Annual Report

2025

EQ RESOURCES

Corporate Directory

Directors

Oliver Kleinhempel
Executive Chairman

Stephen Layton
Non-executive Director

Richard Morrow (Retired 30 June 2025)
Non-executive Director

Stephen Weir
Non-executive Director

Craig Bradshaw
Non-executive Director

Zhui Pei Yeo
Non-executive Director

Company Secretary

Melanie Leydin

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Share Register

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Auditors

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Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX)

ASX Code: EQR

ACN: 115 009 106
ABN: 77 115 009 106

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Chairman's Address

Oliver Kleinhempel
Executive Chairman

"Prosperity and security can only be achieved through a high degree of independence when it comes to essential raw materials."

Dear Shareholders and Friends of EQR,

It is my great pleasure to present to you the 2025 Annual Report for EQ Resources Limited. This year's Annual Report presents a comprehensive overview and review of both our operations, at Barruecopardo in Salamanca/Spain and Mt Carbine in Queensland/ Australia. In this regard, I would like to congratulate and thank our teams for their outstanding commitment to the success of EQ Resources and their dedication to the greater vision of the Company, despite the headwinds emerging mining companies often face during ramp-up periods.

Having visited both operations multiple times throughout the year, I experienced great teamwork and spirit of cooperation – each operation faced site-specific challenges, where it was a common understanding and motivation to share experience and knowledge so that each team can overcome problems and solve difficult tasks. I would proudly say that EQ Resources is a strong group of individuals and teams with common goals and aspirations. The Company will benefit from such culture moving forward.

Last year I highlighted three key aspects the Company is working on. I called out for: (i) Teamwork Above All, (ii) Continue Developing an Ecosystem, and (iii) Discipline at the Core.

Despite delays in our turnaround efforts at Barruecopardo and having to overcome complexities around the transitioning of the open pit operation to an inhouse mining team at Mt Carbine, the Company has progressed well with regards to the above fundamental pillars. We continued to integrate our teams and share resources across both operations to gain synergies. We have extended our industry network by forming new partnerships and strengthened relations with key customers. Furthermore have we added outstanding personalities both to our board of directors and the management teams.

My final remarks should address the fundamental mission of EQ Resources: The Company has established itself as a leading Western tungsten raw materials producer and supplier. Tungsten being classified as a critical- and strategic raw material by the largest economies – the EU, the US and China. Trade tensions and geopolitical division started to impact the global tungsten sector, with prices rapidly increasing. China decided to restrict exports and continues reducing domestic output. EQ Resources is striving to stabilise the (Western) market and contribute to resilient supply chains. I strongly believe that prosperity and security can only be achieved through a high degree of independence when it comes to essential raw materials.

On behalf of the Board, I would like to thank all shareholders for their continued support.

Oliver Kleinhempel
Executive Chairman
EQ Resources Ltd

Operating and Financial Review

Corporate & Financing Activities

Changes in EQR Board & Leadership Team

Strong capital markets, operations and industry backgrounds

Board of Directors

Oliver Kleinhempel
Executive Chairman

Non-executive Chair since April 2020. Executive Chair since May 2025.
Executive career in global resource industry, across project development, finance and commodity trading.
Previous roles at Outotec, Ferrostaal Group, CRONIMET.
Executive Director at CRONIMET Group.

Craig Bradshaw
Non-executive Director

Experienced global tungsten industry executive and former CEO of Masan High-Tech Materials, the operator of the Nui Phao Tungsten Mine and Processing Complex in Vietnam.
Qualified CPA as well as a member of the Financial Services Institute of Australasia (FINSIA) and AusIMM.

Stephen Weir
Non-executive Director

Representative Director of Oaktree Capital Management.
Experience in corporate advisory, project finance, construction management.
Former CEO of Magnetite Mines Ltd, Member of the Australian Institute of Company Directors, GBA Capital Advisory Board.

Zhui Pei Yeo
Non-executive Director

Background in executive management, project planning, resource management.
Works in system integration in telecoms in South-East Asia.
Executive director at a steel-product manufacturer.

Stephen Layton
Non-executive Director

35+ years in equity capital markets in the UK and Australia.
Experience in ASX listings and corporate advisory.
Directorships at Mithril Resources & Pursuit Minerals.

After 4 years on the Board, Mr Richard Morrow retired on 27 June 2025. During his tenure, Mr Morrow has played a valuable role in supporting the Company's strategic direction and governance framework. EQ Resources is greatly appreciative of his service and support of the Company as a member of the Board and we wish him well.

On 1 May 2025, the Company was pleased to announce the appointment of Mr Craig Bradshaw as an independent Non-Executive Director. Mr Bradshaw is an experienced global tungsten industry executive and was a former CEO of Masan High-Tech Materials, the operator of the Nui Phao Tungsten Mine and Processing Complex in Vietnam and Managing Director of H.C. Starck Tungsten Powders GmbH, a global producer of Tungsten chemicals, powders, carbides, and specialty carbides with operations in Germany, China and Canada, prior to its sale to Mitsubishi Materials Group in December 2024. Mr Bradshaw started his mining career with Mt Isa Mines and held further senior management roles with MMG Limited (Sepon operations) and with Toll Holdings. Mr Bradshaw holds a Business Degree and is a qualified CPA as well as a member of the Financial Services Institute of Australasia (FINSIA) and AusIMM.

Experienced Leadership Team driving Operations in both Australia and Spain

Executive Management Team

Kevin MacNeill
Chief Technical Officer (EQR Group)

Former CEO (from January 2020), transitioned to CTO in April 2025.

35+ years in mining project development globally.

Expertise in mineral processing, specifically tungsten.

Past President of Etruscan Diamonds, founded Specialized Metallurgical Projects.

Jonathan Kort
Chief Financial Officer (EQR Group)

Experienced global executive whose career has spanned listed and private companies in resources and infrastructure.

He was most recently Chief Development Officer and CFO at PanAust Limited.

Chartered Accountant Australia and New Zealand and holder a Master of Science in Mineral Economics.

Evren Oeren
Chief Operating Officer (Saloro SLU)

Experienced M.Sc. Mining Engineer and MBA with an academic background from globally renowned universities.

Proven expertise from field operations to senior management, overseeing international mineral processing projects and leading multinational teams.

Alvaro Serrano
Chief Executive Officer (Saloro SLU)

25+ years as senior financial roles in in industrial companies, mainly in pharmaceutical, biomedical and mining industry.

Degree in economics and business sciences and executive MBA. from the IE Business School.

CFO roles across a number of leading Spanish and subsidiaries of multinational companies.

Operating and Financial Review continued

During FY2025, EQ Resources Limited (ASX: EQR) strengthened its leadership structure to support operational excellence, international growth ambitions, and continued expansion along the tungsten supply chain.

On 1 April 2025, long-serving Chief Executive Officer Kevin MacNeill transitioned to the role of Chief Technical Officer (CTO). This change enables Mr MacNeill to focus on technical improvements at the Saloro and Mt Carbine operations while working reduced hours for personal reasons. Since his appointment as CEO in 2019, Mr MacNeill has been instrumental in EQR's transformation, and he will continue to play a critical role in driving operational innovation and supporting the Company's expansion and M&A pipeline.

Effective the same date, Mr Oliver Kleinhempel, previously Non-Executive Chairman, assumed the role of Executive Chairman pending the appointment of a new CEO/Managing Director. Once a new appointment is finalised, Mr Kleinhempel will revert to a Non-Executive capacity. A key architect of EQR's strategy since 2019, he will continue to guide capital management and long-term corporate direction. In addition, Mr Kleinhempel resigned as a director of CRONIMET Australia Pty Ltd, prior to the company's transfer of its Mt Carbine joint-venture interest to EQR in July 2024.

On 1 June 2025, Mr Jonathan Kort commenced as Chief Financial Officer and joined EQR's Global Leadership Team. Mr Kort brings over 20 years of experience in mining and infrastructure, including senior roles at PanAust, BHP, and Coronado Global Resources. A Chartered Accountant with a Master's in Mineral Economics, he has an extensive track record in financial leadership and operational execution. He will lead EQR's financial, governance, and strategic planning functions, ensuring strong discipline and alignment as the Company advances its next phase of development.

Further strengthening the operational leadership team, Mr David Laulau was appointed Mining Manager at Mt Carbine. Mr Laulau brings more than 26 years of open-pit and underground mining experience across Papua New Guinea and Australia, managing large-scale workforces and multimillion-dollar budgets with a strong emphasis on safety, efficiency, and environmental stewardship. He holds a Bachelor of Mining Engineering from the Papua New Guinea University of Technology and completed postgraduate studies at Tohoku University, Japan. His appointment further enhances the Company's ability to deliver operational excellence at its flagship Australian asset.

EQR also broadened its government relations capabilities, given its global operations and M&A activities. Mr Andrew Goledzinowski AM was appointed as Senior Advisor for Government Relations, effective 1 July 2025. Mr Goledzinowski brings more than 40 years of diplomatic experience, having served as Ambassador to Vietnam, High Commissioner to Malaysia, and Deputy Permanent Representative to the United Nations. In this role, he will support EQR's engagement with government stakeholders across Australia, Europe, the United States, and Vietnam. He has already been involved in several strategic initiatives for the Company, including stakeholder engagement and due diligence relating to the TMG smelter acquisition.

Collectively, these leadership changes ensure EQR has the right mix of technical, financial, and strategic expertise to deliver on its international tungsten growth ambitions and to position the Company for long-term success.

Financing Activities

FY2025 was a decisive year in strengthening EQ Resources Limited's ("EQR" or "the Company") financial position. By financial year-end, EQR had completed a multi-pronged funding program that combined equity, debt reduction, offtake agreements, government grants, credit extensions, and prospective export-credit support:

- Equity raised (FY2025): ~A$28.47 million before costs, comprising:
  - A$3.0 million placement (Square Resources) at A$0.042/share with a strategic collaboration for Asian FeW marketing and potential trade-finance support (18 Nov 2024);
  - A$4.9 million placement at A$0.040/share with 122.5 million one-for-one free attaching unlisted options exercisable at A$0.0675 (December 2024);
  - SPP at A$0.035/share, A$1,77 million raised (before costs), 50,599,919 new shares issued (closing January 2025);
  - A$18.8 million capital raising announced May 2025.
- Long-term offtake contract, securing a 5-year tungsten concentrate offtake arrangement valued at approximately A$30 million with an advance payment of A$2.0 million and establishes a framework for collaboration on US Government critical minerals initiatives, including a joint United States Defence Industrial Base Consortium ("DIBC") grant application.

- Queensland Government Grant: A$0.25 million to support bulk ore sorting trials at Wolfram Camp
- European deleveraging: €5 million debt repaid at Saloro (February 2025).
- Credit facility support: €20 million of €25 million Letters of Credit extended to end-2025 with Oaktree support (May 2025).
- Export-credit pathway: United States EXIM LOI for up to US$34 million (A$52 million), 10-year tenor (June 2025).

Queensland Government Grant

In early October 2024, the Company was awarded A$250,000 in funding from the Queensland Government's METS Collaborative Project Fund to support the commencement of advanced XRT ore sorting trials at the Wolfram Camp tungsten mine. The funding is part of the Queensland Government's broader initiative to reinvigorate former mines, aligning with their Critical Minerals Strategy and Resources Industry Development Plan, focusing on economic growth and sustainable practices.

The initiative will be a collaborative project involving EQR, Tomra Sorting Pty Ltd ("Tomra"), and the University of Queensland's Sustainable Minerals Institute. Tomra will supply advanced XRT Ore Sorters and support technology optimisation, while the University of Queensland will conduct mineralogical and geochemical analysis to ensure the effectiveness of the ore sorting technology.

See ASX Announcement 15th October 2024: '[Queensland Government and EQR Invest In Ore Sorter Trials at Wolfram Camp Mine](#)'

TOMRA

Queensland Government

THE UNIVERSITY OF QUEENSLAND
AUSTRALIA

Operating and Financial Review continued

Pictured: CTO Kevin MacNeill and team during a site inspection at Wolfram Camp.

Equity Raisings and Strategic Partnerships

In November 2024, EQR announced a A$3.0 million investment from Square Resources Pty Ltd, issued at A$0.042 per share through convertible notes issued by the Company. Beyond the growth capital, this investment established a strategic collaboration whereby EQR can utilise Square Resources' network across the Asian steelmaking industry (excluding China) and explore trade-finance solutions for the sales and distribution of ferrotungsten (FeW) in Asia. This alignment links funding directly to downstream market access, supporting the Company's broader strategy to build a regional tungsten hub and expand exposure to value-added products.

See ASX Announcement 29th November 2024: 'EQR Secures A$3 Million Investment from Square Resources'

In December 2024, the Company completed a further A$4.9 million placement before costs via a share placement of 122.5 million new fully paid ordinary shares, with an issue price of A$0.04 (4 cents) per share, along with 122.5 million one-for-one free attaching unlisted options, exercisable at A$0.0675 (6.75 cents) each. This structure provided investors with leveraged exposure to the Company's growth trajectory and, if exercised in future periods, a potential additional source of capital at a premium to the placement price. Proceeds from the November and December placements were directed to Mt Carbine's expansion works (including deployment of a third ore sorter), working capital, and general corporate purposes in support of the operational ramp-up.

See ASX Announcement 13th December 2024:'EQR Successful A$4.9 Million Placement'

To ensure existing shareholders could participate on similar terms, EQR launched a Share Purchase Plan (SPP). The SPP was priced at A$0.035 per share and raised A$1,771,000 before costs, resulting in the issue of 50,599,919 new shares. The SPP broadened participation to retail investors and complemented the institutional and strategic placements completed earlier in the year.

Importantly, in May 2025 the Company announced an additional capital raising of A$18.8 million. This funding further strengthened the balance sheet late in the financial year and provided incremental flexibility to advance priority programs, including Mt Carbine's capacity expansion, Saloro's Ore Sorter Plant expansion and other associated working capital requirements. (Terms such as pricing, securities issued and allocation were as set out in the May ASX announcement.) With this transaction included, total equity raised during FY2025 amounted to approximately A$28.47 million before costs.

See ASX Announcement 22nd may 2025: 'EQR Announces Significant Equity Raise and Share Purchase Plan'

See ASX Announcement 20th June 2025: 'EQR Announces Completion of Share Purchase Plan'

Taken together, the financial-year equity program combined strategic capital (via Square Resources and its Asian steelmaking network), institutional support (through the December placement and options), and retail participation (via the SPP). The staged approach provided a measured increase in equity across the year while aligning capital with near-term execution priorities at site and creating new commercial pathways for medium-term downstream sales.

European Debt Repayment and Credit Facilities

In parallel with the equity program, EQR continued to strengthen the European balance sheet associated with its Spanish operations at Saloro S.L.U. (Barruecopardo Mine, Spain). In June 2025, the Company repaid €5 million of debt, materially deleveraging the subsidiary and improving its financial resilience following the ramp-up in operating performance through late 2024 and early 2025. This repayment results in a 25% reduction of Saloro's debt facilities with Santander bank.

See ASX Announcement 16th June 2025: 'Saloro Debt Repayment of EUR5M Completed'

To support ongoing banking arrangements, Oaktree Capital Management—EQR's major shareholder and former owner of Saloro—confirmed in May 2025 the extension of €20 million of the €25 million Letters of Credit that underpin Saloro's facilities with Banco Santander S.A. and CaixaBank S.A. through to the end of 2025. As at 31st December 2024, the balance of these facilities stood at A$41.4 million. The extension reflects strengthening operating metrics at Barruecopardo (including record production late in CY2024 and unaudited positive EBITDA of €4.4 million across Q4 CY2024 and Q1 CY2025) and provides the runway to progress discussions with Spanish lenders on converting the short-dated lines into longer-tenor structures. The objective is to reduce reliance on shareholder guarantees over time and to enhance Saloro's stand-alone credit profile as the operation generates stable cash flow.

See ASX Announcement 15th may 2025: 'Saloro Credit Facilities in Process of Extension'

International Financing Support for Mt Carbine Expansion

At the close of the financial year, EQR received an important endorsement of its Australian growth program. In June 2025, the Export-Import Bank of the United States (US EXIM) issued a Letter of Interest (LOI) under its Supply Chain Resiliency Initiative (SCRI), outlining its willingness to consider a 10-year debt facility of up to US$34 million (A$52 Million) to support the Mt Carbine expansion. The contemplated facility would underpin the planned doubling of processing capacity, including additional lines to treat the historic ~10 Mt low-grade stockpile and support future underground ore, thereby enhancing throughput, recovery, and unit-cost performance.

Engagement with US EXIM also recognises tungsten's strategic importance to global supply chains and Mt Carbine's role as a long-life supplier outside China.

See ASX Announcement 27th June 2025: 'US EXIM Issue Letter of Interest for Mt Carbine'

Long-Term Offtake Contract and Strategic Collaboration with Elmet Technologies LLC

During FY2025, EQR strengthened its global tungsten supply chain position through the execution of a Strategic Collaboration and Long-Term Offtake Agreement with Elmet Technologies LLC ("Elmet"), a leading US-owned and fully integrated tungsten manufacturer.

The arrangement, first announced in September 2024 and finalised in November 2024, provides for the supply of tungsten concentrate to Elmet over a five-year term, with an estimated contract value of A$30 million at prevailing market prices. To secure offtake allocations, Elmet committed to an advance payment of A$2.0 million, underlining the strength of the partnership and confidence in EQR's long-term production base. In recognition of the strategic nature of the collaboration, EQR granted Elmet 20,000,000 options, exercisable at A$0.10 per share with a two-year expiry.

The Agreement extends beyond a traditional offtake arrangement, establishing a strategic platform for collaboration across the US tungsten supply chain. Key elements include:

- A framework for joint engagement on US Government funding opportunities, particularly those aimed at enhancing the resilience of critical minerals supply chains;
- The submission of a joint white paper under the DIBC grant program, open to strategic partners in Australia, Canada, and the UK, with outcomes expected in FY2026; and
- A pathway for greater downstream integration of EQR's tungsten concentrate into the US market, strengthening alignment with long-term demand growth outside of China.

Operationally, EQR's commitments under this offtake agreement are supported by the ongoing expansion of production at its Barruecopardo Operations in Spain, which delivered record quarterly output in FY2025. This ensures both security of supply to Elmet and the ability for EQR to diversify its offtake channels while capturing favourable margins in the US market.

Operating and Financial Review continued

Taken together, the Elmet agreement marks a significant milestone in EQR's commercial strategy: it not only provides predictable cash flow visibility but also embeds the Company within the US critical minerals ecosystem at a time of heightened geopolitical focus on tungsten security of supply.

For more information refer to:

ASX Announcement 2nd September 2024: '[Strategic Collaboration Agreed with Elmet Technologies]'

ASX Announcement 12th November 2024: '[Elmet Agreement Executed]'

Corporate Activities

Acquisition of 100% of the Mt Carbine Retreatment Joint Venture

In July 2024, EQ Resources executed a Definitive Agreement with CRONIMET Asia Pte Ltd and CRONIMET Australia Pty Ltd to acquire CRONIMET's remaining 50% interest in the Mt Carbine Retreatment Joint Venture. This transaction consolidates EQR's ownership of the Mt Carbine operations, streamlining management and operational control.

As part of the transaction, EQR agreed to issue new shares valued at US$7.5 million at a price of A$0.09 per share, representing a ~100% premium to the 15-day VWAP at the time. EQR also assumed all JV assets and liabilities, including obligations under the offtake agreement covering 25,000 tonnes of tungsten concentrate. In addition, CRONIMET will remain an important partner, taking a marketing role for Saloro's production and receiving a 1% net marketing fee over five years.

The acquisition not only secures 100% of the Mt Carbine Retreatment JV assets for EQR but also simplifies the commercial structure, enhances transparency in financial reporting, and positions the Company to fully capture the value of its processing and mining operations at Mt Carbine.

See ASX announcement 5th July 2024 '[Final Agreement to Acquire Mt Carbine JV from Cronimet]'

Tungsten Metals Group Limited Acquisition Progressing

On 18 November 2024, the Company announced the execution of a binding Heads of Agreement (HoA) to acquire 100% of the shares in Tungsten Metals Group Limited (TMG)—a public unlisted company—and its subsidiaries, along with Mr George Chen's interest in Asia Tungsten Products Co Ltd (ATC). Collectively referred to as the TMG Group, the acquisition would provide EQR with full ownership of an established and globally significant downstream tungsten business.

The TMG Group currently owns and operates the largest ferrotungsten (FeW) facility outside of China, located in Vietnam. With a potential nameplate capacity of 4,000 tonnes per annum of FeW, the plant is recognised for its scale, cost competitiveness, and efficiency. Its strategic positioning outside of China gives it unique advantages in serving global customers with reliable, diversified supply.

The transaction is of high strategic importance to EQR, marking a deliberate step toward vertical integration. By moving downstream into ferrotungsten production, EQR will diversify its revenue base beyond concentrate sales and position itself across the broader tungsten value chain. This will allow the Company to leverage its upstream production from Mt Carbine and other future assets, while gaining exposure to more resilient pricing dynamics in the FeW market.

The Company is in ongoing engagement with TMG to close out remaining due diligence items.

Pictured: the TMG ferrotungsten plant located in Vietnam.
Source: (www.tungstenmetalsgroup.com)

For more information refer to:

ASX Announcement 18th November 2024: '[EQR to Acquire 100% Interest in Tungsten Metal Group]'

ASX Announcement 14th February 2025: '[EQR Provides Update to Ferrotungsten Producer Acquisition]'

Focus : Saloro Turnaround Success Story - Rapid Transition to Cash Positivity

In mid-January 2024, EQR assumed full management of the Saloro tungsten operations in Spain, marking a significant milestone in the Company's European growth strategy. From the outset, the transition was structured around a comprehensive metallurgical and operational assessment, designed to identify immediate efficiency gains and longer-term performance improvements.

By February and March 2024 (last financial year), EQR implemented a series of targeted optimisation measures—"quick wins" that delivered early positive impacts, particularly in recovery performance and plant efficiency. These initiatives provided the foundation for broader upgrades that followed in Q4 FY2024, when major modifications to the production plant were successfully executed. Importantly, these upgrades were carried out without major interruptions to operations, ensuring a seamless transition for the workforce and maintaining steady output during the changeover.

In the first half of FY2025, all planned modifications were systematically completed, with results evident in both improved tungsten recovery rates and increased production volumes. Key enhancements included:

- Deployment of XRT Ore Sorting technology, enabling more precise ore characterisation and feed quality control;
- Commissioning of a fines recovery circuit, improving material separation efficiency and significantly reducing tungsten losses to tailings; and
- Workforce development through structured training programs, embedding continuous improvement and technical upskilling.

These measures quickly translated into operational and financial success. By the close of Q2 FY2025 and Q3 FY2025, Saloro delivered a record unaudited EBITDA of A$7.8 million, a clear demonstration of the effectiveness of EQR's intervention strategy. Notably, the operation achieved cash-positive status within nine months of acquisition, reinforcing the Company's ability to extract value through disciplined operational oversight, targeted investment, and strong local engagement.

Saloro now stands as a model of EQR's capability to revitalise and optimise critical mineral operations, positioning the asset as both a cornerstone of the Company's European platform and a key contributor to EQR's consolidated financial strength heading into FY2026.

Operating and Financial Review continued

Corporate Development Milestones

Fast-track (re)development of Mt Carbine, efficient integration of Saloro and focused M&A

Jul-2019
Acquisition of Mt Carbine Project.
New board and management.

Jan-2020
Pilot Plant Start Up. Proof of Concept.
Covid-19 Impact.

Sep-2020
Mt Carbine Quarries – First delivery of waste rock.

Oct-2020
First Drilling Completed.
High-grade structural zones identified.

Mar-2021
Environmental Permit for 1mio t/a granted.
Plant Upgrade initiated.

Jun-2023
First Blast at Mt Carbine restarts Open Pit Production.

Oct-2024
Government Grant for XRT Ore Sorter trials and co-funded exploration at Wolfram Camp.

Oct-2024
Updated Barruecopardo Ore Reserve statement (JORC-compliant).
Recovery improvement gains.

Nov-2024
Exclusive negotiation for acquisition of a 100% interest in Tungsten Metals Group (Tungsten Smelter, Vietnam).

Tungsten Market

The tungsten market entered FY2025 against a backdrop of tightening supply, intensifying geopolitical competition, and accelerating demand from both traditional and emerging industries. Over the course of the year, the global pricing environment strengthened markedly, with ammonium paratungstate (APT) prices rising from approximately US\$330/mtu (≈A\$500/mtu) at the start of the period to US\$463/mtu (≈A\$700/mtu) by June 2025 — representing a 37% increase year-on-year. This upward trajectory reflects both structural deficits in global supply and the heightened strategic importance of tungsten as a critical mineral.

Geopolitics as a Price Catalyst

Geopolitical factors were the dominant influence on tungsten market dynamics during the year. In February 2025, China imposed new export controls on tungsten and related rare metals, implementing a "one-item, one-certificate" licensing regime. This followed retaliatory tariffs introduced by the United States in late 2024, underscoring tungsten's role as a strategic material with military and industrial applications. China also reduced its domestic mining quota by 6.5% starting in Q3 FY2025, further tightening global supply.

At the same time, China doubled imports of Western tungsten raw materials in 2024, interpreted as a deliberate effort to build strategic stockpiles while disrupting supply security for Western consumers. The resulting imbalance is stark: while more than 90% of tungsten raw materials continue to originate from China and other opaque jurisdictions such as Russia, North Korea, and Central Africa, over 50% of global end-use demand is concentrated in Western economies (the U.S., EU, Japan, and South Korea). This mismatch has left critical industries — including automotive, aerospace, energy storage, defence, and semiconductors — exposed to increasingly politicised supply dynamics.

Structural Tightness and Emerging Demand

The supply-side contraction has been reinforced by resource depletion and rising environmental pressures. Average ore grades in China have fallen steadily, from 0.42% WO_3 in 2004 to around 0.28% in 2024, increasing costs and constraining new production. While non-Chinese projects such as Barruecopardo (Spain), Mt Carbine (Australia), and Sangdong (South Korea - not producing yet) have advanced, their combined output has yet to offset China's reductions.

Operating and Financial Review continued

On the demand side, FY2025 marked a turning point as new energy and high-tech applications added significant incremental volumes to traditional markets. Tungsten wire for photovoltaic wafer cutting saw penetration rates rise to 40% globally, doubling year-on-year, while use in lithium-ion batteries increased by over 20%. Defence demand also surged, with tungsten's critical role in armour-piercing munitions, aerospace components, and next-generation aircraft securing long-term procurement contracts in the U.S. and Europe. Analysts now forecast global tungsten demand to exceed 130,000 tonnes of concentrate in 2025, a 6% year-on-year increase.

Market Behaviour and Pricing Trends

Throughout FY2025, tungsten prices tracked this evolving "perfect storm" of tighter supply and surging demand. After stabilising around A$490–520/mtu in Q1FY2025, prices began a steady climb through Q2 and Q3 before accelerating sharply in Q4FY2025 as Chinese controls tightened and stockpiling intensified. In parallel, ferrotungsten (FeW) prices outperformed concentrate, increasing by nearly 19% in USD terms over 18 months, reflecting robust demand from the global steel industry and the decoupling of FeW from APT price cycles.

The broader tungsten product chain also saw record highs by August 2025:

- Tungsten powder reached ~A$96,000/t.
- Concentrate peaked at ~A$43,200/t
- APT prices exceeded A$64,000/t, and APT quotes rose above A$68,000/t in Europe,

This narrow gap with the aforementioned Chinese price indicates that both the western and Chinese markets are experiencing tight supply. One might have expected that the export restrictions would free up more material for the domestic market in China, but this does not seem to be the case, as evidenced by the similarly high prices.

Shift Toward Long-Term Contracts

A defining feature of FY2025 was the transition away from spot-market trading toward long-term, relationship-based contracts. Western buyers, wary of China's export-licence regime, increasingly sought multi-year agreements with secure suppliers such as EQR. In Q3 FY2025, EQR signed five new offtake contracts worth an estimated US$124 million (≈A$190 million) over 24 months, each including prepayment provisions to mitigate licence-timing risks. These contracts diversified sales across Europe, North America, and Asia, providing greater revenue visibility and underpinning investment in EQR's operations.

This trend is consistent with broader industry dynamics, where downstream manufacturers are prepared to pay premiums to secure non-Chinese supply. For producers, these contracts reduce exposure to policy shocks and volatile spot prices, while requiring greater working-capital commitments to manage larger inventories.

FY2025 Market Outcome and Outlook

By the close of the financial year, the tungsten market was characterised by:

- Strong price appreciation: APT up 37% year-on-year, from US$338/mtu to US$463/mtu, (A$506/mtu to A$712/mtu) with FeW premiums sustained.
- Geopolitical reshaping of trade: China's export controls and stockpiling strategy contrasted with Western efforts to secure supply independence.
- Structural supply deficits: Declining Chinese grades and limited new mine output kept the market tight.
- Emerging demand growth: Photovoltaics, energy storage, defence, and semiconductors added new layers of consumption.
- Strategic contracting: Western buyers locked in supply with multi-year agreements, providing stability for producers.

12 months - APT Mid Price (CIF EU/US) $US & $AU

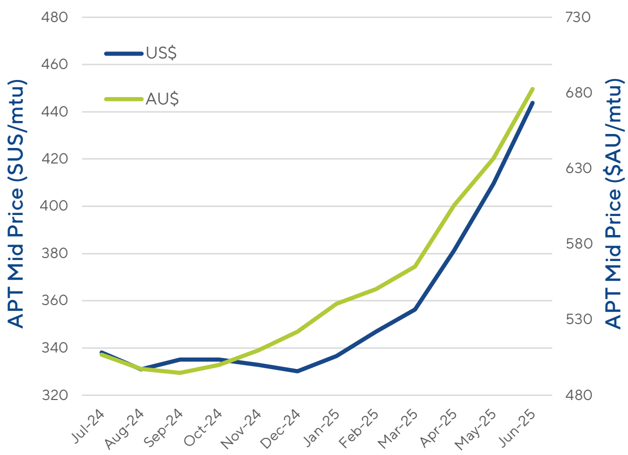
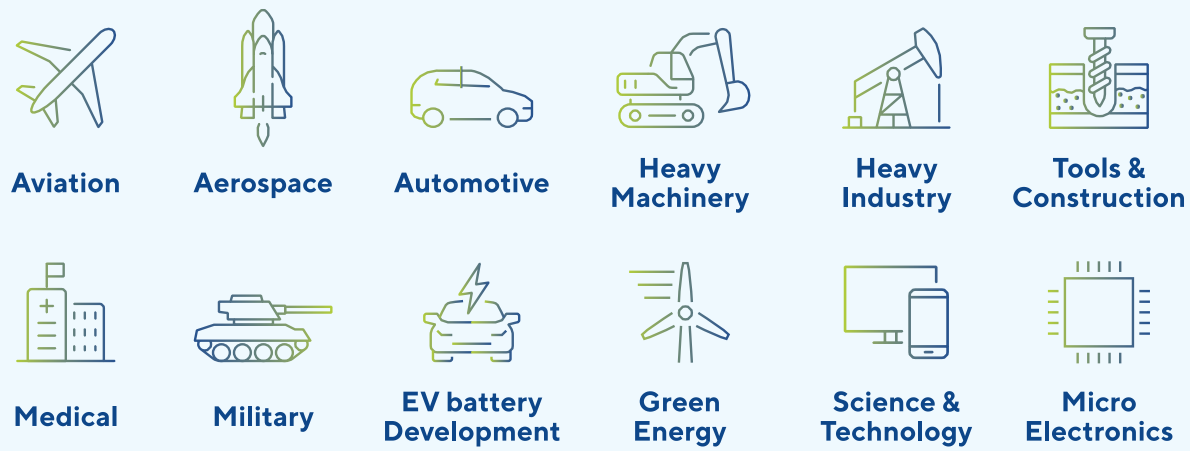


Figure above: 12 months history APT Mid Price. Source: Fastmarkets. Tungsten APT 88.5% WO_3 min cif Rotterdam and Baltimore duty-free, \$/mtu WO_3

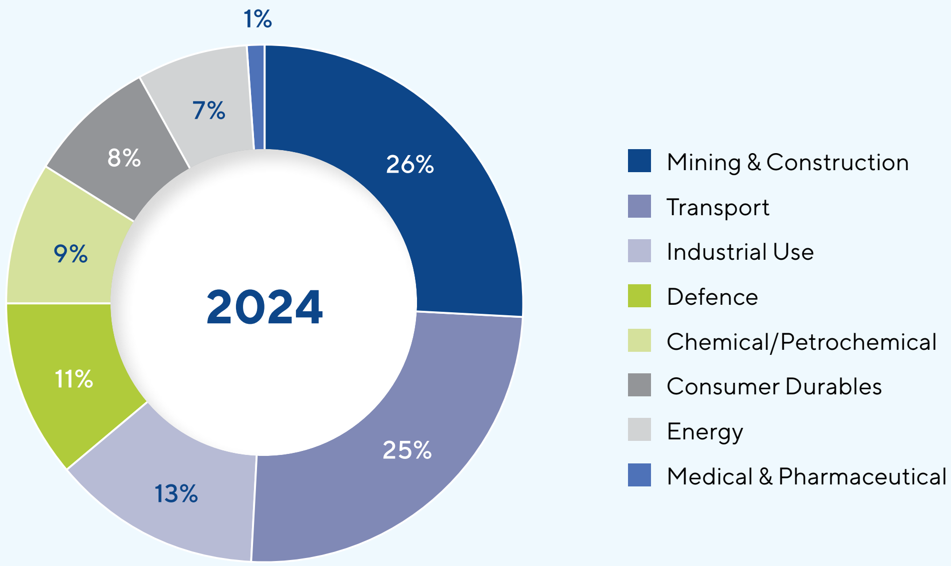
Looking forward, analysts expect tungsten prices to remain elevated and volatile over the medium term. Structural drivers – including resource scarcity, sustained defence restocking, and growth in high-tech applications – support a long-term upward trajectory. Risks remain in the form of global economic slowdown, potential substitution technologies, and speculative volatility, but the strategic value of tungsten is now firmly entrenched.

