Annual Report
2024

RESOURCES

Corporate Directory

Directors

Oliver Kleinhempel
Non-executive Director
Non-executive Chairman

Stephen Layton
Non-executive Director

Richard Morrow
Non-executive Director

Stephen Weir (Appointed 19 January 2024)
Non-executive Director

Zhui Pei Yeo
Non-executive Director

Company Secretary

Melanie Leydin

Registered Office

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South Melbourne VIC 3205

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Mount Carbine QLD 4871

Share Register

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Level 5, 126 Philip Street
Sydney NSW 2000

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Auditors

Nexia Melbourne Audit Pty Ltd
Level 35, 600 Bourke Streett
Melbourne VIC 3000

T +61 (0)3 8613 8888
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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

Contents

Chairman's Address

Our teams deliver on the synergies, driven by the diverse expertise and everybody's commitment to have both operations strive and succeed.

Dear Shareholders and Friends of EQR,

It is my great pleasure to present to you the 2024 Annual Report for EQ Resources Limited. To reflect on the past 12 months, allow me to rewind with a personal note.

Back in 2018, I had my first interactions with Saloro's management team. This was not at all related to the later transactions between the Companies. Instead, it was a joint effort with several European research institutes to develop technologies that would allow the recovery of critical raw materials from challenging mineral deposits and old mine waste stockpiles – it goes without saying that our laser-like focus was on Tungsten! To collaborate efficiently on such topics and towards a tangible outcome, one needs to share the same vision on how our sector could generate value and contribute to society in a sustainable way!

Teamwork Above All

Since my first interactions referred to above, mutual respect, trust and transparency formed the basis of many discussions. This has fully transpired into the leadership teams and are defined principles of the collaboration between both sites which now form the EQ Resources Group. Weekly team meetings between the senior members from both locations continue to forge the relationship and already started to deliver on the synergies driven by the diverse expertise and everybody's commitment to have both operations strive and succeed.

Continue Developing an Ecosystem

We continue engaging with key customers and partners, truly believing in the value that strong ecosystems can deliver to all its members. We have built a solid relationship with one of our key customers, Masan High-Tech Materials. Both sides believe in win-win-constellations. The Companies exchange technical information to effectively allow for a better utilisation of the tungsten resources mined at our sites and shipped to Vietnam. We recently announced a strategic collaboration with Elmet Technologies, a leading US tungsten manufacturer "far down our value chain". This was intentional; we need and want to be closer to the end-users.

Discipline at the Core

The general outlook and recent performance of the Company look promising. Nevertheless, (cost) discipline and governance must remain at the core of our operations. As the Company grows, the management and board competencies need to expand in parallel. The Company has attracted incredible talent, as a key ingredient for any successful Company. Strategic optionality can be best played with a strong balance sheet. Our priorities are, therefore, clearly defined, and we are looking positively into the coming 12 months!

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

Oliver Kleinhempel
Non-Executive Chairman
EQ Resources Ltd

Chief Executive Officer's Letter

EQ Resources is focused on long-term growth, leveraging our expanding operations and sustainable practices to strengthen our leadership in the tungsten market and deliver lasting value for our shareholders well into the future.

Dear Shareholders,

As we reflect on the past year, I am proud of the extraordinary progress EQ Resources ("EQR") has made. This past year has been transformative for the Company, driven by a series of strategic milestones that have fortified our position as the leading primary tungsten producer outside of Asia and Russia. With each step forward, we have demonstrated our commitment to operational excellence, continuous improvement in safety, sustainable growth, and value creation for our shareholders.

Saloro Acquisition: A World-Class Asset

One of the most exciting developments this year was the acquisition of Saloro's Barruecopardo mine, a world-class tungsten project with high-quality equipment and an exceptional team of professionals. This acquisition is a game-changer for EQR. It not only expands our portfolio of premium tungsten assets but also enhances our production capacity and bolsters our standing in the global tungsten market. The integration of Saloro into our operations hasn't been without its challenges, but it is starting to bear the fruits of our labour and we are confident that this asset will contribute significantly to our growth in the near term.

Unlocking the Potential of Mt Carbine

Mt Carbine continues to demonstrate its tremendous potential. Over the past year, we have made significant strides in open-cut mining operations growing our production profile along with operational outputs. The underground mine has a promising future, with the majority of Resources yet to be converted to Reserves with several high-value and high-priority mining areas identified as great underground mining targets. This presents a substantial opportunity for resource expansion and value realisation as we progress with our conversion efforts.

Moreover, we are now mining zones rich in high-grade tungsten, with grade increasing at depth. Our latest rounds of drilling have confirmed this, and we are confident that as we continue to expand our operations at Mt Carbine, the best is yet to come. I believe the quality of the ore we are encountering positions us well to deliver strong production volumes and increase shareholder value over the next 12 months.

Leading the Western Tungsten Market

With the continued growth of Mt Carbine, the addition of Saloro and the grant of the Wolfram Camp exploration permit, EQR has solidified its position as the largest primary tungsten concentrate producer outside of Asia and Russia. This achievement is particularly significant given the strategic importance of tungsten in global supply chains. Tungsten is critical mineral for modern technologies, and our operations ensure a stable and secure supply of this essential material to industries globally.

In an environment where global demand for critical minerals is increasing, our leadership in tungsten production places EQR at the forefront of the industry's future. We remain committed to scaling our operations responsibly and sustainably to meet this demand.

Aerial view of Saloro's Barruecopardo mine, Salamanca Province, Spain.

A Sustainable Path Forward

As we look to the future, sustainability remains at the core of everything we do. Our approach to environmental stewardship, safety and community engagement ensures that we operate in a manner that benefits not only our shareholders but also the broader communities in which we operate. Both operations are corresponding on ESG initiatives and evolving as a Company.

Outlook for 2025 and Beyond

As we move into 2025, we are positioned for another year of robust growth. Our focus will remain on delivering consistent production from Mt Carbine, advancing the underground potential, and optimising Saloro production outputs and plant recoveries. With ongoing exploration and development, we believe that EQR will continue to grow as a leader in the critical minerals sector, delivering long-term value for our shareholders.

I would like to extend my gratitude to our dedicated team, whose hard work and expertise continue to drive our success. I would also like to thank our shareholders for your continued support and confidence in our vision.

Together, we are building a stronger, more resilient future for EQ Resources, and I am excited about the opportunities that lie ahead.

Thank you.

Kevin MacNeill
Chief Executive Officer
EQ Resources Ltd

Operating and Financial Review

Corporate & Financing Activities

EQR Completes Acquisition of Saloro S.L.U. and $25 Million Placement with Oaktree

On 18 January 2024, EQR and Oaktree Capital Management, L.P. ("Oaktree") satisfied all conditions precedent for EQR's acquisition of Saloro S.L.U. The transaction also comprised a $25 million placement to Oaktree at 9c per share, resulting in Oaktree now holding a 15% stake in the Company. To further streamline Saloro's key banking relationships, the Company agreed to reduce third-party bank debt by €10 million, compared to €5 million as per the initial transaction agreements. The transformational acquisition strengthens EQR's relevance in the global tungsten industry, with the Company becoming the largest independent tungsten concentrate producer outside of China. Oaktree's investment in EQR enhances the Company's shareholder register and capital market positioning, supporting the further expansion of both the Mt Carbine and Barruecopardo operations.

Production 'key performance indicators' at Saloro strongly improved since collaborative work was first established between EQR and Saloro. Since acquisition, a further debottlenecking program, including the doubling of XRT sorting capacity, has been undertaken with initial efforts focused on improving the jigging plant and ongoing enhancements in the spirals and shaking table sections, leading to significantly better metal recoveries.

Another key area of production expansion involves XRT ore sorting. Saloro's Barruecopardo Mine, with its coarse scheelite, is well-suited for this technology. Following successful trials and results from the first TOMRA XRT Ore Sorter, introduced in August 2023, Saloro and EQR purchased a second unit, which arrived in December 2023. This addition aims to positively impact costs, utility consumption, and overall metal recovery at the Barruecopardo operation.

See ASX Announcement 18th January 2024: 'EQR Completes acquisition of Saloro S.L.U. and $25 Million placement with Oaktree'.

Changes in EQR Board & Leadership Team

Stephen Weir was appointed to the Board of Directors of EQR on 19th January 2024 as Oaktree's nominee Director and Chair of the Audit & Risk Committee.

Mr Weir is a former Chief Executive Officer of Magnetite Mines Ltd (ASX:MGT), a company focused on the development of the Razorback Iron Ore Project in the Braemar region of South Australia. Mr Weir's prior fields of expertise and senior executive roles span the mining, industrial services, energy and infrastructure sections. He has a 20-year career in corporate advisory with RFC Ambrian where he was a Managing Director, preceded by project finance (Bankers Trust), general management (Brambles) and construction management (John Holland Engineering).

See ASX Announcement 19th January 2024: "Stephen Weir joins EQR's Board of Directors".

Another change in the leadership team is the appointment of Evren Ören as Chief Operating Officer for the Saloro Operations in February 2024. With an academic background in Mining Engineering, Mineral Processing, and Business Administration, Evren brings global experience in optimising mineral processing plants, operations, and EPC management. Proficient in Spanish and English, his cross-cultural skills strengthen operations and foster collaboration within the group.

A$20M Funding Facility from QIC for Mt Carbine Mine Expansion

The Company and Queensland Investment Corporation ("QIC") have entered into an agreement to establish a three-year funding facility. QIC will provide up to A$20 million from the Queensland Critical Minerals and Battery Technology Fund ("QCMBTF"). The fund's main goal is to support the mining and refining of essential minerals and the development and production of battery technologies and advanced materials in Queensland.

