service contracts for the key management personnel.

Executive Directors - Audited

During the financial year ended 30 June 2013, the following Directors were considered Executive Directors:

- Graeme Parsons until 5 September 2012;
- Colin Carson until 30 September 2012 - from 1 October 2012 until 27 May 2013 as Non executive Director;
- Edward Leschke from 5 September 2012.

The salary component of the Executive Directors was made up of fixed remuneration plus the 9% statutory superannuation for year ended 30 June 2013.

Non Executive Directors - Audited

During the financial year ended 30 June 2013, the following Directors were considered Non Executive Directors:

- Norman Seckold from 5 September 2012;
- Colin Carson from 1 October 2012 until 27 May 2013;
- Jürg Walker;
- Robert Perring from 19 February 2013;
- Michael Sandy until 15 February 2013;
- Avraham Ben-Natan until 5 September 2012.

The salary component of Non-Executive Directors was made up of:

- fixed remuneration; and
- an entitlement to receive options, subject to shareholders' approval.
- the services of non-executive directors are provided by way of arrangements with related parties except for Mr Colin Carson who was paid through the Company's payroll.

No Directors of the Company are engaged pursuant to a service agreement.

Options granted as compensation - Audited

There are no options held by Directors over ordinary shares.

Modification of terms of equity-settled share-based payment transactions - Audited

No terms of equity-settled share-based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the issuing entity during the 2013 and 2012 financial years.

Exercise of options granted as compensation - Audited

There were no shares issued on the exercise of options previously granted as compensation during the 2013 and 2012 financial years.

Directors' Report

REMUNERATION REPORT – Audited (Con't)

Details of the nature and amount of each major element of the remuneration of each Director of the Company and other key management personnel of the Consolidated Entity are:

	Year	Short-term employee benefits		Post Employment Benefits	Share based payments	Total
		Primary Salary / Fees	Consulting Fees	Superannuation	- share options	
		\$	\$	\$	\$	\$
Executive Directors						
Edward Leschke *	2013	121,154	-	10,904	-	132,058
	2012	-	-	-	-	-
Graeme Parsons ^	2013	124,382	-	11,194	-	135,576
	2012	229,358	-	20,642	-	250,000
Colin Carson ^^^	2013	128,626	-	3,000	-	131,626
	2012	124,000	-	12,000	-	136,000
Non-Executive Directors						
Robert Perring **	2013	11,250	53,000	-	-	64,250
	2012	-	-	-	-	-
Colin Carson ^^^	2013	20,512	-	1,846	-	22,358
	2012	-	-	-	-	-
Norman Seckold *	2013	24,600	-	-	-	24,600
	2012	-	-	-	-	-
Jürg Walker	2013	30,000	-	-	-	30,000
	2012	30,000	-	-	-	30,000
Michael John Sandy ^^	2013	18,750	-	-	-	18,750
	2012	30,000	-	-	-	30,000
Avraham Ben-Natan ^	2013	5,346	-	-	-	5,346
	2012	17,500	-	-	-	17,500
Total all directors	2013	484,620	53,000	26,944	-	564,564
	2012	430,858	-	32,642	-	463,500

* Director since 5 September 2012

** Director since 15 February 2013

^ Ceased to be Director on 5 September 2012

^^ Ceased to be Director on 15 February 2013

Colin Carson ceased to serve as Executive Chairman on 10 September 2012 and, with effect from 1 October 2012,

^^^ he assumed a non-executive director role until the date of his resignation on 27 May 2013

REMUNERATION REPORT – Audited (Con't)

Consequences of performance on shareholders' wealth - Audited

In considering the Group's performance and benefits for shareholders' wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years.

	2013 \$	2012 \$	2011 \$	2010 \$	2009 \$
Net loss attributable to equity holders of the parent	3,546,382	3,519,829	3,656,276	14,501,622	5,555,012
Dividends paid	-	-	-	-	-
Change in share price	0.00	(0.06)	0.02	(0.08)	(0.36)

The overall level of key management personnel's compensation has been determined based on market conditions, advancement of the Group's projects and the financial performance of the Group.

NON-AUDIT SERVICES

During the year ended 30 June 2013 KPMG, the Group's auditor, has not performed other services in addition to the audit and review of the financial statements.

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	2013 \$	2012 \$
Statutory Audit		
- Audit and review of financial reports - KPMG	83,000	-
Other services	-	-
	<u>83,000</u>	<u>-</u>

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 24 and forms part of the Directors' Report for the financial year ended 30 June 2013.

Signed at Sydney this 30th day of September 2013
in accordance with a resolution of the Board of Directors:



Norman A. Seckold
Director



Edward J. Leschke
Director

Lead Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Equus Mining Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Adam Twemlow', with a long horizontal flourish extending to the right.

Adam Twemlow
Partner
Brisbane

30 September 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2013 \$	2012 \$ Restated*
CONTINUING OPERATIONS			
Other income	5	2,000,000	-
Expenses			
Employee, directors and consultants costs		(712,092)	(798,649)
Depreciation expense		(4,781)	(2,720)
Share based compensation expense		(144,000)	-
Impairment of exploration expenditure		-	(45,624)
Travel expenses		(44,805)	(49,177)
Pre-licence costs - exploration expenditure		(4,776)	-
Foreign exchange gain/(loss)		-	(114,658)
Other expenses	5	(506,520)	(203,326)
Results from operating activities		583,026	(1,214,154)
Finance income	6	607,807	2,278,093
Finance costs		(61,224)	-
Net finance income		546,583	2,278,093
Profit before tax		1,129,609	1,063,939
Tax expense	7	(378,804)	-
Profit from continuing operations		750,805	1,063,939
DISCONTINUED OPERATION			
Loss from discontinued operation (net of tax)	30	(4,341,433)	(4,637,797)
Loss for the year		(3,590,628)	(3,573,858)
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		914,098	(25,010)
Transfer of foreign currency translation reserve to loss on disposal of subsidiaries in profit or loss		2,902,675	-
Net change in fair value of available-for-sale financial assets	12	(147,735)	76,847
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	12	(533,315)	(2,263,077)
Total other comprehensive profit/(loss)		3,135,723	(2,211,240)
Total comprehensive loss for the year		(454,905)	(5,785,098)
Loss attributable to:			
Owners of the Company		(3,546,382)	(3,519,829)
Non-controlling Interests		(44,246)	(54,029)
		(3,590,628)	(3,573,858)
Comprehensive loss attributable to:			
Owners of the Company		(553,574)	(5,738,537)
Non-controlling Interests		98,669	(46,561)
		(454,905)	(5,785,098)
Earnings per share			
Basic and diluted loss per share (dollars)	18	(0.016)	(0.026)
Earnings per share - continuing operations			
Basic and diluted loss per share (dollars)	18	0.003	0.008

* See Note 30

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Notes	2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	8	2,039,772	607,112
Receivables	9	25,697	43,538
Inventories	10	-	1,546,628
Assets held for sale	26	1,760,797	-
Other	11	3,675	166,279
Total Current Assets		3,829,941	2,363,557
Non-Current Assets			
Receivables	9	12,427	119,090
Available-for-sale financial assets	12	27,730	1,439,318
Exploration and evaluation expenditure	13	8,268,874	513,264
Property, plant and equipment	14	247,058	685,183
Total Non-Current Assets		8,556,089	2,756,855
Total Assets		12,386,030	5,120,412
Current Liabilities			
Payables	15	249,023	310,964
Provision for tax	7	378,804	-
Total Current Liabilities		627,827	310,964
Total Liabilities		627,827	310,964
Net Assets		11,758,203	4,809,448
Equity			
Share capital	16	106,622,162	99,362,502
Reserves	17	261,524	(2,602,033)
Other comprehensive income relating to assets held for sale	26	(2,804,524)	-
Accumulated losses		(92,320,959)	(91,852,352)
Parent entity interest		11,758,203	4,908,117
Non-controlling interests		-	(98,669)
Total Equity		11,758,203	4,809,448