For EQ Resources, FY2025's tungsten market dynamics validated its strategy of operating in secure jurisdictions, expanding downstream exposure, and leveraging long-term contracts. With operations in Australia and Spain, and plans to integrate processing capabilities, EQR is well positioned to capture value in a market defined by scarcity, strategic importance, and sustained demand growth.

Tungsten Uses



2024 End-use Sectors



Sources: ITIA, Company internal

Operating and Financial Review continued

Material Business Risks

The Board is committed to the proactive identification, assessment, and management of risk across all areas of EQ Resources' business activities. The Company's Risk Management Policy recognises risk management as a cornerstone of good corporate governance and fundamental to achieving both strategic and operational objectives. Effective risk oversight not only mitigates material exposures but also enhances decision-making, identifies opportunities, and underpins the preservation and creation of security holder value.

The Board reviews the Company's risk management framework at least annually, ensuring its continued relevance and effectiveness. Management reports identified risks through regular operational reporting and, where necessary, through direct and timely communication to the Board. The Company does not currently maintain a dedicated internal audit function; however, oversight is supported through the Audit and Risk Committee, which has ongoing responsibility for monitoring risk management practices and financial compliance.

During the reporting period, management confirmed to the Board that the Company's systems of risk management, internal compliance, and control remain sound and effective in all material respects. The CEO and CFO jointly attested that the Financial Statements are underpinned by a robust system of internal control, and that the Company's risk management framework, particularly as it relates to financial risk, has operated effectively throughout the year.

While the Company faces risks inherent to the resources sector — including economic, financial, and operational risks that may influence short-, medium-, or long-term outcomes — the Board does not consider EQ Resources to be materially exposed to environmental or social sustainability risks at this stage. Policies and procedures continue to be refined and updated to address emerging challenges and evolving regulatory expectations.

Through its governance framework and oversight processes, EQ Resources maintains a disciplined and structured approach to risk, ensuring resilience in operations while remaining focused on delivering sustainable growth and long-term value to its stakeholders.

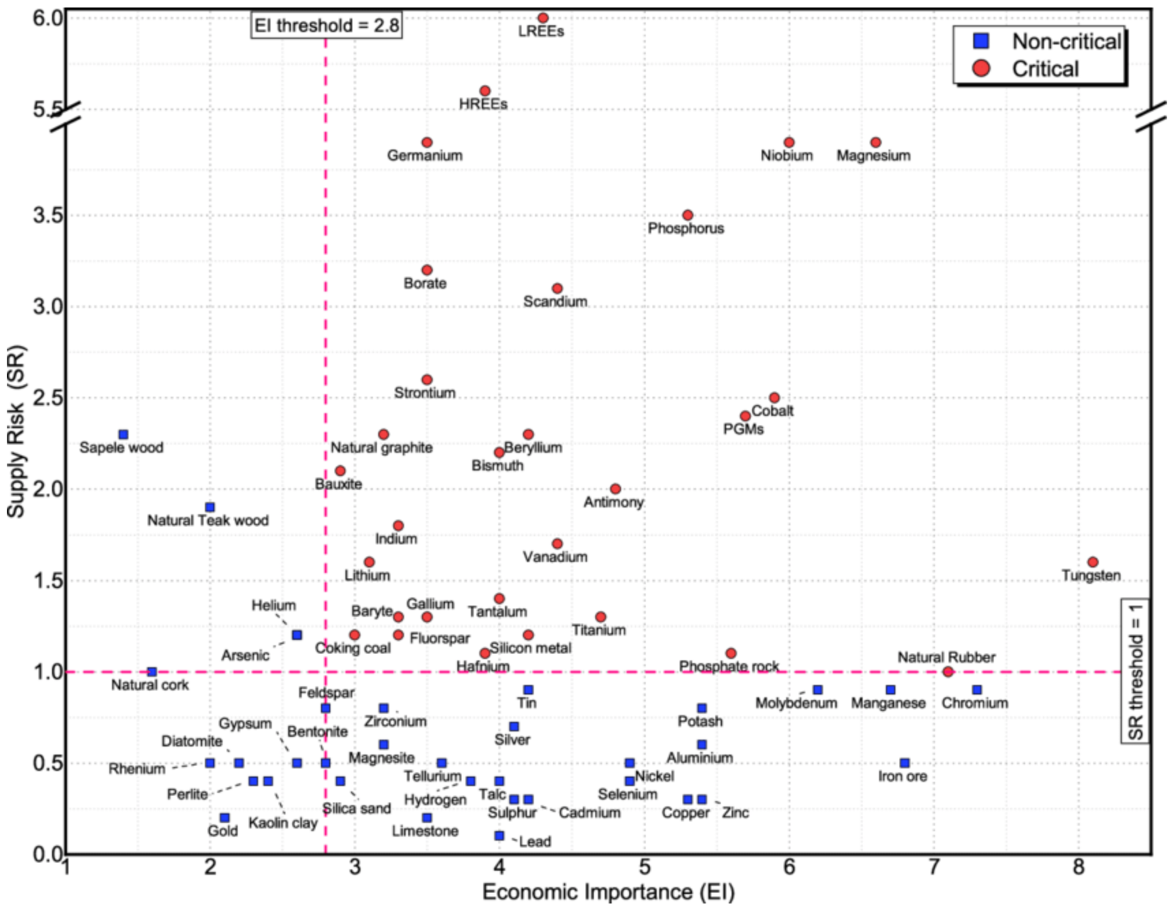
Macroeconomic and Market Risks

As a participant in the global tungsten industry, EQ Resources is exposed to macroeconomic and market-related risks that can materially influence its performance. Tungsten pricing is subject to cyclical demand patterns across key end-use sectors such as construction, mining, aerospace, defence, and automotive manufacturing. These industries are sensitive to broader economic conditions, interest rate cycles, and geopolitical developments, which can drive volatility in demand for tungsten products. While ferrotungsten pricing has demonstrated relative resilience compared to ammonium paratungstate (APT) in recent years, both markets remain susceptible to fluctuations in global industrial output and trade flows. In addition, the Company faces risks associated with supply chain dynamics, including shifts in export policies from dominant producers, currency exchange volatility, and the availability of financing for international trade. Such factors may affect the Company's realised pricing, sales volumes, and margins over the short and medium term.

Currency risk also plays a role: as EQR invoices in U.S. dollars but reports in Australian dollars, fluctuations in the USD/AUD exchange rate materially affect revenue and cash flow. The upward trend in USD/AUD during FY2025 provided a favourable tailwind, but any rapid reversal could erode realised margins.

The shift from spot trading toward multi-year offtake agreements in FY2025 enhanced revenue visibility but requires maintaining production volumes and securing financing. In a rising-price environment, the ability to deliver under fixed-price off-take contracts supported cash flow, though it could become a constraint if market prices exceed contracted terms significantly.

Geopolitical tensions—particularly U.S.-China technology rivalries and stricter export licensing—add uncertainty to market access and policy continuity. EQR's broader strategy to diversify into non-Chinese markets and downstream integration (e.g., through the Elmet offtake or TMG acquisition) helps mitigate exposure, but global economic conditions, trade policy shifts, and macroeconomic cycles remain material risks requiring ongoing management.



Graph Above showing the Critical versus non-critical classification of mineral resources based on supply risk-economic importance relationship (data from European Commission, 2020).

Operating and Financial Review continued

Mineral Resources and Ore Reserves

Mineral Resources and Ore Reserves are estimates of mineralisation that have reasonable prospects for eventual economic extraction in the future, as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). JORC Code compliant statements relating to EQR's Ore Reserves and Mineral Resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change and may be updated from time to time. This may result in alterations to mining plans or changes to the quality or quantity of EQR's Ore Reserves and Mineral Resources, which may, in turn, adversely affect EQR's operations.

Mineral production involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. No assurance can be given that the anticipated tonnages or grade of minerals will be achieved during production or that the indicated level of recovery rates will be realised. Additionally, material price fluctuations, as well as increased production and operating costs or reduced recovery rates, may render any potential mineral Resources or Reserves containing relatively lower grades uneconomic or less economic than anticipated, and may ultimately result in a restatement of such Resource or Reserve. This in turn could impact the life of mine plan and therefore the value attributable to mineral inventory and/or the assessment of recoverable amount of EQR's assets and/or depreciation expense. Moreover, short term operating factors relating to such potential mineral Resources or Reserves, such as the need for sequential development of mineral bodies and the processing of new or different mineral types or grades, may cause a mining operation to be unprofitable in any particular period. In any of these events, a loss of revenue or profit may be caused due to the lower-than-expected production or ongoing unplanned capital expenditure in order to meet production targets, or the higher-than-expected operating costs.

EQR seeks to manage and minimise this risk through its existing risk management framework including an external audit process for its Mineral Resources and Ore Reserves.

Operational Risks

EQR's operations at Mt Carbine (Australia) and Saloro's Barruecopardo Mine (Spain) are exposed to the full spectrum of risks inherent in mining and processing activities. These include potential interruptions from equipment breakdowns, difficulties in sourcing replacement parts, challenges in product separation and screening, and adverse weather impacts. Since the commencement of open-pit mining at Mt Carbine in June 2023, the site has evolved from a junior exploration project into a fully integrated mining operation. The leadership transition has instilled a strong, hands-on management culture focused on empowering teams, streamlining decision-making, and driving efficiency.

In Spain, Barruecopardo benefits from established European infrastructure—roads, ports, and utilities—that support efficient logistics and reduce supply chain risks. Nevertheless, both sites remain subject to uncertainties such as labour availability, industrial disputes, rising input costs (labour, consumables, spare parts, and energy), and potential IT or regulatory disruptions. Broader global events—such as pandemics, geopolitical instability, or significant policy changes—may also materially affect operations and supply chains. EQR mitigates these risks through proactive maintenance programs, investment in workforce training, and embedding resilience within its operational planning.

Environmental Risks

The Company's projects operate under stringent environmental obligations, with compliance central to maintaining licences to operate. Regulatory frameworks in both Australia and Spain require detailed reporting and performance against environmental criteria, creating the risk of financial or operational penalties if standards are not met or if requirements increase in scope. To manage these exposures, EQR has developed detailed environmental management plans under its risk framework and invests in continuous monitoring and reporting.

At Barruecopardo, Saloro holds ISO 14001:2015 certification, which provides a structured approach to environmental management and continuous improvement. This framework guides resource efficiency, waste reduction, performance tracking, and stakeholder engagement. At Mt Carbine, environmental controls continue to be embedded into the site's integrated systems, with a focus on reducing tailings, optimising water use, and monitoring biodiversity impacts. These measures provide resilience against regulatory change while reinforcing the Company's commitment to sustainable operations.

Social Risks

Mining operations involve a wide network of stakeholders, including employees, contractors, local communities, government agencies, customers, and suppliers. Risks in this area include workplace safety incidents, community opposition, reputational damage, and claims arising from the Company's activities or those of its representatives. A failure to meet expectations in these areas could materially impact EQR's social licence to operate and its financial performance.

To mitigate these risks, EQR applies Board-approved stakeholder engagement policies and actively maintains open consultation channels at both Mt Carbine and Barruecopardo. The Company's operations are underpinned by robust safety frameworks: Mt Carbine applies an Integrated Management System aligned with ISO 9001:2015 to ensure health and safety outcomes, while Barruecopardo is certified under ISO 45001, the global standard for occupational health and safety management. These systems allow risks to be identified, assessed, and addressed in a systematic way, helping to reduce incidents and strengthen workforce and community trust.

Governance Risks

As an ASX-listed entity operating across multiple jurisdictions, EQR is required to adhere to rigorous governance, compliance, and reporting standards. Failure to maintain these standards, or material changes in regulatory requirements, could expose the Company to penalties, reputational harm, or additional costs.

EQR manages this exposure through a formal governance framework, including Board-approved policies on risk oversight, compliance, and corporate governance. These policies are reviewed regularly to ensure alignment with evolving requirements. Governance risks are also managed through the Audit and Risk Committee, which provides structured oversight of risk identification, financial integrity, and internal controls. Through these mechanisms, EQR aims to uphold transparency, accountability, and investor confidence in all jurisdictions in which it operates.

Risk Category	Key Exposures	Mitigation Measures
Operational	Equipment failures, supply chain disruptions, labour availability, rising costs, IT breakdowns	Preventive maintenance, workforce training, streamlined decision-making, infrastructure leverage
Environmental	Compliance with reporting obligations, potential regulatory changes, increased costs	Saloro: ISO 14001 certification, Mt Carbine: EMS frameworks, site-specific monitoring and environmental plans
Social	Safety incidents, community opposition, reputational damage, stakeholder claims	Saloro: ISO 45001 certification, Mt Carbine: IMS safety systems, stakeholder consultation, community engagement
Governance	ASX listing compliance, regulatory changes, corporate governance standards	Governance framework, Audit & Risk Committee oversight, policy reviews and updates
Macroeconomic	Tungsten price volatility, FX fluctuations, inflation, interest rates, geopolitical instability	Diversified customer base, long-term contracts, efficiency programs, operational flexibility
Mineral Resources & Reserves	Geological uncertainty, resource estimation errors, metallurgical variability	JORC Code compliance, independent verification, regular model updates, advanced ore sorting

Operating and Financial Review continued

Sustainability

As an early adopter of Environmental, Social, Governance (ESG) practices, EQ Resources is committed to responsible resource development, aligning its values with sustainable operations to drive economic growth while protecting the environment.

EQR's ESG strategy, built on the Turner and Townsend framework, aligns with global Sustainability Standards, including ICMM, GRI, UN SDGs, and Australian Climate Related Financial Disclosures. The program focuses on key areas important to the business and stakeholders, with a commitment to ongoing development of both environmental and social initiatives.

For more details, visit the Sustainability page of EQR's website.

EQR Core Values

ESG Achievements

The year 2023-24 has been a productive year for EQ Resources' ESG progress, below are the key milestones:

FY2025 Q4	Finalists for the 2025 Premier of Queensland's Export Award, entry submitted Q4FY2025 in the categories: – Sustainability and Green Economy, for outstanding international success in the Green Economy. – Resources and Energy, for outstanding international success in the resources and energy sectors.
FY2025	EQR continues to track GHG emissions at Mt Carbine
FY2025 Q3	2025 ESG Roadmap and the Operational Initiatives Roadmap
FY2025 Q2	Sustainability and Climate Risk Workshop conducted
2024 Q4 Planned	Decarbonisation planning to commence

ESG Showcase Mt Carbine and Saloro

Genuine initiatives are driven by EQR's core values and stakeholder sentiment surveys. Highlighted ESG initiatives are displayed on the *ESG Showcase page* on the EQR website and are updated regularly: Community Engagement and Social Responsibility

Australia

During FY2025, Mt Carbine Operations strengthened its connection with the local community through a range of educational, cultural, and health-focused initiatives. These activities form part of EQR's broader commitment to creating positive social outcomes while reinforcing the Company's role as a responsible and engaged operator in Far North Queensland.

In September, twenty-four students from St Augustine's College in Cairns visited Mt Carbine for a hands-on site tour. The program rotated students through the laboratory, maintenance workshop, retreatment circuit, and open-pit geology stations, following an introduction by Ryan MacNeill and Mick Barry. The visit provided a unique opportunity to experience mineral analysis, heavy-equipment maintenance, sustainable resource recovery, and geological mapping in practice. By showcasing the vibrancy and technological advancement of modern mining, EQR is helping inspire the next generation of resources professionals while supporting pathways into high-quality careers in the sector.

Employee and community well-being also remained a strong focus during the year. The Mt Carbine team marked "Are You OK?" Day, raising awareness of mental health through workplace discussions and a community barbeque. The operation also proudly supported regional traditions, including sponsorship of the local rodeo, underscoring its role as a contributor to the cultural fabric of the community.

Youth development was further supported through the sponsorship of the Mossman Junior Rugby League team, enabling their participation in the Tassel Trophy Challenge. This initiative fostered teamwork, resilience, and confidence among young athletes while promoting mental well-being and a sense of belonging.

In addition, the site participated in Australia's Biggest Morning Tea, supporting the Cancer Council in raising vital funds for cancer research, prevention programs, and support services. This initiative reflects EQR's commitment to contributing to causes that improve health outcomes nationwide while strengthening the Company's profile as a socially responsible partner in the community.

Through these efforts, Mt Carbine Operations continues to demonstrate that sustainability and community engagement extend well beyond mining activities, embedding social responsibility at the heart of EQR's operating philosophy.

Pictured: Mt Carbine staff at the Australian Biggest Morning Tea at Mt Carbine

Pictured: Turner&Townsend JukesTodd looking at the pit during the Climate Risk Assessment workshop conducted on site

Operating and Financial Review continued

Spain

During Q4 2025, Saloro strengthened its long-standing commitment to the local community through several impactful initiatives aligned with our values of solidarity, sustainability, and regional inclusion.

In collaboration with *La Hermandad de Donantes de Sangre de Castilla y León*, Saloro once again hosted a biannual blood donation campaign at the Barruecopardo site. The mobile unit was set up at the company's facilities, where 18 individuals — including employees and local residents — participated in the blood drive. The event was marked by a spirit of camaraderie, laughter, and shared purpose. As with tungsten, there is no substitute for blood — a reminder of the vital importance of these donations. The Hermandad will return in six months to continue this life-saving collaboration.

In parallel, Saloro continued its support of *Cruz Roja Vitigudino* and *Cruz Roja Salamanca*, maintaining a special bond cultivated over many years. This quarter, Saloro responded to the NGO's specific seasonal needs by donating hygiene and cleaning supplies, including soaps, disinfectants, and household items.

December also marked a special tradition at Barruecopardo with the celebration of *Santa Bárbara*, patron saint of miners. As part of the festivities, students from the Pérez Villanueva school in Barruecopardo visited the site. Continuing a decade-long tradition, the 6th-grade graduating class planted a tree in the "*Bosque de los Niños*". The visit concluded with a festive hot chocolate gathering at the school.

These initiatives reflect Saloro's enduring commitment to the well-being of its surrounding community and our deep-rooted belief in giving back to the region that hosts our operations.

In a significant development for the mining sector, Álvaro Serrano, CEO of Saloro, was appointed President of the Board of Directors of the *Iberian Sustainable Mining Cluster (ISMC)*.

The new board is committed to strengthening strategic alliances, optimizing the management of innovation funding, energizing the cluster's working groups, and advancing sustainable mining practices across the Iberian Peninsula.

The ISMC represents more than 70 companies involved in the Spanish mining sector and is a key advocate for responsible resource development both nationally and internationally. Saloro's active participation reinforces its dedication to leadership and innovation within the industry.

Pictured: Saloro's worker volunteering in the blood donations

Pictured: Alvaro Serrano CEO of Salorowith the Red Cross

Sustainability Plans for the Future

Emissions tracking and reporting

EQR continues to monitor greenhouse gas emissions at Mt Carbine, covering Scope 1 and 2 emissions and selected Scope 3 categories. While current emissions remain below the reporting thresholds of the National Greenhouse and Energy Reporting Scheme (NGERS) and the Safeguard Mechanism, the Company is proactively aligning with upcoming Australian Climate-Related Financial Disclosure requirements. EQR remains committed to strengthening its emissions data capture and advancing decarbonisation initiatives to further reduce its operational footprint.

Sustainability Risk Assessment

During FY2025, EQ Resources conducted a dedicated Sustainability and Climate Risk Workshop aimed at strengthening the Company's ESG framework and preparing operations for emerging climate-related compliance requirements. The workshop served a dual purpose: to assess the overarching sustainability risk profile across the Group, and to identify opportunities at Mt Carbine that could be embedded operationally to enhance ESG impact.

A key outcome was the completion of a Sustainability and Climate Risk Assessment for Mt Carbine Operations. This exercise highlighted existing gaps in ESG risk management and provided a structured pathway to address them. By discussing climate change risks in detail, the workshop explored mitigation measures designed to enhance operational resilience, while simultaneously informing the Company's broader decarbonisation planning.

The workshop focused on several objectives:

- Identification of hazards across current open-pit mining, future underground expansion scenarios, and eventual closure planning.
- Evaluation of effective controls to reduce or mitigate inherent risk ratings.
- Development and handover of a functional Sustainability and Climate Risk Register for Mt Carbine Operations.
- Preparation for compliance with future ASRS reporting requirements, noting that Climate Change Risk Assessments will not be legislatively required until FY27 for Group 3 entities, providing EQR with an early-mover advantage.

The insights generated from this process have strengthened EQR's capacity to proactively manage sustainability and climate risks, while also positioning the Company to integrate ESG opportunities into its operational decision-making.

Multi Jurisdictions Sustainability Reporting

EQR continues to advance its sustainability reporting framework by systematically gathering environmental and social performance data in line with the Global Reporting Initiative (GRI) and the International Council of Mining and Metals (ICMM) standards. Key indicators such as health, safety, community engagement, and workforce diversity are actively monitored and disclosed within the Annual Report. The Company has also reviewed its position under the forthcoming Australian Sustainability Reporting Standards (ASRS), which come into effect in January 2025. Based on its asset profile, revenue, and NGERS thresholds, EQR will fall within Group 3, with mandatory reporting to commence from 1 July 2027. In preparation, the Company is broadening its emissions data capture and undertaking a comprehensive Sustainability Risk Assessment to ensure readiness and strengthen ESG integration across its operations.

With the European Sustainability Reporting Standards (ESRS) framework evolving and delays for certain sectors and non-EU companies, EQR is closely monitoring changes. Although full compliance may not affect EQR and Saloro until 2028, EQR is preparing for future obligations, particularly in supply chain sustainability.

Insights

Growth

259

Total EQR Staff as of end of June 2025

Buddy Up

98%

employees live in the local region

Embrace Difference

23%

Women employees across EQR Operations

3%

Indigenous Mt Carbine employees

Growth

+12%

Growth of Employees (with the integration of Saloro)

Lead with Integrity

7

ESG related Governance policy reviews

Operating and Financial Review continued

EQ Resources and UN SDG's

EQR is committed to operating in alignment with the United Nations Sustainable Development Goals. The below table is an updated representation of how EQR currently contributes to the Sustainable Development Goals.

SDG	Target	Current Alignment Summary	Alignment with EQR Values
2	2.5	– Rehabilitation of native flora through partnership with AWC using diversified indigenous seed stock – Beehives on mine sites – Controlled fires for flora management (reseeding) in partnership with MRWMG	Tread Lightly
3	3.6, 3.9	– Health & Safety Policy – Promoting physical and psychological wellbeing training of employees through implementation of appropriate wellness programmes	Act Safe. Feel Safe.
4	4.4	– Providing sustainable career paths and mentoring to graduate employees on long term futures in the mining industry. – Partnership with JCU to bring on PhD students. – Ongoing sponsorship and donations to local state schools	Embrace Difference Buddy Up
5	5.5	– Diversity Policy – Bursary offered to female Uni participant	Embrace Difference
6	6.3, 6.4	– Water management plan	Tread Lightly
7	7.2, 7.3	– Participation in pilot GHG tracking program- ARTEH – Climate change risk position statement – Investigation into IPP and solar farm	Tread Lightly Buddy Up
8	8.2, 8.4, 8.7	– TOMRA XRT Waste sorting system – Modern Slavery Statement, Whistleblower Policy, Human Rights Policy, Anti-Bribery & Corruption Policy, Corporate Governance Statement	Embrace Different Tread Lightly Lead with Integrity
9	9.4, 9.5	– TOMRA XRT Waste sorting system – Participating in AMECs 'More Resourceful Than Ever' Campaign	Embrace Different
10	10.2, 10.3, 10.4	– Modern Slavery Statement, Whistleblower Policy, Human Rights Policy, Diversity & Inclusion Policy, Anti-Bribery & Corruption Policy, Grievance Process Policy	Lead with Integrity
11	11.4, 11.6,	– Cultural Heritage Management Policy – Waste management plan, Air Quality management plan	Tread Lightly
12	12.4, 12.5, 12.6	– TOMRA XRT Waste sorting system – Stocking piling in quarry barren by- product for sale as aggregated Product – Repurposing and delivering material for use in regional road repairs and upgrades.	Dig Deep Tread Lightly Buddy up
13	13.1, 13.3	– Continued participation in pilot GHG tracking program with ARTEH	Tread Lightly Buddy up
15	15.1, 15.2, 15.5, 15.8	– Managing invasive freshwater aquatic weed species in Frogbit Sentinel Network with Mareeba Shire Council. – Australian Wildlife Conservancy (AWC) Partnership – Mitchell River Watershed Management Group – invasive animal management	Tread Lightly Buddy Up
16	16.2, 16.5, 16.6, 16.7	– Modern slavery statement, Company Constitution, Human Rights Policy, Anti-bribery and Corruption Policy, ESG Policy, Communication & Disclosure Policy, Whistleblower Policy, Code of Conduct	Lead with Integrity

Operating and Financial Review continued

Mt Carbine Operations

Health and Safety

The transition to an Owner-Operator model at Mt Carbine in FY2025 brought a rapid increase in both workforce numbers and total man-hours worked. Despite this growth, overall safety performance strengthened, underpinned by enhanced planning, stricter compliance systems, and a deeper safety culture across site operations.

Safety engagement initiatives expanded significantly through the year. Proactive monitoring and reporting were strengthened by Job Safety & Environmental Analysis (JSEA) reviews, detailed pre-start briefings, and a strong emphasis on personal accountability in hazard management. Worker participation rose markedly, with "Take 5" risk assessments increasing from an average of 550 a month in FY2024 to over 1,500 average per month, with over 17,000 recorded throughout the year, from 6,700 recorded last financial year – a 154% improvement underscoring a growing culture of hazard awareness and ownership.

45
training courses undertaken

~20,000
fit to work test conducted (Drug & Alcohol)

17,115
Job Safety Analysis

88
Verification of Competencies

5
Job Safety analysis (Take 5)

+8.95%
Hours Worked on Site YoY

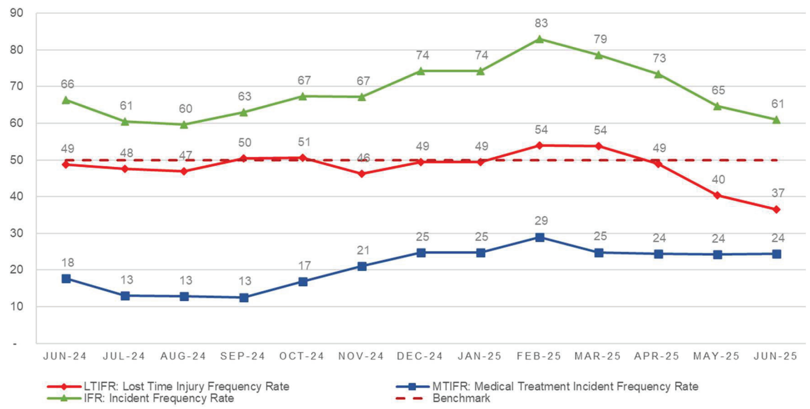
Operational oversight also deepened. Alcohol and drug testing remained central to Mt Carbine's zero-tolerance policy, with an average of over 1,600 breath-analysis tests per month and regular drug screens. All non-negative results were detected and managed strictly in line with Company policy.

Training and procedural development were a further focus. Across FY2025, twenty-nine safety procedures were either newly introduced or formally reviewed. Training highlights included in-house machinery operation courses, site-wide Explosives Awareness sessions, Safe Handling and Transport of Explosives training, and re-inductions for all personnel with more than two years of service.

These programs ensured the workforce remained well-prepared to manage the operational changes brought by the shift to owner-operator status and the increasing scale of activities.

Communication also advanced, with weekly "lessons learned" bulletins from Resources Safety & Health Queensland (RSHQ) circulated to all staff, monthly toolbox meetings led by Foremen introduced with rotating safety focus points, and continuous consultation with the Site Safety and Health Representative (SSHR) to maintain alignment between management and the workforce.

By the close of FY2025, Mt Carbine had reduced recordable incidents from nine in Q3 to six in Q4, a 33% quarter-on-quarter improvement. This outcome highlights the maturity of safety systems at site and the effectiveness of embedding safety culture as a shared responsibility. Mt Carbine Mine enters FY2026 with a strengthened safety culture, robust compliance systems, and a workforce actively engaged in hazard management—providing a strong foundation for continued operational growth.



12-months Rolling Frequency Rate Graph for Mt Carbine per million working hours.

As QLD mining statistics report other metrics (ie. SAFR & HPIFR) using LTIFR Mining Industry average for Spain as benchmark for continuity between operations.

Operating and Financial Review continued

Mining Operations

The mining operations at Mt Carbine in FY2025 were characterised by structural change, targeted development, and record-setting achievements, laying the foundation for long-term high-grade ore access. Over the year, the site mined approximately 2.24 million tonnes of material, including ~574,000 tonnes of ore and ~1.66 million tonnes of waste, at an average strip ratio of 2.9:1. More than 1.41 million tonnes of material were blasted, the highest since operations restarted in 2023, drilling campaigns confirmed the continuity and high-grade potential of the Andy White ore body and its extensions.

2.24
millions tonnes material extracted

0.57
million tonnes of ore

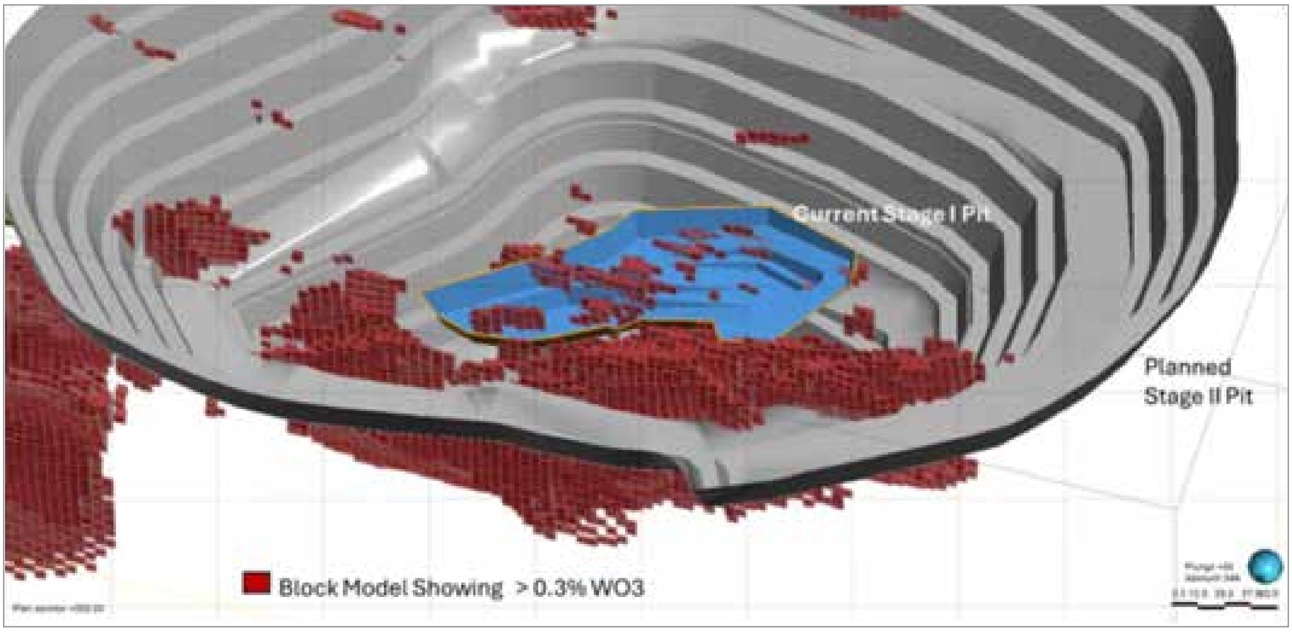
1.67
million tonnes of waste

Transition to Owner Operator

~55
staff in mining operations

In July 2024, a drilling campaign of 37 infill Reverse Circulation (RC) drill holes, totalling 1,437 metres from the pit floor at level 295–305m Reduced Level (RL) confirmed multiple high-grade veins over a 100-metre strike and 80-metre width, within a system extending 1.2 kilometres along strike. These intercepts validated the design of the Stage II pit and confirmed mineralisation extending 80 metres below the planned final depth of Stage II, strengthening the case for future underground access. Importantly, early ore blocks were encountered at higher levels than anticipated, accelerating the delivery of decent-grade ore while stripping continued at upper benches of Stage II.