The 3-year loan facility will accelerate the Company's 2 mtpa processing capacity expansion plan ongoing at the Mt Carbine Tungsten Mine with A$12M in Tranche 1. Tranche 2 of A$8M will enable the Company to push forward with the initial phase of the 2024 drilling program, aiming at defined underground targets, and to integrate these findings into a comprehensive underground feasibility study. The underground resource, which has been minimally explored, is accessible via a 1980s decline that was reopened after the quarter-end and presents higher grades and significant potential for resource expansion. This funding is contingent on meeting standard prerequisites, including project completion tests.

See Announcement 8th May 2024: 'QIC approves A$20M funding for Mt Carbine Tungsten Mine expansion'.

Operating and Financial Review continued

Deputy Premier, Treasurer and Minister for Trade and Investment Cameron Dick commented:

"Our investment through the Queensland Critical Minerals and Battery Technology Fund provides a pathway for EQ Resources to extend the existing mine by further exploring tungsten resources accessible through underground mining. New plant equipment, drill testing and trial mining is forecast to increase capacity and extend the mine's life by at least five years, ensuring global demand for tungsten continues to deliver local opportunities for Far North Queenslanders."

Queensland Government

QIC's State Chief Investment Officer Allison Hill commented:

"Securing additional tungsten mineralisation will strengthen Queensland's position as a significant contributor to global critical minerals supply chains. There are relatively few mines globally in a position to fill anticipated supply-demand gaps for tungsten as existing outputs are challenged and demand for clean energy technologies grows."

QIC

Research and Development Tax Refund

The Company received a cash refund of $2.17 million, in May 2024, following the submission and approval of its Research and Development (R&D) Tax Refund application for the 2023 financial year. This refund has been granted in recognition of various eligible R&D activities conducted during the year at EQR's Mt Carbine Mine.

See ASX Announcement 10th May 2024: 'Mt Carbine Receives A$2.17M R&D Tax Refund'.

Successful Placement of A$9.5M to Continue Mt Carbine Expansion

In May 2024 EQR completed a A$9.5 million placement of new fully paid ordinary shares (New Shares) and options (New Options) to institutional and sophisticated investors (Placement). A broad range of high-quality institutional investors showed strong support for the placement. The issue price for the Placement was A$0.045 (4.5 cents) per share with 1-for-3 free attaching unlisted New Options, exercisable at A$0.0675 (6.75 cents). The Placement was conducted by Pac Partners Securities Pty Ltd (Lead Manager) and GBA Capital Holdings (Co-Manager). Funds managed by Oaktree Capital Management L.P. (Oaktree) retained 15% of the Placement to ensure its continued interest in EQR.

On 29 May 2024, 205,940,008 million New Shares were issued at an issue price of $0.045 (4.5 cents) per share, along with 68,646,669 New Options, exercisable at A$0.0675 (6.75 cents) expiring on 29 May 2027. A further 20,000,000 New Options were issued to brokers on the same terms as the Placement Options. Directors subscribed for 5,111,111 New Shares and 1,703,704 New Options (equivalent to A$230,000).

The Company has issued 39,304,733 New Shares and 13,101,577 New Options to Director Zhui Pei Yeo (or his nominee), plus withholding tax, as repayment of his A$1,798,570 loan to the Company.

See ASX Announcement 21st May 2024: 'Successful placement of A$9.5M to accelerate Mt Carbine Expansion'.

Convertible Notes

EQR announced on 28 September 2023 that investors holding the 4 million convertible notes issued in 2021 fully converted their notes into EQR ordinary shares. The 2-year interest-bearing convertible notes were partially converted in September 2021, for an amount of $2 million (equal to 2 million notes), with the balance $4 million (equal to 4 million notes) converted just before its due date.

See ASX Announcement 13th September 2023: "Early Works Funding Secured for Mt Carbine Expansion Well Ahead of BFS Release" ; ASX Announcement 28th September 2023: "Investors Convert 100% of Convertible Notes as Mt Carbine Mine Ramp-up Continues".

A further issue of 750,000 convertible notes took place on 6th November 2023 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 maturity date.

EQR Executes Definitive Agreement to Acquire Mt Carbine JV Interest from Cronimet

On 21 May 2024, the Company executed the definitive agreement related to the Joint Venture Interest Transfer (Agreement) with CRONIMET Asia Pte Ltd (CR Asia) and CRONIMET Australia Pty Ltd (CR Australia) for the acquisition of CR Australia's 50% joint venture interest in the Mt Carbine Retreatment Joint Venture (JV).

The Agreement formalises the binding Heads of Agreement (HoA) entered into in October 2023, which was subject to financial and legal due diligence by the parties

See ASX Announcement 18th October 2023: 'Strategic Partner Cronimet Joins EQR Register, As EQR Acquires JV Interest From Cronimet'.

In 2019, EQR, through its wholly owned subsidiary Mt Carbine Retreatment Pty Ltd ("MCR"), and CR Asia, through its wholly owned subsidiary CR Australia, embarked on a Joint Venture to reprocess the historic Mt Carbine tailings and low-grade ore stockpiles, known as the Mt Carbine Tungsten Operation.

Under this arrangement, CR Australia and MCR each held a 50% interest in the JV. As part of that JV arrangement, CR Asia prepaid an initial US$3.5 million, subsequently increased by an additional US$3 million (currently US$6.5 million), for a long-term offtake agreement for 25,000 tonnes of tungsten concentrate from the Mt Carbine Tungsten Operation (Offtake Agreement). CR Australia loaned US$2.2 million in working capital into the JV and a further US$3.2 million for equipment leases, including one XRT Ore Sorter and various material handling equipment. EQR will assume 100% of these liabilities under the Agreement.

With the successful operation of the processing plant and the expansion of operations to include the Andy White Open Pit, EQR and CR Australia have agreed to a streamlined JV structure with EQR purchasing CR Australia's 50% interest in the JV subject to conditions precedent.

See ASX Announcement 21st May 2024: 'EQR executes definitive agreement to acquire Mt Carbine JV interest from Cronimet'.

Strategic Partners

Endorsement Through Fundings and Grants

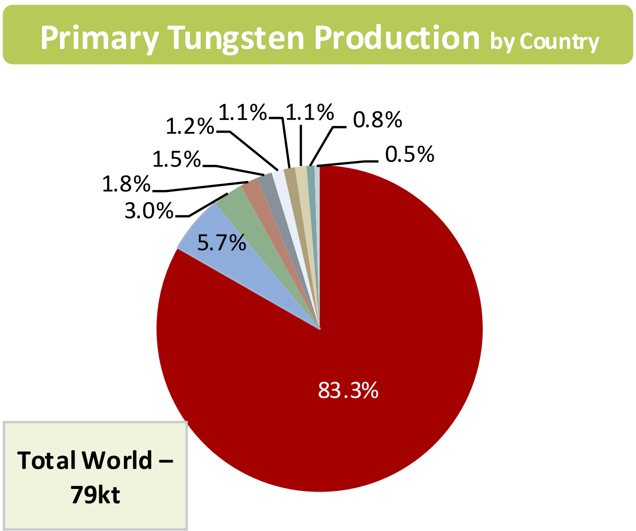
Operating and Financial Review continued

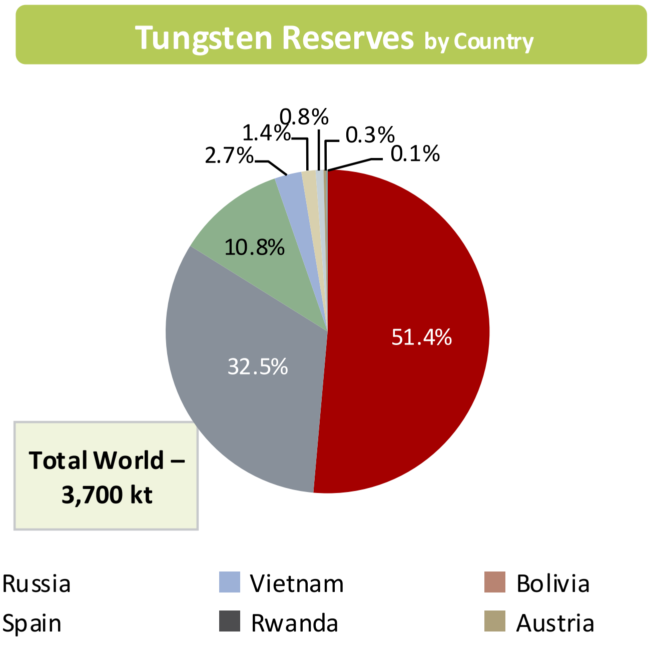
Macroeconomics and Market Trends

The tungsten market is highly responsive to the global commodity market, known for its volatility in both price and demand, with macroeconomic conditions and geopolitical risks being major factors contributing to this instability.

Rising geopolitical tensions around the world, exemplified by the ongoing conflicts between Russia and Ukraine and the unrest between Israel and Palestine, are heightening risks in international markets. These conflicts not only disrupt local economies but also have far-reaching effects on global trade and resource distribution, posing significant challenges for industries reliant on stable international relations. Due to political instabilities, the demand for tungsten in the defense industry has been rising, driven by its applications in military products such as projectiles, armor-penetrating ammunition, and other hardware, where its density and hardness are highly valued. The defence industry has witnessed the sharpest rise of all the segments of the tungsten market, but represents only around 15% of the market and has not been a critical enough influence on the global demand to be the main driver of the rise in prices witnessed in the last quarter of FY2024.