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Share Capital	Accumulated Losses	Reserves	Total	Non- controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	99,362,502	(88,332,523)	(383,325)	10,646,654	(52,108)	10,594,546
Loss for the year	-	(3,519,829)	-	(3,519,829)	(54,029)	(3,573,858)
Total other comprehensive (loss)/income	-	-	(2,218,708)	(2,218,708)	7,468	(2,211,240)
Total comprehensive loss for the year	-	(3,519,829)	(2,218,708)	(5,738,537)	(46,561)	(5,785,098)
Balance at 30 June 2012	99,362,502	(91,852,352)	(2,602,033)	4,908,117	(98,669)	4,809,448
Balance at 1 July 2012	99,362,502	(91,852,352)	(2,602,033)	4,908,117	(98,669)	4,809,448
Loss for the year	-	(3,546,382)	-	(3,546,382)	(44,246)	(3,590,628)
Total other comprehensive income	-	-	2,992,808	2,992,808	142,915	3,135,723
Total comprehensive loss for the year	-	(3,546,382)	2,992,808	(553,574)	98,669	(454,905)
Transactions with owners recorded directly in equity						
Ordinary shares issued	7,287,860	-	-	7,287,860	-	7,287,860
Transaction costs on issue of shares	(28,200)	-	-	(28,200)	-	(28,200)
Employee share options	-	-	144,000	144,000	-	144,000
Transfer of expired options	-	3,077,775	(3,077,775)	-	-	-
Balance at 30 June 2013	106,622,162	(92,320,959)	(2,543,000)	11,758,203	-	11,758,203

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Cash receipts in the course of operations		406,975	249,220
Cash payments in the course of operations		(2,282,004)	(1,967,216)
Net cash used in operations		(1,875,029)	(1,717,996)
Interest received		13,267	15,016
Net cash used in operating activities	19	(1,861,762)	(1,702,980)
Cash flows from investing activities			
Payments for exploration and development expenditure		(1,490,830)	(1,647,386)
Payments for plant and equipment		(230,041)	(113,382)
Payments for investments		-	(20,000)
Proceeds on disposal of exploration assets		-	428,859
Proceeds from the sale of royalty interest		2,000,000	-
Proceeds from sale of plant and equipment		140,617	104,398
Proceeds from sale of investments		1,263,851	1,587,705
Disposal of subsidiaries, net of cash disposed of		778,260	-
Deposit received for the sale of Leo Ghana		100,000	-
Loans repaid from other entities		9,639	136,333
Payment for the acquisition of assets (net of cash acquired)		119,392	-
Net cash from investing activities		2,690,888	476,527
Cash flows from financing activities			
Proceeds from share issues		751,400	-
Share issue expenses		(28,200)	-
Repayment of borrowings - related party		(100,000)	-
Net cash provided by financing activities		623,200	-
Net increase / (decrease) in cash held		1,452,326	(1,226,453)
Cash and cash equivalents at 1 July		607,112	1,852,503
Effects of exchange rate fluctuations on cash held		-	(18,938)
Cash and cash equivalents		2,059,438	607,112
Less cash reclassified to assets held for sale		(19,666)	-
Cash and cash equivalents at 30 June	19	2,039,772	607,112

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

Equus Mining Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 2, 66 Hunter Street, Sydney, NSW, 2000. The consolidated financial statements of the Company as at and for the year ended 30 June 2013 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and is primarily engaged in identifying and evaluating copper and gold resource opportunities in the metal-rich provinces of Chile, South America. During the year the Company changed its name from Caspian Oil & Gas Limited to Equus Mining Limited.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the Directors on 30 September 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred a loss of \$3,590,628 for the year ended 30 June 2013 and has accumulated losses of \$92,320,959 as at 30 June 2013. The Group has cash of \$2,039,772 at 30 June 2013 (excluding cash reclassified to assets held for sale) and used \$3,352,592 of cash in operations, including payments for exploration and evaluation, for the year ended 30 June 2013. The Group has raised equity of \$723,200 net of capital raising costs during the year however additional funding will be required to meet the Group's expenditure commitments.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon:

- the Group raising additional funding from shareholders or other parties; and/or
- the Group disposing of non-core assets; and/or
- the Group reducing expenditure in-line with available funding.

The Directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group obtains sufficient additional funding from the sale of its remaining non-core assets, or otherwise from shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditure significantly, which may result in an impairment loss on the book value of exploration and evaluation expenditure recorded at reporting date.

In the event that the Group does not obtain additional funding and/or reduce expenditure in-line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial statements.

(e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2. BASIS OF PREPARATION (Cont.)

(e) Use of estimates and judgements (Cont.)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 2(d) - Going concern;
- Note 13 - Exploration and evaluation expenditure; and
- Note 26 – Disposal group held for sale.

(f) Changes in accounting policies

Presentation of transactions recognised in other comprehensive income

From 1 July 2012 the Group applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net loss. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the Statement of Profit or Loss and Other Comprehensive Income.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by entities in the Group.

The comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year (see Note 30).

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entities and the revenue can be reliably measured.

Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, losses on disposal of available-for-sale financial assets and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(b) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised as intangible exploration and evaluation assets on an area of interest basis, less any impairment losses. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(b) Exploration and evaluation expenditure (Cont.)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, the relevant exploration and evaluation assets attributable to that area of interest is tested for impairment and the balance is then reclassified to development.

(c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, capitalised borrowing costs, and, when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred,

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

Depreciation rates

Class of assets	Depreciation basis	Depreciation rate
Computer and Office Equipment	Straight Line	20% to 50%
Motor Vehicles	Straight Line	10% to 20%
Building improvements	Straight Line	10%
Plant & equipment	Straight Line	20%
Office Fittings	Straight Line	25%

(d) Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(d) Financial instruments (Cont.)

Non-derivative financial assets (Cont.)

The Group classifies non-derivative financial assets into the following categories:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents and other receivables.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Available –for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(e) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the Statement of Profit or Loss and Other Comprehensive Income and within equity in the Consolidated Statement of Financial Position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(e) Basis of consolidation (Cont.)

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for under the equity method and are initially recognised at cost. The cost of the investment includes transaction costs.

Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(g) Trade and other receivables and payables

Trade receivables and payables are carried at amortised cost. For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables and payables are discounted to determine the fair value.

(h) Impairment

Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For an investment in an equity security classified as available-for-sale, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group consider a decline of 20 percent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised within profit or loss. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(h) Impairment (Cont.)

Non-derivative financial assets (Cont.)

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss recognised previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(j) Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency at the foreign exchange rate ruling at the reporting date. The income and expenses of foreign operations, are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(k) Tax

Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Segment reporting

Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that is provided internally to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(n) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(o) Assets held for sale, and discontinued operations

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Immediately before classification as held-for-sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's other accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

(p) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(q) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(q) New standards and interpretations not yet adopted (Cont.)

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities.

The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

Under AASB 11, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting.

- The Group's interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group's interest in those assets and liabilities.
- The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity accounted.

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

The Group is currently in the process of assessing the impact of these new standards on the financial results of the Group.

AASB 13 Fair Value Measurement (2011)

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The Group has assessed the likely impact of this new standard on the consolidated financial statements, and it is not expected to have a significant effect on the financial results of the Group.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Equity securities

The fair values of investments in equity securities are determined with reference to their quoted closing bid price at the measurement date.

Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on the measurement date, exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions are not taken into account in determining fair value.

5. LOSS FROM OPERATING ACTIVITIES

	Continuing operations		Discontinued operations*		Total	Total
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
Revenue from ordinary activities	-	-	388,950	179,367	388,950	179,367

The Group revenue relates to the production and sale of oil from its former entities of LLC South Derrick and JSC Textonic in the Kyrgyz Republic. In addition, the Group generated revenue from the provision equipment rental from its subsidiary JSF Sherik

*Discontinued - see Note 30.

	2013	2012
	\$	\$
Other income		
Recognised in profit or loss		
Gain on sale of royalty interest	2,000,000	-
	2,000,000	-

During the year the Group sold its royalty interest in the Tengrela Gold Project raising \$2,000,000.

Other expenses

Administration costs Chile	39,502	-
Legal fees Chile	30,220	-
Accounting and secretarial fees	24,100	-
Commissions	48,500	-
Unmarketable parcel	4,939	-
Insurance	16,314	21,847
ASIC and ASX fees	37,252	27,370
Share registry	19,181	21,370
Legal fees	49,401	-
Advertising and corporate relations	15,366	19,257
Audit fees	83,000	41,220
Other expenses	138,745	72,262
	506,520	203,326

6. FINANCE INCOME

Recognised in profit and loss

Interest income on cash deposits	13,268	15,016
Net gain on disposal of available-for-sale investments	594,539	2,263,077
	607,807	2,278,093

Impairment of available-for-sale investments reclassified to profit or loss	(61,224)	-
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Net finance costs recognised in profit or loss	546,583	2,278,093
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Recognised in other comprehensive income

Net change in fair value of available-for-sale financial assets	(147,735)	76,847
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(533,315)	(2,263,077)
Finance cost recognised in other comprehensive income, net of tax	(681,050)	(2,186,230)

Notes to the Consolidated Financial Statements

7. INCOME TAX EXPENSE

Current tax expense

	2013 \$	2012 \$
Current year	791,658	(892,067)
Adjustments for prior year		-
Losses not recognised	(412,854)	892,067
	378,804	-
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	(3,211,824)	(3,573,858)
Prima facie income tax benefit at the Australian tax rate of 30% (2012 - 30%)	(963,547)	(1,072,157)
Decrease in income tax benefit due to:		
- non-deductible expenses	2,475,801	8,599
- tax losses not recognised	(234,914)	892,067
- effect of net deferred tax assets not brought to account	(898,536)	171,491
Income tax expense	378,804	-

At 30 June 2013 the Company has recorded a provision of \$378,804 in relation to an estimate of potential tax payable in a foreign jurisdiction. The Directors consider the provision to be a conservative estimate based on the analysis performed. Given the provision is based on an estimate which contains uncertainties there may be an adjustment within future financial years.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2013 \$	2012 \$
Capital losses	6,803,269	6,465,439
Tax losses	3,022,700	8,761,542
Net deductible temporary differences	(813,277)	(74,254)
Potential tax benefit at 30%	9,012,692	15,152,727

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there-from.