See ASX Announcement: 'High-Grade Drilling Results Confirm Main Mineralised Level at MtCarbine', dated 29th July 2024.



Pictured: Block model showing main high grade vein packages relative to Open Pit Stage I (In blue, the completed Open Pit Stage I; in grey the Open Pit Stage II)

Transition to Owner-Operator – A Strategic Step Change

The first quarter of FY2025 marked a pivotal stage for Mt Carbine, with the Company successfully transitioning from 14 months of contractor-led mining to an owner-operator model in August.

See ASX Announcement: 'Mt Carbine Mine Transition to Owner-Operator Mining' dated 16th August 2024

This strategic shift enabled greater cost control, operational flexibility, and long-term workforce development. The newly established owner-operator fleet, comprising a CAT 90-tonne excavator, four articulated dump trucks, a CAT140 grader and two bulldozers, was fully commissioned during the quarter. At the same time, the majority of the experienced contractor workforce was seamlessly integrated into EQR's operations, preserving continuity while embedding the Company's culture and systems.

Pictured left: the newly commissioned Sandvik Drill Rigs. Pictured right: the CAT 90 tonnes excavator freshly commissioned for the mining operations.

Operating and Financial Review continued

With the introduction of a 24-hour mining roster, the site quickly lifted monthly material movement and secured earlier access to higher-grade veins, delivering immediate efficiency gains. Within just a few months, the benefits of the transition were evident: mining volumes increased, unit costs trended lower, and the operation gained far greater flexibility in sequencing waste and ore access. The mining operations also expanded capacity with the mobilisation of two Sandvik drill rigs, bringing drilling fully in-house, supported by new specialised staff. Blasting was handed over to a dedicated contractor, further strengthening cost control.

In the meantime, mining operations advanced in Stage I on the 295-285m RL bench, while stripping for Stage II progressed between the 365m and 345m RL benches, exposing early indications of the Johnson, Wayback, and Iolanthe vein systems.

Eastern Cutback – Unlocking the Iolanthe Ore Body

Following the owner-operator transition, focus turned to the Eastern Cutback. Mining at the bottom of the Stage I Pit had become increasingly difficult during the wet season, with operations constrained by the narrow geometry of a maturing pit shell nearing completion. As a result, attention shifted to the Stage II pit shell, which had already commenced in Q1 and intensified through subsequent quarters. Stripping operations at surface level were advanced under a 1.8 million-tonne waste removal program, laying the groundwork for consistent access to the Iolanthe ore body, Mt Carbine's principal ore target.

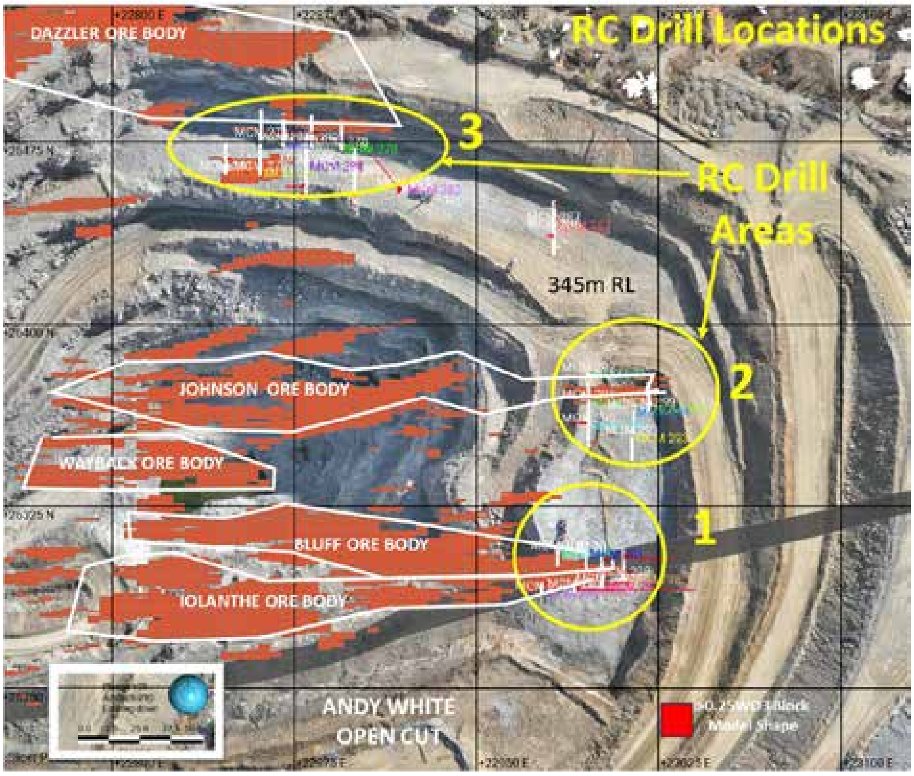
Picture above: Stripping activities progressing in the South side of the open pit where the old crushing plant used to stand.

An RC Drilling campaign was initiated in December 2024, targeting three key zones—Dazzler, Johnson, and Iolanthe ore bodies, with promising results observed on the 345m bench, marking entry into the Iolanthe main ore body.

Key Drilling Results from the 345m RL Level:

- MCM 280: 3m @ 1.23% WO_3 from 5m depth
- MCM 283: 1m @ 1.84% WO_3 from 2m depth
- MCM 295: 6m @ 1.62% WO_3 from 9m depth
- MCM 296: 8m @ 1.29% WO_3 from 0m depth

These results marked the top of the Iolanthe system and confirmed the presence of high-grade ore across multiple veins (Dazzler, Johnson, and Iolanthe). By early 2025, stripping in this area enabled ore deliveries of more than 182,000 tonnes for the quarter, a 48% increase on prior periods and a tangible payoff for the heavy waste-stripping burden.



Picture above: The three areas in the Eastern Cut Back targeted during the RC Drilling in December 2024.

See ASX Announcement 28th January 2025: '[Results of the Eastern Cutback RC Drilling Campaign]'

Record Quarter – Proof of the Owner-Operator Model

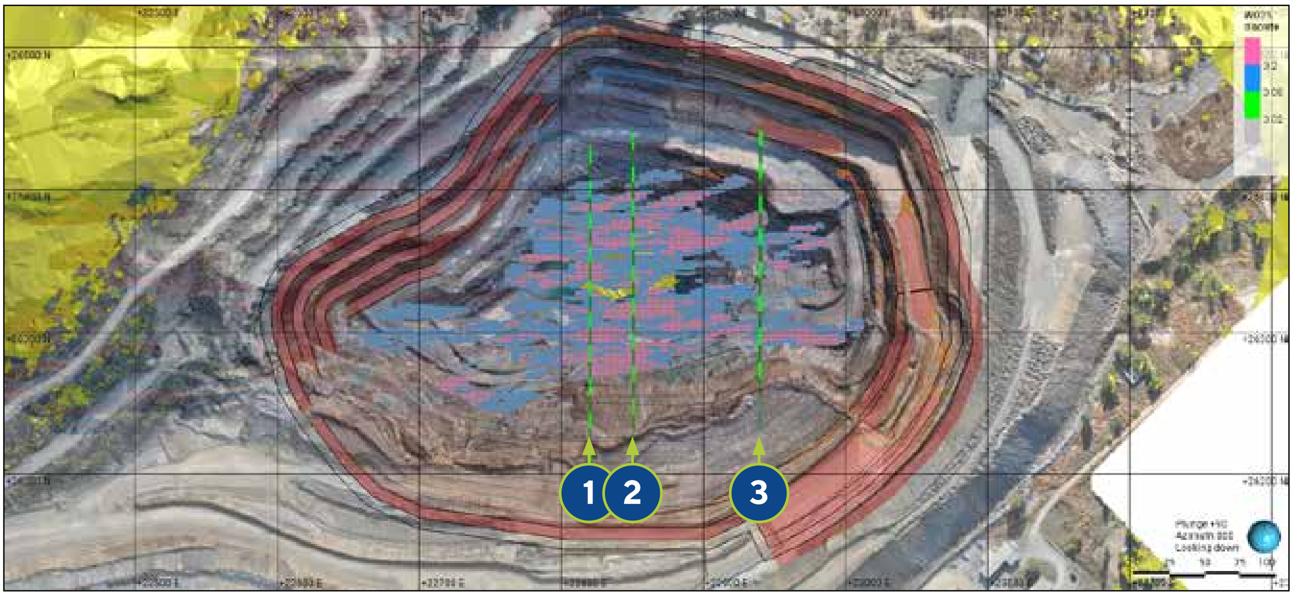
The effectiveness of the new mining structure was best demonstrated in Q3 FY2025, during the wet season, traditionally the most difficult period for open-pit mining in Far North Queensland.

- 702,265 tonnes of material were mined, a 23% increase on the prior quarter and nearly 30% above pre-owner-operator averages.
- 603,309 tonnes of material were blasted, a 70% increase on the previous quarter and an all-time record since the restart of open-pit operations in July 2023.
- 182,449 tonnes of ore were delivered, marking a clear step into the Iolanthe vein system.

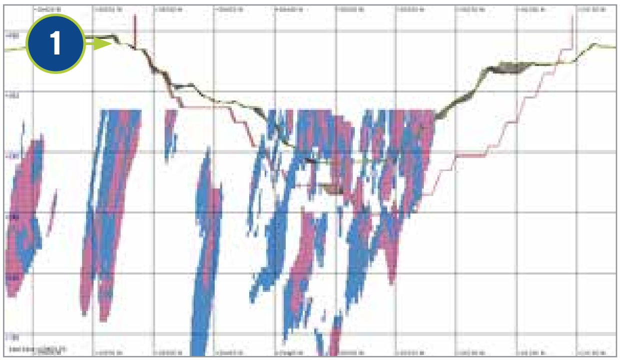
These results, achieved during challenging weather conditions, underscored the resilience of the new operational model and demonstrated how 24-hour rostering, in-house drilling, and fleet investment had combined to materially improve performance.

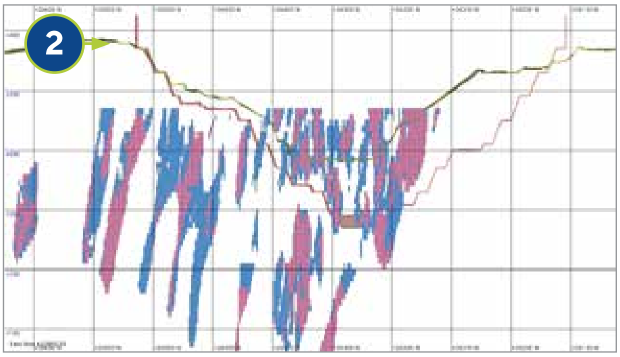
Operating and Financial Review continued

Mining progressed into the 335–325m RL levels by April in the Eastern section of the pit, with grades expected to rise substantially in the near future, based on extensive RC drilling results. The Iolanthe package, the primary Stage II target, lies largely beneath the southern pit, requiring continued stripping before bulk high-grade ore can be accessed.



Picture Above: Open Pit Stage II in red as at end of June 2025, with 3 cross sections of the ore bodies targeted showing ore blocks below ground level not displayed.





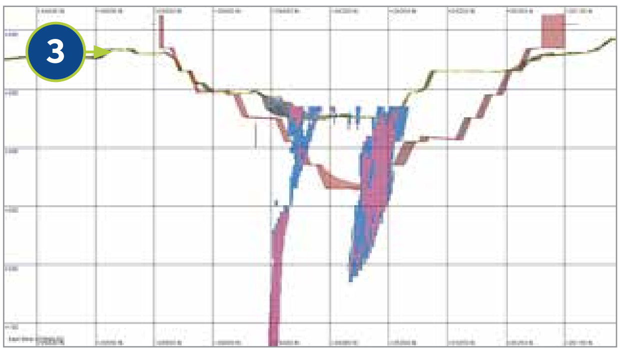


Figure above and left:

- Cross sections of the pit showing ore block from level 340RL and below. Pink >0.2% WO_3, Blue <0.2% WO_3.
- Current pit shell shown on top in green/yellow, with Open Pit Stage II in red.

South Wall Fault and Strategic Reset

The final months of the year were marked by a strategic reset, with the mine design updated to optimise geotechnical stability and access around the South Wall Fault. Under the leadership of the new mining manager, David Laulau, a revised mine plan and geotechnically optimised pit shell were implemented, focusing on unlocking the South Wall Fault area to ensure long-term access to the Iolanthe ore body.

While material movement slowed to ~415,000 tonnes in the June quarter due to delayed blasting schedules and redesign works, this period laid the groundwork for long-term ore access. Four blast patterns were drilled in readiness, and a revised Blast Management Plan, Broad Brush Risk Assessment, and operating procedures were completed. With the Mines Department sign-off in July 2025, Mt Carbine is positioned to transition to a downhole blasting contractor model, improving both cost efficiency and scheduling flexibility.

Picture above: Mt Carbine Mine Open Pit (Australia) as of June 2025 with mining activities progressing in the Southeast and ongoing stripping on the South side.

Year in Review

FY2025 marked a turning point for Mt Carbine. The Company successfully transitioned to an owner-operator model, confirmed the consistency and scale of the Iolanthe ore body through drilling, and demonstrated the operational upside of its new mining struct. Although operations were temporarily affected by three weeks of logistics disruptions caused by Cyclone Alfred — which halted explosives deliveries from Townsville — late-year waste stripping constraints further limited ore deliveries, both in volume and grade, as mining was restricted to the upper benches of the deposit. Despite these challenges, Mt Carbine exits FY2025 well-positioned for growth, with deeper access into the high-grade zones, a re-engineered pit design, and an experienced team that has demonstrated the ability to sustain momentum under pressure. These achievements provide a strong foundation for increased ore access and higher-grade production in FY2026.

Operating and Financial Review continued

Processing

Processing operations at Mt Carbine in FY2025 were shaped by a combination of record-setting achievements, environmental constraints, and transitional ore feed as mining advanced through the Stage 2 Pit. Across the year, the site crushed more than 756,000 tonnes of ore, comprising approximately 550,000 tonnes of open-pit ore and around 220,000 tonnes sourced from the low-grade historic stockpiles.

756k
tonnes of ore crushed

462k
tonnes of ore sorted

48,771
mtu produced

~79%
final recovery achieved

In total, more than 462,000 tonnes of ore were fed through the Ore Sorter and 238,000 tonnes were treated through the Gravity Plant, culminating in the production of 48,771 mtu of tungsten concentrate for FY2025. These results highlight the mine's ability to sustain throughput and maintain production continuity despite the challenges of variable head grades, seasonal water shortages, and shifting ore feed sources.

Record Production and Operational Gains

The year commenced with particularly strong results. From July to September 2024, the site delivered some of the highest outputs recorded since operations commenced. Crushed ore volumes averaged nearly 87,000 tonnes per month, with Ore Sorter feed consistently above 55,000–60,000 tonnes and 5,500 to 6,000 tonnes of Ore Sorter concentrate produced. September marked a record-setting month: the Gravity Plant produced 10,702 mtu (~214 tonnes of WO3 concentrate at 50% equivalent), the highest monthly output achieved to date, while setting a 24 hour site record of 641 mtu.

See ASX Announcement 2nd October 2024: 'EQR Hits New Production Record as China and US Trade Tension Impact Tungsten Market'

These results were underpinned by a favourable feed blend, including significant volumes of high-grade ore from the deeper benches of the Stage I Pit, which lifted crusher head grades. The Ore Sorter converted this into strong concentrate volumes of 5,000–6,200 tonnes per month, which in turn delivered Gravity Plant feed grades averaging 0.43–0.44% WO_3. This chain effect, from higher-grade ore mined, to sorter output, to concentrate yield, provided a clear demonstration of how pit sequencing and ore quality directly drive plant performance and production. The commissioning of the scavenger jig at the Gravity plant during this period further supported recoveries, allowing the site to capture additional tungsten units from tailings.

Adapting to Water Constraints

From October 2024, operations faced a significant shift in conditions. Seasonal rainfall was well below historical averages, with the December quarter receiving just 130 mm compared with 808 mm in the prior year and far below the 10-year seasonal norm. Reduced water availability required a transition from wet to dry crushing and sorting, with remaining water reserves prioritised for the Gravity Plant.

At the same time, ore quality was increasingly constrained as mining advanced into the upper benches of the Stage II Pit. By November, just 8,814 tonnes of high-grade ore was available, and by December none at all, leaving crusher feed dominated by 25,000 tonnes of low-grade ore and more than 20,000 tonnes of historic stockpile material. This blend pushed the average head grade down to just 0.07% WO_3. Although crusher throughput in December remained relatively strong at 46,062 tonnes, the Ore Sorter produced only 1,135 tonnes of concentrate, and WO_3 output fell to 850 mtu. The decline underscored how production was simultaneously impacted by depleted high-grade ore availability, the reliance on low-grade and stockpiled feed, and the temporary loss of Gravity Plant capacity.

Steady Operations Under Transitional Feed

The correlation between crusher throughput, ore blend, and downstream plant performance was evident throughout the year. When high-grade ore formed the majority of crusher feed, as seen in August and September (where high-grade ore made up 50–75% of feed), sorter concentrate volumes were robust, supporting elevated Gravity Plant feed grades and record WO_3 production. Conversely, when feed was dominated by low-grade ore and stockpiles, Ore Sorter concentrate production fell below 2,000 tonnes per month, which in turn reduced the Gravity Plant feed grade to just 0.14–0.23% WO_3. This cascading effect directly constrained tungsten production, underscoring the importance of sequencing mining operations to access higher-grade ore sources.

As operations moved into early 2025, production stabilised as crusher throughput recovered to consistent levels of 46,000–60,000 tonnes per month with modest head grades in the range of 0.07–0.09% WO_3. Ore Sorter throughput was sustained at ~30,000 tonnes per month, and the Gravity Plant consistently treated 16,000–20,000 tonnes, maintaining feed grade around 0.15–0.20% WO_3. This enabled steady production of 2,400–2,600 mtu of WO_3 concentrate per month average through the February to June period. Despite subdued grades, the Gravity Plant recovery remained strong, delivering consistent tungsten output and demonstrating operational resilience under transitional feed conditions.

Plant availability remained high throughout the year, even as the site transitioned from wet to dry operations, deferred several major rebuilds into FY2026, and navigated logistics disruptions in April caused by Cyclone Alfred in the Townsville region. While logistics and concentrate shipments were temporarily affected, these challenges were quickly resolved. Importantly, the operation demonstrated its ability to maintain stability under constrained feed quality, highlighting both the robustness of the processing flowsheet and the adaptability of the operations team.

Looking forward, the processing circuit is expected to benefit from the transition into deeper benches within the Stage II Pit, where higher-grade ore is anticipated to become increasingly available. This shift should progressively lift head grades, increase Ore Sorter concentrate yield, and strengthen Gravity Plant feed grades, thereby supporting higher tungsten recoveries.

Operating and Financial Review continued

In parallel, the delivery and upcoming installation of the new Sandvik Crushing and Screening Plant, all major equipment for which is already on site, will underpin a planned doubling of processing capacity in FY2026. Together, these developments position Mt Carbine to deliver stronger and more consistent production performance, with the potential to sustain record outputs on a regular basis.

Quarry Operations

Mt Carbine Quarry continued to strengthen its role as a key regional supplier of construction materials throughout FY2025, supporting a wide range of civil infrastructure and maintenance projects across Far North Queensland. The quarry's reliable production, flexible supply capability, and commitment to community partnerships positioned it as an essential contributor to the region's development.

The year was marked by the successful execution of several large-scale contracts, alongside consistent deliveries to long-standing customers. A significant milestone was the completion of the 17,000-tonne supply of 4.3 road base to Keltone Constructions at Hurricane Station. This project was delivered on schedule and transitioned seamlessly into a new contract for the delivery of armor rock, supporting critical breakwater construction works along Cairns' northern beaches.

In parallel, supply of 20mm concrete aggregates to BZ Contractors for the Daintree River project remained steady, ensuring the continuity of a key regional infrastructure program. The quarry also maintained its support for Mossman Quarry with bulk product supply and extended its reach into the World Heritage-listed Brooklyn Wildlife Sanctuary at Brooklyn Station, where deliveries were managed under ecological preservation guidelines to facilitate road maintenance works.

Beyond major contracts, general aggregate sales continued at stable levels, servicing small-to-medium infrastructure and road maintenance projects across the region. The demand was particularly strong leading into the wet season, with civil construction companies accelerating works to achieve completion targets. The quarry also played an active role in disaster recovery and resilience efforts, providing essential material for reconstruction projects initiated by local councils and civil contractors following Cyclone Jasper in Dec-23.

Community Engagement and Infrastructure Support

In addition to direct project supply, Mt Carbine Quarry engaged with government and community stakeholders to support forward-looking regional development initiatives. Notably, during Q3 FY2025, the quarry committed up to A$150,000 in quarry products to support the proposed upgrade of the Bushy Creek Bridge, reflecting EQR's proactive contribution to regional infrastructure and community safety. Discussions with local ministers and council representatives advanced during the year, with formal engagement sessions scheduled to continue in FY2026.

Plant optimisation initiatives implemented during the second half of the year delivered measurable improvements in output efficiency. These upgrades enabled faster fulfilment of large orders and improved consistency of product supply. The quarry's focus on reliability and responsiveness to customer needs was demonstrated by its ability to transition quickly between high-volume contracts while maintaining steady deliveries to existing clients.

Looking ahead, Mt Carbine Quarry is well positioned to build on the strong momentum established in FY2025. The Company expects continued demand from both large infrastructure projects and regional councils, particularly as government disaster recovery programs and coastal protection works expand. The outcome of the Standing Offer Arrangement with the Department of Transport and Main Roads will provide additional opportunities to secure long-term supply agreements, further consolidating the quarry's role as a critical regional supplier.

Mt Carbine Quarry armour rock used on the Cairns Northern Beaches for boat ramps, beach protection and jetty.

Operating and Financial Review continued

Ore Reserve Statement

The last published full Mineral Resources Estimate (Mt Carbine Project Mineral Resource Estimate) for Mt Carbine was conducted by the Measured Group in May 2023 (Technical Report 15th may 2023 Mt Carbine Tungsten JORC Ore Reserves). The Reserves have subsequently been updated to June 2024 in FY2024 Annual Report, based on the mining activity completed since the May 2023 statement and then updated as at 30 June 2025 for this report.

Reserve Category	ROM Tonnes (Mt)	WO_3 (%)	Contained WO_3 (mtu)
Open Cut - Proven	–	–	–
Open Cut - Probable	5.21	0.28%	1,459,735
Open Cut - Total	**5.21**	**0.28%**	**1,459,735**
LGSP - Proven	–	–	–
LGSP - Probable	9.59	0.075%	719,030
LGSP - Total	**9.59**	**0.075%**	**719,030**
All - Total	**14.80**	**0.147%**	**2,178,765**

Mt Carbine Ore Reserve Estimate at 30th June 2025.

NOTES:

- Total estimates are rounded to reflect confidence and resource categorisation.
- Classification of Mineral Resources incorporates the terms and definitions from the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012) published by the Joint ore Reserve Committee (JORC).
- Depletion is calculated using block model depletion and regular topographic surveys, to which density factors have been applied to derive tonnes. These density factors are the same as described in the report for the reserves estimate dated 15th May 20223 and 30 Jun 2024.

Operating and Financial Review continued

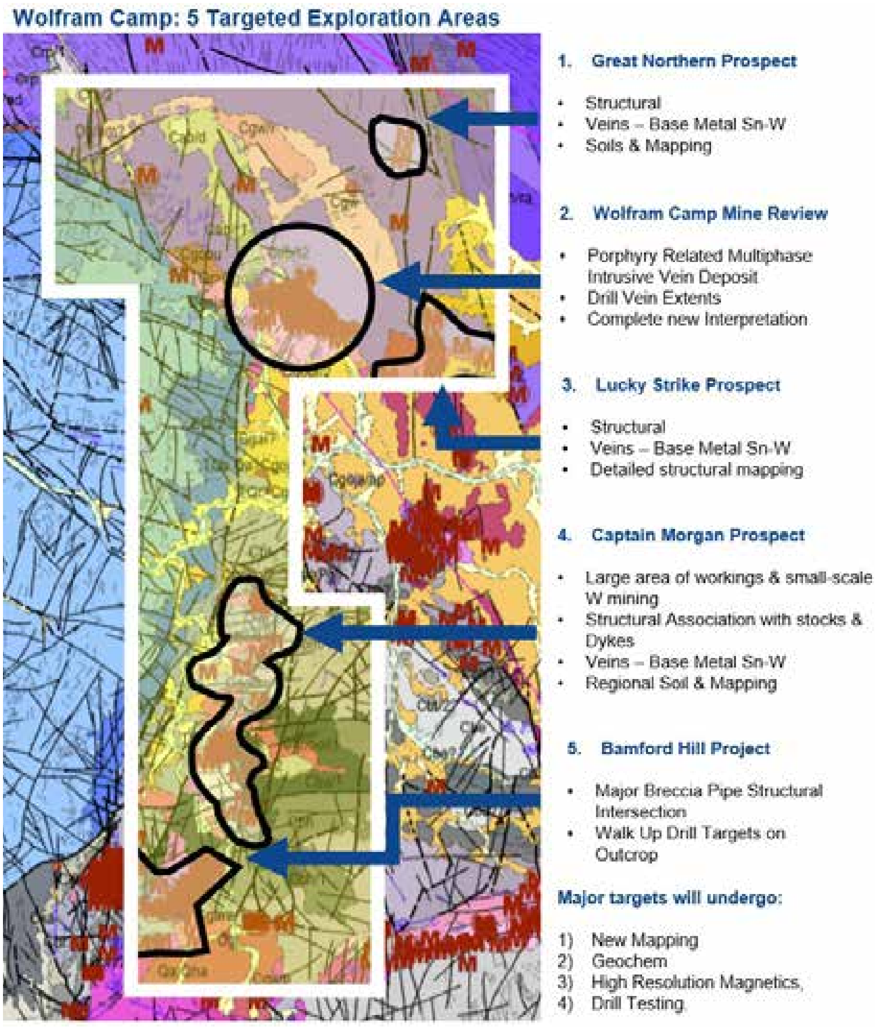
Australian Regional Exploration

Wolfram Camp

In FY2025, EQ Resources made significant progress at Wolfram Camp, advancing both its regional exploration strategy and technical evaluation of historical stockpiles. On 18 June 2024, the Company secured an Exploration Permit-Minerals (EPM RA442) covering 477 km² within the Herberton Tin–Tungsten field, including the Wolfram Camp and Bamford Hill areas. This program aims to establish a regional Tungsten Cluster, supporting EQR's broader strategy to create a northern Queensland tungsten hub that builds on the success of Mt Carbine. The initiative has been endorsed by the Queensland Minister for Resources and Critical Minerals, Scott Stewart, who highlighted the project's potential to deliver economic and environmental benefits to the region.

Early Exploration and Safety Upgrades

Work commenced with soil sampling campaigns and the identification of five key exploration targets across the license area. Site safety upgrades were prioritised, with the old mine shaft at Wolfram Camp securely barricaded and new access, safety, and monitoring procedures implemented. Soil samples were collected around the historic waste dumps and pit for analysis. These were submitted to the University of Queensland (UQ) and TOMRA Sorting Solutions for mineralogical characterisation and XRT sorting tests scheduled for Q3 FY2025.



Bulk Sample Testing and XRT Sorting Trials

A major milestone was reached in Q4 FY2025 with the completion of bulk sample testing, supported by a $250,000 grant under the Queensland METS Collaborative Projects Fund. Conducted in partnership with TOMRA Sorting Solutions and University of Queensland's Sustainable Minerals Institute, the program assessed the sortability of historic stockpiles and confirmed the technical viability of reprocessing.

Two main sample areas were evaluated:

- Parrot Ore Stockpile – Sorting achieved an 86% tungsten recovery while rejecting 90–95% of the feed mass. This represented a 16-fold upgrade in grade, confirming strong de-bulking and pre-concentration potential and demonstrating that minimal downstream processing would be required.
- Waste Stockpile Composite – Results showed a head grade of 0.10% WO_3 and confirmed that approximately 75% of the contained tungsten is in the fines fraction. Although recoveries were lower than the Parrot material, the findings highlight the potential to extract value using simple gravity separation techniques.

Strategic Implications

These results underscore the potential for surface stockpile reprocessing at Wolfram Camp, mirroring EQR's proven success with XRT sorting at both Mt Carbine and Saloro in Spain, where the technology has delivered higher recovery rates and lower unit costs. Importantly, they provide a foundation for evaluating in-situ sortability potential as part of upcoming exploration phases and feasibility studies.

EQR is now assessing pathways to integrate Wolfram Camp into a regional processing hub, leveraging existing infrastructure, workforce capacity, and technical expertise from Mt Carbine. This approach is expected to generate new regional employment opportunities while advancing sustainable resource development.

For further detail, refer to:

ASX Announcement 7th October 2024: 'EQR Identifies 5 Exploration targets For Wolfram Camp'

ASX Announcement 13th June 2025: 'EQR Progresses Regional Hub Strategy'

Tungsten Cluster – Australia

EQR is actively assessing opportunities to leverage its existing infrastructure to develop a regional tungsten hub. This initiative is designed to unlock operational synergies, lower capital intensity, and create sustainable regional employment, building on the Company's successful track record of workforce up-skilling and training. Ongoing work includes further assay certification and interpretation of results, with the next phase focused on bulk sample testing using the XRT ore sorter at Mt Carbine to evaluate in-situ sortability potential.

Operating and Financial Review continued

Saloro / Barruecopardo Operations

Health and Safety

Safety remained a cornerstone of Saloro's operational performance throughout FY2025, with the site recording material progress in embedding a stronger safety culture since its acquisition by EQR in January 2024. The transition period brought an intensified focus on aligning Spanish operations with EQR's Group-wide standards, supported by increased training, procedural reviews, and a proactive approach to hazard identification.

14
training courses undertaken

16,249
fit to work test conducted (Drug & Alcohol)

10
measurements of Respirable Silica per Year

1
noise monitoring per year

1,348
Job Safety analysis (Take 5)

Across the year, Total Recordable Incidents (TRI) were reduced significantly to 9 in CY2024, down from 16 in CY2023, demonstrating the positive impact of Group-led safety initiatives and the adoption of best practices shared across both operations. This outcome reflects not only stronger compliance but also the cultural shift toward accountability and safe behaviours at every level of the workforce.

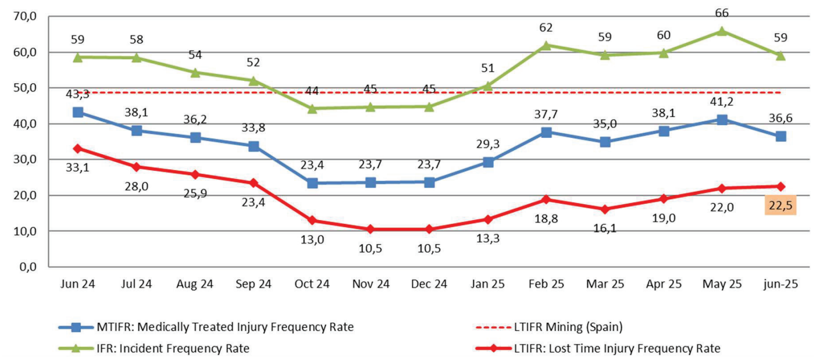
In the second half of the Financial Year, safety training intensified with 62 sessions delivered, focusing particularly on equipment isolation procedures during maintenance activities. The introduction of the 'Step Back Take 5' Job Safety Environment Analysis (JSEA) mid-year proved particularly effective, quickly becoming a routine tool used by employees across all shifts. Its uptake, supported by regular procedural reviews and monitoring, has reinforced risk awareness and proactive engagement in day-to-day tasks.