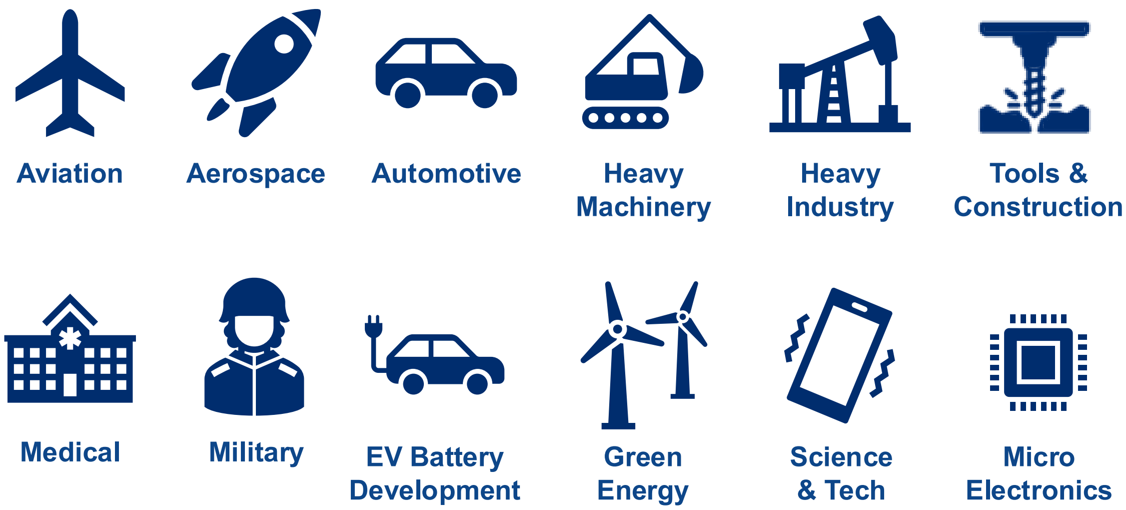
Market movements are largely fuelled by the supply and demand for high-performance, wear-resistant materials in diverse industries such as automotive, aerospace, and electronics. The widespread application of tungsten in manufacturing cutting tools, drill bits, and components that must endure high temperatures, highlights its critical role in sectors that demand materials with exceptional durability under extreme conditions. Moreover, tungsten's increasing utilisation in the electronics sector for making electron emitters and electrical contacts also contributes significantly to the market's growth.



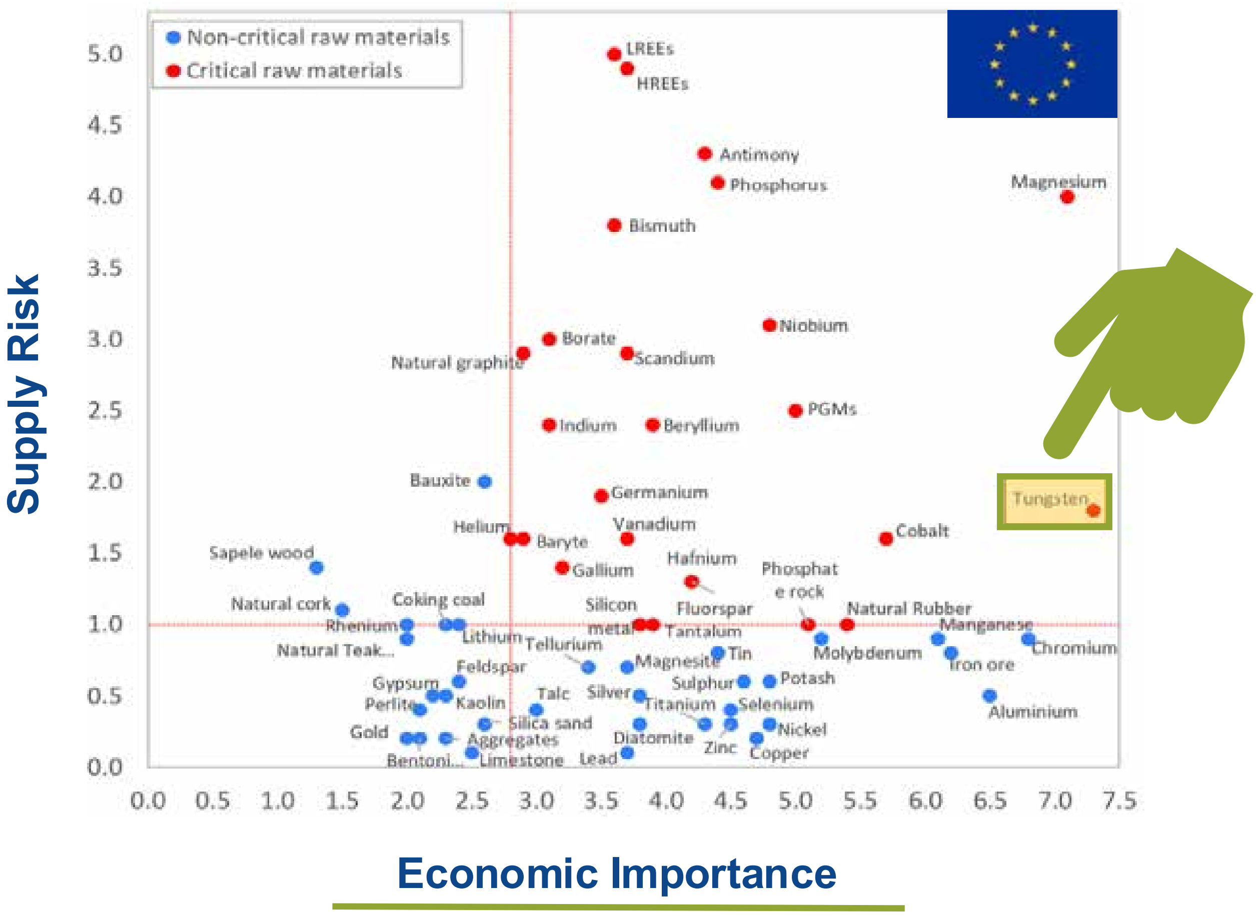


For tungsten market dynamics update, see: "Inverstors Update/Webinar".

Tungsten Uses



Demand was low during the first half of the past year due to significant destocking driven by the high-interest rate environment, and recovered later in the second half of the financial year, primarily due to an environmental audit of tungsten producers in China. However, the price recovery was primarily driven by demand for concentrate due to low stockpiles at production facilities, rather than by downstream demand, as end-product demand recovery has yet to materialise.



Source: European Commission list of critical raw materials, 2023.

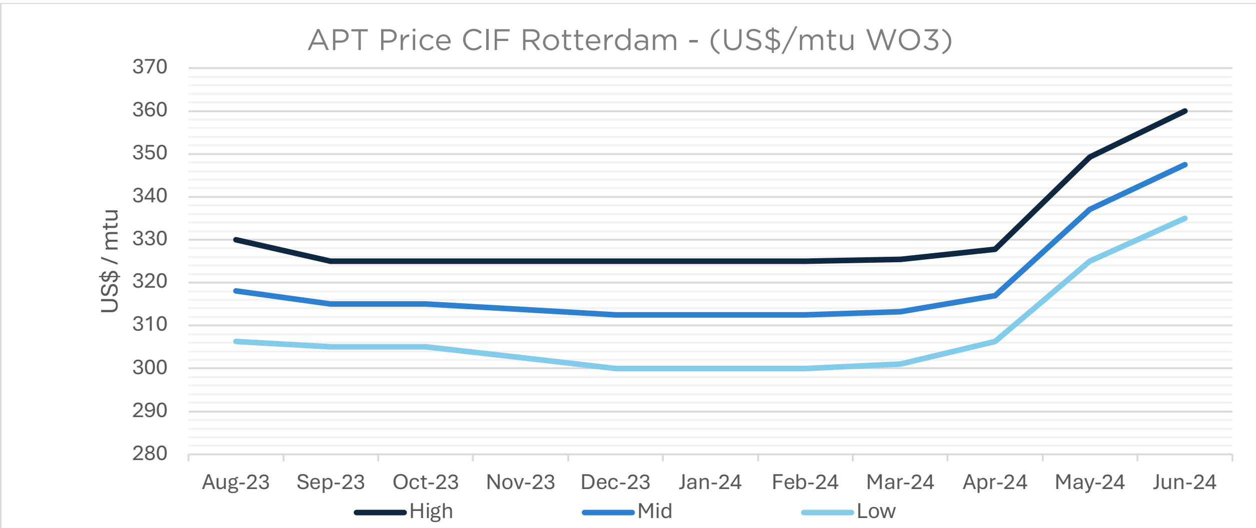
Operating and Financial Review continued

Currently, the low availability of tungsten concentrate persists, with strong demand from both Western and Chinese consumers, all of whom are trying to secure long-term material supply to cope with production uncertainties. In addition, recent tariffs implemented in the US are also pushing Western tungsten consumers to secure non-Chinese and sustainable supply, which remains quite scarce. This aligns with EQR's strategy to support the redevelopment of Western mines in favourable jurisdictions.

While numerous projects have been announced in the recent years to provide new Western supply, very few are currently operating, and even less are able to reach their nameplate capacity, putting more pressure on the supply side, a favourable factor for EQR's own production. However, a few projects are due for completion in the next year or so, and this additional supply, pending that commissioning goes as per announced plans, may have a detrimental impact on the APT price.

In China, while the government is limiting the export of non-processed material, there is currently no indication that a total export ban could be considered. Should this ever happen, EQR would be in a leading position to support the Western strategic supply.

In line with global industry trends, the tungsten market is set to experience changes in supply allocations. According to Fastmarkets, 'The total tungsten (tungsten trioxide content 65%) mining quota in China will be 114,000 tonnes in 2024, which was up by 3,000 tonnes from 111,000 tonnes in 2023,' as reported in August 2024. This increase in the mining quota reflects a growing demand for tungsten, which is pivotal for the strategic planning and operational adjustments moving forward. As the largest producer of tungsten, China's production levels are significant indicators that directly influence global supply and pricing strategies.