8. CASH AND CASH EQUIVALENTS

	2013 \$	2012 \$
Cash at bank	184,536	607,112
Deposit at call	1,855,236	-
	2,039,772	607,112

	2013 \$	2012 \$
9. RECEIVABLES		
Current		
Sundry debtors	<u>25,697</u>	43,538
Non-current		
Loans to outside parties	-	119,090
Bank bond guarantee - credit card	10,806	-
Property bond deposit	1,621	-
	<u>12,427</u>	<u>119,090</u>

Trade and sundry debtors are non-interest bearing and generally on 30-day terms.

The Group's exposure to credit and market risks, and impairment losses related to receivables, are disclosed in Note 22.

	2013 \$	2012 \$
10. INVENTORIES		
Raw materials and stores - at cost	-	2,151,766
Inventory write down	-	(605,138)
	<u>-</u>	<u>1,546,628</u>

In 2013, the inventories were reclassified to assets held for sale. In 2012 the write down of inventories to net realisable value amounted to \$605,138. The write downs are included within discontinued operations (Note 30).

	2013 \$	2012 \$
11. OTHER ASSETS		
Current		
Prepayments	<u>3,675</u>	166,279
12. INVESTMENTS		
Equity securities - available-for-sale at fair value	<u>27,730</u>	1,439,318

The Company holds 470,000 shares in Manas Resources Limited at 30 June 2013 (2012: 620,000 shares). During the financial year, 150,000 shares were sold at a loss of \$5,750 which was recognised within profit or loss. At 30 June 2013 the Directors compared the carrying value of the remaining investment to market value and recorded an impairment of \$61,224 in profit or loss. This was based on a closing bid price of 5.9 cents at 30 June 2013.

The Company held 557,120 shares in Perseus Mining Limited on 30 June 2012. These securities were sold through the financial year ended 30 June 2013 and the group recorded a profit on sale of \$600,289 within profit or loss during the year.

Notes to the Consolidated Financial Statements

13. EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	2013 \$	2012 \$
Carrying amount at the beginning of the year	513,264	1,822,641
Depreciation capitalised to exploration	-	863,985
Capitalised expenditure incurred - Kyrgyz Republic	182,482	1,821,614
Impairments	(695,746)	(3,436,919)
Sale of Romanian oil interest	-	(531,792)
Acquisition of Chilean mining interest (Note 27)	6,591,096	-
Payment of instalment on option agreement - Cerro Oveja	107,009	-
Capitalised expenditure incurred - Naltagua, Chile	1,521,658	-
Foreign currency translation movement	49,111	(26,265)
Balance carried forward	<u>8,268,874</u>	<u>513,264</u>

The ultimate recoupment of exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

During the year the Group fully impaired the carrying value of its oil and gas interests. The total impairment for the year ended 30 June 2013 is \$695,746 (2012: \$3,436,919).

14. PROPERTY, PLANT AND EQUIPMENT

	2013 \$	2012 \$
Furniture and fittings - at cost	170,432	194,811
Accumulated depreciation	(156,754)	(183,702)
Net book value	<u>13,678</u>	<u>11,109</u>
Computer software - at cost	-	82,940
Accumulated depreciation	-	(80,634)
Net book value	<u>-</u>	<u>2,306</u>
Office equipment - at cost	72,120	150,927
Accumulated depreciation	(71,400)	(142,305)
Net book value	<u>720</u>	<u>8,622</u>
Motor Vehicles - at cost	18,731	1,131,761
Accumulated depreciation	(2,188)	(984,141)
Net book value	<u>16,543</u>	<u>147,620</u>
Plant and equipment - at cost	-	6,169,080
Accumulated depreciation	-	(3,840,862)
Accumulated impairment expense	-	(1,812,692)
Net book value	<u>-</u>	<u>515,526</u>
Property - at cost	216,117	-
Net book value	<u>216,117</u>	<u>-</u>
Total property, plant and equipment net book value	<u>247,058</u>	<u>685,183</u>

14. PROPERTY, PLANT AND EQUIPMENT (Cont.)

	2013 \$	2012 \$
Reconciliation:		
Carrying amount at the beginning of the year	685,183	1,567,605
Additions	238,561	113,382
Disposals	(359,793)	(44,252)
Disposal of subsidiary	(120,450)	-
Depreciation	(4,953)	(90,301)
Depreciation capitalised to exploration	-	(863,985)
Reclassified as held for sale	(202,262)	-
Foreign currency translation movement	10,772	2,734
Carrying amount at the end of the year	<u>247,058</u>	<u>685,183</u>

15. TRADE AND OTHER PAYABLES

Current liabilities

Trade creditors and accruals	234,509	120,461
Employee leave entitlements	14,514	190,503
	<u>249,023</u>	<u>310,964</u>

16. ISSUED CAPITAL

256,661,675 (2012: 1,331,500,513) fully paid ordinary shares	<u>106,622,162</u>	<u>99,362,502</u>
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	2013		2012	
	N°	\$	N°	\$
Fully paid ordinary shares				
Balance at beginning of financial year	1,331,500,513	99,362,502	1,331,500,513	99,362,502
Consolidation of 1 share for every 10	(1,198,350,703)	-	-	-
Issued ordinary shares 5 September 2012 *	108,940,951	6,536,460	-	-
Issued ordinary shares 15 September 2012 for \$0.055	4,570,914	251,400	-	-
Issued ordinary shares 2 May 2013 for \$0.050	10,000,000	500,000	-	-
Less cost of issue	-	(28,200)		
	<u>256,661,675</u>	<u>106,622,162</u>	<u>1,331,500,513</u>	<u>99,362,502</u>

* Acquisition of controlled entity - See Note 27

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

At a general meeting on 31 August 2012, the shareholders of the Company approved a consolidation of the Company's issue capital. The number of shares on issue at that date was reduced from 1,331,500,513 to 133,149,810 (after allowing for rounding down of fractions).

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Notes to the Consolidated Financial Statements

	2013 \$	2012 \$
17. RESERVES		
Equity based compensation reserve (a)	164,700	2,509,475
Fair value reserve (b)	-	681,050
Foreign currency translation reserve (c)	96,824	(6,381,558)
Option premium reserve (d)	-	589,000
	<u>261,524</u>	<u>(2,602,033)</u>
Non-controlling interest (e)	-	(98,669)
Movements during the period:		
(a) Equity based compensation reserve		
Balance at beginning of period	2,509,475	2,509,475
Vesting of employee share options	144,000	-
Expired options	(2,488,775)	-
Balance at end of period	<u>164,700</u>	<u>2,509,475</u>
(b) Fair value reserve		
Balance at beginning of period	681,050	2,867,280
Net change in fair value of available-for-sale financial assets	(147,735)	76,847
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(533,315)	(2,263,077)
Balance at end of period	<u>-</u>	<u>681,050</u>
(c) Foreign currency translation reserve		
Balance at beginning of period	(6,381,558)	(6,356,548)
Currency translation differences	914,098	(25,010)
Transfer of foreign currency translation reserve to loss on disposal of subsidiaries in profit or loss	2,759,760	-
Amounts reclassified to other comprehensive income relating to assets held for sale	2,804,524	-
Balance at end of period	<u>96,824</u>	<u>(6,381,558)</u>
(d) Option premium reserve		
Balance at beginning of period	589,000	589,000
Expired options	(589,000)	-
Balance at end of period	<u>-</u>	<u>589,000</u>
(e) Non-controlling interest		
Opening balance	(98,669)	(98,669)
Current period loss	(44,246)	-
Foreign currency translation transfer on disposal	142,915	-
	<u>-</u>	<u>(98,669)</u>

17. RESERVES (Cont.)

Nature and purpose of reserves

Option premium reserve:

The option premium reserve is used to accumulate proceeds received from the issuing of options.