By early 2025, the adoption of hazard assessments accelerated, with 1,641 Take 5s completed— more than double the 765 completed in Q2—with March alone 173% above the six-month average. While there was a modest increase in the Lost Time Injury Frequency Rate (LTIFR) during the quarter, the rate remained well below Spanish mining industry benchmarks. Additionally, 23 employees successfully completed a two-part firefighting training course, combining theoretical learning with practical exercises in smoke-filled environments.

In Q4, engagement continued to strengthen, evidenced by a 44% increase in Step Back Take 5 hazard assessments (rising from 1,730 in Q3 to 2,486 in Q4). Training initiatives remained a priority, with eight chemical product safety sessions and five inductions for new employees conducted during the quarter.

This Financial Year also saw heightened monitoring, including 16,195 alcohol tests and 54 drug tests, underscoring Saloro's zero-tolerance approach to impairment risks, with all non-negative cases managed in strict accordance with Company policy.

Although the number of Lost Time Injuries (LTIs) rose to 23 in Q4 (up from 18 in Q3), management is confident that the steady rise in hazard reporting, training participation, and staff engagement will underpin sustained improvements in safety outcomes into FY2026.



12-months Rolling Frequency Rate Graph for Saloro per million working hours.

Operating and Financial Review continued

Mining Operations

During FY2025, Barruecopardo delivered strong mining performance, with total material moved exceeding 7.0 million tonnes. Of this, approximately 1.34 million tonnes of ore were mined alongside 5.7 million tonnes of waste, equating to an annualised strip ratio of 4.2:1. Ore feed grades averaged 0.18–0.20% WO_3, consistent with the mine plan, and were supported by the drawdown of surface stockpiles during periods of restricted pit access. By year-end, stockpiles totalled 209,000 tonnes, down from over 300,000 tonnes at the beginning of the year, reflecting a deliberate strategy to consume legacy low-grade material to make room for ROM Pad re-organisation and ensure uninterrupted mill feed.

~7.0 Mt
Material moved

~1.3 Mt
Ore mined

~5.7 Mt
Waste mined

4.4:1
Strip ratio

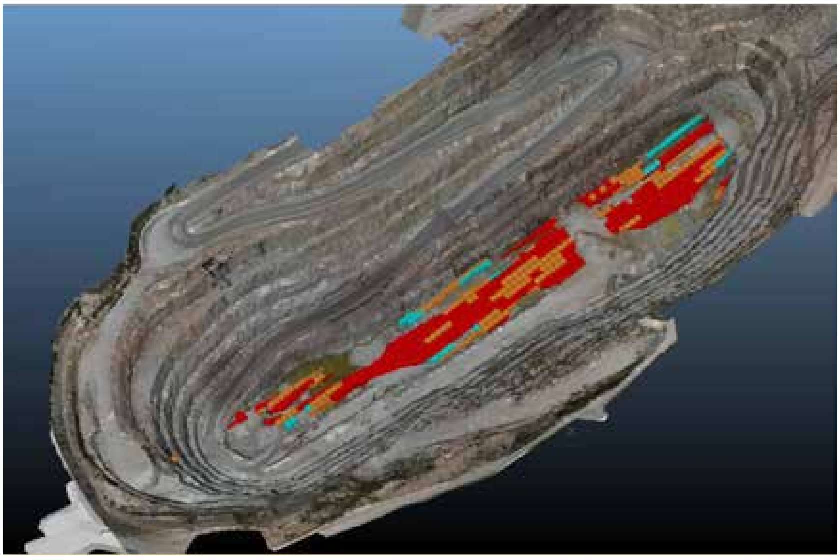
209,000 t
Closing stockpile

0.18–0.20% WO_3
Average ore grade mined

Picture above: The Barruecopardo Mine Open Pit as at March 2025 looking north, with ongoing progressive rehabilitation of the waste dumps near the water dams on the front left.

Phase Development and Pit Advancements

During the year, mining activity focused primarily on Phase 5 in the Central and Southern Zones, where operations advanced down to the 560RL bench. This zone provided a steady supply of ore with stable grades, forming the backbone of plant feed for much of FY2025.

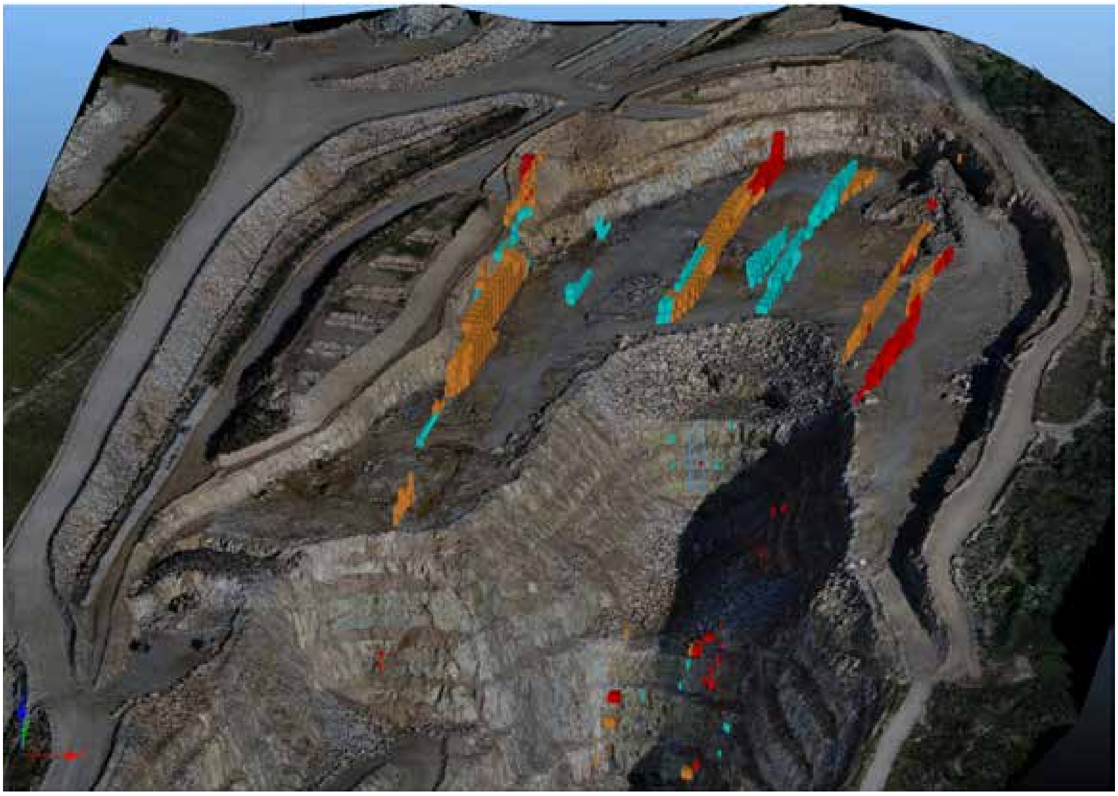


Picture above: Resource Block Model of the Phase 5 Ore production zone at the end of FY2025 in the Southern Area of the Open Pit, main target of the Phase 5. Red is high grade, orange low grade and light blue very low grade.

Meanwhile, in Phase 6 (Northern Zone), development works advanced to the 690RL, ahead of schedule. This opened up new ore horizons and created additional flexibility for ore blending across multiple pit zones. The northern cutbacks also enabled improved ramp design and traffic flow, reducing haulage distances and cycle times while unlocking earlier-than-planned access to fresh mineralised horizons.

Operating and Financial Review continued

Picture above: Northern area of Phase 6 at elevation 700RL, including the access ramp and 690RL bench, with ore stockpile and waste dump as of the end of June 2025.



The Northern Area as of 31st March 2025. Resources Block Model in Phase 6 Pit outline showing ore block already extracted. Colours represent the grade of the ore. Red for high grade (>0.15% WO_3). Orange for lower grade (0.07-0.15% WO_3). Blue for very low grade. (0.055-0.07% WO_3).

Preparatory works for Phase 7 commenced late in the Financial Year, with initial pushback and bench establishment at the 705–710RL levels. The east ramps for Phase 7 Pit outline have been initiated, which will connect the eastern slope with the access ramps from Phase 5 and Phase 6 leading to the waste dump.

This phase is designed to provide continuity of ore supply over the medium term and will be critical for maintaining production stability as deeper benches in Phase 5 are progressively mined out.

Picture above: The Eastern pit slope of the Barruecopardo Open Pit , blue arrows showing the ramps in Phase 7.

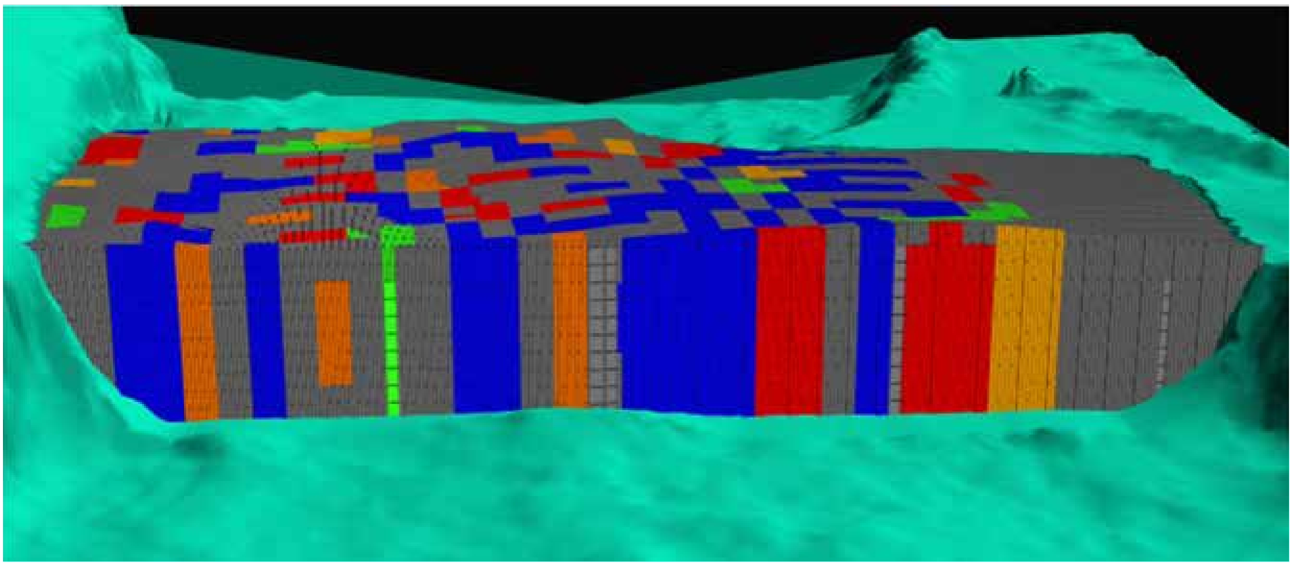
The east ramps for Phase 7 Pit outline have been initiated, which will connect the eastern slope with the access ramps from Phase 5 and Phase 6 leading to the waste dump.

Operational Improvements and Cost Savings

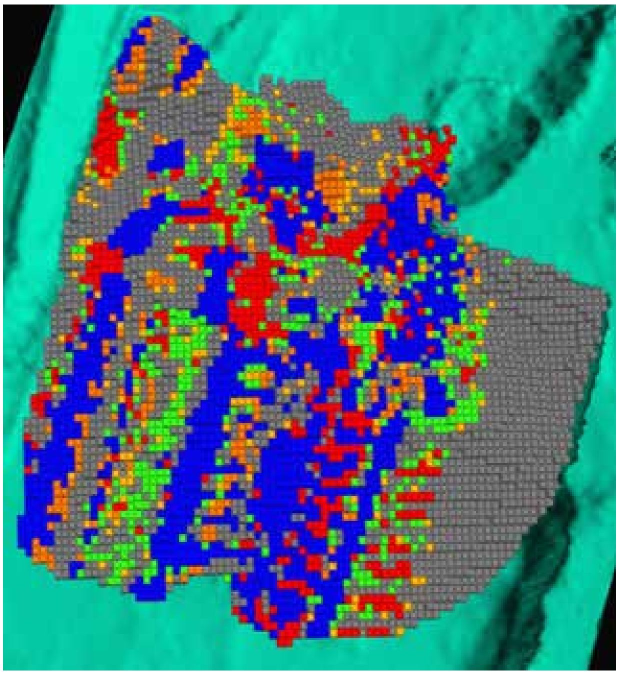
A key initiative during FY2025 was the successful trial of 10-metre bench blasting. This marked a shift from the historical 5-metre approach, delivering significant benefits in reduced drilling and blasting costs, estimated at AU$0.16 per tonne saved across the trial campaign. In addition, improved fragmentation and more stable pit walls were observed, validating this method for broader application in future phases. The improved blasting approach also contributed to smoother downstream handling, reducing equipment wear and haulage inefficiencies.

Pictured: A 10-metre bench face with the mineralised zones marked.

Operating and Financial Review continued



Pictured: Block model imported into the OREPRO 3D software confirming the field observations made by geologists.



Pictured left: Result of blast 019_580F5M on a 10-metre bench. Pictured right: Simulation performed with the OREPRO 3D software before blasting showing how the mineral will be arranged for loading.

Environmental and Water Management

In parallel with mining advances, rehabilitation works were prioritised to ensure environmental compliance and progressive closure planning. Waste rock dumps adjacent to the eastern and southern perimeters were recontoured, compacted, and covered to promote long-term stability. Hydro-seeding and cover trials were initiated on selected slopes, reducing erosion risks and supporting biodiversity regeneration.

Water management also remained a core focus. The capacity of the site's main storage dam was optimised with evaporation systems, ensuring sufficient process water supply throughout variable seasonal conditions. These measures align with EQR's broader sustainability commitments while supporting uninterrupted operations.

Picture above: The Barruecopardo Mine Open Pit (Spain) at the end of June 2025.

Operating and Financial Review continued

Processing

Record Production and Operational Gains

Over the course of FY2025, Saloro delivered its strongest operational performance on record, underpinned by consistent throughput and record concentrate production. In total, more than 1.44 million tonnes of ore were crushed across the year, averaging nearly 120,000 tonnes per month from 107,000 tonnes in FY2024. Ore sorting volumes tracked this trend, steadily rising from ~31,000 tonnes in July 2024 to a peak of almost 47,000 tonnes by June 2025 -a +52% increase year On Year-, illustrating the sustained efficiency of the front end of the circuit.

63.3%
Highest monthly recovery achieved

1.45
million tonnes of ore crushed

0.9
million tonnes processed through the Gravity

+52%
increase Ore Sorter throughput YoY

119,000+
mtu produced FY2025 + 28% YoY

This consistent flow of material enabled the plant to maintain ore Sorter concentrate output between 5,600 and 9,800 tonnes per month, from a 1,300 tonnes monthly average for FY2024, highlighting the stable capacity of the ore sorting system despite fluctuations in ore quality.

Picture above: Saloro's Processing plant with the Gravity Plant on the left and the Ore Sorter Plant in red in the background on the right.

Picture above: Tungsten Concentrate bags from the Barruecopardo mine on a truck being shipped to a customer.

The Gravity Plant processed more than 0.9 Million tonnes for the year, averaging ~75,000 tonnes per month. Feed grades demonstrated a gradual decline as the year progressed, beginning at 0.243–0.275% WO_3 during the first three months, rising to a seasonal high of 0.283% in February, before moderating to around 0.226% by June as lower-grade ore and stockpiles became more prominent in the blend. Recovery trends followed a similar arc: initial levels just above 52% steadily improved in Q2, reaching a peak of 63.3% in December, before stabilising between 57% and 59% through the latter half of the year, confirming the reliability of the upgraded circuit configuration.

These operational trends translated into consistently strong concentrate output. Annual tungsten production totalled approximately 119,023 mtu, +28% from 93,105 in FY2024, with monthly performance anchored between 9,000 and 11,500 mtu. The standout period occurred in late 2024, when production exceeded 10,000 mtu in six consecutive months, capped by the all-time high of 11,534 mtu in November 2024. Even as head grades declined in early 2025, the processing plant's efficiency allowed output to remain steady at around 9,000–10,000 mtu per month, showcasing the resilience of the flowsheet to variable feed conditions.

Operating and Financial Review continued

Overall, FY2025 demonstrated the ability of the operation to balance ore feed variability with processing discipline, consistently sustain high throughput, and recover record volumes of tungsten concentrate. The year's performance not only highlighted operational maturity but also underscored the site's potential to build further production gains as additional upgrades and higher-grade ore zones are accessed in the next mining phase.

Plant Improvements and Optimisation

FY2025 was marked by a comprehensive program of process improvements and equipment upgrades at the Barruecopardo plant. These initiatives targeted the full processing chain, from crushing and ore sorting through to gravity and fines recovery and were underpinned by a strategy to both improve immediate recovery performance and establish the foundations for long-term expansion. By year-end, Saloro had delivered a step-change in plant stability, recovery efficiency, and capacity readiness, with every circuit benefitting from targeted upgrades.

Crushing and Ore Sorting

The front end of the plant saw extensive optimisation work designed to increase throughput, stabilise feed, and prepare for a major expansion of ore sorting capacity. Collaboration with Metso enabled fine-tuning of crusher settings and operating parameters, significantly improving crushing efficiency. The introduction of continuous feed strategies smoothed material flow and ensured consistent utilisation of the Ore Sorter, while calibrated crusher adjustments lifted sorter throughput above 100 tonnes per hour — a meaningful improvement in productivity.

The Ore Sorters themselves underwent a series of upgrades, including modifications to allow for larger feed sizes and refined classification systems. These enhancements improved liberation, reduced bypass material, and contributed to better downstream performance in both the gravity and fines circuits. Complementing this, stockpile management was overhauled: ore stockpiles were repositioned closer to the crushing station, haulage routes were shortened, and new handling protocols prevented compaction and bridging. This translated into more stable crusher feed, reduced cycle times, and lower fuel and maintenance requirements on the haul fleet. Direct access from the control cabin to both crusher chambers has been enabled, allowing quicker intervention.

Pictured above: Stockpile showing a stockpile with multi-day feed buffer.

In parallel with plant upgrades, Saloro implemented a new Geostock model that reclassified stockpiles solely by WO_3 grade, eliminating impurity levels as control variables. Enabled by earlier flowsheet simplifications and process improvements, this approach has given the team greater flexibility in blending and processing. By systematically consuming and reclassifying legacy stockpiles, operations are not only stabilising plant feed but also laying the groundwork for more efficient blending strategies in the years ahead. Thanks to these initiatives the Crushing Plant throughput rose from around 200 tonnes per hour in January 2024 to 290 tonnes per hour at the end of March 2025.

Ore Sorter Plant Expansion

A major focus during FY2025 was the preparation for a significant expansion of the Ore Sorter Plant, culminating in the delivery of a third TOMRA XRT Ore Sorter shortly after year-end end of July. Supported by a new wet screening station and an independent hopper feed system, the expansion represents a step-change in Saloro's processing capability. Mechanical installation and electrical cabling are scheduled to be completed early August, with TOMRA technicians assisting in commissioning with full production expected by mid-August 2025.

Once operational, the additional Ore Sorter will expand ore sorting capacity by up to 50% in FY2026, equating to an additional 30,000–40,000 tonnes per month of throughput. More importantly, it will provide greater selectivity when processing variable ore sources, allowing both higher-grade ores and historic stockpiles to be treated with improved efficiency.

The introduction of the wet screening station will further enhance Ore Sorter performance by pre-washing feed and improving particle classification, ensuring misclassified material is redirected to the Gravity Plant rather than misplaced in the sorting circuit. This change not only raises recoveries, improve Ore Sorters operational capabilities but also reduces operating losses. In parallel, the installation of an independent feed hopper will increase the overall availability of the Ore Sorter Plant by allowing the new unit to operate standalone from the existing screening circuit, giving the operations team far greater flexibility.

Together, these upgrades mark a decisive step in Saloro's capacity expansion strategy. By lifting sorter throughput, enhancing classification, and improving feed flexibility, the project will underpin higher-grade feed into the Gravity Plant, stronger recoveries, and lower unit costs. With commissioning due in early FY2026, the Ore Sorter expansion is expected to deliver a material uplift in production and efficiency in the year ahead.

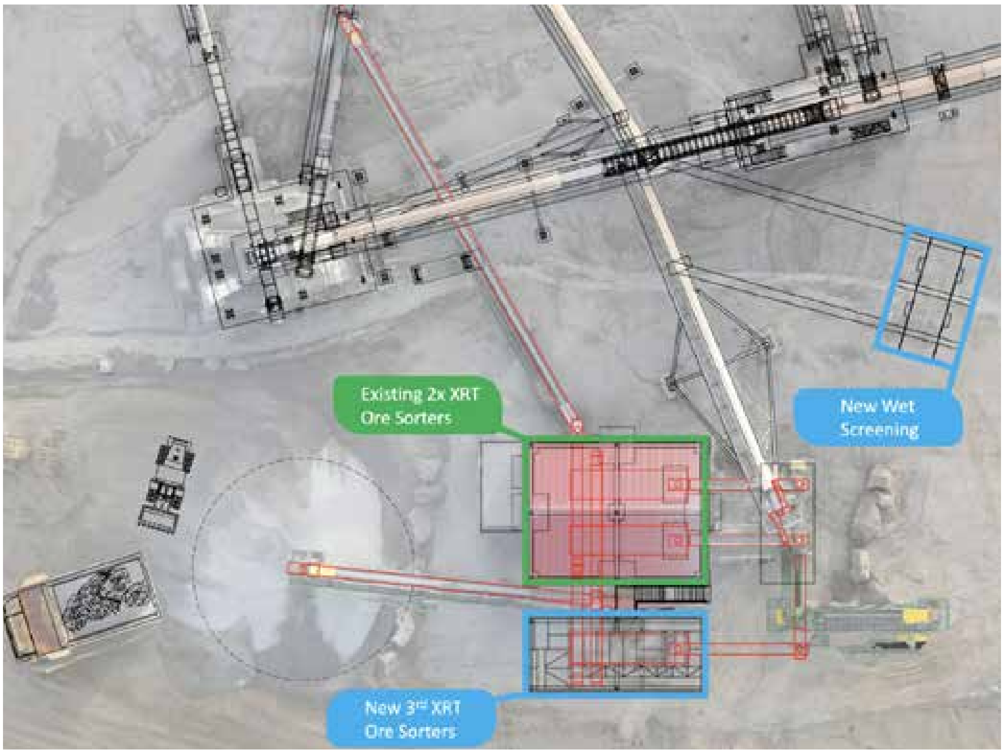
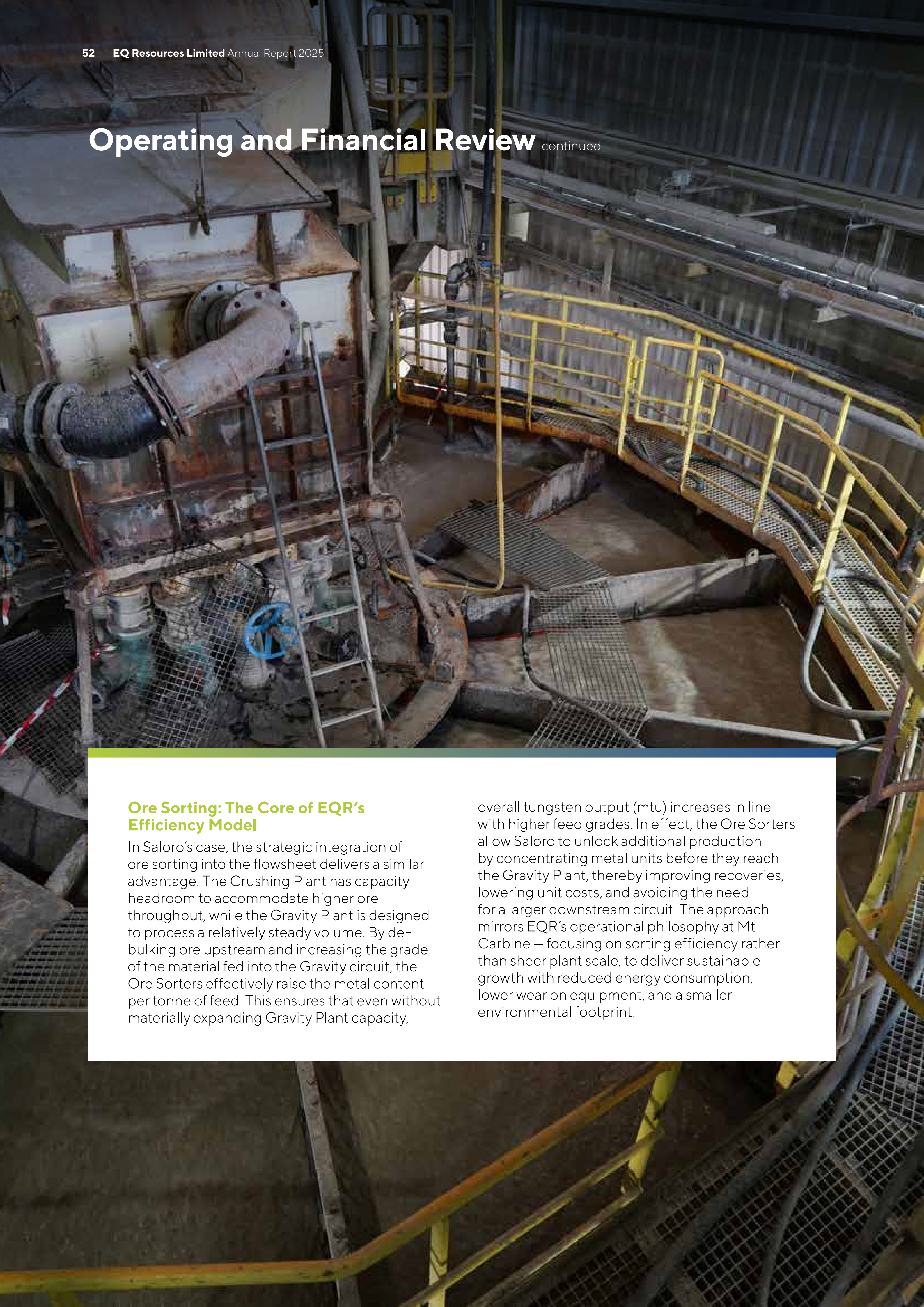


Figure above: Design sketch of the 3rd XRT Ore Sorter hangar and new wet screening station.

Pictured above left: the Ore Sorter distribution hopper installation progressing. Picture above right: the existing building containing the two ore sorters being extended to make room for the third ore sorter.

Operating and Financial Review continued



Ore Sorting: The Core of EQR's Efficiency Model

In Saloro's case, the strategic integration of ore sorting into the flowsheet delivers a similar advantage. The Crushing Plant has capacity headroom to accommodate higher ore throughput, while the Gravity Plant is designed to process a relatively steady volume. By de-bulking ore upstream and increasing the grade of the material fed into the Gravity circuit, the Ore Sorters effectively raise the metal content per tonne of feed. This ensures that even without materially expanding Gravity Plant capacity, overall tungsten output (mtu) increases in line with higher feed grades. In effect, the Ore Sorters allow Saloro to unlock additional production by concentrating metal units before they reach the Gravity Plant, thereby improving recoveries, lowering unit costs, and avoiding the need for a larger downstream circuit. The approach mirrors EQR's operational philosophy at Mt Carbine – focusing on sorting efficiency rather than sheer plant scale, to deliver sustainable growth with reduced energy consumption, lower wear on equipment, and a smaller environmental footprint.

Gravity Plant and Fines Recovery Circuits

Parallel to the crushing and sorting upgrades, Saloro undertook a wide-ranging program of improvements across the Gravity Plant and fines recovery circuits. The jigs were a central focus: these were fully refurbished with alumina refilling and new mechanical components, which restored them to near-original capacity and improved performance. Integration of cyclones into the spiral circuit rebalanced flows, reduced recirculation losses, and increased the stability of concentrate output. For further recovery improvements, additional scavenger jigs will be introduced early FY2026 to improve total metal recovery. Recommissioned jigs will be used for periodic cleaning of operational jigs.

A major modernisation effort replaced the plant's legacy quadruple shaking tables with modern double-deck Holman-Wilfley units. This transition increased both recovery efficiency and operational flexibility, as the double-deck design provided greater surface area while requiring less manual intervention. To further support the classification stages, a new multideck screen was commissioned during the year for better feed preparation. This not only reduced misplaced fines but also contributed to more consistent gravity circuit feed.

Picture above: The Multideck Screen being commissioned.

In the last quarter, the Company advanced its fines recovery capacity with the installation of Falcon concentrators, designed to target ultra-fine scheelite fractions that had historically proven challenging to recover with full commissioning expected for Q1FY2026. Early results have already demonstrated measurable improvements in capture of tungsten units in the sub-20 micron fraction. Alongside this, new coarse and fine shaking tables were introduced, further expanding the Gravity Plant recovery capacity and improving the plant's ability to extract tungsten across the full particle-size spectrum.

Upgrades extended into the flotation and ultra-fine treatment stages as well. Pump replacements improved reliability and reduced downtime in the flotation circuit, while reconfiguration of spiral-to-table flows balanced throughput and cut losses. A program of reagent optimisation, focusing on copper sulphate and PAX, delivered both performance and cost benefits, improving recovery rates while lowering overall reagent consumption.

Operating and Financial Review continued

Process Control and Monitoring

FY2025 also saw a step forward in digital process control. Real-time KPI monitoring tools were deployed across critical plant stages, providing operators with immediate visibility on recovery performance, throughput, and reagent dosing. This enabled faster decision-making and tighter operational control, particularly during periods of variable ore feed. The ability to dynamically respond to changes in feed grade and mineralogy reduced production volatility and underpinned steadier concentrate output.

Workforce Development and Safety

Alongside physical upgrades, Saloro invested heavily in workforce development. Structured training programs were introduced to standardise best practices across shifts, ensuring that operational improvements were embedded into daily routines and that knowledge transfer was seamless. This not only enhanced operator capability but also reduced variability between shifts, supporting more consistent plant performance.

Safety remained a guiding principle throughout the improvement program. All upgrades were designed with operator access, manual handling, and monitoring improvements in mind. Examples included easier access points for jig and screen maintenance, safer handling systems for reagents, and the integration of additional monitoring equipment to reduce reliance on manual sampling. Collectively, these measures reinforced Saloro's commitment to maintaining the highest safety standards while delivering operational excellence.

Positioning for FY2026

Taken together, the FY2025 improvement and expansion program represented one of the most comprehensive plant optimisation efforts undertaken since operations commenced. Each initiative – from refurbished jigs and upgraded spirals, to sorter expansions and new fines recovery equipment – contributed to improved recoveries, higher throughput stability, and reduced downtime. Importantly, the installation of the third TOMRA Ore Sorter, in combination with the optimised Gravity Plant fines capacity, positions the plant to achieve a step-change in production capability in FY2026. With these upgrades in place, Saloro enters the new financial year with a strengthened processing platform capable of sustaining higher and more consistent tungsten output under a wider range of feed conditions.

Picture above: The Falcon Concentrator prior to installation.

Picture above: Feed control and process monitoring helped plant optimisation and recovery improvements at Saloro.

Reserve & Resource Statement

Barruecopardo Mine Ore Reserve Update

Since mining recommenced in 2019, the Mineral Resource Estimates / Ore Reserve Statement were completed only on an internal basis, since the project was held by a private company. On 29th October 2024, EQR released an updated Ore Reserve Statement for its wholly owned Barruecopardo Mine in Spain, marking the first such statement under EQR ownership and following the JORC Code (2012) and JORC 2024 guidelines. This update confirmed sufficient reserves to sustain mining operations for a minimum of seven years, with potential for further extensions based on ongoing efficiency improvements and ore sorting optimisations. Geological programs and drilling campaigns are defined, aiming to expand the overall resource potential and work towards a further conversion of Mineral Resources to Ore Reserves.