APT price changes 12 months High, Mid & Low. Source: ***Fast Market APT Price CIF Rotterdam.***

APT CIF Rotterdam prices rose to US$335-360 per mtu by the end of June, reaching a two-year high as increasing demand coincides with tightening supply.

Given the range of factors which contribute to the price of tungsten, and the fact that pricing is subject to negotiation, it is difficult for EQR to predict with certainty the prices at which tungsten will be sold. The effects of changes in assumptions about future prices may include, among other things, changes to Mineral Resources and Ore Reserves estimates, as well as the assessment of the recoverable amount of EQR's assets.

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 International Council on Mining and Metals (ICMM), Global Reporting Initiative (GRI), United Nations Sustainable Development Goals (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

					
Act Safe. Feel Safe.	**Embrace Difference**	**Tread Lightly**	**Dig Deep**	**Buddy Up**	**Lead with Integrity**
Act safe at work. Care and respect each other. Feel safe to be yourself.	Diversity of thinking, skills and background creates value and drives innovation.	Embed resource efficiency to minimise environmental footprint & deliver positive societal impact.	Go one better. Strive to continuously learn and improve. Challenge the status quo.	Collaboration is key to realising shared value.	Have courage to do the right thing. Be accountable.

ESG Achievements

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

2023 Q4	Published sustainability section in Annual Report
2023 Q4	Finalist in Project Controls Expo Sustainability project of the year
2023 Q4	Commenced communicating ESG through our Values in quarterly update
2023 Q4	Second Stakeholder Sentiment Survey disseminated to key EQR stakeholders
2024 Q1	Sustainability incorporated into Quarterly reports
2024 Q1	ARTEH engaged to continue GHG emissions tracking at Mt Carbine
2024 Q2	Review of sustainability metrics carried out, high-level alignment to ICMM principles completed. Updated alignment to UN SDG's.
2024 Q2	Completed 2024 Stakeholder ESG Engagement Survey, results analysed
2024 Q2	Review completed of ESG workbook and EQRs initiatives updated
2024 Q3	Gain understanding of how incoming EU and Australian Sustainability Reporting Standards impact EQR and commence forward-planning for future reporting requirements
2024 Q4 Planned	Sustainability Risk Assessment
2024 Q4 Planned	Decarbonisation planning to commence

Operating and Financial Review continued

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:

Sustainability July 2023
LEAD WITH INTEGRITY

ARTEH EMISSIONS TRACKING DASHBOARD

Sustainability Sept 2022
ACT SAFE. FEEL SAFE

SAFETY CULTURE

Sustainability March 2023
TREAD LIGHTLY

AUSTRALIAN WILDLIFE CONSERVANCY

Sustainability Dec 2022
TREAD LIGHTLY

CIRCULAR ECONOMY

Sustainability April 2024
LEAD WITH INTEGRITY

SCHOOL VISIT

Sustainability April 2024
ACT SAFE FEEL SAFE

SALORO WORLD SAFETY AND HEALTH AT WORK DAY

Sustainability April 2024
TREAD LIGHTLY

SALORO BAT CONSERVATION

Sustainability April 2024
TREAD LIGHTLY

ARTEH DECARBONISATION JOURNEY

Sustainability Jan 2024
TREAD LIGHTLY

SALORO RESOURCE EFFICIENCY

Sustainability Dec 2023
ACT SAFE. FEEL SAFE

SALORO RED CROSS

Sustainability Dec 2023
BUDDY UP

CYCLONE JASPER COMMUNITY SUPPORT 2

Sustainability Jan 2024
BUDDY UP

CYCLONE JASPER COMMUNITY SUPPORT 1

Decarbonisation – Mt Carbine

Net Zero Readiness Assessment

EQR initiated its decarbonisation roadmap in 2023 with a Net Zero Readiness Assessment, guided by ESG consultants and aligned with the Task Force on Climate-Related Financial Disclosures (TCFD). The assessment covered key indicators to evaluate assets, operations, and general awareness, providing a clear direction for EQR's decarbonisation strategy at Mt Carbine.

Emissions tracking and reporting

EQR actively tracks greenhouse gas emissions at Mt Carbine, focusing on Scope 1 and 2 emissions, with limited Scope 3 categories, in partnership with ARTEH. Although emissions levels do not trigger the thresholds for the National Greenhouse and Energy Reporting Scheme (NGERS) or the Safeguard Mechanism, EQR is aligning with Australian Climate-Related Financial Disclosure requirements. EQR is committed to enhancing its emissions data collection and optimising decarbonisation opportunities across its operations.

Facility Threshold	Corporate Threshold	Safeguard Mechanism Threshold
25 kt or more of Scope 1 and 2 emissions and / or production or consumption of 100 TJ or more of energy.	50 kt or more of Scope 1 and 2 emissions and / or production or consumption of 200 TJ or more of energy.	100 kt of more of Scope 1 emissions at the facility.

Decarbonisation Strategy and Future Planning

In Q4 2024, EQR will continue developing its Decarbonisation Strategy, with a roadmap expected by Q1 2025. This plan will use 2023-24 emissions data as a baseline and will be informed by the outcomes of the Sustainability Risk Assessment, focusing on climate change mitigation, energy and water efficiency, and technology adoption.

Stakeholder Engagement and Workshops

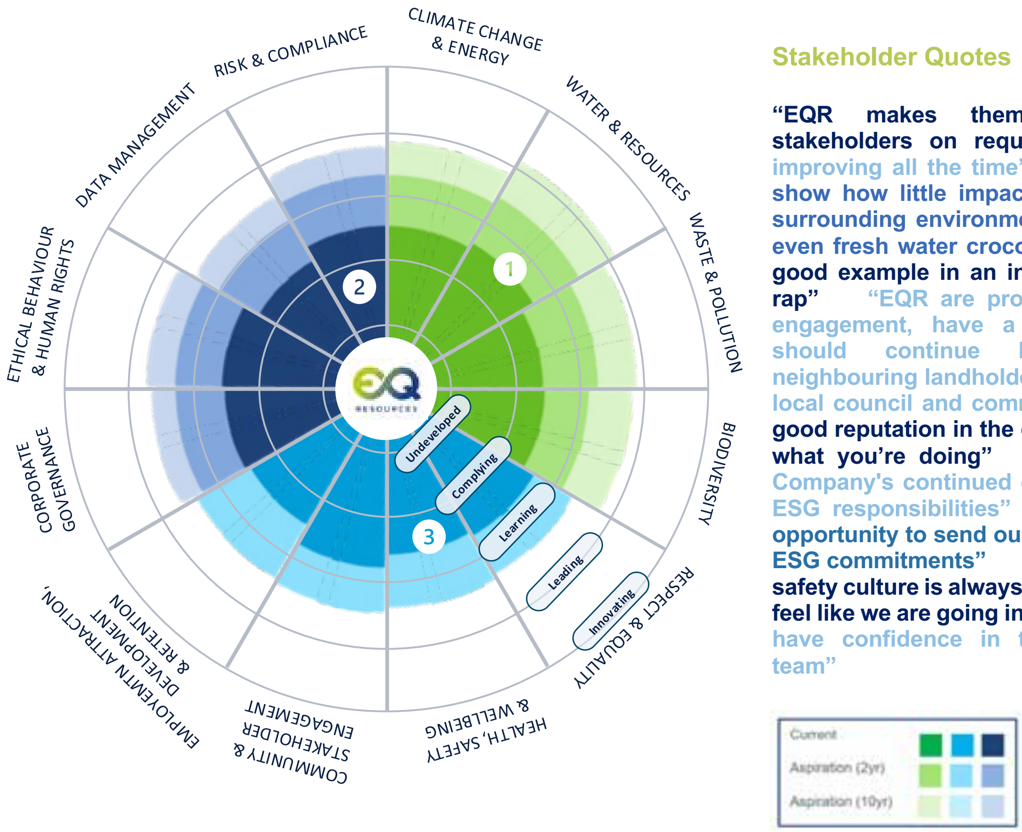
To support decarbonisation efforts, EQR will conduct a workshop to engage internal stakeholders on emissions reduction strategies. Originally scheduled for Q3 2024, this workshop was deferred to accommodate the transition to owner-operated mining at Mt Carbine. EQR remains pragmatic, applying practical decarbonisation solutions across both Australian and Spanish operations.

Operating and Financial Review continued

2024 Stakeholder Sentiment Survey- Mt Carbine

See: Sustainability Framework & ESG Strategy incl. 2024 Materiality Assessment and Decarbonisation Roadmap.

The 2024 ESG Stakeholder Sentiment Survey helped gather insights into material ESG themes from a diverse group of stakeholders, including employees, community members, and board members. Feedback reflected positive changes in areas such as waste management, water security, and employee retention since 2021.



Stakeholder Quotes

"EQR makes themselves available to stakeholders on request" **"EQR are improving all the time"** **"Our tailings dams show how little impact the mine has on the surrounding environment with birds, fish and even fresh water crocodiles."** **"EQR sets a good example in an industry that gets a bad rap"** **"EQR are proactive with community engagement, have a good reputation and should continue building trust with neighbouring landholders, Traditional Owners, local council and community"** **"EQR has a good reputation in the community. Keep doing what you're doing"** **"Very proud of the Company's continued diligence & attention to ESG responsibilities"** **"Thank you for the opportunity to send our impressions on EQR's ESG commitments"** **"Being a growing mine, safety culture is always hard to build but I really feel like we are going in the right direction"** **"I have confidence in the Project leadership team"**

ESG Materiality

Stakeholders rated top material themes as Water & Resources, Risk & Compliance, and Health, Safety & Wellbeing. External stakeholders also prioritised community engagement.