Equity based compensation reserve:

The equity based compensation reserve is used to record the fair value of options issued but not exercised.

Fair value reserve:

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the assets are derecognised or impaired.

Foreign currency translation reserve:

The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

18. LOSS PER SHARE

	2013			2012		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	\$	\$	\$	\$	\$	\$
Basic and diluted profit/(loss) per share:						
Net profit/(loss) for the year attributable to equity holders of the parent	750,805	(4,297,187)	(3,546,382)	1,063,939	(4,583,768)	(3,519,829)

Weighted average number of ordinary shares (basic and diluted)

	2013	2012
Issued ordinary shares at beginning of year	131,149,810	131,149,810
Effect of shares issued (Note 16)	94,166,648	-
Weighted average ordinary shares at the end of the year	225,316,458	131,149,810

As a consequence of a 1 for 10 capital consolidation approved by shareholders on 31 August 2012, the number of shares on issue at that date was reduced from 1,331,500,513 to 133,149,810 (after allowing for rounding down of fractions).

As the Group is loss making, none of the potentially dilutive securities are currently dilutive in the calculation of total earnings per share.

Continuing operations recognised a profit in the year ended 30 June 2013 and 30 June 2012, however as the exercise price of the options on issue exceeded the average market price of the ordinary shares of the Company during both the current year and the prior year, the options on issue are not deemed to be dilutive.

Notes to the Consolidated Financial Statements

	2013 \$	2012 \$
19. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Cash flows from operating activities		
Loss for the year	<u>(3,590,628)</u>	<u>(3,573,858)</u>
Non-cash items		
Depreciation	13,696	90,301
Profit on sale of plant and equipment	(129,131)	(60,146)
Profit on sale of investments	(594,539)	(2,263,077)
Investment impaired	61,224	20,000
Impairment value added tax in Kyrgyzstan	187,461	-
Exploration expenditure write-off	695,746	3,436,919
Share based payments	144,000	-
Loss on sale of subsidiaries net of cash	2,694,373	-
Income tax expense	378,804	-
Foreign currency loss	-	112,992
Inventory write down	-	605,138
Employee benefits provision	(158,659)	(1,251)
Gain on sale of royalty	(2,000,000)	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	(72,889)	44,666
Decrease in other assets	162,603	33,745
Increase/(decrease) in payables	346,177	(148,409)
Net cash used in operating activities	<u>(1,861,762)</u>	<u>(1,702,980)</u>
Reconciliation of cash		
For the purposes of the statement of cash flows, cash includes cash on hand and at bank and cash on deposit net of bank overdrafts and excluding security deposits. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	2,059,438	607,112
Less cash reclassified to assets held for sale	(19,666)	-
Cash and cash equivalents held by continuing operations	<u>2,039,772</u>	<u>607,112</u>

20. RELATED PARTIES

Parent and ultimate controlling party

Equus Mining Limited is both the parent and ultimate controlling party of the Group.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year as follows:

- During the year ended 30 June 2013, Norman A. Seckold had control over an entity, Mining Services Trust, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Group. Fees paid to Mining Services Trust during the year amounted to \$176,500 (2012 - nil). There were no amounts outstanding as at year end (2012 - \$nil).
- During the year ended 30 June 2013, Mr Susmit Shah had control over an entity, Corporate Consultants Pty Ltd, which provided accounting, secretarial and corporate services to the Group. Fees paid to Corporate Consultants Pty Ltd during the year amounted to \$104,833 (2012 - \$116,172). There were no amounts outstanding as at year end (2012 - \$7,797).
- During the year ended 30 June 2013, Mr Colin Carson had control over an entity, Ledger Road Partnership, which provided rental accommodation to the Group. Fees paid to Ledger Partnership during the year amounted to \$nil (2012 - \$1,436). There were no amounts outstanding as at year end (2012 - \$nil).
- During the year ended 30 June 2013, Mr Robert Perring had control over an entity, Quadramin Pty Ltd, which provided geological consulting services to the Group. Fees paid to Quadramin Pty Ltd during the year amounted to \$117,400 (2012 - \$nil). There were no amounts outstanding as at year end (2012 - \$nil).
- During the year ended 30 June 2013, Mr Graeme Parson and Mr Avraham Ben Natan, former directors of the Company acquired from the Group the subsidiary Caspkaz Pty Ltd for \$20,000. There are no amounts outstanding.

Movements in shares

Key management personnel	Held at 1 July 2011	Consolidation	Purchases	Sales	Held at 30 June 2012
Graeme L. Parson	1,600,000	-	-	-	1,600,000
Colin J. Carson	14,188,484	-	12,984,203	-	27,172,687
Jurg Walker	82,978,610	-	-	-	82,978,610
Michael J. Sandy	3,500,000	-	-	-	3,500,000
Avraham Ben-Natan	50,000,000	-	-	-	50,000,000

Key management personnel	Held at 1 July 2012	Consolidation	Purchases	Sales	Held at 30 June 2013
Norman A. Seckold *	-	-	30,377,420	-	30,377,420
Edward J. Leschke *	-	-	34,619,471	-	34,619,471
Robert J. Perring **	-	-	8,100,000	-	8,100,000
Graeme L. Parson ^	1,600,000	(1,440,000)	-	-	n/a
Colin J. Carson ^	27,172,687	(24,455,420)	910,814	-	n/a
Jurg Walker	82,978,610	(74,680,749)	-	-	8,297,861
Michael J. Sandy ^	3,500,000	(3,150,000)	250,000	-	n/a
Avraham Ben-Natan ^	50,000,000	(45,000,000)	-	-	n/a

* Director since 5 September 2012, ** Director since 15 February 2013,

^ Ceased to be Director before end of reporting period and hence was not a key management person at the reporting date.

Notes to the Consolidated Financial Statements

20. RELATED PARTIES (Cont.)

Options and rights over equity instruments

Key management personnel do not hold any options over unissued shares at the date of this report nor did they hold any at the reporting date.

	2013	2012
	\$	\$
Key management personnel compensation		
Primary fees/salary	484,620	430,858
Consulting fees	53,000	-
Superannuation	26,944	32,642
	<u>564,564</u>	<u>463,500</u>

Individual directors and executives compensation disclosures

Information regarding individual key management personnel's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Director's Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Director's interests existing at year end.

Loans to Key management personnel and their related parties

There were no loans made to key management personnel or their related parties during the 2013 and 2012 financial years and no amounts were outstanding at the year-end (2012: nil).

Loans from Key management personnel and their related parties

During the year ended 30 June 2013, Edward J. Leschke, a director of the Company, provided a short term, interest free, unsecured loan to the Group of \$100,000, which was subsequently repaid in full during the year.

21. SHARE BASED PAYMENTS

The Company makes share based payments to consultants and/or service providers from time to time, not under any specific plan. The Company also may issue options to directors of the parent entity. Specific shareholder approval is obtained for any share based payments to directors of the parent entity.

Options outstanding at 30 June 2013

Grant date	Number of options	Exercise price	Fair value at grant date	Vesting Date	Expiry date
24 May 2010	460,000	\$0.300	\$0.045	24 May 2010	31 October 2013
13 November 2012	1,000,000	\$0.075	\$0.044	31 March 2013	13 November 2015
13 November 2012	1,000,000	\$0.150	\$0.037	31 March 2013	13 November 2015
13 November 2012	1,000,000	\$0.200	\$0.033	31 March 2013	13 November 2015
13 November 2012	1,000,000	\$0.250	\$0.030	31 March 2013	13 November 2015

Movement of options during the year ended 30 June 2013

Grant date	Outstanding at the beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
24 May 2010	460,000	-	-	-	-	460,000	460,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
13 November 2012	-	1,000,000	-	-	-	1,000,000	1,000,000
	<u>460,000</u>	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,460,000</u>	<u>4,460,000</u>

21. SHARE BASED PAYMENTS (Cont.)

Options outstanding at 30 June 2012

Grant date	Number of options	Exercise price	Fair value	Vesting date	Expiry date
24 May 2010	460,000	\$0.300	\$0.045	24 May 2010	31 October 2013

As a consequence of a 1 for 10 capital consolidation approved by shareholders on 31 August 2012, the fair value of options on issue at that date was revised from \$0.0045 to \$0.045.