ASX Announcement 29th October 2024: 'EQR Releases Barruecopardo Ore Reserve Update'

ASX Announcement 4th November 2024: 'Announcement Update'

This table below represents the Ore Reserve as of 30 June 2025, depleted for the actual mining that occurred from 1st July 2024 through 30th June 2025. The Ore reserve as of October 2024 is as described in the ASX statement dated 4th November 2024. The tonnes depleted for the actual mining have been calculated by regular topographic surveys, to which density factors have been applied to derive tonnes. These density factors are the same as described in the report for the reserves estimate dated 30 Jun 2024.

Reserve Category	Tonnes (Mt)	WO_3 (%)	Contained WO_3 (mtu)
Open Cut - Proven	5.69	0.152%	865,037
Open Cut - Probable	3.10	0.145%	448,982
Open Cut - Total	**8.80**	**0.156%**	**1,314,019**
Stockpile - Proven	0.24	0.173%	41,589
Stockpile - Probable			
Stockpile - Total	**0.24**	**0.103%**	**41,589**
All - Total	**9.04**	**0.150%**	**1,355,608**

Barruecopardo Mine Ore Reserve Estimated at 30th June 2025.

NOTES:

- This depletion has been conducted on block model "saloro_202310_res_rot_6x6x5_prod.mdl", which is equal to the one used in the above referenced reserve calculation.
- The single departure to the above method has been in regard to the estimate of a portion of the stockpile reserve quoted above. The majority of the tabled reserve for the stockpiles is based on the 30 June 2025 mine survey. A minor portion of this stockpile, known as the scalping stockpile, has had a further adjustment made to the mine survey result, based on the performance of the recently installed ore-sorting equipment.

Operating and Financial Review continued

EQR Tenement Interests

There has been changes in the Tenements list held by the Company and its controlled entities. The current tenement interests are disclosed below in accordance with ASX Listing Rule 5.3.3.

Location	Holding Entity	Beneficial Interest	Interest Acquired or Disposed	Area	Expiry date
Queensland, Australia					
ML 4867	Mt Carbine Quarries Pty Ltd	100%	N/A	358.5 ha	31/07/2041
ML 4919	Mt Carbine Quarries Pty Ltd	100%	N/A	7.891 ha	31/08/2041
EPM 14871	EQ Resources Limited	100%	N/A	10 sub-blocks	12/12/2025
EPM 14872	EQ Resources Limited	100%	N/A	21 sub-blocks	11/12/2025
EPM 28898	EQ Resources Limited	100%	17/6/2024	147 sub-blocks	17/6/2029
New South Wales, Australia					
EL 6648	EQ Resources Limited	100%	Disposed	4 Units	19/10/2026 1)
EL 8024	EQ Resources Limited	100%	Disposed	19 Units	29/11/2027 1)

ML = Mining Lease; **EPM** = Exploration Permit for Mineral (Qld); **EL** = Exploration License (NSW)

1) Sozo Farm-in arrangement.

Location	Holding Entity	Beneficial Interest	Interest Acquired	Area	Expiry date	Granting
Salamanca, Spain						
C.E. Barruecopardo, 6.432-10	Saloro, SLU	100%	18/1/2024	2,100 Ha	1/11/2041	20/11/2014
P.I. Saldeana 1a Fracción, 6.432-11	Saloro, SLU	100%	18/1/2024	29,300 Ha	13 Aug.*	13/08/2001
P.I. Saldeana 2a Fracción, 6.432-12	Saloro, SLU	100%	18/1/2024		13 Aug.*	13/08/2001
P.I. Milano, 6.432-20	Saloro, SLU	100%	18/1/2024	29,000 Ha	13 Aug.*	13/08/2011
P.I. Cortegana, 6.570	Saloro, SLU	100%	18/1/2024	16,700 Ha	14 Nov.*	14/11/2006
P.I. Almonaster, 6.572	Saloro, SLU	100%	18/1/2024	4,300 Ha	14 Nov.*	14/11/2006
P.I. Aracena, 6.649	Saloro, SLU	100%	18/1/2024	5,300 Ha	30 Oct.*	30/10/2008
P.I. Brincones, 6.834	Saloro, SLU	100%	18/1/2024	6,100 Ha	7 May*	07/05/2013

C.E. = Mining Lease; ***P.I.** = Exploration Permit which is renewed annually.

Note: EL 6648 & EL 8024: Sale agreed, and transfer lodged, pending registration as at Financial Year End. EPM 27394: Disposed.

Competent Person's Statement – Mt Carbine Ore Reserves

EQ Resources' exploration and Resource work is being managed by Mr Tony Bainbridge, AusIMM. (No 112770) Mr Bainbridge is engaged as a contractor by the Company and is not "independent" within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Bainbridge has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in JORC Code 2012.

The technical information contained in this announcement relating exploration results are based on, and fairly represents, information compiled by Mr Bainbridge and geologist under Mr Bainbridge's supervision. Mr Bainbridge has verified and approved the data disclosed in this annual report, including the sampling, analytical and test data underlying the information. The Mineral Resource Estimate and Reserves as shown in this report has been prepared by Mr Bainbridge and consented to the inclusion in this release of the matters based on his compiled information in the form and context in which it appears in this announcement. Mr Bainbridge statement is available in appendix of this report

Competent Person's Statement – Saloro Barruecopardo Mine Ore Reserves

The information in this report is extracted from the statement named "Barruecopardo Scheelite Mine - Annual Ore Reserves Statement June 2025" in appendix of this report has been prepared by Mr Jesus Maria Montero Gonzalez, Principal Mining Consultant and Director of Mining Sense Global SL. Mr Montero has contributed to previous Ore Reserve estimates for Barruecopardo, and has provided professional serves to the operation over many years. Mr Montero is a qualified Mining Engineer, (MSc Mining Eng., Universidad Politécnica de Madrid - Spain), has over 23 years of experience and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) MAusIMM 3111131. Mr Montero has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Montero consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Neither Mr Montero or Mining Sense Global SL has any material interest or entitlement, direct or indirect, in the securities of EQ Resources Limited or any associated companies.

Mr. Montero and the Mining Sense Global SL team have been working for Saloro during the last 6 years by providing consulting expertise in mine design and mine schedule for medium and long terms.

Witness of tis statement is Hugh Thompson. Mr Thompson as Competent Persons is an accomplished mining professional with 40 years of experience in the feasibility, design, and operations of mining projects in Australia, Asia-Pacific, Africa and South America. Mr Thompson led numerous multi-discipline projects, working with professionals from backgrounds such as Environmental, Community, Geology, Mining, Processing, Infrastructure and Corporate aspects of projects. He has a B. Eng (mining), and a Grad. Dip (Finance). He is both a Fellow of the AusIMM (FAusIMM (CP Mining) 111 573) and a CP mining. He holds First Class Mine Managers Certificates for; Western Australia, Queensland and Papua New Guinea. Mr Thompson has known Mining Sense Global SL professionally for 10+ years.

Financial Report

The Directors of EQ Resources present their report on the consolidated entity (Group), consisting of EQ Resources and the entities it controlled at the end of, and during, the financial year ended 30 June 2025.

Contents

Directors' Report

The Directors of EQ Resources Limited ("EQ Resources" or "the Company") present their report on the consolidated entity (Group), consisting of EQ Resources and the entities it controlled at the end of, and during, the financial year ended 30 June 2025.

Directors

The following persons were Directors of EQ Resources during the whole of the financial year and up to the date of this report unless otherwise stated:

- Oliver Kleinhempel, Executive Chairman (Appointed: 1 April 2025)
- Craig Richard Bradshaw, Independent Non-executive Director (Appointed: 1 May 2025)
- Stephen Layton, Independent Non-executive Director
- Richard Morrow, Independent Non-executive Director (Retired: 30 June 2025)
- Stephen Weir, Non-executive Director
- Zhui Pei Yeo, Non-executive Director

Company Secretary

Melanie Leydin

Principal Activities

The principal activities of the Group during the 2025 financial year focused on the following:

- Acquisition of the remaining 50% interest in the Mt Carbine Retreatment Joint Venture from Cronimet Australia Pty Ltd on 1 July 2024 securing 100% of the Joint Venture assets to fully capture the value of the Group's processing and mining operations at Mt Carbine.
- Transitioning from a cost-plus to owner-operator mining model at Mt Carbine to achieve cost savings, operational control and mining flexibility.
- Targeted optimisation measures at Saloro's tungsten operations in Spain focusing on comprehensive metallurgical and operational growth strategies to identify efficiency gains and longer-term performance improvements.
- Securing funding for the Group's operations and undertaking activities to advance the Mt Carbine and Barruecopardo projects, which included:
  - Five (5) long-term offtake agreements covering the next 24 months production from both operations in Australia and Spain for an estimated total of US$124m, representing volumes of 470 containers with each container holding 20 metric tonnes of 50% WO_3 concentrate.
- The continuation of focused drilling programs to further define the Mt Carbine Tungsten resource.
- The continued assessment of the exploration potential of the Group's tungsten tenements in Far North Queensland.

The Group also continues to evaluate other corporate and exploration opportunities within the new economy and critical minerals sector.

Results

The net result of operations for the consolidated entity after applicable income tax expense was a loss of $39,228,351 (2024: restated loss of $14,425,051).

Dividends

No dividends were paid or proposed during the period.

Operating & Financial Review

Information on the operations and financial position of the Group and its business strategies and prospects for future financial years is set out earlier in this Annual Report. The auditors have issued an unqualified opinion.

Corporate Structure

EQ Resources is a limited company that is incorporated and domiciled in Australia.

Significant Changes

Significant changes in the state of affairs of the Group for the financial year were as follows:

(a) EQR executed a definitive agreement to acquire Cronimet's joint venture interest (being the remaining 50% not yet owned by EQR in the Mt Carbine Retreatment Joint Venture under which EQR will assume all joint venture assets, obligations, including offtake obligations as from 1 July 2024. As part of the transaction, EQR issued new ordinary shares at $0.09 per share (representing a ~100% premium to the 15 days VWAP) to Cronimet, equal to a total of US$7.5million. Refer ASX announcement "Final Agreement to Acquire Mt Carbine JV from Cronimet" dated 5 July 2024.

(b) The results of a further 37 holes of Infill RC Drilling at 10m spacing in the Main Vein Packages of the Andy White Open Pit at Mt Carbine confirmed the main mineralised level of the deposit was being consistently intersected starting at 295-305m RL. Refer ASX Announcement "High-Grade drilling result at Mt Carbine" dated 29 July 2024.

(c) The transitioning from a cost-plus to owner-operator mining model at Mt Carbine during August 2024 to achieve cost savings, operational control and mining flexibility while upskilling EQR's local workforce. Refer ASX Announcement "Mt Carbine mine Transitions to Owner-Operator Mining" dated 16 August 2024.

(d) The Mt Carbine Operations hiting a new monthly production record of 9,040 mtu (WO_3 in concentrate) for August 2024, with a new 24-hour period record of 571 mtu (WO_3 in concentrate). The Saloro Operations also recorded a monthly production record of 9,018 mtu (WO_3 in concentrate) for the same period. Refer ASX Announcement "Mt Carbine and Saloro Operations Hit New Production Records" dated 6 September 2024.

    These records resulted in the Group recording a new monthly production record of 20,721 mtu (WO_3 in concentrate) for September 2024, with the daily production records at both operations being reset at 641 mtu at Mt Carbine and 518 mtu at Saloro. The expanded production in September 2024 represented an overall 51% increase of tungsten output compared to the average monthly out recorded in Q4 FY 2024. Refer ASX Announcement "Quarterly Tungsten Production at EQ Resources up 31%" dated 2 October 2024.

(e) The commencement of on-site scoping work for the redevelopment of the Wolfram Camp mine. Refer ASX Announcement "EQR Identifies 5 Exploration Targets for Wolfram Camp" dated 7 October 2024.

    Preliminary results from bulk sample testing conducted at the Wolfram Camp mine are detailed in ASX Announcement "EQR Progresses Regional Tungsten Hub Strategy" dated 13 June 2025.

(f) The securing of $250,000 in funding through the Queensland Government's Mining Equipment, Technology and Services (METS) Collaborative Project Fund to initiate advanced XRT ore sorting trials to assess the viability of redeveloping the historic Wolfram Camp tungsten mine. Refer ASX Announcement "Government Grant for Ore Sorter Trials at Wolfram Camp" dated 15 October 2024.

(g) Updated Ore Reserve Statement released for the Barruecopardo Mine in Spain indicating the potential for sustained mine life over at least the next 7 years. Refer ASX Announcement "EQR Releases Barruecopardo Ore Reserve Update" dated 29 October 2024 and "Updated Announcement of Barruecopardo Ore Reserves" dated 4 November 2024.

(h) The execution of a binding Heads of Agreement (HoA) to acquire 100% of the shares in Tungsten Metals Group Limited (a public listed company) and its subsidiaries, and separately Mr George Chen's interest (being any and all shares) in Asia Tungsten Productions Co Ltd. The TMG Group is the owner and operator of the largest and most advanced ferrotunsten (FeW) plant outside of China, with the potential to produce 4,000 tpa of FeW. The facility is located in Vinh Bao, Haiphong Province. (Refer ASX Announcement "EQR to Acquire 100% interest in Tungsten Metals Group" dated 18 November 2024.

Under the HoA, the parties agreed to an exclusivity period, ending 31 January 2025, for each party to complete due diligence and enter into definitive agreements. Whilst the parties have undergone a detailed due diligence process, the definitive agreements are yet to be executed. Accordingly, the exclusivity period has expired, however discussions are continuing. Refer ASX Announcement "EQR Provides Update to Ferrotungsten Producer Acquisition" dated 14 February 2025.

(i) Leading US-owned and fully integrated tungsten manufacturer, Elmet Technologies LLC, and EQR have agreed to a strategic collaboration involving a multi-year offtake contract. As part of this arrangement, a basic framework was agreed under which Elmet will purchase tungsten concentrate from EQR with an estimated value of $30 million (at current market prices) over a 5-year period. Elmet secured this offtake allocation through an advance payment of $2 million to EQR. Refer ASX Announcement "Strategic Collaboration agreed with Elmet Technologies" dated 2 September 2024 and "Elmet Agreement Executed / Saloro Record Monthly Production" dated 12 November 2024 for details on the execution of the definitive supply agreement.

(i) The securing of a $3 million investment by Brisbane based global energy and steelmaking commodity trader, Square Resources Holding Pty Ltd, through the issue of 3,000,000 convertible notes at a face value of $1, 1-year term and 9% interest being payable in cash upon redemption or in shares upon conversion of the notes. The conversion price of the notes is $0.075 per ordinary share, a 47% premium to the last close on 27 November 2024. Refer ASX Announcement "EQR Secures $3M Investment from Square Resources" dated 29 November 2024.

(j) The decision not to accept the revised terms of an extension of the loan facility with Queensland Investment Corporation for a three-year interest-bearing $20 million funding facility. Refer ASX Announcements "QIC approves $20M funding for Mt Carbine Tungsten Mine Expansion" dated 8 May 2024 and "EQR revises funding approach for Mt Carbine expansion" dated 2 December 2024.

(k) Increase in contributed equity of $31,280,135 (before share issue costs):

	Date	Number of Shares	Issue Price	$
Issue of 127,323,657 shares @ $0.0900 per share to Cronimet Asia Pty Lte as consideration to acquire the Mt Carbine Retreatment Joint Venture Interest under a voluntary escrow restriction for 12 months (refer ASX Announcement dated 5 July 2024 and 29 July 2024)	29/07/2024	127,323,657	$0.0900	11,459,129
Issue of 39,304,733 shares @ $0.045 to Director ZP Yeo as approved by shareholders at the EGM on 29 July 2024 (refer ASX announcement dated 14 August 2024)	14/08/2024	39,304,733	$0.0458	1,798,570
Issue of 5,111,111 shares @ $0.0450 per share to Directors as approved at the Company's EGM on 29 July 2024 (refer ASX announcement dated 14 August 2024)	14/08/2024	5,111,111	$0.0450	230,000
Issue of 542,384 shares @ $0.0496 per share for Senior Financial Advisor Service Fees (refer ASX announcement dated 5 November 2024)	05/11/2024	504,485	$0.0496	25,022
Issue of 97,500,000 shares @ $0.0400 per share to sophisticated investors (refer ASX announcement dated 13 December 2024 and 24 December 2024)	24/12/2024	97,500,000	$0.0400	3,900,000
Issue of 25,000,000 shares @ $0.04000 per share to sophisticated investors (refer ASX announcement dated 7 February 2025)	07/02/2025	25,000,000	$0.0400	1,000,000

Directors' Report continued

	Date	Number of Shares	Issue Price	$
Issue of 224,700,008 shares @ $0.03500 per share to sophisticated investors (refer ASX announcement dated 28 May 2025)	27/05/2025	224,700,008	$0.0350	7,864,514
Issue of 29,372,673 shares @ $0.03500 per share to a loan provider in satisfaction of a $1.03 million loan (refer ASX announcement dated 28 May 2025)	28/05/2025	29,372,673	$0.0350	1,028,046
Issue of 62,967,142 shares @ $0.03500 per share to sophisticated inventors (refer ASX announcement dated 29 May 2025)	29/05/2025	62,967,142	$0.0350	2,203,854
Issue of 50,599,919 shares @ $0.03500 per share to sophisticated inventors (refer ASX announcement dated 23 June 2025)	23/06/2025	50,599,919	$0.0350	1,771,000
TOTAL				**31,280,135**

(l) The following changes in the leadership team:

- Kevin MacNeill (CEO of the EQR Group) transitioning into a new role as Chief Technical Officer effective from 1 April 2025. Refer ASX Announcement "Changes in Leadership Team in line with Growth Strategy" dated 14 January 2025.
- Oliver Kleinhempel appointed as Executive Chairman from 1 April 2025. Refer ASX Announcement "EQR Expands Leadership Team" dated 1 April 2025.
- Jonathan Kort appointed as Chief Financial Officer from 1 June 2025. Refer ASX Announcement "EQR Appoints Chief Financial Officer" dated 5 May 2025.

(m) Third XRT Ore Sorter ordered and related infrastructure upgrades at the existing Ore Sorter Plant at the Saloro Operations implemented during Q2CY25. Refer ASX Announcement "Saloro to Expand XRT Sorting Capacity by 50%" dated 17 February 2025.

(n) Five long-term offtake agreements secured covering the next 24-month production from both operations in Australia and Spain for an estimated total of US $124m, representing volumes of 470 containers with each container holding 20 metric tonnes of 50% WO_3 concentrate. Refer ASX Announcement "EQR Signs 5 Long-term Offtake Agreements for next 24 months" dated 19 March 2025.

(o) Oaktree Capital Management L.P. agreeing to extend current financing guarantees for Saloro until the end of 2025. Refer ASX Announcement "Saloro Credit Facilities in Process of Extension" dated 15 May 2025.

(p) The settlement of a €5 million debt facility by Saloro in line with the debt security extension and roll-over of certain debt facilities. Refer ASX Announcement "Saloro Debt Repayment of 5 Million Euro Completed" dated 16 June 2025.

(q) Letter of Interest to support the Mt Carbine Tungsten Expansion Project from the Export-Import Bank of the United States to consider a 10-year debt facility of up to US $34 million for the capital expansion and further development of the Mt Carbine Tungsten Mine. Refer ASX Announcement "US EXIM Issue Letter of Interest for Mt Carbine" dated 27 June 2025.

Directors' Interests in Shares, Options and Performance Rights

Director	Shares Directly & Indirectly Held	Options Directly & Indirectly Held	Performance Rights Directly & Indirectly Held
O. Kleinhempel	23,144,711	8,682,870	-
C.R. Bradshaw	1,107,142	-	-
S. Layton	55,431,559	3,312,500	-
R.D. Morrow	7,943,852	3,534,722	-
S. Weir	3,079,364	3,740,741	-
Z.P. Yeo	114,469,582	16,784,448	-

Directors' interests in shares, options and performance rights as at 30 June 2025 are set out under Section (e) of the Remuneration Report.

Company Secretary

Melanie Leydin

Ms Leydin has over 25 years' experience in the accounting profession and over 15 years as a Company Secretary with extensive experience in relation to Public Company responsibilities. Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law, is a member of the Chartered Accountants Australia and New Zealand, Fellow of the Governance Institute of Australia and Registered Company Auditor. Ms Leydin graduated from Swinburne University in 1997, became a Chartered Accountant in 1999, and since February 2000 has been the Principal of Leydin Freyer Corp Pty Ltd. Following Leydin Freyer's acquisition by Vistra Australia in November 2021, Ms Leydin now holds the position of Australian Managing Director of Vistra Australia, which provides outsourced Company Secretarial and accounting services to public and private companies across a host of industries.

Meetings of Directors

During the financial year, eight (8) Board Meetings, four (4) Audit & Risk Committee Meetings and three (3) Remuneration & Nomination Committee Meeting were held.

Director	Meetings Eligible to Attend	Meetings Attended
O. Kleinhempel	12	12
C.R. Bradshaw	1	1
S. Layton	11	11
R.D. Morrow	15	15
S.R. Weir	15	15
Z.P. Yeo	15	15

The following table sets out the number of meetings of committees of Directors held during the financial year and the number of meetings attended by each Director (while they were a committee member):

	Remuneration & Nomination Committee		Audit & Risk Committee	
Director	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended
O. Kleinhempel	-	-	-	-
C.R. Bradshaw	-	-	-	-
S. Layton	3	3	-	-
R.D. Morrow	3	3	4	4
S.R. Weir	3	3	4	4
Z.P. Yeo	3	3	4	4

Share Options and Performance Rights

Whilst no Performance Rights were granted during the reporting period, Share Options were granted, as remuneration, to Key Management Personnel of the Group.

There are 466,341,177 unissued ordinary shares of EQ Resources under vested options at the date of this report, 41,055,281 of which relate to options issued to Key Management Personnel. Refer to Remuneration Report for further details.

Remuneration Report - Audited

This report for the year ended 30 June 2025 outlines the Group's remuneration arrangements per the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited in accordance with section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements of Key Management Personnel (KMP), who are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'Executive' includes the executive directors, senior executives and general managers of the Group, whilst the term 'NED' refers to Non-Executive Directors only.

The Remuneration Report is set out under the following main headings:

(a) Policy Used to Determine the Nature and Amount of Remuneration;

(b) Key Management Personnel;

(c) Details of Remuneration;

(d) Cash Bonuses;

(e) Equity Instruments;

(f) Options and Performance Rights Granted as Remuneration;

(g) Equity Instruments Issued on Exercise of Remuneration Options or Rights;

(h) Service Agreements; and

(i) EQ Resources' Financial Performance.

(a) Policy Used to Determine the Nature and Amount of Remuneration

The objective of the Company's remuneration framework is to ensure that the reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

These criteria result in a framework that can provide a mix of fixed and variable remuneration and a blend of short and long-term incentives in line with the Company's financial resources.

Fees and payments to the Company's Non-executive Directors and senior executives reflect the demands made on and the responsibilities of the directors and senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-executive Directors, senior executives and officers are entitled to receive performance rights, options and/or shares under the Company's Equity Incentive Plan, approved by shareholders at the General Meeting held on 26 November 2020.

Fees for Non-executive Directors are not linked to the performance of the Group.

Use of Remuneration Consultants

The Group has not used any remuneration consultants during the year.

Voting and Comments made at the Group's 2024 Annual General Meeting

The Group received votes against its Remuneration Report for the 2024 financial year; however, it did not receive any specific feedback on its remuneration practices at the 2024 Annual General Meeting or during the year.

(b) Key Management Personnel

The following persons were Key Management Personnel of the Group during the 2025 financial year:

	Position	Appointment	Resignation
Directors			
O. Kleinhempel	Non-executive Director Executive Chairman	12 August 2019 1 April 2025	-
C.R. Bradshaw	Independent Non-executive Director	1 May 2025	-
S. Layton	Independent Non-executive Director	14 November 2017	-
R.D. Morrow	Independent Non-executive Director	16 March 2021	30 June 2025
S.R. Weir	Non-executive Director	19 January 2024	-
Z.P. Yeo	Non-executive Director	12 August 2019	-
Executives			
K.B. MacNeill	Interim Chief Executive Officer & Senior Technical Advisor Chief Executive Officer Chief Technical Officer	4 May 2020 1 April 2021 1 April 2025	- 1 April 2025 -

(c) Details of Remuneration

Directors are entitled to remuneration out of the funds of the Company, but the remuneration of the Non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the non-executive directors has been fixed at a maximum of $400,000 per annum, which will be apportioned among the non-executive directors in the manner they determine. Directors are also entitled to be paid reasonable travel, accommodation, and other expenses incurred due to their attendance at Board Meetings and otherwise in executing their duties as Directors.

Details of the nature and amount of each element of the remuneration of each of the Key Management Personnel of the Company and the consolidated entity during the year ended 30 June 2025 are set out in the following tables:

Directors' Report continued

2025	Short-term benefits						Share-based payments			
	Salary & fees $	Cash Bonuses $	Non-monetary benefits $	Superannuation $	Leave provisions $	Post-employment benefits $	Shares $	Performance rights and options[1] $	Total $	% Performance based
Directors				-						
O. Kleinhempel[1]	60,000	-	-	-	-	-	-	178,192	238,192	74.8%
C.R. Bradshaw[2]	8,000	-	-	-	-	-	-	-	8,000	0.0%
S. Layton	48,000	-	-	-	-	-	-	66,822	114,822	58.2%
R. Morrow[3]	48,000	-	-	-	-	-	-	66,822	114,822	58.2%
S. Weir	-	-	-	-	-	-	-	66,822	66,822	100.0%
Z.P. Yeo	48,000	-	-	-	-	-	-	66,822	114,822	58.2%
Executives										
K.B. MacNeill[4]	300,000	-	24,215	29,932	38,791	-	-	136,207	529,145	25.7%
A. Mooney[5]	87,692	-	-	10,085	-	6,921	-	-	104,698	0.0%
J. Kort[6]	36,154	20,000	-	4,158	1,472	-	-	-	61,784	0.0%
Total KMP compensation	**635,846**	**20,000**	**24,215**	**44,175**	**40,263**	**6,921**	**-**	**581,687**	**1,353,107**	

[1] O. Kleinhempel appointed as Executive Chairman on 1 April 2025.
[2] C. Bradshaw appointed as Non-executive Director on 1 May 2025.
[3] R. Morrow resigned as Non-executive Director on 30 June 2025.
[4] K. MacNeill transitioned from Chief Executive Officer to Chief Technical Officer on 1 April 2025.
[5] A. Mooney appointed as Chief Financial Officer on 21 October 2024 and resigned on 3 February 2025.
[6] J. Kort appointed as Chief Financial Officer on 1 June 2025.

2024	Short-term benefits						Share-based payments			
	Salary & fees $	Cash Bonuses $	Non-monetary benefits $	Superannuation $	Leave provisions $	Post-employment benefits $	Shares $	Performance rights and options[1] $	Total $	% Performance based
Directors				-						
O. Kleinhempel	48,000	-	-	-	-	-	-	-	48,000	0.0%
S. Layton	48,000	-	-	-	-	-	-	-	48,000	0.0%
R. Morrow	48,000	-	-	-	-	-	-	-	48,000	0.0%
Z.P. Yeo	48,000	-	-	-	-	-	-	-	48,000	0.0%
Executives										
K.B. MacNeill[4]	300,000	-	15,661	-	42,892	-	-	29,651	388,204	7.6%
Total KMP compensation	**492,000**	**-**	**15,661**	**-**	**42,892**	**-**	**-**	**29,651**	**580,204**	

Performance rights and options do not represent cash payment to Directors or senior executives, and performance rights/options granted may or may not be exercised by the Directors or executives.

(d) Cash Bonuses

A sign-on Bonus of $20,000 was paid to Chief Financial Officer, J. Kort.

(e) Equity Instruments

The Company rewards Directors and executives for their performance and aligns their remuneration with the creation of shareholder wealth by issuing shares, options or performance rights. Share-based compensation is at the discretion of the Board, and no individual has an unconditional contractual right to participate in any share-based plan or receive any guaranteed benefits.

(i) Shareholdings

The trading of shares issued pursuant to the Company's Equity Incentive Plan is subject to the Company's Securities Trading Policy. Key Management Personnel and employees are encouraged not to trade shares granted to align the Director, Key Management Personnel and employee interests with all shareholders' interests. Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by Key Management Personnel and their related parties are as follows:

30 June 2025	Balance at 1 July 2024	Granted as compensation	Received on exercise of Performance Rights / Options	Other Changes	Balance at 30 June 2025	Balance held nominally
Directors						
O. Kleinhempel	22,033,600	-		1,111,111	23,144,711	-
C.R. Bradshaw	-	-	-	1,107,142	1,107,142	
S. Layton	55,431,559	-	-	-	55,431,559	-
R. Morrow	6,991,471	-	-	952,381	7,943,852	-
S. Weir	-	-	-	3,079,364	3,079,364	-
Z.P. Yeo	73,482,310	-	-	40,987,272	114,469,582	-
Executives						
K.B. MacNeill	3,471,789	-	-	(250,000)	3,221,789	-
A. Mooney	-	-	-	-	-	-
J. Kort	-	-	-	-	-	-
	161,410,729	**-**	**-**	**46,987,270**	**208,397,999**	**-**

(ii) Options and Performance Rights Holdings

Details of options and performance rights held directly, indirectly or beneficially by Key Management Personnel and their related parties during the financial year are as follows:

30 June 2025	Balance 1 July 2024	Granted	Lapsed / Cancelled	Exercised	Balance 30 June 2025	Total vested and exercisable	Total unvested & unexercisable
Directors							
O. Kleinhempel	312,500	8,370,370	-	-	8,682,870	8,682,870	-
C.R. Bradshaw	-	-	-	-	-	-	-
S. Layton	312,500	3,000,000	-	-	3,312,500	3,312,500	-
R. Morrow	312,500	3,222,222	-	-	3,534,722	3,534,722	-
S. Weir	-	3,740,741	-	-	3,740,741	3,740,741	-
Z.P. Yeo	312,500	16,471,948	-	-	16,784,448	16,784,448	-
Executives							
K.B. MacNeill	1,000,000	8,000,000	-	-	9,000,000	5,000,000	4,000,000
A. Mooney	-	6,000,000	(6,000,000)	-	-	-	-
J. Kort	-	-	-	-	-	-	-
	2,250,000	**48,805,281**	**(6,000,000)**	**-**	**45,055,281**	**41,055,281**	**4,000,000**

Directors' Report continued

(iii) Loans to Key Management Personnel

No loans have been made to Key Management Personnel of the consolidated Group, including their personally related entities during the reporting period.

(iv) Other Transactions and Balances

No transactions were entered into with Key Management Personnel during the financial year other than those disclosed in Note 36 (b).

(f) Options and Performance Rights Granted as Remuneration

The Company granted the following options to Key Management Personnel of the Group during the reporting period as part of their remuneration:

30 June 2025	Number of granted options	Grant date	Expiry date	Fair Value per Option at the grant date	Total fair value of options	Share-Based Payments Forfeited	Share-Based Payments Expensed 2025 year	Share-Based Payments IFRS 2 Not yet expensed
Directors								
O. Kleinhempel	8,000,000	20/12/2024	29/11/2027	$0.02227	178,192	-	178,192	
C.R. Bradshaw	-	-	-	-	-	-	-	-
S. Layton	3,000,000	20/12/2024	29/11/2027	$0.02227	66,822	-	66,822	
R. Morrow	3,000,000	20/12/2024	29/11/2027	$0.02227	66,822	-	66,822	
S. Weir	3,000,000	20/12/2024	29/11/2027	$0.02227	66,822	-	66,822	
Z.P. Yeo	3,000,000	20/12/2024	29/11/2027	$0.02227	66,822	-	66,822	
Executives								
K.B. MacNeill	8,000,000	20/12/2024	29/11/2027	$0.02227	178,192	-	136,207	41,985
A. Mooney	6,000,000	20/12/2024	29/11/2027	$0.02227	133,644	133,644	-	-
J. Kort	-	-	-	-	-	-	-	-
	34,000,000				757,316	133,644	581,687	41,985

(g) Equity Instruments Issued on Exercise of Remuneration Options or Rights

No equity instruments were issued during the 2025 financial year to Key Management Personnel as a result of options exercised that had previously been granted as remuneration.

(h) Service Agreements

Remuneration and other terms of employment for the Key Management Personnel are formalised in Service/Appointment Agreements. All contracts may be terminated by either party with regards to the stipulated notice period, subject to any termination payments as detailed below.