Stakeholder Feedback

EQR received positive feedback on its ESG efforts, highlighting transparency, environmental protection, community engagement, and safety culture.

ESG Focus Areas

Stakeholders prioritised Employment Attraction & Retention, Water & Resources, and Health, Safety & Wellbeing as key focus areas for future ESG efforts.

EQR is committed to incorporating its stakeholders' feedback into its future ESG strategy and program. EQR will continue to prioritise areas identified by stakeholders as of 'material importance' as well as those areas identified as an 'opportunity for focused improvement' in the survey.

Sustainability Plans for the Future

Sustainability Reporting

Australia
EQR continues to evolve its sustainability reporting by collecting environmental metrics and social data in alignment with the Global Reporting Index (GRI) and the International Council of Mining and Metals (ICMM). The Company actively tracks health, safety, community engagement, and diversity metrics, highlighting them in the Annual Report. EQR has assessed its compliance with the upcoming Australian Sustainability Reporting Standards (ASRS), effective from January 2025. Based on its assets, revenue, and NGERS thresholds, EQR falls under Group 3, with reporting commencing on 1 July 2027. EQR is preparing by expanding emissions data collection and planning a Sustainability Risk Assessment.

Spain
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.

Wolfram Camp
The award of a 488 km^2 exploration permit at Wolfram Camp, North Queensland, strengthens EQR's position within a key tungsten cluster, highlighting its potential to develop a critical mineral hub. This permit offers an opportunity to sustainably redevelop the pre-existing tungsten mine, following EQR's proven approach.

See QLD Government Statement, 18th June 2024: "Permit granted to unlock critical minerals and jobs at historic Far North Queensland mine site".

An ESG Desktop Analysis identified key areas for the project, highlights include:

- Localised job creation and community initiatives,
- Refurbishment and expansion of the tungsten processing plant, aligned with Mt Carbine operations,
- Application of transferable technologies like TOMRA XRT Ore Sorting, tailings development, and robust environmental practices,
- Programs for employee attraction and retention.

Operating and Financial Review continued

Sustainability Risk Assessment

EQR plans to conduct a Sustainability Risk Assessment in Q4 2024 as part of its proactive approach to prepare for ASRS compliance. Involving key management and operational employees, this assessment will help evaluate EQR's sustainability risk profile, including climate change, and identify areas for development to meet emerging climate-related disclosure requirements.

INSIGHTS

Growth
231
Total EQR Staff as of end of June 2024

Retention
4.9
New starters per month

Buddy Up
100%
employees live in the local region

Embrace Difference
23%
Women employees across EQR Operations

7%
Indigenous Mt Carbine employees

Growth
+131%
Growth of Employees (with the integration of Saloro)

Buddy Up
53.0%
Local suppliers (Queensland) (58.3% in $ value of total spending)

Buddy Up
86.3%
Australian suppliers (89% in $ value of total spending)

Lead with Integrity
7
ESG related Governance policy reviews

Dig Deep
~1x
site tour per week

ESG Initiatives in Progress
63
completed ESG initiatives

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
	2.5	• 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
	3.6, 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	• 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	• Diversity Policy • Bursary offered to female Uni participant	Embrace Difference
	6.3, 6.4	• Water management plan	Tread Lightly
	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
	8.2, 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
	9.4, 9.5	• TOMRA XRT Waste sorting system • Participating in AMECs 'More Resourceful Than Ever' Campaign	Embrace Different
	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
	11.4, 11.6,	• Cultural Heritage Management Policy • Waste management plan, Air Quality management plan	Tread Lightly
	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
	13.1, 13.3	• Continued participation in pilot GHG tracking program with ARTEH	Tread Lightly Buddy up
	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
	16.2, 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

HR:

100
employees, as of June 2024

40+
contractors

22.3%
female employees

7%
indigenous employees

Nationalities represented: South Africans, Canadians, Koreans, Germans, Irish, French, New Zealanders, Italians, British, and Spanish. Australian of course

99%
of employees live in the Cairns region

9
senior employees 60+ years old

12
apprentices Cert III Surface Extraction, one school-based apprentice, one electrician apprentice, one maintenance apprentice

PROCUREMENT/FINANCE:

58%
of spending in Queensland

10.9%
of spending was international

PRODUCTION:

750,000+
tonnes ore mined

1,400,000
tonnes waste mined

650,000+
tonnes crushed

69,758
mtus recovered

43
blasts in FY2024

10,160
holes drilled

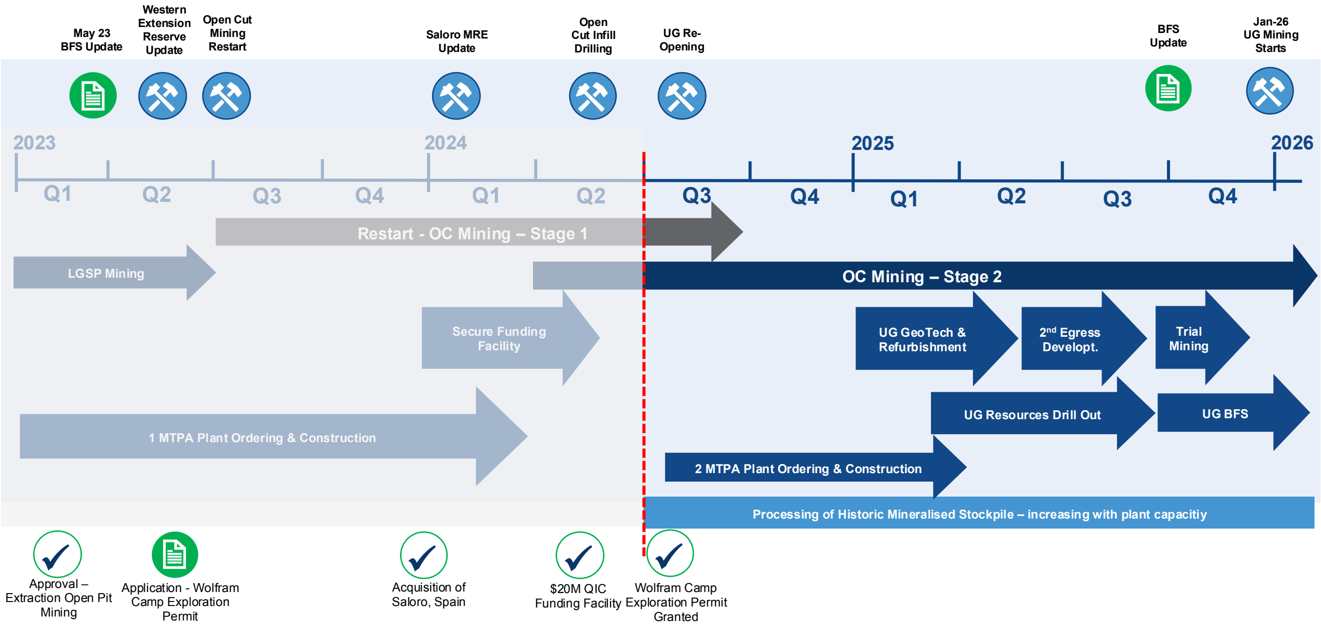
90.9
kilometres drilled

421,096
kilograms of explosives used in FY 2024

Operating and Financial Review continued

Mt Carbine Operations

Mt Carbine Project Timeline



Mt Carbine Tungsten Mine and Quarrying Operations, QLD, Australia, July 2024

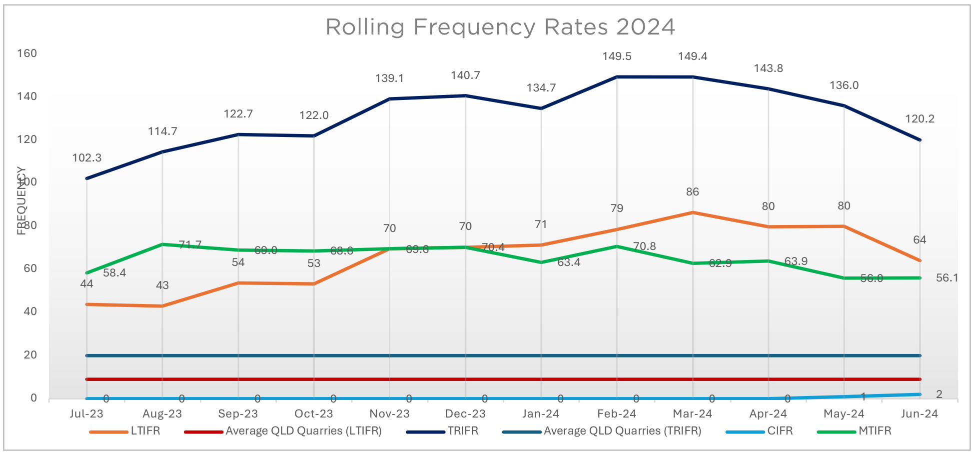
1. Gravity Plant, Procurement, Geo Lab & Core Shed
2. Tailings Dam
3. Quarry & OOSR Stock-pile
4. XRT Sorters
5. LG Ore Stockpile
6. Open Pit
7. Exploration Targets
8. Pit Operations Offices
9. EQR Offices

Health and Safety

The employees at Mt Carbine continue to prioritise safety by proactively identifying and mitigating hazards before beginning work activities. This proactive approach has been instrumental in maintaining the company's strong safety record.

During this period, collaboration between contractors and employees has been highly effective. New policies and procedures have been implemented to ensure that the integration of Open Pit operations proceeds smoothly, accommodating the increase in staff numbers and on-site activities. Additionally, a new induction package has been introduced for new hires, and the training program has been enhanced to further support EQR's workforce.