Movement of options during the year ended 30 June 2012

Grant date	Outstanding at the beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
24 May 2010	460,000	-	-	-	-	460,000	460,000
	460,000	-	-	-	-	460,000	460,000

As a consequence of a 1 for 10 capital consolidation approved by shareholders on 31 August 2012, the number of options on issue at that date was reduced from 4,600,000 to 460,000 (after allowing for rounding down of fractions).

Weighted average exercise price of options

Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
2012	\$0.410	-	\$0.780	-	-	\$0.300	\$0.300
2013	\$0.300	\$0.169	-	-	-	\$0.182	\$0.182

As a consequence of a 1 for 10 capital consolidation approved by shareholders on 31 August 2012, the exercise price of options on issue at that date was revised from \$0.03 to \$0.30.

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.16 years (2012: 1.34 years).

Fair value of options

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the key management and senior employees become unconditionally entitled to the options. The fair value of the options granted is measured using an appropriate option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

The total fair value of 4,600,000 options granted on 24 May 2010 was \$20,700. The options were valued using the Black-Scholes formula, and the model inputs were the Company's share price of \$0.008 at the grant date, an exercise price of \$0.03, an expected volatility factor of 119% based on historic share price performance, a life of 3.4 years, and a risk free interest rate of 4.75% based on the corresponding government bond rate and a dividend yield of 0%. The options vested immediately. The option holding numbers disclosed above are prior to the 1 for 10 capital consolidation that became effective on 31 August 2012, the number of options on issue at that date was reduced from 4,600,000 to 460,000 and the exercise price was revised from \$0.03 to \$0.30.

The total fair value of the 4,000,000 options granted on 13 November 2012 was \$144,000. These options were issued to the exploration Manager at the Naltagua project in Chile. The options were valued using the Black-Scholes formula. The valuation inputs were the Company's share price of \$0.066 at the grant date, a volatility factor of 115% (based on historical share price performance), a life of 3 years, a risk-free interest rate of 2.54% based on the 3 year government bond rate and a dividend yield of 0%. The exercise price ranges from \$0.075 - \$0.250 as disclosed above. These options have a non-market performance vesting condition whereby they will not vest until the commencement of exploration drilling on the Naltagua Copper Project. Drilling commenced on 30 March 2013, and hence the options fully vested on this date.

Expenses arising from share-based payment transactions

Total expenses from share-based payment transactions recognised during the year were \$144,000 (2011: nil).

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURE

The Group has exposure to the following risks arising from financial instruments:

- Liquidity risk.
- Credit risk.
- Market risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities:

Financial liabilities	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$	\$
Trade and other payables						
30 June 2013	249,023	249,023	249,023	-	-	-
30 June 2012	310,964	(310,964)	(310,964)	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of the Group's financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	2013	2012
	\$	\$
Cash and cash equivalents	2,039,772	607,112
Receivables	25,697	162,628
	2,065,469	769,740

Receivables

As from the year ended 30 June 2013, the Group stopped its oil production operations and it is solely operates in the mineral exploration sector. Consequently, it does not have trade receivables and therefore is not expose to credit risk in relation to trade receivables generated from oil sales. During the year the Company impaired a loan for \$141,881. At balance date, there were no significant concentrations of credit risk.

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURE (Cont.)

Cash and cash equivalents

At 30 June 2013, the Group held cash and cash equivalents of \$2,039,772 after reclassifying \$19,666 of cash under assets held for sale (2012: \$607,112), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with reputable banks and financial institution counterparties, which are rated AA- to AAA+, based on rating agency 'Moody's rating'.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

The Group's income statement is affected by changes in interest rates due to the impact of such changes on interest income and expenses from cash and cash equivalents.

With the exception of cash and cash equivalents, all the Group's financial assets and liabilities are non-interest bearing. At the reporting date, the Group's cash and cash equivalents exposed to variable interest rate risk that are not designated as cash flow hedges were:

	2013	2012
	\$	\$
Cash and cash equivalents	<u>2,039,772</u>	<u>607,112</u>

The Group did not have any interest bearing financial liabilities in the current or prior year, nor does the Group have any interest rate swap contracts. The Group has two interest bearing accounts from where it draws cash when required to pay liabilities as they fall due. The Group normally invests its funds in at least two accounts to maximise the available interest rates. The Group always analyses its interest rate exposure when considering renewals of existing positions including alternative financing.

Sensitivity analysis

A change of 100 basis points in interest rates at the current and prior reporting date would have increased/(decreased) equity and loss for the period by an immaterial amount.

Price risk

The Group is exposed to equity securities prices risk. This arises from investments held by the Group and classified in the balance sheet as available-for-sale.

The Group's investments are publicly traded on the Australian Stock Exchange.

The table below summarises the impact of increases/decreases of the bid price on the Group's post-tax profit for the year and on equity.

	Impact on post-tax profit		Impact on other components of equity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Manas Resources Limited – 10% bid price increase	2,773	5,580	-	5,580
Manas Resources Limited – 10% bid price decrease	(2,773)	(5,580)	-	(5,580)

Currency risk

The Group does not hold a significant value of financial instruments that are denominated in a currency other than the functional currency in which they are measured, and therefore has minimal exposure to currency risk.

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURE (Cont.)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of the share capital of the Company (refer to Note 16).

There were no changes in the Group's approach to capital management during the year.

Estimation of Fair Values

The carrying amounts of financial assets and financial liabilities included in the balance sheet approximate fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Available-for-sale financial assets				
30 June 2013	27,730	-	-	27,730
30 June 2012	1,439,318	-	-	1,439,318

All available-for-sale financial assets relate to investments held in listed equity securities (designated as Level 1 financial assets). The fair value is based on quoted market prices at the end of the reporting period. The quoted market price used is the current bid price at the reporting date.

There have been no transfers between the levels of valuation method for each classification of financial assets held during the years ended 30 June 2013 or 30 June 2012.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

23. CONTROLLED ENTITIES

Parent entity

Equus Mining Limited is an Australian incorporated company listed on the Australian Stock Exchange.

Wholly owned controlled entities	Country of incorporation	Ownership Interest	
		2013 %	2012 %
Hotrock Enterprises Pty Ltd (ii)	Australia	100	100
Okore Mining Pty Ltd	Australia	100	100
Dataloop Pty Ltd	Australia	100	100
Textonic Consulting Limited (i)	Canada	100	100
Leo Shield Exploration Ghana Ltd	Ghana	100	100
Equus Resources Limited (iv)	Australia	100	-
(i) Subsidiaries of Textonic Consulting Limited			
JSC Textonic	Kyrgyz Republic	-	100
JSC Sherik	Kyrgyz Republic	100	100
(ii) Subsidiary of Hotrock Enterprises Pty Ltd			
Derrick Pty Ltd (iii)	Australia	100	100
(iii) Subsidiary of Derrick Pty Ltd			
LLC South Derrick	Kyrgyz Republic	-	70
(iv) Subsidiary of Equus Resources Limited			
Brumby Mining Pty Ltd	Australia	100	100
Equus Resources Chile SpA (v)	Chile	100	100
Minera Equus Chile Ltda	Chile	99.9	99.9
(v) Subsidiary of Equus Resources Chile SpA and Equus Resources Limited			
Minera Equus Chile Ltda	Chile	0.1	0.1

24. COMMITMENTS

Exploration expenditure commitments

As a consequence of the disposal of the two Kyrgyz subsidiaries that held oil permits during the year ended 30 June 2013, the Group does not have any minimum expenditure commitments in relation to its mineral interests at the date of this report. The Group's mineral interests in West Africa and the Democratic Republic of Congo are subject to farm-in and joint venture agreements, under the terms of which the farm-in partners are responsible for the annual rates and rents relating to those properties. On 5 September 2012, the Group acquired an interest in the Naltagua Copper Project in Chile. This project comprises mining licences and, other than nominal annual rates, there are no minimum expenditure commitments. However, under the terms of the agreement, which was renegotiated during March 2013, the Group has the right (but not the obligation) to acquire the Naltagua Copper Project on an outright basis. See Note 27.

Notes to the Consolidated Financial Statements

25. OPERATING SEGMENTS

The Group's chief operating decision maker have considered the requirements of AASB 8, Operating Segments, and have concluded that, during the year ended 30 June 2013, the Group operated in the mineral exploration and the oil exploration industry within the geographical segments of Australia, Chile, Ghana and Kyrgyz Republic. The oil exploration segment was discontinued during the year (see note 30).