Directors

O. Kleinhempel

There is a written agreement with Mr Kleinhempel dated 12 August 2019 in his role as Non-executive Director of the Company and a subsequent agreement dated 1 April 2025 as Executive Chairman. Cash payments and benefits totalling $60,000 were paid to Mr Kleinhempel during the 2025 financial year.

C. Bradshaw

There is a written agreement with Mr Bradshaw dated 26 March 2025 in his role as Non-executive Director of the Company. No cash payments nor benefits were paid to Mr Bradshaw during the 2025 financial year whilst $8,000 were outstanding at year end.

S. Layton

There is a written agreement with Mr Layton dated 9 November 2017 in his role as Non-executive Director of the Company. Cash payments and benefits totalling $43,600 were paid to Mr Layton during the 2025 financial year whilst $4,400 were outstanding at year end. The payments were made through Bodie Investments Pty Ltd, a company in which Mr Layton has a substantial interest.

R.D. Morrow

There is a written agreement with Mr Morrow dated 22 February 2021 in his role as Non-executive Director of the Company. Payments and benefits totalling $48,000 were paid to Mr Morrow during the 2025 financial year.

S.R. Weir

There is a written agreement with Mr Weir, appointed Nominee Director for Oaktree Capital Management, L.P. ("Oaktree"). Mr Weir's compensation is covered by Oaktree.

Z.P. Yeo

There is a written agreement with Mr Yeo dated 12 August 2019 in his role as Non-executive Director of the Company. Cash payments and benefits totalling $44,000 were paid to Mr Yeo during the 2025 financial year whilst $4,000 were outstanding at year end.

Executives

K.B. MacNeill

There was a written agreement with Mr MacNeill dated 1 April 2021 in his role as Chief Executive Officer. Mr MacNeill resigned from this position on 1 April 2025 and was appointed as Chief Technical Officer on the same day. The Company or Mr MacNeill may terminate the contract by giving three month's written notice. Mr MacNeill received cash payments and non-monetary benefits totalling $482,199 during the 2025 financial year.

(i) EQ Resources' Financial Performance

EQ Resources' financial performance for the five years to 30 June 2025 is summarised below, and the relationship between results and performance is discussed.

Year ended	Measure	2025	2024	2023	2022	2021
Net profit / (loss) after tax	$	(39,228,351)	(14,425,051)	(3,716,846)	(6,063,051)	(4,574,191)
Net assets	$	36,287,157	44,330,195	16,304,564	14,317,218	16,725,734
Cash and cash equivalents	$	1,874,492	3,489,532	5,335,596	1,723,426	3,504,721
Cash flows from operating activities	$	(16,916,689)	(12,703,554)	(1,392,628)	(3,112,770)	(3,816,722)
EBITDA	$	(21,590,401)	(5,169,194)	(829,258)	(4,478,339)	(3,947,550)
Share price at 30 June	$	$0.040	$0.048	$0.070	$0.047	$0.028
Basic earnings / (loss) per share	$	(1.70)	(0.85)	(0.26)	(0.45)	(0.39)

Financial Performance

The loss for the consolidated Group for the financial year after tax amounted to $39,228,351 (2024: restated loss of $14,425,051).

The Group has created value for shareholders through:

- Acquisition of the remaining 50% interest in the Mt Carbine Joint Venture from Cronimet Australia Pty Ltd on 2 July 2024 securing 100% of the Joint Venture assets to fully capture the value of the Group's processing and mining operations at Mt Carbine.
- Transitioning from a cost-plus to an owner-operator mining model at Mt Carbine to achieve cost savings, operational control and mining flexibility.

- Continued optimisation of the production processes and recoveries from the Gravity and XRT Sorter Plants at the Mt Carbine and Barruecopardo operations with a third XRT Sorter installed at the Barruecopardo operations during Q2CY2025.
- Securing funding for the Mt Carbine and Barruecopardo operations and undertaking activities to advance each project which included:
  - Five (5) long-term offtake agreements covering the next 24 months production from both operations in Australia and Spain for an estimated total of US $124m, representing volumes of 470 containers with each container holding 20 metric tonnes of 50% WO_3 concentrate.
- The continuation of focused drilling programs to further define the Mt Carbine Tungsten resource.

Financial Position

In accordance with the Company's accounting policy, the recoverability of the carrying amounts of Deferred Exploration and Evaluation Expenditures were reassessed during the 2025 financial year with an amount of $1,204,830 impairment being recognised. This amount relates to the costs associated with the mobilisation of the Golding plant and equipment that was removed from site upon the Group's transition to owner-operating mining at Mt Carbine during August 2024.

During the period exploration and evaluation expenses of $362,013 before amortisation and R&D Tax Offset, were capitalised. The carrying value of the exploration assets as at 30 June 2025 is $11,903,517 (2024: $14,922,119).

At 30 June 2025, the Group had a net working capital deficit of $96,768,984 (2024: $55,567,286). The deficit in net working capital is predominately due to:

- The recognition of $34,872,268 (2024: $40,226,904) of borrowings from the acquisition of Saloro on 18 January 2024. All borrowings are classified as current due to their renewal extensions falling within 12 months of reporting date;
- The recognition as short-term borrowings the advanced upfront Subscription Security payment of $8,735,000 from OCM Luxembourg Tungsten Holdings S.a.r.l. (Oaktree) prior to the issue of the Subscription Securities as part of the share placement on 22 May 2025. The loan is non-interest bearing unless the Company fails to satisfy the Subscription Approval by 31 August 2025, interest will accrue at a rate of 10% per year accruing daily.

  At the EGM held on 19 July 2025 shareholder approved the issue of 249,585,714 shares in full satisfaction of the short-term borrowings.
- The Company's growth initiatives being funded via short-term financing facilities such as equipment leases, government grants and trade payables.

It should be noted that:

- Whilst the offtake advance facility of $13,143,209 is classified as a current liability, due to the Company not having an unconditional right to defer settlement for at least 12 months after the reporting date, it is scheduled to be repaid over the life of the Mt Carbine Mine rather than within the next 12 months as depicted on the Statement of Financial Position.

During the year, the Company's issued share capital increased by $31,280,135 (before share issue costs). Refer to Significant Changes on Page 61 for further details.

Indemnification and Insurance of Officers and Auditors

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an Officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an Officer, including costs and expenses in successfully defending legal proceedings.

Insurance Premiums

During the financial period, the Company has paid premiums to insure each of the Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed, as such disclosure is prohibited under the terms of the insurance contract.

Audit and Non–Audit Services

During the financial year, the following fees for audit and non-audit services were paid or payable to Nexia Melbourne Audit Pty Ltd, Nexia Melbourne Pty Ltd and Deloitte, Spain:

	2025 $	2024 $
Audit-related services		
Amounts paid or payable:		
- Nexia Melbourne Audit Pty Ltd	137,950	176,245
- Deloitte, Spain[1]	224,424	25,671
Taxation services		
Amounts paid or payable:		
- Nexia Melbourne Pty Ltd	4,600	27,634
- Deloitte, Spain[1]	204,218	65,793
	571,192	**295,343**

[1] 2024 fees are for the period 18 January – 30 June 2024.

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

On the advice of the Audit Committee, the Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit Committee has reviewed all non-audit services to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the non-audit services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, is set out and located after the Director's Declaration and forms part of this report.

Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is displayed on the Company's website at https://www.eqresources.com.au/site/who-we-are/corporate-governance.

Signed this 30th day of September 2025 in accordance with a resolution of Directors.

Oliver Kleinhempel
Executive Chairman

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue	2	**66,082,006**	26,838,757
Other income	2	**1,706,650**	3,488,333
Total revenue & other income		**67,788,656**	30,327,090
Administration expenses		**(2,653,131)**	(1,915,748)
Consultancy expenses		**(542,468)**	(364,943)
Depreciation	10	**(10,182,356)**	(5,609,711)
Amortisation – deferred exploration & evaluation	11	**(1,854,950)**	(1,021,333)
Impairment – deferred exploration & evaluation	11	**(1,204,830)**	-
Impairment – asset acquisition	3	**(4,614,769)**	-
Development and testwork costs		**(1,592,814)**	(1,027,001)
Exploration expenses written-off		**(12,670)**	(16,063)
ESG initiatives		**(28,990)**	(49,650)
Finance costs		**(5,600,644)**	(2,624,813)
Foreign exchange gains		**180,102**	93,968
Occupancy expenses		**(1,436,075)**	(796,179)
Gain / (Loss) on disposal of fixed assets		**(620,151)**	2,718
Loss on disposal of exploration permits	11	**(320,835)**	-
Production expenses		**(68,305,974)**	(37,758,776)
Salaries and employee benefits expense - corporate		**(4,278,194)**	(3,191,388)
Superannuation – corporate		**(191,988)**	(133,641)
Share based payments	30	**(3,735,807)**	(3,539,925)
Travel and accommodation		**(99,191)**	(97,719)
Total expenses		**(107,095,735)**	(58,050,204)
Profit (Loss) before income tax expense		**(39,307,079)**	(27,723,114)
Income tax expense	4	**-**	-
Profit (Loss) after income tax expense		**(39,307,079)**	(27,723,114)
Other comprehensive income/(loss)			
Loss on revaluation of financial assets		**(773)**	(3,996)
Loss on lease modification		**(604,898)**	-
Loss on financial asset revaluation		**(1,006,729)**	1,698,278
Gain on extinguishment of financial liability	13	**1,691,128**	-
Bargain purchase gain	3	**-**	11,603,781
Total Comprehensive Profit / (Loss) Attributable to Owners of EQ Resources Limited		**(39,228,351)**	(14,425,051)
		Cents	Cents
Basic loss per share	16	**(1.70)**	(0.85)
Diluted loss per share	16	**(1.48)**	(0.76)

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 $	2024 $
Current Assets			
Cash assets	23(b)	**1,874,492**	3,489,532
Trade and other receivables	8	**7,303,775**	16,482,084
Prepayments	8	**1,652,205**	656,636
Inventory	5	**19,522,191**	17,145,002
Financial assets	6	**728,226**	840,973
Total current assets		**31,080,889**	38,614,227
Non-Current Assets			
Receivables	9	**1,737,710**	1,248,267
Property, plant and equipment	10, 21	**120,059,769**	87,228,272
Inventory	5	**22,151,643**	8,159,128
Deferred exploration and evaluation	11, 21	**11,903,517**	14,922,119
Financial assets	6	**2,338,486**	3,818,933
Total Non-Current Assets		**158,191,125**	115,376,719
Total Assets		**189,272,014**	153,990,946
Current Liabilities			
Trade and other payables	12, 29	**58,486,399**	42,647,114
Employee benefits	31	**1,392,208**	516,930
Lease liability	27, 29	**5,873,188**	1,324,113
Convertible notes	15, 29	**2,778,620**	-
Financial liabilities	26	**2,568,481**	1,294,812
Contract liability – offtake	24	**13,143,209**	4,906,401
Contract liability – sublease	24	**-**	1,466,669
Borrowings	25	**43,607,768**	42,025,474
Total Current Liabilities		**127,849,873**	94,181,513
Non-Current Liabilities			
Employee benefits	31	**136,697**	22,383
Lease liability	27, 29	**8,505,560**	1,823,620
Convertible notes	15, 29	**-**	549,012
Financial liabilities	26	**9,974,453**	10,819,849
Provisions	32	**2,511,647**	2,264,374
Borrowings	25, 29	**4,006,627**	-
Total Non-Current Liabilities		**25,134,984**	15,479,238
Total Liabilities		**152,984,857**	109,660,751
Net Assets		**36,287,157**	44,330,195
Equity			
Issued capital	14	**98,245,753**	68,338,429
Reserves		**13,718,575**	5,675,116
Accumulated losses		**(75,677,171)**	(29,683,350)
Total Equity		**36,287,157**	**44,330,195**

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash Flows from Operating Activities			
Proceeds from sales to customers		**70,308,480**	28,416,570
Proceeds from R & D tax offset		**-**	2,152,803
Proceeds from diesel fuel rebate		**1,500,270**	749,802
Proceeds from grants		**133,290**	651,411
Proceeds from other sources		**92,491**	9,242
Payment to suppliers and employees		**(85,936,331)**	(43,679,827)
Interest paid		**(2,091,172)**	(911,428)
Interest paid for lease liabilities		**(950,770)**	(150,111)
Interest received		**27,053**	57,984
Net Cash Flows Used in Operating Activities	23(a)	**(16,916,689)**	(12,703,554)
Cash Flows from Investing Activities			
Payments for the purchase of plant and equipment		**(2,002,351)**	(12,656,696)
Payments for other non-current assets		**(7,908,302)**	-
Payments for the capitalised exploration and evaluation expenditure		**(278,465)**	(1,880,376)
Payments for the purchase of other entities		**(1,236,376)**	(2,198,705)
Proceeds from the sale or disposal of plant and equipment		**50,605**	8,956
Payment of loan to other entities (unincorporated joint venture)		**-**	(2,122,550)
Payments for the purchase of tenements		**(2,499)**	-
Payments / proceeds for tenement security deposits		**-**	(50,000)
Net Cash Flows Used in Investing Activities		**(11,377,388)**	(18,899,371)
Cash Flows from Financing Activities			
Proceeds from the issue of shares		**25,704,870**	34,269,999
Proceeds from the issue of convertible notes		**3,000,000**	750,000
Proceeds from the issue of share options		**-**	2,495,744
Payments for share / convertible note issue costs		**(1,231,075)**	(430,748)
Proceeds from long-term loan facilities		**-**	259,860
Proceeds from short-term loan facilities (unincorporated joint venture)		**-**	1,932,500
Proceeds from short-term loan facilities (other related parties)		**1,065,993**	-
Payments for lease liabilities		**(3,513,001)**	(787,582)
Payments for loans and borrowings		**(9,425,138)**	(16,548,000)
Payments for transaction costs of loans and borrowings		**(154,901)**	(383,739)
Proceeds from offtake prepayments		**11,310,493**	-
Net Cash Flows from Financing Activities		**26,757,241**	21,558,034
Net (decrease)/increase in cash held		**(1,536,836)**	(10,044,891)
Add opening cash brought forward		**3,489,532**	5,335,596
Add opening cash from acquiring other entities		**-**	8,280,498
Effect of movement in exchange rates on cash held		**(78,204)**	(81,671)
Closing Cash Carried Forward	**23(b)**	**1,874,492**	3,489,532

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Attributable to the Shareholders of EQ Resources Limited			
Consolidated	**Issued Capital $**	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
At 1 July 2023	**27,222,060**	**(14,440,909)**	**3,523,413**	**16,304,564**
Profit / (loss) before income tax for the period	-	(28,258,882)	-	(28,258,882)
Currency translation difference	-	(817,390)	-	(817,390)
Bargain purchase gain	-	24,435,012	-	24,435,012
Gain/(loss) on revaluation of financial assets	-	1,698,278	-	1,698,278
Prior period adjustment	154,323	-	-	154,323
Other comprehensive income for the period	-	(3,996)	-	(3,996)
Total comprehensive loss for the period	**154,323**	**(2,946,978)**	**-**	**(2,792,655)**
Issue of share capital	42,162,613	-	-	42,162,613
Share issue costs	(1,200,567)	-	-	(1,200,567)
Share based payments	-	-	4,036,880	4,036,880
Equity settled share based payments	-	-	(1,885,177)	(1,885,177)
Total transactions with owners in their capacity as owners	**40,962,046**	**-**	**2,151,703**	**43,113,749**
Balance at 30 June 2024	68,338,429	(17,387,887)	5,675,116	56,625,658
At 1 July 2024	**68,338,429**	**(17,387,887)**	**5,675,116**	**56,625,658**
Profit / (loss) before income tax for the period	-	(39,307,079)	-	(39,307,079)
Prior year restatement - bargain purchase gain	-	(12,831,231)	-	(12,831,231)
Prior period restatement – depreciation	-	535,768	-	535,768
Currency translation difference	-	-	3,164,340	3,164,340
Loss on revaluation of financial assets	-	(1,006,729)	-	(1,006,729)
Loss on lease modification	-	(604,898)	-	(604,898)
Retained loss derecognition upon acquisition of subsidiary	-	(6,765,470)	-	(6,765,470)
Gain on extinguishment of financial liability	-	1,691,128	-	1,691,128
Other comprehensive income for the period	-	(773)	-	(773)
Total comprehensive loss for the period	**-**	**(58,289,284)**	**3,164,340**	**(55,124,944)**
Issue of share capital	25,168,600	-	-	25,168,600
Share premium	6,111,535	-	-	6,111,535
Share issue costs	(1,372,811)	-	-	(1,372,811)
Share based payments	-	-	4,879,119	4,879,119
Total transactions with owners in their capacity as owners	29,907,324	-	4,879,119	34,786,443
Balance at 30 June 2025	**98,245,753**	**(75,677,171)**	**13,718,575**	**36,287,157**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

(a) Going Concern Basis for Preparation of Financial Statements

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

For the full year ended 30 June 2025, the consolidated entity incurred a total comprehensive loss of $39,228,351 (2024: restated loss of $14,425,051), incurred cash outflows from operating activities of $16,916,689 (2024: $12,703,554) and had a net working capital deficit of $96,768,984 (2024: $55,567,286 deficit). The deficit in net working capital is predominately due to:

- The recognition of $34,872,268 of remaining borrowing as a result of the acquisition of Saloro on 18 January 2024. All borrowings are classified as current due to their renewal extensions falling within 12 months of the reporting date.
- The recognition of the advanced upfront Subscription Security payment of $8,735,500 from OCM Luxembourg Tungsten Holdings S.a.r.l. (Oaktree), as short-term borrowings, prior to the issue of the Subscription Securities as part of the share placement on 22 May 2025. The loan is non-interest bearing unless the Company fails to satisfy the Subscription Approval by 31 August 2025, interest will accrue at a rate of 10% per year accruing daily.

  At the EGM held on 19 July 2025 shareholders approved the issue of 249,585,714 shares in full satisfaction of the short-term borrowings.
- The funding of the Company's growth initiatives via financing facilities such as rent to buy equipment leases, royalty obligations, customer prepayments, offtake advances and trade payables.

The ability of the Company to continue to adopt the going concern assumption is based upon:

- Extension/refinance of the Saloro current borrowing or extension of the letter of credit from Oaktree Capital Management L.P, which currently supports the debt until 10 December 2025;
- Continued engagement with strategic partners to secure offtake prepayments;
- Continued success with grant applications for companies operating in the critical minerals sector;
- Continued pursuit of securing long term debt funding facilities (for example, US EXIM Bank); and
- Continued success issuing equity to strategic partners and or existing shareholders.

(b) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with the requirements of the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. These financial statements have been prepared on a historical cost basis. The financial report is presented in Australian currency. The consolidated entity operates on a for-profit basis.

(c) Statement of Compliance

The financial statements have been prepared and comply with Australian Accounting Standards. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at 30 June each year. Control is defined as entities which the Group has power over and the rights to, or is exposed to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date upon which control is transferred to the Group and cease to be consolidated from the date upon which control is transferred out of the Group.

(e) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are capitalised and amoritised over the life-of-mine of the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 *Employee Benefits* respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest if the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (12 months from reporting date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Notes to the Consolidated Financial Statements continued

(f) Property, Plant and Equipment

Recognition and Measurement

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost is the fair value of consideration given to acquire the asset at the time of its acquisition, or construction and includes the direct costs of bringing the asset to the location and the condition necessary for operation.

Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are presented within the category of property, plant and equipment according to the nature of the underlying asset leased.

Recoverable Amount of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Exploration, Evaluation, Development and Restoration Costs

Exploration and Evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Impairment

The Directors assess at each reporting date whether the above carry forward criteria are met for exploration and evaluation costs.

Accumulated costs in respect of areas of interest are written off or a provision made in profit or loss when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development Expenditure

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, all subsequent development expenditure is capitalised and classified as assets under construction, provided commercial viability conditions continue to be satisfied and the previously recognised costs are amortised over the life of the area of interest, to which such costs relate, on a units of production (UoP) basis.

Mine Properties

Mine properties comprise of:

- capitalised exploration, evaluation and development expenditure for assets in production;
- mineral rights acquired; and
- capitalised development and production stripping costs.

Overburden Removal Costs

The process of removing overburden and other waste materials to access mineral deposits is referred to as stripping. Stripping is necessary to obtain access to mineral deposits and occurs throughout the life of an open-pit mine. Development and production stripping costs are classified as other mineral assets in property, plant and equipment.

The Group accounts for stripping activities as follows:

Development Stripping Costs

These are initial overburden removal costs incurred to obtain access to mineral deposits that will be commercially produced. These costs are capitalised when it is probable that future economic benefits (access to mineral ores) will flow to the Group and costs can be measured reliably.

Once the production phase begins, capitalised development stripping costs are depreciated using the UoP method based on the proven and probable reserves of the relevant identified component of the ore body which the initial stripping activity benefits.

Production Stripping Costs

These are post initial overburden removal costs incurred during the normal course of production activity, which commences after the first saleable minerals have been extracted.

Notes to the Consolidated Financial Statements continued

Production stripping costs can give rise to two benefits, the accounting for which is outlined below:

Production Stripping Activity		
Benefits of stripping activity	Extraction of ore (inventory in the current period.	Improved access to future ore extraction.
Period benefited	Current period.	Future period(s).
Recognition and measurement criteria	When the benefits of stripping activities are realised in the form of inventory produced; the associated costs are recorded in accordance with the Group's inventory accounting policy.	When the benefits of stripping activities are improved access to future ore; production costs are capitalised when all the following criteria are met: ▪ the production stripping activity improves access to a specific component of the ore body and it is probable that future economic benefits arising from the improved access to future ore production will be realised. ▪ The component of the ore body for which access has been improved can be identified. ▪ Costs associated with that component can be measured reliably.
Allocation of costs	Production stripping costs are allocated between the inventory produced and the production stripping asset using a life-of-component waste-to-ore (or mineral contained) strip ratio. When the current strip ratio is greater than the estimated life-of component ratio a portion of the stripping costs are capitalised to the production stripping asset.	
Asset recognised from stripping activity	Inventory	Other mineral assets within property, plant and equipment
Depreciation basis	Not applicable	On a component-buy-component basis using the units of production method based on proven and probable reserves.

Depreciation

Depreciation of assets, other than land, assets under construction and capitalised exploration and evaluation that are not depreciated, is calculated using the straight-line (SL) method or UoP method, net of residual values, over the estimated useful lives of specific assets. The depreciation method and rates applied to specific assets reflect the pattern in which the asset's benefits are expected to the used by the Group. The Group's proved and probable reserves for mineral assets are used to determine Up depreciation unless doing so results in depreciation charges that do not reflect the asset's useful life.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and therefore not depreciated.

Key Estimates

The determination of useful lives, residual values and depreciation methods involves estimates and assumptions and are reviewed annually. Any changes to useful lives or other estimates or assumptions, may affect prospective depreciation rates and asset carrying values.

Category	Buildings	Plant & Equipment	Mineral Rights	Capitalised exploration, evaluation and development expenditure
Typical Depreciation Methodology	SL	SL	UoP	UoP
Depreciation Rate		1 – 25 years	Based on the rate of depletion of reserves	Based on the rate of depletion of reserves.

Remaining Mine Life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

Capital Works in Progress

Capital works in progress are measured at cost inclusive of associated on-costs and charges. Costs are only capitalised when it is probable that future economic benefits will flow to the Group and costs can be measured reliably.

All assets included in capital works in progress are reclassified to other categories within property, plant and equipment when the asset is available and ready for use in the manner intended.

Intangible Assets

Intangible Assets Acquired Separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in the estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Initial payments for the acquisition of intangible mineral lease assets are capitalised and amortised over the term of the permit. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area. Capitalised costs are only carried forward to the extent that they are expected to be recovered through the successful exploitation of the area of interest or alternatively by its sale. To the extent that the capitalised expenditure is no longer expected to be recovered, it is charged to the income statement.

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill, are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(g) Inventory

Inventory is valued at the lower of cost and net realisable value as per AASB 102 with the exception of the 7 million tonnes of stockpiled inventory which was recognised at fair value as part of the Mt Carbine Quarries Pty Ltd business combination recognised on 28 June 2019. This inventory will be consumed on a unit of operation basis.

The cost of partly processed and saleable products is generally the cost of production, including:

- labour costs, materials and contractor expenses which are directly attributable to the processing of quarry material or the production of tungsten concentrate;
- the depreciation of property, plant and equipment used in the processing of quarry material or the production of tungsten concentrate; and

Notes to the Consolidated Financial Statements continued

- Production overheads.

For processed inventories, costs are derived on an absorption costing basis. Cost comprises costs of purchasing raw materials and costs of production, including attributable mining and processing overheads taking into consideration normal operating capacity.

Inventory quantities are assessed primarily through surveys and assays.

(h) Borrowings

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the accounting policy for borrowing costs.

Borrowings are classified as current unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

(i) Short-term and Other Long-term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group is respect of services provided by employees up to the reporting date.

(j) Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(k) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

(l) Revenue & Other Income

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue is recognised when it transfers control over a product to a customer.

Where payment is received upfront a contract liability is recognised on receipt of payment and revenue is recognised over a period in time as product/services are delivered.

In addition to the above, the following specific recognition criteria must also be met before revenue is recognised:

Sublease Rent

Revenue is recognised in accordance with the Retreatment Operations Sublease Agreement when the gross value of the consideration of the minerals extracted from the subleased area has been received.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Research and Development Refundable Tax Offset

The Research and Development (R&D) Refundable Tax Offset is recognised as other income when it is received as it relates to expenditure incurred in the past. That part of the R&D Tax Offset that relates to capitalised expenditure recognised in a prior period (if any) is offset against that capitalised expenditure.

Government Grants

Government grant(s) are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and that the grant will be received. If the conditions are met, the government grant is recognised in profit or loss on a systematic basis in line with its recognition of the expenses that the grant(s) are intended to compensate.

(m) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such a tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised leave payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

Notes to the Consolidated Financial Statements continued

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy (as outlined in the financial report for the annual reporting period).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other Expenses” in profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

(n) Taxes

Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at reporting date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(o) Currency

Both the functional and presentation currency is Australian dollars (A$).

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Notes to the Consolidated Financial Statements continued

(p) Investment in Subsidiaries

The parent entity's investment in its subsidiaries is accounted for under the cost method of accounting in the Company's financial statements included in Note 20.

(q) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 30.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the good or services received, except where fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(r) Sale and Leaseback

The Group accounts for sale and leaseback transactions in accordance with IFRS 16. A transaction qualifies as a sale if it satisfies the requirements of IFRS 15 for the transfer of control. Where a sale is recognised, the Group derecognises the underlying asset and recognises a right-of-use asset and lease liability for the leaseback.

The right-of-use asset is measured as the proportion of the previous carrying amount of the asset that relates to the right of use retained. Any gain or loss arising from the transaction is limited to the rights transferred to the buyer-lessor.

If the transfer does not quality as a sale, the asset remains on the balance sheet and the proceeds are recognised as a financial liability.

The Group discloses the terms and conditions of sale and leaseback transactions, including any gains or losses recognised, and whether the transaction involved related parties.

(s) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management reviews on an ongoing basis its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Accounting for Acquisition of Businesses

Accounting for acquisition of businesses requires judgement and estimates in determining the fair value of acquired assets and liabilities. The relevant accounting standard allows the fair value of assets acquired to be refined for a window of one (1) year after the acquisition date and judgement is required to ensure that any adjustments made reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Impairment of Non-Financial Assets

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to Notes 10, 11, and 21 for further detail regarding judgements made when assessing impairment of plant and equipment and deferred exploration and evaluation costs and determining their recoverable amount.

Measurement of Fair Values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the value in the valuation techniques as follows:

Level 1: quoted prices (unadjusted in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset of liability, directly (ie. as prices) or indirectly (ie. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 26 – Other Financial Liabilities; and

Note 29 – Financial Risk Management Objectives and Policies.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Mr O. Kleinhempel, Executive Chairman.

(u) Debt Forgiveness

When a financial liability is extinguished through forgiveness by the lender, the Company derecognises the liability in accordance with IFRS 9. The difference between the carrying amount of the liability extinguished and the consideration paid (if any) is recognised in profit or loss as a gain on extinguishment of a financial liability.

This gain is presented under “Other Comprehensive Income” in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, unless it is material and warrants separate disclosure.

Notes to the Consolidated Financial Statements continued

2. REVENUE AND OTHER INCOME

	2025 $	2024 $
Sales and hire income	**66,050,403**	26,480,740
Sublease rent - unincorporated joint venture	**-**	302,182
Interest received – other persons/corporation	**31,603**	55,835
	66,082,006	26,838,757
Other income:		
Government wage subsidies	**72,883**	9,242
CMAI grant	**-**	600,000
R&D tax offset	**-**	2,152,803
Diesel fuel rebates	**1,460,680**	711,486
Other income	**173,087**	14,802
	1,706,650	3,488,333
Total revenue and other income	**67,788,656**	**30,327,090**

The prior year sublease rent represents the Company's 50% portion of the rental income under the Retreatment Operations Sublease Agreement prior to acquisition by EQR of CR Australia's joint venture interest in the Mt Carbine Retreatment Joint Venture (refer ASX Announcement "EQR Executes Definitive Agreement to Acquire Mt Carbine Retreatment Joint Venture Interest from Cronimet" dated 5 July 2024). Upon acquisition on 1 July 2024 these amounts have been eliminated upon consolidation.

3. ACQUISITION OF SUBSIDIARIES

Business Combination Account Finalisation - Saloro S.L.U.

As disclosed in the prior year's financial statements, the Group acquired 100% of the issued share capital of Saloro S.L.U. ("Saloro") on 18 January 2024. In accordance with IFRS 3 Business Combinations, the initial accounting for the acquisition was provisional, pending the completion of an independent valuation of identifiable assets and liabilities.

As a result of the independent valuation being finalised during the year ended 30 June 2025, adjustments were made to the provisional amounts previously recognised, including a revision to the bargain purchase gain initially recorded in profit or loss.

The retrospective adjustments to the comparative period are summarised below:

Impact on Consolidated Statement of Financial Position as at 30 June 2024

Item	Provisional Amount	Adjustment	Final Amount
Property, Plant & Equipment	96,036,211	(12,831,231)	83,204,980
Accumulated loss	(17,387,887)	(12,295,463)	(29,683,350)

Impact on Consolidated Statement of Profit or Loss for the year ended 30 June 2024

Item	Provisional Amount	Adjustment	Final Amount
Bargain Purchase Gain	24,435,012	(12,831,231)	11,603,781
Loss Before Tax	(28,258,882)	535,768	(27,723,114)
Loss for the Year	(2,129,588)	(12,295,463)	(14,425,051)

The adjustments have been reflected retrospectively in accordance with IFRS 3. The restatement had no impact on the Group's cash flows for the year ended 30 June 2024.

The final values of the identifiable assets and liabilities acquired are as follows:

Item	Final Fair Value
Financial assets	12,266,801
Inventory	13,695,649
Property, Plant & Equipment	66,160,352
Financial liabilities	(80,519,021)
Total identifiable assets acquired and liabilities assumed	**11,603,781**

Bargain Purchase Gain	**11,603,781**

Purchase Consideration	
Cash consideration	2
Less: cash and cash equivalents	8,280,498
Total cash inflow from investing activities	**8,280,496**

Asset Acquisition - Mt Carbine Retreatment Management Pty Ltd x 50% Interest

On 1 July 2024, the Group acquired the 50% share of the issued share capital of Mt Carbine Retreatment Management Pty Ltd (MtCRM) from CROMINET Australia Pty Ltd (CROMINET). MtCRM's activities cover the crushing, screening, and processing of ore from the open cut mining operations supplemented by the Low-Grade Stockpile at the Mt Carbine Mine Site. The acquisition of CROMINET's 50% interest dissolved the unincorporated joint venture, giving the Group full control of these activities. The acquisition has been accounted for as an asset acquisition in accordance with IFRS, as it did not meet the definition of a business under IFRS 3 Business Combinations.

	30/06/2025 $
Assets and liabilities acquired at fair value:	
Financial assets	576,397
Inventory	14,600,000
Property, plant and equipment (including capitalised borrowing costs)	4,834,859
Financial liabilities	(13,661,457)
Total identifiable assets acquired and liabilities assumed	**6,349,799**

Purchase consideration:	
Equity instruments (127,323,657 ordinary shares of the Company)	11,459,129
Total consideration transferred	**11,459,129**

During the period, an independent valuation of the inventory acquired was undertaken. As a result of this valuation, an impairment loss of $4,614,769 was recognised in accordance with IFRS 2 Inventories. This impairment has been included in the Consolidated Statement of Profit or Loss under operating expenses.