The graph below illustrates the rolling frequency rate, calculated based on data averaged over one year. This rate is measured per million hours worked. Over the past year, the HSET team have logged 151, 027 man hours worked.



- **LTIFR:** Lost Time Injury Frequency Rate
- **Avg QLD Quarries (LTIFR):** Average LTIFR for Queensland Quarries
- **TRIFR:** Total Recordable Injury Frequency Rate
- **Avg QLD Quarries (TRIFR):** Average TRIFR for Queensland Quarries
- **CIFR:** Critical Injury Frequency Rate
- **MTIFR:** Medical Treatment Injury Frequency Rate

Other initiatives include:

- Continuous communication through safety briefs and safety updates with reports of incidents on other mine sites across Australia.
- A contractor has been on site to actively monitor the working conditions of employees at Mt Carbine over a two-day period. The monitoring involves collecting samples from identified Similar Exposure Groups (SEGs) to assess risks in accordance with relevant legislation and QGL02 guidelines.

PROACTIVE SAFETY INDICATORS

6,726	79	22	2
Take 5 Safety Assessments	**JSEA Job Safety Environment Analysis**	**Toolbox Talks**	**Prestart safety meetings per day**

Operating and Financial Review continued

Open Pit Mining Operations

Geology

The FY2024 marked significant milestones in commissioning, production, ongoing exploration, and grade control drilling. The mine initiated its first blast on June 28, 2023, and subsequently conducted 43 additional blasts, each involving approximately 45-50,000 tonnes of material. Orana Pty Ltd was responsible for conducting the drilling and blasting operations, while Orica Ltd supplied the necessary explosives, ensuring precise and effective execution of blasting activities at the site.

Grade control measures have become a crucial aspect of EQR's mining operations, guaranteeing uniform ore feed grades at the crushing plant and understanding the orebody. The EQR geology team is instrumental in mapping out ore zones within the open cut and ensuring that ore deliveries reach their specified bays before processing.

Grade Control Drilling

Grade control drilling using Reverse Circulation (RC) was carried out before the Open Pit operation in Q4 FY2023 on a 10 x 10-meter grid in 33-meter flitches ahead of mining operations to guide ore markups. A color-coded system was implemented to distinguish between different ore grades: High-Grade Ore (WO_3 > 0.2%) was marked in pink, Low-Grade Ore (WO_3 < 0.2%) in blue. A ROM (Run of Mine) pad was set up to store various grades of material when necessary.

Picture Above: ROM 1 showing the separation of Low-Grade Ore (Blue: WO_3 0.08-0.2%) and High-Grade Ore (Pink: WO_3 > 0.2%).

The ore extracted from this process closely matches the 10 x 10-meter infill RC drilling results. The ore "markup" system involves a combination of using the geological model for overall grade delineation and detailed mapping enhanced with UV light examination.

During the Bankable Feasibility Study (BFS) phase, no new drilling was completed in the top 20 meters of the Stage I Pit, relying on only three historical holes spaced 75 meters apart. This part of the pit revealed lower grades than those inferred in the model for this zone. It wasn't until mining reached the levels with recent drilling by EQR, conducted at 50-meter intervals, that better grade correlations were observed. The discrepancies were likely due to legacy issues, including poor survey control of hole locations and downhole trajectories and resulted in 21% lower tungsten production for tonnage mined from the model in the top 20 meters of mining.

See ASX Announcement 12th May 2023: 'EQR Begins Grade Control Drilling Ahead of Open Pit Restart'; ASX Announcement 19th July 2023: 'Confirmation of Initial Ore Reserve Section at Mt Carbine'.

Operating and Financial Review continued

Infill Drilling Reveals High-Grade Zones in Stage II Pit

In the second half of FY2024, EQR completed 66 infill reverse circulation drill holes to confirm the consistency of high-grade vein systems in Stage I & II Pit and to provide data for accurate grade control of upcoming pit blasts. The drilling was initially conducted on the Iolanthe and the Johnson Vein Systems at the 350-340m level, complementing the 2024 diamond drilling campaign. The drill rig was then moved to the 305-295m level on the pit floor to complete a standard 10m x 10m spaced pattern.

The results confirmed the transformation in the ore body from a thinner network to substantial veins exceeding 50 cm at the 315-323m level, enhancing the understanding of the vein systems under UV light examination. The RC drilling conducted at the 345m level showed significant zones with a tungsten grade of 0.21% WO_3, nearly double the expected grade according to the current modelling, with historical drilling indicating even higher grades below this level. The mineralisation discovered is higher up in previously undrilled areas and transforms what was considered waste into high-grade ore during Stage II Pit cutback from 368m RL to 325m RL. Both the Johnson and Iolanthe Vein Systems show increasing width to the veins as they go deeper, and vein grades get stronger. The overall zone narrows slightly, which is expected from the modelling.

Once infill drilling was completed in the upper levels, the recovered ore was within 6% accuracy of the predicted interpretation. Drilling spacing of 30-50 meters is required to produce reliable results for Indicated Resources.

See ASX Announcement 30th April 2024: 'Mt Carbine infill drilling reveals High Grade zones in Stage II Pit'; ASX Announcement 3rd June 2024: 'Mt Carbine infill drilling reveals high grade ore in Cutback'.

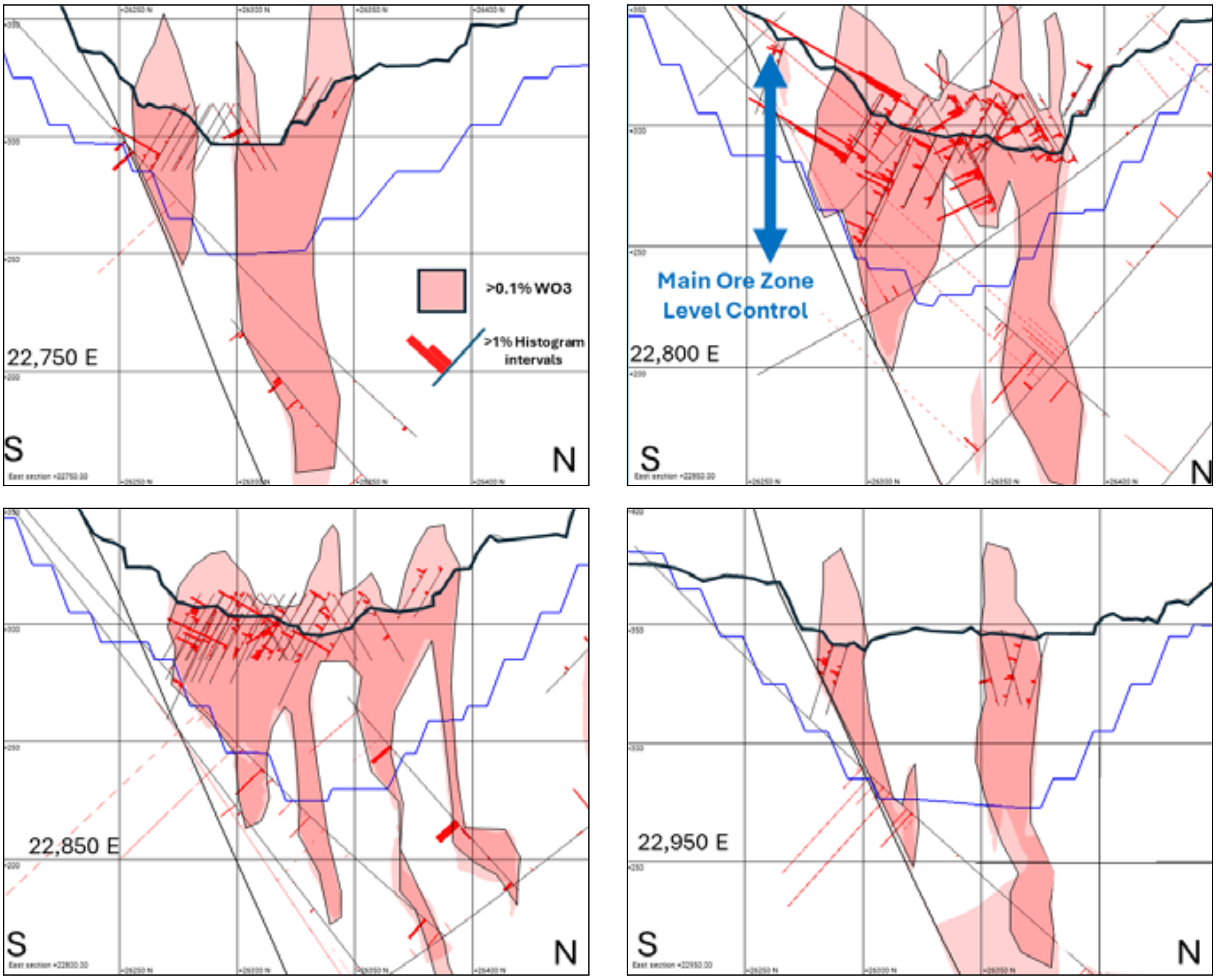
Level 295m RL confirms the thickening of the veins as seen on the cliff face looking into the Johnson Vein system.

The boundaries of the ore can often be extended using UV light to trace individual veins, which may have splays and horsetails that are difficult to detect through drilling alone. The sporadic grade distribution, with clusters of coarse tungsten causing a strong nugget effect, is mitigated using closely spaced grade-controlled holes.