	Oil Exploration (discontinued) \$	Mineral Exploration \$	Total \$
30 June 2013			
External revenues	388,950	-	388,950
Reportable segment loss before tax	(4,341,433)	(80,225)	(4,421,658)
Interest income	-	838	838
Interest expense	-	-	-
Depreciation	(8,915)	(3,040)	(11,955)
Other material non-cash items:			
Impairment of exploration and evaluation	(695,746)	-	(695,746)
Reportable segment assets	1,760,797	8,699,819	10,406,616
Reportable segment liabilities	-	94,592	94,592

30 June 2012

Revenue from external customers	179,367	-	179,367
Reportable segment loss before tax	(4,637,797)	(45,160)	(4,682,957)
Interest expense	-	-	-
Depreciation	(87,581)	-	(87,581)
Other material non-cash items:			
Impairment of exploration and evaluation	(3,391,295)	(28,899)	(3,420,194)
Impairment inventory	(605,138)	-	(605,138)
Reportable segment assets	2,971,416	17,339	2,988,755
Reportable segment liabilities	106,172	22,731	128,903

Reconciliations of reportable segment revenues and profit or loss

	2013 \$	2012 \$
Revenues		
Total revenue for reportable segments	388,950	179,367
Elimination of discontinued operations disposed (Note 30)	(388,950)	(179,367)
Consolidated revenue	-	-
Profit or loss		
Total loss for reportable segments	(4,421,658)	(4,682,957)
Elimination of discontinued operations (Note 30)	4,341,433	4,637,797
Unallocated amounts:		
Royalty Income	2,000,000	-
Finance Income	546,583	2,278,093
Net other corporate expenses	(1,715,553)	(1,168,994)
Consolidated profit before tax	750,805	1,063,939

25. OPERATING SEGMENTS (Cont.)

	2013	2012
	\$	\$
Reconciliations of reportable segment revenues and profit or loss (Cont.)		
Assets		
Total assets for reportable segments	10,460,616	2,988,755
Unallocated corporate assets	1,925,414	2,131,657
Consolidated total assets	<u>12,386,030</u>	<u>5,120,412</u>
Liabilities		
Total liabilities for reportable segments	94,592	128,903
Unallocated corporate liabilities	533,235	182,061
Consolidated total liabilities	<u>627,827</u>	<u>310,964</u>

Geographical information

In presenting information on the basis of geography, segment revenue and segment assets are based on the geographical location of the operations.

	2013		2012	
	Revenue \$	Non-current assets \$	Revenues \$	Non-current assets \$
Australia	-	651,323	-	120,831
All foreign locations				
- Kyrgyz Republic	388,950	-	179,367	1,195,769
- Ghana	-	937	-	937
- Chile	-	7,876,099	-	-
-oil exploration (discontinued) disposed	(388,950)	-	(179,367)	-
	<u>-</u>	<u>8,528,359</u>	<u>-</u>	<u>1,317,537</u>

The geographical information excludes financial instruments in determining non-current assets.

26. DISPOSAL GROUP HELD FOR SALE

Disposal group held for sale

The oil exploration segment of the Group in the Kyrgyz Republic is presented as a disposal group held for sale following the commitment of the Group's management during the year to a plan to sell the three oil exploration entities in the Kyrgyz Republic. The ownership interests in JSC Textonic and LLC South Derrick were disposed of on 26 September 2012. The ownership interest in JSC Sherik is expected to be sold during the financial year ending 2014, and has been classified as assets held for sale at 30 June 2013.

As at 30 June 2013, the disposal group held for sale comprised assets of \$1,804,313 less liabilities of \$43,516, detailed as follows:

	\$
Cash and cash equivalents	19,666
Property, plant and equipment	202,262
Consumables and operating supplies	1,582,092
Trade and other receivables	293
Trade and other payables	(43,516)
	<u>1,760,797</u>

In order to support the carrying value of the assets held for sale at 30 June 2013, a fixed asset and inventory valuation was carried out by an independent valuation specialist in the Kyrgyz Republic. The Group compared the carrying value of the inventory and property, plant and equipment held within the disposal group against the independent valuation (which was based on the expected fair value less costs to sell) and determined that no adjustment was necessary because the fair value less costs to sell reflected the carrying value of the assets.

26. DISPOSAL GROUP HELD FOR SALE (Cont.)

Cumulative income or expense include in other comprehensive income

Included within other comprehensive income is a cumulative foreign currency translation reserve amount of \$2,804,524 relating to the disposal group.

Equus has entered into an agreement to sell a ninety percent interest in its wholly owned subsidiary, Leo Shield Exploration Ghana Ltd ('Leo Ghana'), for a consideration of US\$600,000 (subject to obtaining local government approval) to an entity incorporated in the Republic of Ghana. A deposit of A\$100,000 has been received and the Company will retain a 10% interest in Leo Ghana. The assets and liabilities held in this entity are immaterial.

27. ACQUISITION OF CONTROLLED ENTITIES

During the year ended 30 June 2013, the Company acquired 100% of the issued capital of Equus Resources Limited. In consideration for Equus Resources Limited the Company issued 108,940,951 ordinary shares (equivalent to a consideration paid of fair value \$6,536,457, based on the listed share price of the Company at 5 September 2012 of \$0.06 per share) to the shareholders of Equus Resources Limited, a company incorporated in Australia. Equus Resources Limited holds an option agreement through its Chilean subsidiary Minera Equus Limitada to acquire the Naltagua Copper project in central Chile.

The agreement has a total cost of US\$5,000,000 and it was renegotiated during March 2013 extending the period of the agreement by one year for no additional payment and no additional consideration. The revised agreement is pursuant to the following payments:

- a down payment of US\$500,000 upon execution of the option agreement which was paid on 29 September 2011;
- a first instalment of US\$100,000 which was paid on 29 September 2012;
- a second instalment of US\$100,000 is due on the 29 September 2013;
- a third instalment of US\$500,000 is due on the 29 September 2014; and
- a fourth and final instalment of US\$3,800,000 is due on 29 September 2015.

The agreement does not bind the Group to complete the acquisition and it can abandon the project (and the agreement) at any point in time with no penalties, with the exception that all previous payments are non-refundable.

The above transaction has been accounted for as an acquisition of assets rather than a business combination as Equus Resources Limited has no business operations and its principal asset is its interest in the Naltagua copper project.

The following summarises the recognised amounts of identifiable assets acquired and liabilities assumed at the acquisition date:

	Recognised fair value on acquisition
	\$
Cash	119,392
Property, plant and equipment	18,138
Exploration and evaluation assets	6,591,096
Other assets	48,810
Trade and other payables	(140,979)
Related party loan	(100,000)
	<u>6,536,457</u>

The fair value of exploration and evaluation assets has been determined as being the excess consideration paid over the acquisition date fair value of the identifiable assets and liabilities of Equus Resources Limited.

Equus Resources Limited's operations are subject to specific Chilean environmental regulations. The Group conducted a preliminary assessment of site restoration provisions arising from these regulations, and determined that at the acquisition date no site restoration provisions were required.

There were no acquisition costs.

27. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2013 the parent entity of the Group was Equus Mining Limited (formerly named Caspian Oil and Gas Limited).

	Company	
	2013	2012
	\$	\$
Result of the parent entity		
Net profit/(loss)	525,646	(1,001,311)
Other comprehensive Income	681,050	(1,455,733)
Total comprehensive profit/(loss)	1,206,696	(2,457,044)
Financial position of the parent entity at year end		
Current assets	1,897,685	571,506
Non-current assets	6,564,187	4,420,002
Total assets	8,461,872	4,991,508
Current liabilities	533,235	182,060
Non-current liabilities	-	-
Total liabilities	533,235	182,060
Net assets	7,928,637	4,809,448
Equity		
Share capital	106,622,162	99,362,502
Accumulated losses	(98,858,225)	(98,332,579)
Fair value reserve	-	2,509,475
Equity based compensation reserve	164,700	681,050
Option premium reserve	-	589,000
Total equity	7,928,637	4,809,448

The Directors are of the opinion that no contingencies existed at, or subsequent to year end.

28. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Notes to the Consolidated Financial Statements

30. DISCONTINUED OPERATIONS

In September 2012, the Group discontinued its oil exploration segment. This occurred via management's commitment to a plan during the period to sell this segment following a strategic decision to focus on the exploration activities on the Naltagua copper project in Chile. The entire ownership interest in LLC South Derrick and JSC Textonic were disposed of on 26 September 2012 and the assets and liabilities in JSC Sherik were classified as held for sale.

The segment was not classified as held for sale or a discontinued operation as at 30 June 2012 and the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been re-presented to show the discontinued operation separately from continuing operations.