The impairment does not affect the consideration transferred, which remains at $11,459,129, but does result in a difference between the initial fair value of the inventory acquired and its carrying amount post valuation.

No goodwill was recognised as the transaction did not constitute a business combination.

Notes to the Consolidated Financial Statements continued

4. INCOME TAX

	2025 $	2024 $
(a) Reconciliation of income tax expense to prima facie tax payable		
Profit / (loss) before income tax	**(39,228,351)**	(14,425,051)
Tax at the statutory rate of 25% (30 June 2024: 25%)	**(9,807,088)**	(3,606,263)
Tax effect of amounts which are not taxable in calculating taxable income:		
Non-deductible expenses	**2,472,770**	2,134,981
Non-assessable income	**-**	(6,932,501)
Deferred tax assets not recognised	**7,334,318**	8,403,782
Income tax benefit	**-**	-
(b) Unrecognised deferred tax assets		
Balance at beginning of year	**10,022,894**	5,330,712
Current year not recognised	**8,053,146**	5,624,283
Adjustments in respect of prior year tax balances	**(683,667)**	(932,101)
Balance at end of year	**17,392,373**	10,022,894
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	**19,853,052**	14,279,183
Less: other timing differences	**(2,460,679)**	(4,256,289)
Net deferred tax assets	**17,392,373**	10,022,894

No income tax provision is considered necessary for the Company for the period ending 30 June 2025.

Deferred tax assets have not been recognised in respect of these items because it is not probable that these assets will be realised in the short to medium term. The Group has total tax losses at 30 June 2025 of $79,412,208 (2024: $57,116,732). A future income tax benefit which may arise from tax losses of 25% of approximately $19,853,052 will only be obtained if:

- the parent and the subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the parent and the subsidiaries continue to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Parent and the Subsidiaries in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.

No franking credits are available for subsequent years.

Tax consolidation

The tax consolidation scheme applies to the Company. As at the date of this report the Directors have assessed the financial effect the scheme may have on the Company and its consolidated entities and have decided to be taxed as a consolidated entity. The financial effect of the tax consolidation scheme on the Group has not been recognised in the financial statements.

5. INVENTORY

	2025 $	2024 $
Current		
Finished goods	**825,310**	1,454,731
Work-in-progress	**14,279,259**	12,152,075
Raw materials	**540,627**	19,064
Workshop inventory	**3,876,995**	3,519,132
	19,522,191	17,145,002
Non-current		
Finished goods	**2,320,269**	1,789,426
Raw materials[1]	**19,831,374**	6,369,702
	22,151,643	8,159,128
	41,673,834	25,304,130

[1] Raw materials incorporate the fair value of the estimated 7 million tonnes of stockpiled inventory acquired as part of the acquisition of Mt Carbine Quarries Pty Ltd on 28 June 2019, less the work-in-progress and finished goods inventory which have been created from this stockpiled material since acquisition. It also includes the fair value of the Low Grade Stockpile (LGSP) acquired as part of the acquisition of the 50% interest by EQR of CR Australia's joint venture interest in the Mt Carbine Retreatment Joint Venture (refer ASX Announcement "EQR Executes Definitive Agreement to Acquire Mt Carbine Retreatment Joint Venture Interest from Cronimet" dated 5 July 2024).

Inventory is consumed on a unit of operation basis in accordance with AASB102. All inventory, regardless of type and stage in the production process has been valued at the lower of cost and net realisable value (NRV). Inventories expected to be processed or sold within twelve months after the balance sheet date are classified as current assets. All other inventories are classified as non-current assets.

The cost of inventories recognised as an expense includes $11,732 of write-downs of inventory to NRV.

6. FINANCIAL ASSETS

	2025 $	2024 $
Shares in listed companies:[1]		
Critical Resources Limited (ASX: CRR)	**387**	1,160
	387	1,160
Capitalised borrowing costs:[2]		
Current	**40,342**	90,117
Non-current	**233,683**	556,096
	274,025	646,213
Unexpired interest:[2]		
Current	**555,956**	678,582
Non-current	**879,306**	2,081,492
	1,435,262	2,760,074
Deferred acquisition costs:[3]		
Current	**131,928**	72,274
Non-Current	**1,225,110**	1,180,185
	1,357,038	1,252,459
	3,066,712	4,659,906

[1] Equity instruments are measured at fair value as at reporting date with all changes recognised as other comprehensive income / (loss) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

[2] The capitalised borrowing costs represent those costs directly attributable to securing the Royalty Funding Package with Regal Resources Royalties Fund and will be amortised over the period in which the first stage royalty of $10 million will be repaid.

Notes to the Consolidated Financial Statements continued

The unexpired interest component will be recognised over the life of mine in line with each of the scheduled periodic repayments to Regal Resources Royalties Fund. A discounted cash flow method using a discount rate of 5.455% was used to capture the net present value of the revenues for the life of mine as determined in the May 2023 Update of the BFS.

[3] Deferred acquisition costs represent those costs directly attributable to the acquisition of leading European tungsten producer, Saloro S.L.U. from global investment manager, Oaktree along with those attributable to the acquisition of Cronimet's 50% joint venture interest in the Mt Carbine Tungsten Operation. These costs will be amortised over life of mine.

7. AUDITOR'S REMUNERATION

	2025 $	2024 $
Audit-related services		
Amounts paid or payable:		
- Nexia Melbourne Audit Pty Ltd	**137,950**	176,245
- Deloitte, Spain	**224,424**	25,671
Taxation services		
Amounts paid or payable:		
- Nexia Melbourne Pty Ltd	**4,600**	27,634
- Deloitte, Spain	**204,218**	65,793
	571,192	**295,343**

8. TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
Trade receivables	**3,864,749**	6,733,194
Less: Allowance for doubtful debts	**-**	(10,634)
	3,864,749	6,722,560
Other taxation	**3,282,820**	3,516,956
Other receivables - related entities	**-**	5,531,580
Other receivables – other persons/corporation	**156,206**	710,988
Total trade & other receivables	**7,303,775**	16,482,084
Prepayments	**1,652,205**	656,636

Trade Receivables

Average credit period on sales of product is 30 days. No interest is charged on outstanding trade receivables.

The collectability of trade receivables is assessed continuously, and individual receivables are written off when management deems them unrecoverable. A provision has been made for those receivables whose recovery was deemed doubtful as at reporting date.

Other Receivables – Related Entities

The prior year receivables from related entities represents the Company's 50% portion of loans provided to the unincorporated joint venture since its inception. These loans were unsecured and non-interest bearing and were recorded as a current asset prior to the acquisition by EQR of CR Australia's joint venture interest in the Mt Carbine Retreatment Joint Venture (refer ASX Announcement "EQR Executes Definitive Agreement to Acquire Mt Carbine Retreatment Joint Venture Interest from Cronimet" dated 5 July 2024). Upon acquisition on 1 July 2024 these amounts have been eliminated upon consolidation.

9. RECEIVABLES

	2025 $	2024 $
Tenement security deposits	**1,674,695**	1,189,102
Quary sales permit surety	**50,000**	50,000
Other security deposits	**13,015**	9,165
	1,737,710	1,248,267

Tenement deposits are restricted in that they are available for rehabilitation that may be required on the mining leases and/or exploration tenements whereas the Quarry sales permit surety is restricted to cover the non-payment of sales permit fees on the material sold by Mt Carbine Quarrying Operations Pty Ltd. (refer to Notes 18 and 19).

10. PLANT AND EQUIPMENT AT COST

	Land & Buildings	Plant & Machinery	Mine Assets	Capital works in progress	Total
Cost at 1 July 2024	17,602,230	91,396,077	10,736,842	8,842,657	128,577,806
Prior period restatement – bargain purchase gain	-	(12,831,231)	-	-	(12,831,231)
Additions	35,324	18,716,854	13,265,106	987,459	33,004,742
Acquisition of subsidiary	-	7,433,711	-	-	7,433,711
Disposals	-	(3,783,767)	-	-	(3,783,766)
Cost at 30 June 2025	**17,637,554**	**100,931,644**	**24,001,948**	**9,830,116**	**152,401,262**
Comprising:					
Cost at 30 June 2025	17,637,554	100,931,644	24,001,948	9,830,116	152,401,262
Accumulated depreciation at 1 July 2024	(3,164,682)	(15,968,195)	(929,225)	-	(20,062,102)
Accumulated depreciation – JV 50% Acquisition	-	(2,594,301)	(4,551)	-	(2,598,852)
Charge for the year	(654,708)	(8,719,832)	(807,817)	-	(10,182,357)
Eliminated on disposal	-	501,818	-	-	501,818
Cost at 30 June 2025	**13,818,164**	**74,151,134**	**22,260,355**	**9,830,116**	**120,059,769**

11. DEFERRED EXPLORATION AND EVALUATION

	2025 $	2024 $
Costs brought forward	**14,922,119**	14,273,131
Costs incurred during the period	**362,013**	1,934,696
Impairment[1]	**(1,204,830)**	-
Loss on disposal of exploration permits	**(320,835)**	-
Capitalised portion of R&D tax offset	**-**	(24,462)
Total deferred exploration and evaluation	**13,758,467**	16,183,365
Amortisation deferred exploration and evaluation	**(1,854,950)**	(1,261,246)
Costs carried forward	**11,903,517**	14,922,119
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	**-**	-
Expenditure on non-joint venture areas	**11,903,517**	14,922,119
Costs carried forward	**11,903,517**	14,922,119

[1] The impairment relates to those costs associated with the mobilisation of the Golding plant and equipment that was removed from site upon EQ Resources Limited transition to owner/operator for the open cut mining activities in August 2024.

Notes to the Consolidated Financial Statements continued

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, concerning the relevant area of interest, is not charged until a mining operation has commenced.

The Directors reassess the carrying value of the Group's tenements at each half year or at a period other than that, should there be any indication of impairment.

Farm-In and Joint Venture Agreement – NSW Projects

On 22 March 2025 the Company entered into a Tenement Purchase Agreement with Sozo Resources Pty Ltd ("Sozo") for EQR's 100% owned NSW Projects Crow Mountain (EL6648) and Panama Hat (EL8024). The key terms of the agreement were:

- Sozo to pay $1.00 and reimburse EQR the two cash security deposits totalling $20,000; and
- EQR to receive a royalty equal to 1% of net smelter returns from each of the royalty tenements with Sozo having a royalty buy-back option, at any time, to buy back 100% of the applicable royalty for $250,000 for one royalty tenement or $500,000 for both.

As at 30 June 2025 the Company impaired the capitalised exploration and evaluation expenditure associated with these tenements along with Mt Carbine EPM 27394 due to this tenement being relinquished due to its lack of exploration potential.

12. TRADE AND OTHER PAYABLES

	2025 $	2024 $
PAYABLES		
Trade payables	**35,379,768**	31,992,515
Other taxation	**951,263**	497,830
Unearned revenue	**17,640,816**	805,920
Accrued expenses	**2,450,849**	2,403,296
Other Payables - other persons/corporation	**2,063,703**	5,443,290
Other payables – related entities	**-**	1,504,263
	58,486,399	42,647,114

Payables from related entities represent the Company's 50% portion of loans payable to the unincorporated joint venture since its inception. These loans were unsecured and non-interest bearing and were recorded as a current asset pending the acquisition by EQR of CR Australia's joint venture interest in the Mt Carbine Retreatment Joint Venture (refer ASX Announcement "EQR Executes Definitive Agreement to Acquire Mt Carbine Retreatment Joint Venture Interest from Cronimet" dated 5 July 2024). Upon acquisition on 1 July 2024 these amounts have been eliminated upon consolidation.

13. DEBT FORGIVNESS

During the financial year ended 30 June 2025, the Company received formal forgiveness of a financial liability amounting to $1,691,128 from Hogan Lovells International LLP. The liability was derecognised in accordance with IFRS 9, resulting in a gain of $1,691,128 recognised. The gain is presented under "Other Comprehensive Income" in the Comprehensive Statement of Profit or Loss and other Comprehensive Income.

The Group assessed that the creditor does not meet the definition of a related party under IAS 2, and therefore the transaction is not disclosed as a related party transaction.

14. ISSUED CAPITAL

	2025 $	2024 $
Share Capital		
2,600,348,536 (2024: 1,929,708,794) ordinary shares fully paid	86,786,624	43,031,133
127,323,657 (2024: 405,323,657) ordinary shares fully paid under escrow	11,459,129	25,307,296
	98,245,753	68,338,429

(a) Movements in Ordinary Share Capital

1 July 2024 to 30 June 2025	Date	Number of Shares	Issue Price	$
Balance b/fwd		2,065,288,465		68,338,429
Issue of 127,323,657 shares @ $0.0900 per share to Cronimet Asia Pty Lte as consideration to acquire the Mt Carbine Retreatment Joint Venture Interest under a voluntary escrow restriction for 12 months (refer ASX Announcement dated 5 July 2024 and 29 July 2024)	29/07/2024	127,323,657	$0.0900	11,459,129
Issue of 39,304,733 shares @ $0.045 to Director ZP Yeo as approved by shareholders at the EGM on 29 July 2024 (refer ASX announcement dated 14 August 2024)	14/08/2024	39,304,733	$0.0458	1,798,570
Issue of 5,111,111 shares @ $0.0450 per share to Directors as approved at the Company's EGM on 29 July 2024 (refer ASX announcement dated 14 August 2024)	14/08/2024	5,111,111	$0.0450	230,000
Issue of 542,384 shares @ $0.0496 per share for Senior Financial Advisor Service Fees (refer ASX announcement dated 5 November 2024)	5/11/2024	504,485	$0.0496	25,022
Issue of 97,500,000 shares @ $0.0400 per share to sophisticated investors (refer ASX announcement dated 13 December 2024 and 24 December 2024)	24/12/2024	97,500,000	$0.0400	3,900,000
Issue of 25,000,000 shares @ $0.04000 per share to sophisticated investors (refer ASX announcement dated 7 February 2025)	7/02/2025	25,000,000	$0.0400	1,000,000
Issue of 224,700,008 shares @ $0.03500 per share to sophisticated investors (refer ASX announcement dated 28 May 2025)	27/05/2025	224,700,008	$0.0350	7,864,514
Issue of 29,372,673 shares @ $0.03500 per share to a loan provider in satisfaction of an outstanding amount $1.03 million (refer ASX announcement dated sophisticated inventors (refer ASX announcement dated 28 May 2025)	28/05/2025	29,372,673	$0.0350	1,028,046
Issue of 62,967,142 shares @ $0.03500 per share to sophisticated inventors (refer ASX announcement dated 29 May 2025)	29/05/2025	62,967,142	$0.0350	2,203,854
Issue of 50,599,919 shares @ $0.03500 per share to sophisticated inventors (refer ASX announcement dated 23 June 2025)	23/06/2025	50,599,919	$0.0350	1,771,000
Share issue costs				(1,372,811)
Balance as at 30 June 2025		**2,727,672,193**		**98,245,753**

1 July 2023 to 30 June 2024	Date	Number of Shares	Issue Price	$
Balance b/fwd		1,474,486,938		27,222,060
Issue of 957,055 shares @ $0.0650 per share upon the conversion of unlisted options granted to sophisticated investors (refer ASX announcement dated 11 August 2023)	11/08/2023	957,055	$0.07	62,208
Issue of 4,698,617 shares @ $0.0650 per share upon the conversion of unlisted options granted to sophisticated (refer ASX announcement dated 23 August 2023)	23/08/2023	4,698,617	$0.07	305,410
Issue of 3,125,000 shares @ $0.0650 per share upon the conversion of unlisted options granted to sophisticated (refer ASX announcement dated 6 September 2023)	6/09/2023	3,125,000	$0.07	203,125
Issue of 25,000,000 shares @ $0.0650 per share upon the exercise of unlisted options granted to sophisticated investors (refer ASX announcement dated 22 September 2023)	22/09/2023	25,000,000	$0.07	1,625,000

Notes to the Consolidated Financial Statements continued

1 July 2023 to 30 June 2024	Date	Number of Shares	Issue Price	$
Issue of 16,730,321 shares @ $0.0650 per share on the conversion of 4,000,000 convertible notes (refer ASX announcement dated 28 September 2023)	28/09/2023	61,538,463	$0.04	4,000,000
Issue of 5,000,000 shares @ $0.0600 per share to upon the exercise of options granted to Key Management Personnel (refer ASX announcement dated 8 November 2023)	8/11/2023	5,000,000	$0.06	300,000
Issue of 278,000,000 shares @ $0.0900 per share as part of placement with Oaktree Capital Management, L.P. Escrowed to 18 January 2024 (refer ASX announcement dated 18 January 2024)	18/01/2024	278,000,000	$0.09	25,307,297
Issue of 1,000,000 shares @ $0.0400 per share upon the exercise of unlisted options granted to employees (refer ASX announcement dated 1 May 2023)	2/02/2024	1,000,000	$0.04	40,000
Issue of 5,000,000 shares @ $0.0432 per share upon the exercise of unlisted options granted to sophisticated investors (refer ASX announcement 20 March 2024)	20/03/2024	5,000,000	$0.04	216,000
Issue of 205,940,008 shares @ $0.0450 per share to sophisticated investors as part of the May 2024 placement (refer ASX announcement dated 29 May 2024)	29/05/2024	205,940,008	$0.05	9,269,999
Issue of 542,384 shares @ $0.0461 per share for Senior Financial Advisor Service Fees (refer ASX announcement dated 28 June 2024)	28/06/2024	542,384	$0.05	25,004
Fair value of options exercised				962,893
Share issue costs				(1,200,567)
Balance as at 30 June 2024		**2,065,288,465**		**68,338,429**

Terms and Conditions of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Option holders have no voting rights until the options are exercised.

(b) Movements in Share Options

The following table illustrates share-based payments, the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Number	WAEP	$
Balance at 1 July 2024	203,748,395	0.086	17,589,555
Options granted	14,805,281	0.137	2,034,356
Options recognised as share-based payments expense	221,800,000	0.065	14,337,654
Options recognised as share issue costs	48,087,501	0.028	1,350,000
Forfeited/cancelled	(6,600,000)	(0.023)	(151,604)
Exercised	-	-	-
Expired	-	-	-
Balance at 30 June 2025	**481,841,177**	**0.073**	**35,159,961**

The following table illustrates outstanding options that have vested and are exercisable at year end:

	Number outstanding	Number vested and exercisable	Exercise price	Expiry Date	Remaining Contractual Life (Years)
Issue EQRAL	19,751,674	19,751,674	0.0650	7/11/2025	0.36
Issue EQRAM	16,400,000	16,400,000	0.1000	3/07/2026	1.01
Issue EQRAN	1,250,000	1,250,000	0.0650	31/01/2026	0.59
Issue EQRAO	78,000,000	78,000,000	0.1000	18/01/2026	0.55
Issue EQRAP	103,452,002	103,452,002	0.0675	29/05/2027	1.91
Issue EQRAQ	142,500,000	142,500,000	0.0675	29/05/2027	1.91
Issue EQRAR	20,000,000	20,000,000	0.1000	22/11/2026	1.91
Issue EQRAS	72,400,000	56,900,000	0.0700	29/11/2027	2.42
Issue EQRAT	28,087,501	28,087,501	0.0675	29/05/2027	1.91
Outstanding at 30 June 2025	**481,841,177**	**466,341,177**			

(c) Movements in Performance Rights

No performance rights were issued nor outstanding at the end of the reporting period.

15. CONVERTIBLE NOTES

On 6 November 2023, the Company issued 750,000 convertible notes with an aggregate principal value of $750,000. The notes are convertible at the option of the noteholders into ordinary shares at a conversion price of $0.100 per share at any time after issuance and up to the close of business on the date of maturity.

Noteholders have an option to redeem the notes at the end of 2 years at face value plus any accrued interest. Any convertible notes not converted will be redeemed on 8 November 2025 at the principal amount together with accrued but unpaid interest thereon. The notes carry interest at a coupon rate of 9.00% per annum (effective interest rate of 0.86% per month based on a 2-year amortisation period on estimated cashflow timing in line with the 2-year redemption option), which is payable annually in arrears.

A further issuance of 3,000,000 convertible notes occurred on 29 November 2024 with an aggregate principal value of $3,000,000. The notes are convertible at the option of the noteholder into ordinary shares at a conversion price of $0.075 per share at any time after issuance and up to the close of business on the maturity date.

The noteholder has an option to redeem the notes at the end of 1 year at face value plus any accrued interest. Any convertible notes not converted will be redeemed on 28 November 2024 at the principal amount together with accrued but unpaid interest thereon. The notes carry interest at a coupon rate of 9.00% per annum (effective interest rate of 0.86% per month based on a 2-year amortisation period on estimated cashflow timing in line with the 1-year redemption option), which is payable annually in arrears.

The fair value of the liability component was estimated at the issuance date using an "Interest Rate Differential" methodology, which discounts the convertible notes' cash flows at a commercial discount (interest) rate to a present value. The residual amount is assigned as the equity component and is included in reserves.

The convertible notes issued and converted during the period have been split into liability and equity components as follows:

	Debt ($)	Equity ($)	Number
Opening balance at 1 July 2024	525,000	225,000	750,000
Nominal value of convertible notes issued	2,100,000	900,000	3,000,000
Notes converted during the period	-	-	-
Balance as at 30 June 2025	**2,625,000**	**1,125,000**	**3,750,000**

Notes to the Consolidated Financial Statements continued

Debt Component – Convertible Notes	**2025 $**
Opening balance at 1 July 2024	**544,637**
Convertible note issue on 29 November 2024	2,100,000
Accrued interest at an effective interest rate	188,358
Interest paid at coupon rate	(67,500)
Capitalised borrowing costs	13,125
Liability derecognition upon conversion	-
Balance as at 30 June 2025	**2,778,620**

Debt Component – Convertible Notes	**2024 $**
Opening balance at 1 July 2023	3,494,215
Convertible note issue on 6 November 2023	525,000
Accrued interest at an effective interest rate	199,828
Interest paid at coupon rate	(280,000)
Capitalised borrowing costs	32,525
Liability derecognition upon conversion	(3,422,556)
Balance as at 30 June 2024	**549,012**

Accounting Policy

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the Statement of Financial Position, net of transaction costs. The increase in liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. The liability component of the convertible notes has been classified as a current liability in accordance with *AASB 101 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* due to the Company not having a right to defer settlement for at least twelve months after the reporting period.

16. EARNINGS PER SHARE

	2025 $	**2024 $**
Loss after income tax attributable to the owners of the Company used in calculating basic and diluted earnings per share	**(39,228,351)**	(14,425,051)
	Number	**Number**
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	**2,313,669,320**	1,696,757,002
Weighted average number of ordinary shares used in calculating diluted earnings per share. Note options outstanding at the reporting date have not been brought to account as they are anti-dilutive.	**2,656,746,092**	1,886,732,213
Basic loss per share (cents)	**(1.70)**	(0.85)
Diluted loss per share (cents)	**(1.48)**	(0.77)

17. KEY MANAGEMENT PERSONNEL COMPENSATION

	2025 $	2024 $
Short-term employee benefits	**552,499**	543,647
Post-employment benefits	**6,921**	-
Share based payments	**136,207**	29,651
	695,627	573,298

18. CONTINGENT LIABILITIES

The Group has provided guarantees totalling $1,699,944 in respect of mining exploration tenements and environmental bonds. These guarantees in respect of mining and exploration tenements are secured against deposits with the relative State Department of Mines. The Company does not expect to incur any material liability in respect of the guarantees.

19. COMMITMENTS

Exploration Licence Expenditure Requirements

Queensland

The Queensland Government has approved a number of changes to Exploration Permits under the Natural Resources and Other Legislation Amendment Act 2019 (known as NROLA Act). This Act commenced in May 2020, resulting in a change from an expenditure-based approach upon which a company's compliance with its licence conditions will be assessed on an outcomes-based approach.

New South Wales

On 22 March 2025 the Company entered into a Tenement Purchase Agreement with Sozo Resources Pty Ltd ("Sozo") for EQR's 100% owned NSW Projects Crow Mountain (EL6648) and Panama Hat (EL8024). The key terms of the agreement were:

- Sozo to pay $1.00 and reimburse EQR the two cash security deposits totalling $20,000; and
- EQR to receive a royalty equal to 1% of net smelter returns from each of the royalty tenements with Sozo having a royalty buy-back option, at any time, to buy back 100% of the applicable royalty for $250,000 for one royalty tenement or $500,000 for both.

As at 30 June 2025 the Company impaired the capitalised exploration and evaluation expenditure associated with these tenements.

	2025 $	2024 $
Payable not later than 1 year (NSW only)	-	-
Payable later than one year but not later than two years	-	**160,000**
	-	**160,000**

It is also likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment of the Group from time to time.

Notes to the Consolidated Financial Statements continued

20. INVESTMENT IN SUBSIDIARIES

	Equity Interest		Cost of Parent Entity's Investment	
Parent Entity EQ Resources Limited	**2025** **%**	**2024** **%**	**2025** **$**	**2024** **$**
Controlled Entities				
Mt Carbine Mining Pty Ltd	100	100	2	2
Mt Carbine Retreatment Pty Ltd	100	100	200	200
European Tungsten Pty Ltd	100	100	1	1
Mt Carbine Quarrying Operations Pty Ltd	100	100	100	100
Mt Carbine Quarries Pty Limited	100	100	8,130,000	8,130,000
Icon Resources Africa Pty Ltd	100	100	10	10
Mt Carbine Retreatment Management Pty Ltd	100	100	50	50
Saloro S.L.U.	100	100	2	2

EQ Resources Limited and its subsidiaries are located and incorporated in Australia except for Saloro, wholly owned by European Tungsten Pty Ltd, which is domiciled in Spain.

21. IMPAIRMENT OF DEFERRED EXPLORATION EXPENDITURE AND PLANT AND EQUIPMENT

The Directors reassess the carrying value of the Group's assets, including deferred exploration expenditure, tenements and plant and equipment at each half year or at a period other than that, should there be any indication of impairment to fair value. When making their assessment for the 2025 financial year, the Directors considered the following:

- The continuation of open-cut mining operations with the May 2023 Bankable Feasibility Study Update delivering the following strong Pre-Tax Economics* for the Mt Carbine Expansion Program:
  - NPV_8 of $307.1 million (47% increase compared to the November 2022 BFS update of $209 million);
  - IRR of 477%; and
  - Life of Mine EBITDA of $450 million.

  [1] Concentrate sales price basis US$340/mtu (mtu = metric tonne unit, 10kg) in 2023, with a long-term forecast average of US $369/mtu (2024 – 2040) calculated using the average of the Roskill Base Case and High Case price level scenarios (see Chapter 16 of 2021 BFS).

- The global tungsten pricing environment strengthening markedly during the 2025 financial year with APT prices rising from approximately US$3330/mtu (~A$500/mtu) at the start of the period to US$463/mtu (~$700/mtu) by June 2025.
- The RC Drilling campaign initiated at Mt Carbine in December 2024 confirming the top of the Iolanthe system and the presence of high-grade ore across multiple veins (Dazzler, Johnson and Iolanthe).
- Securing of 5 long-term offtake agreements covering the next 24-month production from both operations in Australia and Spain for an estimated total of US $124m, representing volumes of 470 containers with each container holding 20 metric tonnes of 50% WO_3 concentrate. Refer ASX Announcement "EQR Signs 5 Long-term Offtake Agreements for next 24 months" dated 19 March 2025.
- The Company's wholly owned subsidiary, Mt Carbine Quarrying Operations Pty Ltd, continuing to dedicate resources to developing its 'green aggregates' business to enable the repurposed Mt Carbine aggregates to be classified as a recycled product. This will open additional opportunities in both local and regional markets, potentially increasing future sales as regional industries demand more recycled products. The Company continues to submit tenders for substantial civil projects in the Quarry's operational area, all of which are dependent upon either Federal or State funding.

- The Company continues to hold:
  - Three (2) tungsten-focused Exploration Permits, EPM 14871 and EPM 14872, located at Mt Carbine, North Queensland. EPM 14872 contains both the Iron Duke and Petersen's Lode prospects, whilst EPM 14871 features the Mt Holmes tin-tungsten prospect.

    EPM 14872 holds significant exploration upside given that the tungsten grades indicated in the sampling of the Iron Duke and Petersen's Lode are extensively higher than the estimated global average grade in the present open-pit resource within the Mt Carbine Mining Leases. These unencumbered, greenfield sites also offer the added advantage of having minimal environmental legacy issues.

Based on the above, Directors have assessed there to be no indication of impairment in the current financial year.

Combined Deferred Expenditure, Plant and Equipment and Financial Assets	**2025 $**	**2024 $**
Non-current assets		
Receivables	**1,737,710**	1,248,267
	1,737,710	1,248,267
Plant and equipment		
Plant and equipment – at cost	**152,364,627**	106,395,146
Accumulated depreciation	**(32,304,858)**	(19,166,874)
	120,059,769	87,228,272
Inventory		
Inventory – Quarry Material	**22,151,643**	8,159,128
	22,151,643	8,159,128
Deferred exploration and evaluation expenditure		
Exploration and evaluation expenditure	**13,758,467**	16,183,365
Amortisation	**(1,854,950)**	(1,261,246)
	11,903,517	14,922,119
TOTAL	**155,852,639**	111,557,786

Reconciliation of the carrying amount of Mt Carbine assets at the beginning and end of the current and previous financial year:	**2025 $**	**2024 $**
Combined assets carrying amount at the beginning of the year	**112,093,554**	41,866,923
Receivables – increase / (decrease)	**489,443**	(3,239,173)
Plant and equipment – additions	**33,004,742**	14,838,290
Plant and equipment – acquisition of subsidiary	**4,871,495**	64,589,790
Plant and equipment – WDV of disposals	**(3,281,948)**	
Plant and equipment – depreciation expense	**(10,182,356)**	-
Plant and equipment – FX effect	**7,883,796**	(69,285)
Inventory – increase / (depletion)	**13,992,515**	(5,609,711)
Loss on disposal of exploration permits	**(320,835)**	(932,268)
Capitalised exploration and evaluation - additions	**362,013**	1,934,696
Capitalised exploration and evaluation expenses - R&D Tax Offset	**-**	(24,462)
Capitalised exploration and evaluation expenses - impairment[1]	**(1,204,830)**	-
Capitalised exploration and evaluation – amortisation	**(1,854,950)**	(1,261,246)
TOTAL	**155,852,639**	112,093,554

[1] The impairment relates to those costs associated with the mobilisation of the Golding plant and equipment that was removed from site upon EQ Resources Limited transition to owner/operator for the open cut mining activities in August 2024.

Notes to the Consolidated Financial Statements continued

22. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2025 that have not previously been reported other than:

- The Company raising $4 million (before costs) of new capital from a well-supporting placement of 114.3 million new fully paid ordinary shares at an issue price of $0.035 per share. Refer ASX Announcement "EQ Resources Successful A$4.0 Million Placement" dated 7 July 2025.
- Saloro S.L.U. executing definitive transaction documents with funds managed by Oaktree Capital Management, L.P. for a US $7.5 million royalty-based funding package which grants Oaktree a 2.5% royalty. In addition, Cronimet Asia Pte Ltd executed an agreement to convert US $3 million of the initial offtake prepayment provided to Mt Carbine operations to equity at a conversion rate of $0.035 per conversion share. Refer ASX Announcement "Saloro Secures US $7.5M Royalty Funding" dated 29 July 2025 and "Saloro US $7.5 Million Royalty Completed with Supplementary Cronimet Debt to Equity Swap" dated 15 August 2025.
- The Company raising a further $22.5 million (before costs) of new capital from a well-supporting placement of 703.125 million new fully paid ordinary shares at an issue price of $0.032 per share. Refer ASX Announcement "EQR Announces Successful $22.5m Institutional Placement" dated 3 September 2025.
- The appointment of Craig Bradshaw, an experienced global tungsten industry executive, as Managing Director. Refer ASX Announcement "EQR Appoints Craig Bradshaw as Managing Director" dated 18 September 2025.