Over the past 12 months of pit operations, the Company has gained confidence in the ore continuity within the narrow vein package zones. The larger veins that define each package–such as Iolanthe, Bluff, Wayback, and Johnson–have demonstrated consistent strike and depth. Mineralisation control has been observed between 225m RL and 345m RL, representing the top of the system. At these depths, the veins broaden, and the packages show higher grades, often merging. This coalescence is believed to result from horizontal jogs caused by movement along the South Wall Fault, a thrust fault. Additionally, the high-angle strike-slip Iron Duke and Christmas Tree faults have contributed to the structural preparation of the zone, allowing for open-spaced infill.

Simplified map of the Vein System with the veins being mined in FY2024 in the Open Pit.

The sampling indicates that the mineralised zones contain an average of 8-12% quartz, while the mineralised zones have 6-8%. Within the quartz, when isolating the scheelite-bearing components, the geology team noticed that 40-70% of the quartz is mineralised. In lower-grade ore, only 30-40% of the quartz is mineralised. Once the targeted zone has been mined, it may be preferable to shift to narrow vein mining underground, as the wider zones will no longer be present. Drilling has revealed known mineralisation over a vertical range from a height of 420m RL down to 110m RL in the deeper holes. The larger veins remain open at depth and along strike.

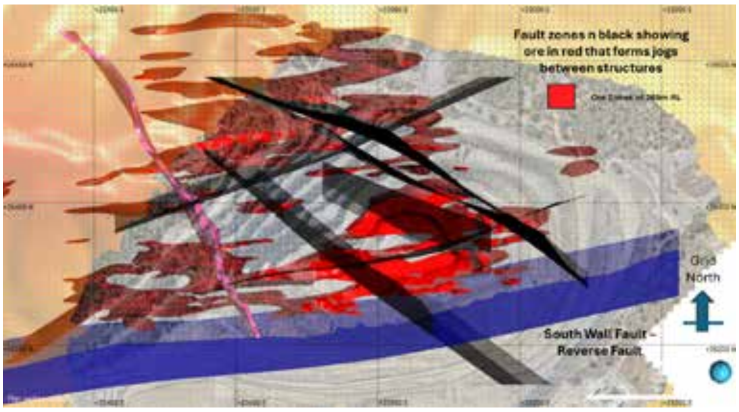


Cross-cut above shows the shape of the major orebody over 200m of the pit in 50m Sections. The ore coalesces between 225-375m RL and grade increases in this area.

Operating and Financial Review continued

Structure of the Ore Body

Structure has always been considered a significant factor in the mining process at Mt Carbine, influencing both ore body dislocation and pit wall stability. Over the past 12 months, it has become evident that the dominant structural feature in the pit is the Christmas Fault, which has destroyed approximately 15 meters of the ore body in the western part of the pit. This early fault is believed to have acted as a barrier to quartz mineralisation, causing quartz veins to accumulate against the fault without extending into it. However, these veins reappear on the other side of the fault in their expected locations.



Left: Major structural components causing ore body configuration (Jogs); Right: Recent drilling before blasting on 365-355m RL levels.

Open Pit Operations

Open pit mining operations commenced at level 325m RL in June 2023 following the execution of a Mining Services Agreement with Brisbane-based Golding Contractors Pty Ltd ("Golding") and conducted using conventional methods, employing a fleet of 6x CAT 775 dump trucks carrying 63 tonnes of material and 2x smaller articulated Volvo trucks carrying 40 tonnes of material all being loaded by excavators ranging from 50 to 190 tonnes.

Mining is conducted on 10-meter blast benches, with double bench mining carried out using three 3.3-meter flitches per bench. Two drill and blast rigs perform approximately 22,000 meters of drilling each month, with 4 to 6 blasts taking place, each with a maximum size of 65,000 tonnes. Each blast is limited to 18 tonnes of explosives due to truck size. The maximum blast size is also limited by noise and vibration restrictions set by the Mines Department to limit any effects on the nearby community. Early blasting designs established the optimal patterns for noise, vibration, ore fracture size, spacing, and powder factors. Currently, EQR employs a blast design of 10-meter-deep holes of 89mm size on a 2.4 x 2.6 meter pattern with approximately 2 meters of stemming.

The pit design features 20-meter walls and 8-meter berms, resulting in a 59-degree engineered slope that has proven to be highly stable.

Waste material was primarily utilised to construct a noise and visual bund around the eastern end of the pit. Weathered material was used to line and seal various areas as needed.

EQR opted for a slower startup phase than initially planned in the BFS, primarily due to recruitment challenges and the need to establish base costs for contractors on a cost-plus basis, with a ramp up following the startup phase to a monthly target of 300,000 tonnes ore + waste.

Operating and Financial Review continued

During the first quarter FY2024, 2x 50 tonnes excavators were utilised, until a larger Hitachi 1900 excavator arriving in October 2023 was commissioned. The excavator weighs 190 tonnes and has a $11m^3$ bucket significantly enhancing the efficiency of the Open Pit mining operations from the second quarter. Alongside this, the technical service team updated the production schedule to accommodate the repositioned pit ramp, optimising ore recovery for the Stage I Open Pit. In a move to boost haulage capacity, three CAT 745 Moxy dump trucks were replaced with a fleet of CAT 775F trucks throughout November 2023. Additionally, an extra CAT D10 Dozer was deployed to assist with auxiliary tasks and material management, further streamlining the mining operations.

Commissioning was completed across several key areas to enhance the mining operations. This included optimising blast designs with ideal pattern spacing, bench heights, powder factors, and adherence to established noise and vibration limits. The Company focussed on selecting the most suitable equipment for mining ore and waste, as outlined in the BFS, which recommended smaller units for ore mining and larger ones for stripping operations. Other significant areas of focus included optimising cycle times, designing the ROM ore pad, assessing pit wall slopes to ensure the stability of the South Wall Fault during cutbacks, and training staff on new equipment usage. Additionally, comprehensive water management plans and clarified roles and responsibilities between Goldings, and EQR staff to streamline operations and enhance safety and efficiency were implemented.

Cyclone Jasper

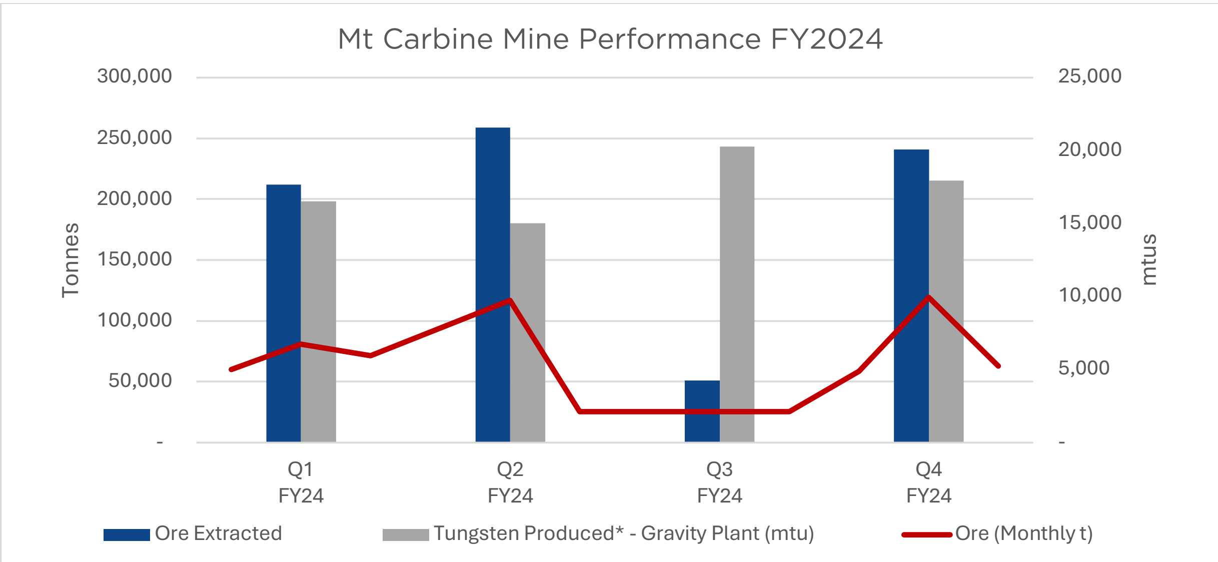
The site was hit by Tropical Cyclone Jasper mid-December 2023 with the operations losing 20 production shifts as floods cut roads and power, disrupting the entire region's logistics, fuel deliveries and concentrate pick-ups.

Tropical Cyclone Jasper significantly affected operations at the Mt Carbine Site mid-December 2023 with damaging winds, floods, power outages, disrupted logistics, causing 10 days of downtime.

Thorough preparation and a swift response to Tropical Cyclone Jasper played a pivotal role in minimising risks and reducing damage at the Mt Carbine site. Despite confronting extreme winds, unprecedented rainfall, floods, and power disruptions, our proactive measures and quick actions limited cyclone-related downtime to just 10 days. This rapid recovery demonstrated the resilience of the team at Mt Carbine and the robustness of the operations under severe weather conditions. While production targets were impacted by flooded roads that restricted site access, new policies were implemented and temporary accommodations for staff were organised to ensure full operational hours as best as possible and to maintain safety as a priority.

Left: Open Pit on the 1st of January; Right: Open Pit at the end of February.

Cyclone Jasper was the wettest tropical cyclone in Australian history, with an estimated cost of $1 billion for the Cairns region. The pit filled up with nearly 1.5 millions litres of water, making access to good grade ore impossible until complete dewatering. The drilling, blasting and mining operations were moved to the top level to continue stripping while the pumps were emptying the pit 24/7. The wet season was prolonged this year which meant the dewatering was not completed until the 25th of February.



* 50% EQR 50% Cronimet.

Operating and Financial Review continued

Johnson veins showing up in the pit – looking at blast # 305-002 wall. Individual vein's look high by visual inspection with the entire face being 0.28% WO_3 in this region.