	2013	2012
	\$	\$
Results of discontinued operation		
Revenue	388,950	179,367
Other income	119,730	60,146
Impairment of exploration and evaluation assets	(695,745)	(3,391,295)
Impairment of inventory	-	(605,138)
Expenses	(1,459,995)	(880,877)
Results from operating activities	(1,647,060)	(4,637,797)
Income tax expense	-	-
Results from operating activities, net of income tax	(1,647,060)	(4,637,797)
Loss on sale of discontinued operation (including transfer of foreign currency translation reserve to profit or loss)	(2,694,373)	-
Income tax on loss on sale of discontinued operation	-	-
Loss for the year	(4,341,433)	(4,637,797)
Basic and diluted loss per share	(0.019)	(0.035)

	2013	2012
	\$	\$
Cash flows from (used in) discontinued operation		
Net cash used in operating activities	(395,520)	(523,869)
Net cash from investing activities	101,920	(1,094,084)
Net cash from financing activities	-	-
Net cash flows for the year	(293,600)	(1,617,953)

Effect of disposal on the financial position of the Group

Property plant and equipment	(120,451)
Inventories	(643)
Trade and other receivables	(590,525)
Cash and cash equivalents	(10,849)
Trade and other payables	174,928
Net assets and liabilities	(547,540)
Consideration received, satisfied in cash	755,841
Cash and cash equivalents disposed of	(10,849)
Net cash inflow	744,992

1. In the opinion of the Directors of Equus Mining Limited (the 'Company'):
 - (a) the consolidated financial statements and notes thereto, set out on pages 25 to 58, and the Remuneration Report as set out on pages 20 to 23 of the Directors' Report are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date;
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required under section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.
3. The Director's draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed at Sydney this 30th day of September 2013 in accordance with a resolution of the Board of Directors:



Norman A. Seckold
Director



Edward J. Leschke
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUUS MINING LIMITED



Report on the financial report

We have audited the accompanying financial report of Equus Mining Limited (the 'Company'), which comprises the Consolidated Statement of Financial Position as at 30 June 2013, and Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, Notes 1 to 30 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUUS MINING LIMITED



Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 2(d), "Going Concern" in the financial report. The conditions disclosed in Note 2(d), including the need to raise additional funding from shareholders or other parties and/or reducing expenditure in-line with available funding, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in pages 20 to 23 of the Directors' Report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Equus Mining Limited for the year ended 30 June 2013 complies with Section 300A of the *Corporations Act 2001*.

A handwritten version of the KPMG logo in blue ink, with the letters 'KPMG' in a stylized, cursive font.

KPMG
30 September 2013

A handwritten signature in blue ink, appearing to be 'Adam Twemlow', written in a cursive style.

Adam Twemlow
Partner
Brisbane

Additional Stock Exchange Information

Additional information as at 30 August 2013 required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report.

Home Exchange

The Company is listed on the Australian Stock Exchange. The Home Exchange is Perth.

Audit Committee

As at the date of the Directors' Report, an audit committee of the Board of Directors is not considered warranted due to the composition of the Board and the size, organisational complexity and scope of operations of the Group.

Class of Shares and Voting Rights

As per Listing Rule 4.10.6 the voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion, which the amount paid up bears to the issue price for the share.

Distribution of Shareholders

As per Listing Rule 4.10.7, the total distribution of fully paid shareholders as at 30 August 2013, was as follows:

Range	Fully Paid Ordinary Shares
1 - 1,000	273
1,001 - 5,000	365
5,001 - 10,000	408
10,001 - 100,000	888
100,001 and over	230
Total	<u>2,164</u>

Less than Marketable Parcels

As per Listing Rule 4.10.8, as at 30 August 2013, 1,566 shareholders held less than marketable parcels of 13,781,251 shares.

On Market Buy Back

As per Listing Rule 4.10.18, the Company advised that there is no current on-market buy-back.

Substantial Holders

Holdings of substantial shareholders as per LR 4.10.4 as advised to the Company are set out below.

	Number of Ordinary Shares
Augusta Enterprises Pty Ltd	34,619,471
Permgold Pty Ltd	30,377,420
JP Morgan Nominees Australia	23,341,055

Twenty Largest Shareholders

As required by Listing Rule 4.10.9, as at 30 August 2013, the twenty largest quoted shareholders held 56.45% of the fully paid ordinary shares as follows:

	Name	Number	%
1	Augusta Enterprises Pty Ltd	34,619,471	13.49
2	Permgold Pty Ltd	30,377,420	11.84
3	JP Morgan Nominees Australia Limited	23,341,055	9.09
4	HSBC Custody Nominees (Australia) Limited	14,175,876	5.52
5	Tetramin Pty Ltd	8,000,000	3.12
6	John Wardman & Associates Pty Ltd	4,600,000	1.79
7	Wisevest Pty Ltd	3,800,000	1.48
8	Tendeka Holdings Pty Ltd	2,800,000	1.09
9	Integral Admin Services Pty Ltd	2,590,616	1.01
10	ABN AMRO Clearing Sydney Nominees Pty Ltd	2,451,336	0.96
11	National Nominees Limited	2,098,210	0.82
12	Cadden Nominees Pty Ltd	2,007,764	0.78
13	UBS Nominees Pty Ltd	2,000,000	0.78
14	Bill Brooks Pty Ltd	1,942,962	0.76
15	Berpaid Pty Ltd	1,942,962	0.76
16	Wapimala Pty Limited	1,800,000	0.70
17	Mitmeg Holdings Pty Ltd	1,700,000	0.66
18	Dr Glen Whisson and Mrs Tania Whisson	1,600,000	0.62
19	Ashabia Pty Ltd	1,552,738	0.60
20	Tendeka Holdings Pty Ltd	1,500,000	0.58

The number of holders in each class of securities

As per Listing Rule 4.10.5, the numbers of holders in each class of securities on issue at 30 August 2013 were as follows:

Type of security	Number of holders	Number of securities
Ordinary shares	4,110	256,661,675
Unlisted options	12	460,000
Unlisted options	1	1,000,000
Unlisted options	1	1,000,000
Unlisted options	1	1,000,000
Unlisted options	1	1,000,000

Substantial Optionholders in the entity

As per Listing Rule 4.10.16, the names of the holders of 20% or more options in these unquoted securities are listed below:

Name	Number of options held	% of Options Held
Damien Koerber	4,000,000	89.67%

Additional Stock Exchange Information

Group Mineral Concession Interests at 30 August 2013

As per Listing Rule 4.10.15, the Company provides the following information regarding its mining tenements.

Tenure and Commercial Terms for Naltagua Project acquisition - Chile

The Company's wholly owned subsidiary, Equus Resources Limited has an option to acquire 100% of a contiguous group of 14 mining licences covering an area of 18.05 square kilometres and 75% of the known areal extent of the large (4km by 2km) Naltagua copper system. Under the terms of the option agreement, Equus has the right but not the obligation to acquire the mining licences on an outright basis by making a payment of US\$100,000 in September 2013, US\$500,000 in September 2014, with a final payment of US\$3.8 million in September 2015 to the licence holder.

On commencement of commercial production at Naltagua, a 1% net smelter royalty is payable to the licence holder subject to a maximum payment of US\$5 million.

Schedule of Mining Licences at Naltagua

A. Granted Exploitation Mining Concessions

	Mining Concession's Name	Register Owner (100% interest)	Location	Concession type
1	Carmencita Siete 1	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
2	Carmencita Siete 11, 1-30	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
3	San Lorenzo 1, 1-34	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
4	San Lorenzo 2, 1-51	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
5	San Lorenzo 3, 1-52	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
6	Carmen Alto 2, 1-23	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
7	Carmen Alto 3, 1-26	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
8	Carmen Alto 4, 1-14	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
9	Carmen Alto 5, 1-30	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
10	Mater I, 1-30	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
11	Mater II, 1-10	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
12	Carmencita 1, 1-100	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
13	Carmencita 2, 1-114	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation
14	Mater I II, 1-16	Tsuyoshi Nishimura Matsumoto	Chile	Exploitation (in process)

The exploitation licences are held in perpetuity under Chilean mining law, subject to compliance with the terms of relevant laws and timely payment of rents, rates and fees.

Oil interest in the Kyrgyz Republic

Effective 26 September 2012, the Company's oil interests in the Kyrgyz Republic were disposed as a consequence of the sale of the subsidiaries, Textonic CJSC and LLC South Derrick.