23. STATEMENT OF CASH FLOWS

Reconciliation of net cash outflow from operating activities to operating loss after income tax	**2025 $**	**2024 $**
(a) Operating loss after income tax	**(39,307,079)**	(27,723,114)
Depreciation and amortisation	**12,037,307**	6,631,044
Share based payments expense	**3,735,807**	3,539,925
Amortised finance expense	**486,198**	1,838,451
Loss on disposal of assets	**940,986**	(2,718)
Impairment of capitalised exploration and evaluation assets	**1,204,830**	-
Revaluation of investment to market value	**-**	(23,442,638)
Unrealised foreign exchange (gains) losses	**(452,094)**	(219,651)
R&D tax offset capitalisation	**-**	24,462
Change in assets and liabilities:		
Decrease (Increase) in receivables	**2,096,582**	(7,067,497)
Decrease (Increase) in other assets	**(15,370,610)**	2,313,396
Increase/(decrease) in trade and other creditors	**17,711,384**	31,404,786
Net cash outflow from operating activities	**(16,916,689)**	(12,703,554)

(b) For the Statement of Cash Flows, cash includes cash on hand at the bank, deposits, and bills used as part of the Company's cash management function. In addition to these funds the Company had $931,529 in unused credit facilities as at 30 June 2025 (2024: $575,032)

The balance at 30 June comprised:

Cash assets	**1,874,492**	3,489,532
Cash on hand	**1,874,492**	3,489,532

24. CONTRACT LIABILITIES

	2025 $	2024 $
Contract Liability - Sublease[1]		
Current	-	1,466,669
Non-current	-	-
	-	1,466,669
Contract Liability - Offtake[2]		
Balance at the beginning of the year	4,906,401	4,901,961
Offtake secured during the year	3,219,545	-
50% recognition upon JV acquisition	4,906,400	-
Unrealised foreign exchange (gain) / loss	110,863	4,440
	13,143,209	4,906,401

[1] Mt Carbine Sublease Rent prepaid to Mt Carbine Quarries Pty Ltd as per the Retreatment Operations Sublease Agreement between Mt Carbine Quarries Pty Ltd, Cronimet Australia Pty Ltd and Mt Carbine Retreatment Pty Ltd. Upon acquisition of Cronimet Australia's 50% portion of the Mt Carbine Tungsten Joint Venture Operations this amount is now eliminated upon consolidation.

[2] The initial offtake advance is denominated in USD and the Offtake Advance Agreement between Cronimet Asia Pte Ltd and Mt Carbine Retreatment Pty Ltd governs the terms and repayment of this advance.

A further offtake prepayment facility of US $2,108,802 was secured from the Company's offtake partner, Cronimet Asia Pte Ltd, This offtake advance is denominated in USD and the Supply & Purchase Agreement between Cronimet Asia Pte Ltd and EQ Resources Limited governs the terms and repayment of this advance.

The contract liability arrangements for the Offtake Advance are secured as follows:

- general security deed from Mt Carbine Retreatment Pty Ltd over its present and subsequent acquired assets;
- general security deed from Cronimet Australia Pty Ltd over all its present and subsequent acquired assets; and
- mortgage from Mt Carbine Quarries Pty Ltd over mining leases ML4867 and ML4919. This mortgage also includes an interest over "Featherweight Property", which is all other property of Mt Carbine Quarries Pty Ltd other than the mining leases. The mortgage is limited recourse in that it is limited to the value of the mining leases.

25. BORROWINGS

	2025 $	2024 $
Unsecured borrowing at amortised cost		
Loan from related parties	**8,735,500**	1,798,570
	8,735,500	1,798,570
Secured borrowing at amortised cost		
Bank loans	**35,803,796**	40,348,612
Bank loans – undrawn	**(931,528)**	(572,450)
Bank loans – capitalised interest	**-**	450,742
	34,872,268	40,226,904
Current	**43,607,768**	42,025,474

Principal features of the Group's borrowing are as follows:

(a) The Group has 4 principal bank loans:

- A loan of $14,321,519 (€8,000,000) was taken out on 31 March 2021, comprising interest-only payments at a rate of 3.45%. The loan is due for renewal on 10 December 2025 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $13,856,790 (€7,740,403) of the loan was drawn.

Notes to the Consolidated Financial Statements continued

- A loan of $6,265,664 (€3,500,000) was taken out on 1 October 2021, comprising interest-only payments at a rate of 3.45%. The loan is due for renewal on 10 December 2025 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $6,260,331 (€3,497,021) of the loan was drawn.
- A loan of $6,265,664 (€3,500,000) was taken out on 31 January 2022, comprising interest-only payments at a rate of 3.45%. The loan is due for renewal on 10 December 2025 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $6,260,090 (€4,745,338) of the loan was drawn.
- A loan of $8,950,949 (€5,000,00) was taken out on 7 September 2022, comprising interest-only payments at a rate of 3.51%. The loan is due for renewal on 2 January 2026 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $8,495,055 (€4,903,179) of the loan was drawn.

During the reporting period the Group repaid one of Saloro's debt facilities in the amount of €5 million.

- The recognition of the advanced upfront Subscription Security payment of $8,735,000 from OCM Luxembourg Tungsten Holdings S.a.r.l. (Oaktree), as short-term borrowings, prior to the issue of the Subscription Securities as part of the share placement on 22 May 2025. The loan is non-interest bearing unless the Company fails to satisfy the Subscription Approval by 31 August 2025, interest will accrue at a rate of 10% per year accruing daily.

  At the EGM held on 19 July 2025 shareholders approved the issue of 249,585,714 shares in full satisfaction of the short-term borrowings.

26. OTHER FINANCIAL LIABILITIES

	2025 $	2024 $
Financial liabilities carried at fair value through profit or loss:[1]		
Current	**2,467,160**	1,245,147
Non-current	**9,653,602**	10,538,413
	12,120,762	11,783,560
Deferred interest:[2]		
Current	**101,321**	49,665
Non-current	**320,851**	281,436
	422,172	331,101
Total Financial Liabilities	**12,542,934**	12,114,661

1 A discounted cash flow method using a discount rate of 5.455% (2021: n/a) was used to capture the net present value of the revenues for the life of mine as determined in the May 2023 Update of the BFS.

2 Deferred interest relates to that portion of the Regal Resources Royalties Fund where actual payments did not satisfy the interest component due to the staged ramp-up of Open Cut operations. These costs will be amortised over the period in which the first stage royalty of $10 million is scheduled to be repaid.

The Company entered into a Royalty Funding Package with Regal Resources Royalties Fund with the Group receiving $10 million in two separate tranches. The financing consists of a royalty percentage of 3% with a buy-back option after the recovery of the first stage royalty, $10 million (and before the 7 anniversary of the definitive agreement execution) and a payment of $2.75 million, reducing the liability to 1.5% for the life of mine.

27. LEASES

Movements in the Group's lease liabilities during the year are as follows:

Right-of-use assets	2025 $	2024 $
Balance at 1 July 2024	**3,450,296**	2,376,049
Additions:		
- Plant & equipment	**7,922,921**	1,751,191
- Heavy & light vehicles	**7,987,100**	466,010
- Acquisition of subsidiary	**1,618,204**	-
Disposals	**(2,510)**	(42,935)
Amortisation charge for the year	**(4,592,120)**	(1,100,019)
Balance at 30 June 2025	**16,383,891**	3,450,296
Lease Liability - Maturity Analysis		
Less than 1 year	**5,873,188**	1,324,113
1 to 5 years	**5,477,596**	1,823,620
5+ years	**3,027,964**	-
	14,378,748	3,147,733
Amounts Recognised in profit or loss		
Interest on lease liabilities	**950,770**	153,110
Expenses relating to short-term leases	**-**	-
	950,770	153,110
Amounts recognised in the statement of cash flows	**950,770**	150,111
Total cash outflow for leases	**4,463,771**	937,693

The Company entered into a lease buy-back arrangement for existing leased assets. No cash consideration was exchanged. The transaction did not meet the criteria for a sale under IFRS 15 and was therefore accounted for as a financing arrangement under IFRS 16. The key terms were:

- The existing lease was replaced with a new lease.
- A 3-month payment reprieve was granted under the new lease.
- The asset was not derecognised and continues to be recognised on the balance sheet.
- A financial liability was recognised equal to the present value of the future lease payments under the new lease.
- Lease payments are accounted for as repayments of the financial liability, with interest expense recognised under IFRS 9.

The loss on disposal has been disclosed as a loss on lease modification in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

28. CORPORATE INFORMATION

The Financial Report of the Group for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 30 September 2025.

EQ Resources Limited is a company limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange under the ticker code “EQR”.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks arising from the Group’s operations comprise market, liquidity and credit risk. These risks arise in the ordinary course of business, and the Group manages its exposure to them in accordance with the Group’s risk management strategy. The objective of the strategy is to support the delivery of the Group’s financial targets while protecting its future financial security.

Notes to the Consolidated Financial Statements continued

The Company's principal financial instruments comprise cash, short term deposits and available for sale investments.

(a) Price Risk

The Group is not exposed to equity securities price risk.

(b) Liquidity Risk

The Group's liquidity risk arises from the possibility that it may be unable to settle or meet its obligations as they fall due. It is managed by maintaining sufficient cash reserves and marketable securities and by continuously monitoring budgeted and actual cash flows.

The maturity profile of the Group's financial liabilities based on the undiscounted contractual amounts is as follows:

Contracted Maturities for Payables	Total	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
2025					
Trade and other payables	**58,486,399**	58,486,399	-	-	-
Lease liabilities	**14,378,748**	5,873,188	5,477,596	3,027,964	-
Borrowings	**47,614,395**	43,607,768	4,006,627	-	-
Convertible notes	**2,778,620**	2,778,620	-	-	-
Expected future interest payments					
Convertible notes	**337,500**	337,500	-	-	-
Lease liabilities	**1,755,037**	1,060,751	533,963	160,323	-
Borrowings	**558,337**	558,337	-	-	-
Total	**125,909,036**	**112,702,563**	**10,018,186**	**3,188,287**	**-**

	Total	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
2024					
Trade and other payables	42,647,114	42,647,114	-	-	-
Lease liabilities	3,147,733	1,324,113	1,085,707	737,913	-
Borrowings	42,025,474	42,025,474	-	-	-
Convertible notes	549,012	-	549,012	-	-
Expected future interest payments					
Convertible notes	125,005	61,669	63,336	-	-
Lease liabilities	340,515	198,925	101,989	39,601	-
Borrowings	992,676	992,676	-	-	-
Total	**89,827,529**	**87,249,971**	**1,800,044**	**777,514**	**-**

Refer Note 1 for commentary on going concern assumptions.

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

(c) Fair Value of Financial Instruments

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

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 (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Consolidated – 2025

	Level 1	Level 2	Level 3	Total
Total assets				
Deferred acquisition costs	1,357,038	-	-	1,357,038
Capitalised borrowing costs	274,024	-	-	274,024
Shares held in listed entities	387	-	-	387
Unexpired Interest	-	1,435,263	-	1,435,263
	1,631,449	**1,435,263**	**-**	**3,066,712**
Total liabilities				
Deferred interest	-	422,172	-	422,172
Financial liability	-	12,120,762	-	12,120,762
	-	**12,542,934**	**-**	**12,542,934**

Consolidated – 2024

	Level 1	Level 2	Level 3	Total
Total assets		-	-	
Deferred acquisition costs	1,252,459	-	-	1,252,459
Capitalised borrowing costs	646,213	-	-	646,213
Shares held in listed entities	1,160	-	-	1,160
Unexpired Interest	-	2,760,074	-	2,760,074
	1,899,832	2,760,074	-	4,659,906
Total liabilities				
Deferred interest	-	331,102	-	331,102
Financial liability	-	11,783,559	-	11,783,559
	-	**12,114,661**	**-**	**12,114,661**

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

The following table shows the valuation techniques used in measuring fair values for financial instruments in the Statement of Financial Position:

Type	Valuation technique
Equity securities	Quoted market share price.
Deferred Costs	Actual costs incurred.
Other financial assets & liabilities*	*Discounted cash flows*: the valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.**

* Other financial assets include unexpired interest.
Other financial liabilities include deferred interest and financial liabilities.

** Refer Note 26 for the inputs used in the discounted cash flows valuation model.

(d) Commodity Price Risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and mining development of mineral commodities. If commodity prices fall, the market for companies exploring and/or mining for these commodities is affected. The Company does not currently hedge its exposures.

Notes to the Consolidated Financial Statements continued

(e) Fair Values

For financial assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. The Company has no financial assets, including derivative financial assets and liabilities, where the carrying amount exceeds the net fair values on the reporting date. The Company's receivables at the reporting date comprise of GST input tax credits refundable by the Australian Taxation Office and other receivables. The balance (if any) of receivables comprises prepayments (if any). The credit risk on the Company's financial assets, which has been recognised on the Statement of Financial Position, is generally the carrying amount.

(f) Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and maintain an optimum capital structure to reduce the cost of capital. Consistently with others in the industry, the consolidated entity monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the Statement of Financial Position plus net debt. The gearing ratio as at 30 June 2025 was 70% as opposed to 65% at 30 June 2024.

The increase in the ratio is predominately due to the Company financing its capital growth initiatives for the Mt Carbine Tungsten Project via debt rather than equity.

To maintain or adjust the capital structure, the consolidated entity may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity continues to evaluate corporate and exploration opportunities within the new economy and critical minerals sector.

The consolidated entity is subject to certain financing arrangements and covenants, and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report. The consolidated entity is not subject to externally imposed capital requirements.

30. SHARE BASED PAYMENTS

(a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

			Expensed			
	FV at Grant Date	Expensed / Capitalised in prior years	Lapsed / Forfeited	Options/ Shares	Capitalised 2025 Year	IFRS 2 Not yet Expensed
Options issued to key management personnel	1,075,661	29,769	-	1,003,907	-	41,985
Options issued to employees/consultants / sophisticated investors	3,277,689	458,493	-	2,310,828	387,661	120,707
Shares issued to for senior financial advisor service fees	33,411	-	-	33,411	-	-
Total share-based payments	**4,386,761**	**488,262**	**-**	**3,348,146**	**387,661**	**162,692**

The fair value of options issued during the year was calculated by using a black-scholes pricing model applying the following inputs:

	Key Management Personnel, Employees & Contractors	Sophisticated Investors	Sophisticated Investors
Grant date	29/11/2024	29/11/2024	22/11/2024
Number issued	13,000,000	36,800,000	20,000,000
Share price at the grant date	$0.055	$0.055	$0.053
Exercise Price	$0.070	$0.70	$0.10
Life of options (years)	3 Years	3 Years	2 Years
Expected share price volatility	67.227%	67.227%	64,740%
Weighted average risk-free interest rate	3.91%	3.91%	4.08%
Fair value per option	$0.02227	$0.02227	$0.01013
Vesting conditions	1 Year[1]	None	None

	Sophisticated Investors	Sophisticated Investors
Grant date	29/05/2024	27/05/2025
Number issued	25,000,000	28/087/501
Share price at the grant date	$0.032	$0.034
Exercise Price	$0.0675	$0.0675
Life of options (years)	2 Years	2 Years
Expected share price volatility	75,548%	64.740%
Weighted average risk-free interest rate	3.76%	3.33%
Fair value per option	$0.00822	$0.00597
Vesting conditions	None	None

[1] 1 year from the date of issue subject to continuous employment or rendering of services by/to the Company to the vesting date.

Each option provides the right for the option holder to be issued one fully paid share in the Company upon payment of the exercise price of each option once vesting conditions have been met.

Historical volatility has been used to determine expected share price volatility as it is assumed that this indicates future trends, which may not eventuate.

For service provider options, the value of the service rendered was unable to be measured reliably, and therefore, the value was measured by reference to the fair value of the options issued.

(b) Options Issued

The following table details the number and movements in options issued as employment incentives to Key Management Personnel during the year.

	2025 Number	2025 WAEP	2024 Number	2024 WAEP
Outstanding at the beginning of the year	2,250,000	0.081	33,250,000	0.061
Granted	34,000,000	0.070	1,000,000	0.010
Forfeited/cancelled	(6,000,000)	0.070	(27,000,000)	0.059
Exercised[1]	-	-	(5,000,000)	0.059
Expired	-	-	-	-
Outstanding at year end	**30,250,000**	**0.104**	**2,250,000**	**0.104**
Exercisable at year end	**25,000,000**	**0.104**	**1,250,000**	**0.104**

[1] Options are deemed exercised upon the resignation of Key Management Personnel. The 14,805,281 Options issued to Directors as part of their participation in equity placement have been excluded as they were not issued as remuneration.

(c) Performance Rights / Options lapsed during the reporting period

No performance rights were issued during the reporting period.

Notes to the Consolidated Financial Statements continued

31. EMPLOYEE BENEFITS

	2025 $	2024 $
Current		
Annual leave benefits	1,357,015	488,203
Long service leave benefits	35,193	28,727
	1,392,208	516,930
Non-current		
Long service leave benefits	136,697	22,383
Total employee benefits	1,528,905	539,313

32. PROVISIONS

	2025 $	2024 $
On acquisition of subsidiary		
Provision for dismantling costs	2,511,647	2,264,374
Total provisions	2,511,647	2,264,374

33. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Adoption of New Standards and Interpretations

Changes in accounting policies on the initial application of Accounting Standards

From 1 July 2024, the Company has adopted all the standards and interpretations mandatory for annual periods beginning on or after 1 July 2024. The adoption of these standards and interpretations did not have any effect on the statements of the company's financial position or performance. The Company has not elected to early adopt any new standards or amendments.

34. PARENT ENTITY INFORMATION

The following information relates to the parent entity, EQ Resources Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	2025 $	2024 $
ASSETS		
Current assets	**89,406,014**	55,218,343
Non-current assets	**35,727,429**	28,391,268
TOTAL ASSETS	**125,133,444**	83,609,611
LIABILITIES		
Current liabilities	**14,302,607**	5,136,580
Non-current liabilities	**17,798,997**	10,328,941
TOTAL LIABILITIES	**32,101,604**	15,465,521
NET ASSETS	**93,031,840**	68,144,090
EQUITY		
Issued capital	**98,245,753**	68,338,429
Reserves	**10,554,235**	5,675,116
Accumulated gains / (losses)	**(15,768,148)**	(5,869,455)
TOTAL EQUITY	**93,031,840**	68,144,090
FINANCIAL PERFORMANCE		
Profit (loss) for the year	**(9,897,919)**	(6,207,248)
Other comprehensive income/(loss) for the year	**(773)**	(3,996)
Total comprehensive profit/(loss)	**(9,898,692)**	(6,211,244)

Contingent Liabilities

As at 30 June 2025 and 30 June 2024 the Company had no contingent liabilities other than those disclosed in Note 18.

Contractual Commitments

In addition to the contractual commitments outlined in the Significant Changes and Subsequent Events section of the Directors Report, no other material contractual commitments were entered into during the period. material contractual commitments were entered into during the period.

Guarantees Entered into by Parent Entity

As at 30 June 2025, the Group has not provided any financial guarantees.

35. OPERATING SEGMENTS

Segment Information

Identification of Reportable Segments

During the 2025 financial year, the Company operated principally in one business segment, mineral exploration and mining, and in two geographical segments, being Australia and Spain.

Notes to the Consolidated Financial Statements continued

	June 2025			June 2024		
	Total $	Australia $	Spain $	Total $	Australia $	Spain $
REVENUE						
Revenue & Other Income	**67,788,656**	**19,410,717**	**48,377,939**	30,327,090	16,146,183	14,180,907
Total segment revenue	**67,788,656**	**19,410,717**	**48,377,939**	30,327,090	16,146,183	14,180,907
RESULTS						
Profit / (loss) before income tax	**(39,307,079)**	**(37,229,580)**	**(2,077,499)**	(27,723,114)	(31,228,359)	3,505,245
Income tax	**-**	**-**	**-**	-	-	-
Profit/ (loss) after income tax	**(39,307,079)**	**(37,229,580)**	**(2,077,499)**	(27,723,114)	(31,228,359)	3,505,245
ASSETS AND LIABILITIES						
Assets	**189,272,014**	**92,551,971**	**96,720,043**	153,990,946	75,734,356	78,256,590
Liabilities	**(152,984,857)**	**(60,243,721)**	**(92,741,136)**	(109,660,751)	(34,628,093)	(75,032,658)

36. RELATED PARTY DISCLOSURES

(a) The Company's main related parties are as follows:

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise), are considered key management personnel.

The Directors and Officers in office during the year were as follows:

- Oliver Kleinhempel (Sonnenallee Investments Limited) — Appointed Non-executive Director, 12 August 2019; Appointed Executive Chairman, 1 April 2025
- Craig Richard Bradshaw — Appointed Non-executive Director, 1 May 2025
- Stephen Layton (Bodie Investments Pty Ltd) (Sindel Nominees Proprietary Limited) — Appointed Non-executive Director, 14 November 2017
- Richard Damon Morrow (Yavern Creek Holdings Pty Ltd) — Appointed Non-executive Director, 16 March 2021; Resigned 30 June 2025
- Stephen Robert Weir — Appointed Non-executive Director, 19 January 2024
- Zhui Pei Yeo (Whitfords Holdings Investments Pty Ltd) — Appointed Non-executive Director, 12 August 2019
- Kevin Bruce MacNeill — Appointed Chief Technical Officer, 1 April 2025

For details of disclosures relating to key management personnel, refer to Key Management Personnel disclosures Directors and Remuneration Report.

(b) Transactions with other related parties:

Transactions between other related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the reporting period the Company entered into the following transaction:

- Short-term borrowings via the advanced upfront Subscription Security payment of $8,735,000 from OCM Luxembourg Tungsten Holdings S.a.r.l. (Oaktree) prior to the issue of the Subscription Securities as part of the share placement on 22 May 2025. The loan is non-interest bearing unless the Company fails to satisfy the Subscription Approval by 31 August 2025, interest will accrue at a rate of 10% per year accruing daily.

  At the EGM held on 19 July 2025 shareholders approved the issue of 249,585,714 shares in full satisfaction of the short-term borrowings.

(c) Receivable from and payable to related parties

There were no trade receivables from nor trade payables to related parties at the current and previous reporting date other than those disclosed in the Remuneration Report.

(d) Loans to/from related parties

No loans to or from related parties were entered into during the reporting period.

(e) Parent entity

EQ Resources Limited is the parent entity.

(f) Subsidiaries

Interests in subsidiaries are set out in Note 20.

Consolidated Entity Disclosure Statement

Entity Name	Entity Type	Body corporates		Tax residency
		Place formed / incorporated	% of share capital held	
EQ Resources Limited	Body Corporate	Australia	N/A	Australia
Mt Carbine Mining Pty Ltd	Body Corporate	Australia	100%	Australia
Mt Carbine Retreatment Pty Ltd	Body Corporate	Australia	100%	Australia
European Tungsten Pty Ltd	Body Corporate	Australia	100%	Australia
Mt Carbine Quarrying Operations Pty Ltd	Body Corporate	Australia	100%	Australia
Mt Carbine Quarries Pty Ltd	Body Corporate	Australia	100%	Australia
Icon Resources Africa Pty Ltd	Body Corporate	Australia	100%	Australia
Mt Carbine Retreatment Management Pty Ltd	Body Corporate	Australia	100%	Australia
Saloro S.L.U.	Body Corporate	Spain	100%	Spain

Directors' Declaration

The Directors of the Company declare that:

1. the attached financial statements and notes:
    a) comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
    b) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and
    c) give a true and fair view of the consolidated entity's position as at 30 June 2025 and of its performance for the financial year ended on that date;
2. the directors have been given the declaration required by s.295A of the *Corporations Act* 2001 by the Chief Financial Officer declaring that:
    a) the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;
    b) the Financial Statements and notes for the financial year comply with Accounting Standards; and
    c) the Financial Statements and notes for the financial year give a true and fair view;
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
4. the Consolidated Entity Disclosure Statement on Page 114 is true and correct.

This declaration is made in accordance with the resolution of the Board of Directors pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board

Oliver Kleinhempel
Executive Chairman
30 September 2025

Auditor's Independence Declaration

Nexia Australia

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Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of EQ Resources Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there has been:

a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Ben Bester
Director

Dated this 30th day of September 2025

Advisory. Tax. Audit.

Independent Auditor's Report

Nexia Australia

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Independent Auditor's Report to the Members of EQ Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EQ Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying 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 2025 and of its performance for the year then ended; and

ii) complying with Australian Accounting Standards and *the Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a total comprehensive loss of $39,228,351 (2024: $14,425,051), a net cash outflow from operating activities of $16,916,689 (2024: $12,703,554) during the year ended 30 June 2025 and, as of that date, the Company's current liabilities exceeded its current assets by $96,768,984 (2024: $55,567,286). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report continued

Nexia Australia

Independent Auditor's Report
to the Members of EQ Resources Limited

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Carrying value Deferred exploration and evaluation expenditure ***Refer to Note 11 Deferred Exploration and Evaluation*** The Group holds significant exploration and evaluation assets at 30 June 2025, which are material to the financial report. As a result, the capitalised exploration and evaluation expenditure needed to be assessed for impairment indicators in accordance with *AASB 6 Exploration and Evaluation of Mineral Resources and* therefore considered a key audit matter.	Our procedures include, amongst others: • Obtained schedules of the areas of interest held by the Group and assessed whether the rights to tenure remain current at the balance date. • Considered whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed. • Reviewed the Group's capitalisation of exploration expenditure in the current year and ensured that it is consistent with the criteria as stated under AASB 6. This included discussions with management, reviewed Group exploration budgets, ASX announcements and directors' minutes. • Reviewed and considered whether any facts or circumstances existed that suggest impairment was required. • Assessed the adequacy of the related disclosures in Note to the financial report.
Accounting for business combinations ***Refer to Note 1 and 3*** The business combination is considered to be a key audit matter due to: • Materiality of the transaction and resulting balances. • The key areas of measurement of fair value of assets and liabilities acquired.	Our procedures include, amongst others: • Reviewed purchase and sale agreements to understand the terms and conditions of the acquisitions. • Obtained and reviewed the fair value calculations including external valuations and evaluated the accounting entries, including verification of the recognised assets and liabilities. • Assessed the methodology and assumptions used to determine the initial fair value of assets acquired and liabilities assumed. • Assessed the treatment and accounting of the transactions under 'AASB 3 Business Combinations'. • Assessed the adequacy of disclosures in note 3 to the financial report.

Nexia Australia

Independent Auditor's Report
to the Members of EQ Resources Limited

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Independent Auditor's Report continued

Nexia Australia

Independent Auditor's Report to the Members of EQ Resources Limited

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Nexia Australia

Independent Auditor's Report to the Members of EQ Resources Limited

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 64 to 70 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of EQ Resources Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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 Australian Auditing Standards.

Nexia Melbourne Audit Pty Ltd
Melbourne

Ben Bester
Director

Dated this 30th day of September 2025

Shareholder Information

Registered Office

Vistra Australia, Suite 2 Level 11
385 Bourke Street
Melbourne VIC 3000, Australia
Phone: +61 (0)3 9692 7222

Company Secretary

Ms Melanie Leydin

Shareholder Enquiries

Shareholder's information in relation to shareholding or share transfer can be obtained by contacting the Company's share registry:

Automic Registry Services
GPO Box 5193
Sydney NSW 2001

Telephone: 1300 288 664 (local), +61 (0)2 9698 5414 (international)
Website: www.automicgroup.com.au

Please provide your Security-holder Reference Number (SRN) or Holder Identification Number (HIN) for all correspondence to the share registry.

Change of Address

Changes to your address can be updated online at https://www.automicgroup.com.au or by obtaining a Change of Address Form from the Company's share registry. CHESS-sponsored investors must change their address details through their broker.

Annual General Meeting

The Annual General Meeting will be held in Melbourne on 26 November 2025 at 3.30 pm (AEDT). The time and other details relating to the meeting will be provided in the Notice of Meeting, which will be sent to all shareholders and released to the ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is 8 October 2025. Any nominations must be received in writing at the Company's Registered Office no later than 5.30 pm (Melbourne time) on 8 October 2025.

The Company notes that the deadline for the nominations for the position of Director is separate from voting on Director elections. In due course, details of the Directors to be elected will be provided in the Company's Notice of Annual General Meeting.

Corporate Governance Statement

The Company's 2025 Corporate Governance Statement, once released to the ASX, will be available on the Company's website at https://www.eqresources.com.au

Annual Report Mailing List

All shareholders are entitled to receive the Annual Report. In addition, shareholders may nominate not to receive an Annual Report by advising the share registry in writing, by fax, or by email, quoting their SRN/HIN.

Securities Exchange Listing

EQ Resources shares are listed on the Australian Securities Exchange and trade under the ASX code EQR. The securities of the Company are traded on the ASX under CHESS (Clearing House Electronic Sub-Register System). The Company's securities are not traded on any other stock exchange.

ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is based upon data as at 18 August 2025. The closing price of the EQR's ordinary shares on that ASX on this date was $0.036 At this time there was no on-market buy-back of the Company's securities.

Distribution of Equity Securities

Analysis of numbers of ordinary shareholders by size of holding.

	Ordinary Shares		Options over Ordinary Shares		Convertible Notes	
	Number of Holders	Number Issued	Number of Holders	Number Issued	Number of Holders	Number Issued
1 – 1,000	103	13,593	-	-	-	-
1,001 – 5,000	45	145,280	-	-	-	-
5,001 – 10,000	183	1,594,241	1	7,408	-	-
10,001 – 100,000	1,132	48,518,977	89	4,538,136	-	-
100,001 – and over	985	3,041,271,535	262	477,295,633	2	3,750,000
Total	**2,448**	**3,091,543,626**	**352**	**481,841,177**	**2**	**3,750,000**
Holdings less than a marketable parcel	**446**	**3,128,881**	**6**	**68,408**	**-**	**-**

Equity Security Holders

Twenty largest quoted equity security holders.

Position & Holder Name	Holding	% Holdings
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	387,931,893	13.09%
CITICORP NOMINEES PTY LIMITED	377,415,527	12.73%
OCM LUXEMBOURG TUNGSTEN HOLDINGS SA RL	249,585,714	8.42%
BNP PARIBAS NOMS PTY LTD	171,582,201	5.79%
ZHUI PEI YEO	114,469,582	3.86%
BNP PARIBAS NOMINEES PTY LTD	113,833,606	3.84%
BNP PARIBAS NOMINEES PTY LTD	98,840,765	3.33%
TA SECURITIES HOLDINGS BERHAD	63,158,197	2.13%
ARCHER PACIFIC HOLDING LIMITED	55,000,000	1.86%
BODIE INVESTMENTS PTY LTD	50,812,500	1.71%
VENTURE FRONTIER LIMITED	38,461,539	1.30%
SHAWLANE CAPITAL LTD	36,372,673	1.23%
BAGLORA PTY LTD	31,200,000	1.05%

Shareholder Information continued

Position & Holder Name	Holding	% Holdings
HEMMINGWAY UNITED INVESTMENT LTD	31,088,236	1.05%
HONWAI PTY LTD	28,606,231	0.97%
DR LEON EUGENE PRETORIUS	28,414,886	0.96%
BOOM SECURITIES (HK) LIMITED	27,828,000	0.94%
HIMSTEDT & CO PTY LTD	22,233,000	0.75%
TAN KIM SENG	22,222,000	0.75%
MAX MOBILE AUTO CLINIC PTY LTD	20,673,153	0.70%
Total: Top 20 Holders of Ordinary Fully Paid Shares	**1,969,729,70**	**66.45%**
Total issued capital	**2,964,219,97**	**100.00%**

Unquoted Equity Securities	Holding	Option Holders
Options over ordinary shares issues	481,841,177	352
Convertible Notes	3,750,000	2

Escrowed Securities	Holding	Holders
Options	78,000,000	1

Substantial Option Holders

Substantial option holders in the Company are set out below:

Substantial Option Holders	Holding	% of Total Options Issued
OCM LUXEMBOURG TUNGSTEN HOLDINGS SA RL	113,555,556	23.57%

Substantial Convertible Note Holders

Substantial Convertible Noteholders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

Substantial Shareholders	Number Held	Percentage
SQUARE RESOURCES HOLDING PTY LTD	3,000,000	80.00%
TAN QUAN KAI ALEX	750,000	20.00%

Substantial Holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

Substantial Shareholders	Number Held	Percentage
OCM Luxembourg Tungsten Holdings S.á r.l	584,252,381	18.90%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Unquoted Securities

There are no voting rights attached to the unquoted options.

There are no other classes of equity securities.

Forward Looking Statements

Some statements contained within this report relate to the future and are forward looking statements. Such statements may include, but are not limited to, statements with regard to intention, capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside EQ Resources Limited’s control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements and intentions which speak only as at the date of the presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, EQ Resources does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements contained in this presentation, whether as a result of any change in EQ Resources’ expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

Certain statistical and other information included in this presentation is sourced from publicly available third-party sources and has not been independently verified.

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