Mining interest in African countries

Location	Concession name	Registered Holder (or Applicant)	File Number/ Licence Type	Equus Mining Current equity interest	Maximum equity interest capable of being earned	Notes 1
Ghana	Kwatechi	Tropical Exploration and Mining Company Limited	PL3/64 Prospecting Licence	0%	7%	2
	Osenase	Leo Shield Exploration Ghana Limited	Prospecting Licence	90%	N/A	
	Asamankese	Leo Shield Exploration Ghana Limited	Prospecting Licence	90%	N/A	
	Pramkese	Leo Shield Exploration Ghana Limited	Prospecting Licence	90%	N/A	
Guinea	Mansounia	Equus Mining Limited	A2002/019/ DIGM/CPDM Research Permit	78%	78%	3

Notes

1. The governments of African countries in which the Company holds minerals interests are entitled to equity in mining companies owning projects as follows – Ghana 10% and Guinea 15%. Equus's quoted equity is after allowance for that national interest, which occurs when a new project company is established prior to commencement of mining.
2. Perseus Mining Limited, the current holder of a 16% interest, has the right to earn a further 60% interest in the Kwatechi property by funding the development of the project to profitable production. In that case, the Company and a local joint venture partner will each retain a 7% interest which is convertible to a 1.25% net smelter royalty at the option of those parties within 30 days of completion of a feasibility study.
3. Mansounia is farmed out to Burey Gold Ltd, which can earn a 70% interest in the project by completing a feasibility study containing at least 200,000oz of gold or the equivalent and paying Equus US\$500,000. Equus then has an 8% interest, which it may elect to convert into a 5% net profit interest.



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members is to be convened at Suite 2, Level 3, 66 Hunter Street, Sydney, NSW, 2000 on 20 November 2013 at 11.00 am.

AGENDA

ORDINARY BUSINESS

Financial Statements

To receive and consider the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2013.

To consider and, if thought fit, pass the following resolutions, with or without amendment:

Resolution 1 Adoption of the Remuneration Report

'That the Remuneration Report for the year ended 30 June 2013 be and is hereby adopted.'

Resolution 2 Re-election of a Director

'That Juerg Walker be and is hereby re-elected as a Director.'

Resolution 3 Election of a Director

'That Robert J. Perring be and is hereby elected as a Director.'

Resolution 4 Ratification of Prior Issue of Options

'That the grant of 4,000,000 options in the Company on 13 November 2012 to Mr Damien Koerber Head of Exploration in Chile is hereby ratified for the purposes of ASX Listing Rules 7.4 and 7.5.'

Resolution 5 Ratification of Prior Issue of Shares

'That the issue of 10,000,000 fully paid ordinary shares in the Company on 2 May 2013 for A\$0.05 per share be and is hereby ratified for the purposes of ASX Listing Rules 7.4 and 7.5.'

To transact any other business that may be brought forward in accordance with the Company's Constitution.

By order of the Board



Marcelo Mora
Company Secretary
17 October 2013

Explanatory Memorandum to the Notice of Annual General Meeting

This Explanatory Memorandum has been prepared to assist members to understand the business to be put to members at the Annual General Meeting to be held at Level 3, 66 Hunter Street, Sydney, NSW, on Wednesday, 20 November 2013 at 11.00 am Eastern Daylight Saving Time (EDST).

Financial Report

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2013 will be laid before the meeting. There is no requirement for shareholders to approve these reports, however, the Chair of the meeting will allow a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

1. Adoption of Remuneration Report

The Remuneration Report, which can be found on pages 20 to 23 of the Company's 2013 Annual Report, contains certain prescribed details, sets out the policy adopted by the Board of Directors and discloses the payments to Directors.

In accordance with section 250R of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. The resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, shareholders will then vote to determine whether the Directors, excluding the Managing Director, will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

Voting Exclusion Statement

A vote on the resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the key management personnel details of whose remuneration are included in the remuneration report;
- a close related party of such a member.

However such a person may cast a vote on the resolution if:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is the chair of the Meeting and the appointment of the chair as proxy.
 - Does not specify the way the proxy is to vote on the resolution; and
 - Expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity

2. Re-election of Juerg Walker

Pursuant to Article 3.6 of the Company's Constitution and the Corporations Act, Juerg Walker retires by rotation and, being eligible, offers himself for re-election.

3. Re-election of Robert J. Perring

Pursuant to Article 3.5 of the Company's Constitution and the Corporations Act, Robert Perring who was appointed as a Director during the year retires in accordance with these requirements and, being eligible, offers himself for re-election.

4. Ratification of the issue of Options

Resolution 4 seeks the ratification by shareholders of the grant of 4,000,000 options in the Company on 13 November 2012 for the purposes of Listing Rule 7.4 and 7.5. This ratification will provide the Company with the ability to raise further funds, if required, will maximise the flexibility of the Company's funds management and will facilitate planning for the Company's ongoing activities.

Details of the issue, as required by ASX Listing Rule 7.5 are as follows:

- Number of securities allotted is 4,000,000 made up as follows:
 - tranche (1) 1,000,000 options, tranche (2) 1,000,000 options, tranche (3) 1,000,000 options and tranche (4) 1,000,000 options.
- Issue price: is Nil cash consideration, the options were issued as incentive to fast track the Naltagua copper project.
- Terms
 - Unlisted options
 - Each Option entitles the holder to subscribe for and be allotted one ordinary share in Equus Mining Limited at an exercise price of \$0.075 per Option for tranche 1, \$0.15 for tranche 2, \$0.20 for tranche 3, \$0.25 for tranche 4.
 - The rights of the optionholder can be change to comply with the listing rules when the company undertakes a reorganisation of capital.
 - The options do not entitle the holder to participate in new issues without exercising the options.
 - The options do not confer the right to change the exercise price nor a change to the underlying number of ordinary shares over which it can be exercised.
 - The options are transferable.
 - Upon exercise of the options, the options will convert into fully paid ordinary shares which will rank equally in all respect with existing fully paid ordinary shares.
- Name of allottees: Damien Koerber.
- Intended use of funds: No funds were raised.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by:

- Damien Koerber and any of his associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

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5. Ratification of Prior Issue of Shares

Resolution 5 seeks the ratification by shareholders of the issue of 10,000,000 fully paid ordinary shares in the Company on 2 May 2013 for the purposes of ASX Listing Rules 7.4 and 7.5. This ratification will provide the Company with the ability to raise further funds, if required, will maximise the flexibility of the Company's funds management and will facilitate planning for the Company's ongoing activities.

Details of the issue, as required by ASX Listing Rule 7.5 are as follows:

- Number of securities allotted: 10,000,000.
- Issue price: A\$0.05 per share.
- Terms: Fully paid ordinary shares ranking pari passu with existing fully paid ordinary shares.
- Names of allottees: A range of Australian investors, none of whom are related parties.
- Intended use of funds: For exploration at the Naltagua Copper project and working capital.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by:

- Participants in the placement and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides



I/we
of
being a member/members of Equus Mining Limited HEREBY APPOINT

.....
or failing him, the Chairman of the Meeting, as my/our Proxy to vote for me/us and on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Members of the Company to be held at 11.00 am on 20 November 2013 and at any adjournment thereof.

The Proxy is directed by me/us to vote as indicated by the marks in the appropriate boxes below:

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Juerg Walker as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Robert R. Perring as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Important information if the Chairman of the Meeting is your proxy.

By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chairman for those resolutions other than as a proxy holder will be disregarded because of that interest. By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on all resolutions, including resolution 1. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the voting box above (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of each resolution, including resolution 1.)

The Chairman of the Meeting intends to vote all undirected proxies in favour of each resolution.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on the resolutions (except where I/we have indicated a different voting intention) and acknowledge that the Chairman of the Meeting may exercise my proxy even though the Chairman may have an interest in the outcome of the resolutions, including resolution 1 which is connected directly or indirectly with the remuneration of members of key management personnel.

Signature of Securityholder(s) This section must be completed.

Dated this day of 2013

Signatures of Securityholder(s)
Individual or Securityholder 1

Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director



PROXY INSTRUCTIONS

1. A member entitled to attend and vote is entitled to appoint not more than 2 proxies.
2. Where more than 1 proxy is appointed, each proxy must be appointment to represent a specified proportion of the member's voting rights.
3. A proxy need not be a member.
4. All joint holders must sign.
5. Where the company has a Sole Director and Company Secretary, that person must sign. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.
6. All executors of deceased estates must sign.
7. The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the Company's shares quoted on the ASX Limited at 7.00 pm Sydney time on 18 November 2013 are taken, for the purposes of the Annual General Meeting to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the meeting.
8. This Proxy form (and the original or certified copy of any power of attorney under which this proxy form is signed) must be received at an address given below no later than 48 hours before the time appointed for holding the meeting:
 - in person or by mail at the Company's registered office, Level 2, 66 Hunter Street, Sydney, NSW 2000 Australia; or
 - by facsimile on +61 2 9221 6333.