After conducting an internal review, the principal engineers and environmental consultants have endorsed an expansion of the original noise and visual bund design, scheduled for the second half of FY2024. This expansion will extend the Bund further north around the edge of the open pit, facilitating proactive seeding and rehabilitation of the area. The scope of the extension has more than doubled the material requirements for construction. The Mt Carbine team is committed to utilising the waste material for this purpose, and the bund is currently approaching 30% completion of this significant capital project.

At the end of June 2024, the underground portal of the existing 430-meter decline from the 1980s was uncovered, a significant milestone in EQR's exploration efforts for underground potential. The next step will be to pump the water out and conduct geotechnical surveys and assessments, planned for early FY 2025, ahead of the underground drilling campaign and feasibility study.

Entrance of the existing decline reopened June 2024.

Subsequent to the end of the FY2024, after 14 months of mining at cost-plus basis, the mining operations at Mt Carbine are transitioning to an owner-operator model. The owner-operator model will result in cost savings, operational control and mining flexibility while upskilling the local workforce. A 90-tonne Cat Excavator was commissioned in early September to replace the Hitachi 190-tonne excavator, and the operations have moved to a 24h per day mining roster, from the previous 12h per day. This increases tonnes moved monthly, reduces overall unit costs and provides earlier access to the higher grade vein packages. A comprehensive rollout plan is ongoing, with key machinery already delivered and additional equipment arriving as scheduled. New and leased equipment has been mobilised on-site, ensuring a smooth transition.

See ASX Announcement 16th August 2024: "Mt Carbine Mine transition to owner-operator mining.

Reserve & Resource Statement

The last published MRE (Mineral Resource Estimate) for the Company was from the Measured Group in May, 2023 (https://www.eqresources.com.au/site/pdf/5b25d6d9-cd6c-4b61-a01b-177baa3da4b2/64-Increase-of-Mt-Carbine-Indicated-Resources-InSitu.pdf). The Resource and Reserves have subsequently been updated in June 2024 based on the mining activity completed since the May 2023 statement.

In total, 2,157,155 tonnes of material were mined over the 12 month period and 760,000 tonnes of ore sent for processing at a waste-ore strip ratio of 2.84:1. This ore yielded 1,395 tonnes of concentrate at 50% WO_3 grade after processing. Approximately 360 tonnes of further concentrate remained in untreated oversize and on the ROM pads.

Depletion over the past 12 months due to mining was 1.8% of the total Resources and 12.8% of Current Reserves, as per the table below.

Orebody	Resource Classification	Tonnes (Mt)	Grade (% WO_3)	WO_3 (mtu)
Low-Grade Stockpile				
	Indicated	10.13	0.075%	759,450
	Indicated	2.57	0.070%	166,832
	Inferred	0.83	0.060%	53,789
	Subtotal	***13.53***	***0.070%***	***980,071***
In-Situ				
	Indicated	17.49	0.30%	5,235,286
	Inferred	10.68	0.30%	3,217,311
	Subtotal	***28.17***	***0.30%***	***8,452,597***
All	**Total**	**41.70**	**0.23%**	**9,432,668**

Mt Carbine Ore Resources Estimate at 30th June 2024.*

Reserve Category	ROM Tonnes (Mt)	WO_3 (%)	Contained WO_3 (mtu)
Open Cut - Proven	–	–	–
Open Cut - Probable	5.36	0.28%	1,500,800
Open Cut - Total	**5.36**	**0.28%**	**1,500,800**
LGSP - Proven	–	–	–
LGSP - Probable	9.77	0.075%	732,750
LGSP - Total	**9.77**	**0.075%**	**732,750**
All - Total	**15.13**	**0.148%**	**2,233,550**

Mt Carbine Ore Reserve Estimate at 30th June 2024.

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).
- No uppercut was applied to individual assays for this resource, a lower cut of 0.05% was applied within the section 0.06-0.08% WO_3 being designated as lower grade In-Situ. This is the grade where District Zones of mineralisation occur.
- Drilling used in this methodology was all diamond drilling with 1/2 core sent according to geological intervals to Australian Laboratory Services ("ALS") for XRF15b analysis.
- Resource estimation was completed using the Kriging Methodology.
- Indicated spacing is approximately 30m x 30m; Inferred is approximately 60m x 60m.

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 or favourably 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.

Throughout the year, a total of 273 Reverse Circulation (RC) Grade Control drill holes were completed, covering 9,165 meters. The drill hole depths ranged from 33 to 51 meters. The majority of these were in-pit grade control holes, with the exception of 43 holes (2,184 meters) drilled outside the pit. These exploratory holes included 26 holes drilled to a depth of 50 meters at the Ruby Vein prospect and 17 sterilisation holes.

The mine staff continuously validates the resource estimate by reconciling actual production against the feasibility model. This ongoing reconciliation process has underscored the critical role of drill hole data density as the pit deepens. During the first six months, reconciliation was poor (56%), primarily due to a lack of diamond drilling in the upper portion of the pit, where reserves could only be estimated at Possible Reserves. However, after completing close-spaced grade control drilling, a strong correlation between production and the model was achieved. In the second six months, reconciliation against the BFS Model improved significantly, where diamond drill spacing had reduced to approximately 30-meter centers and mining advanced into the main ore body. This resulted in an excellent match between actual production and the feasibility model with reconciliation reaching 97%.

Going forward, EQR sees no reason to alter the current Reserve model as mining is entering the well drilled out main ore body. It is necessary that the detailed 10 x 10m spaced RC be continued as it clearly outlines the vein zones on a blast by blast basis.


HARDKORR
Mt Carbine
Operations
Mt Carbine

Operating and Financial Review continued

Processing

Crushing Operations

In the first month of FY2024, the Mt Carbine Mine undertook a strategic shift, transitioning from re-processing low-grade, historical stockpiles to focusing predominantly on extracting and processing tungsten-rich ore from open pit operations. This shift not only represents a move towards more efficient mining practices but also opens up new economic opportunities and possibilities for sustainable growth. Since initiating open cut mining, the operations team has diligently worked on optimising the Ore Sorter Plant to accommodate to the new ore, significantly enhancing the recovery rates. This improvement has led to a higher-grade feed into the Gravity Plant, markedly increasing production volumes. Introducing primary ore from the open pit operations has exceeded initial expectations in tungsten recovery rates, reinforcing strong production trends.

The Crushing Plant at dusk at Mt Carbine with its vibrating screen in the foreground and cone crusher in the background.

The feed through the Crushing Plant from the open pit averaged 0.16% WO_3 over the last 12 months, climbing over 0.24% WO_3 in June 2024 when processing the ore blocks at the bottom of the pit Level 295-285m RL, in contrast to the 0.074% WO_3 average from the Low-Grade Stockpile ("LGS"). The focus was on processing high-grade ore first, then transitioning to medium-grade ore, using the best available material from a combination of stockpiled ore from the Open Pit and fresh ore deliveries.

This relatively low-grade feed mix from Stage I Open Pit is expected to improve in the months ahead, i.e. once entering Stage II Open Pit as the mining operations will dig deeper into the vein systems. For comparison, the average LOM grade as per the Mt Carbine Ore Reserves is expected at 0.28% WO_3 - significantly higher in grade compared to the average ore grade mined during the first year.

To accommodate the increased grade, the team had to adapt the plant and crushing operations to handle the new material being delivered. The first blasts produced larger-than-expected oversized material due to certain drill holes not blasting as expected and higher-than-planned dilution, resulting in a lower grade than anticipated. Blasting and dilution controls have since been implemented, leading to more consistent grades reaching the stockpile and processing plant as blasting continued month-by-month.

Significant upgrades have been made to the crushing circuit to improve efficiency and throughput as part of ongoing efforts to optimise mining operations at the Mt Carbine Mine. In July 2023, a Terex Finlay Mobile Jaw Crusher J-1175 was integrated into the production process as the primary crusher, reducing oversized -700mm ore from the Open Pit to a more manageable -170mm fraction for the Crushing Plant. This significantly lowered the amount of oversized material that would have otherwise been rejected. The primary crushing step is crucial, as it prepares the feed by nearly eliminating all oversized materials, preventing potential blockages, bottlenecks, and increasing availability at the fixed crushing plant.

Kobelco 50 tonne excavator feeds the newly commissioned Terex Finlay Jaw Crusher J-1175 before the CAT 980M Front End Loader transports the feed to ROM1 Stockpile for the Crushing Plant.

In October 2023, the main Sandvik Circular Motion Screen was taken offline for reconditioning at the site workshop. During this downtime, a Sandvik Mobile Cone Crusher QH332, along with a Sandvik 696 Mobile Screen, was commissioned to maintain crushing operations, producing feed for the XRT Ore Sorters and the Gravity Plant. After the screen was refurbished, the fixed plant resumed its priority role for crushing, with the mobile equipment used in tandem to increase output and build stockpiles for the XRT Ore Sorters and Gravity Plant.

Additionally, the Cone Crusher proved versatile, capable of reducing the high-grade ore from the Ore Sorter Plant from 40mm to 6mm for the Gravity Plant, especially useful during preventative maintenance of the Gravity Plant's own Cone Crusher. This setup not only boosts overall output but also enhances availability for both plants.

In April 2024, a Terex Finlay 893 Scalper was commissioned to provide additional feed for the Crushing Plant, delivering 75mm material from the LGS to the ore sorter plant, while the -6mm fines are fed directly to the Gravity Plant for additional metal recovery.

The Terex Finlay 893 Scalper on commissioning day in April 2024.

Operating and Financial Review continued

During FY2024, the Crushing Plant processed 642,666 tonnes of Open Pit material, 9,333 tonnes of historic LGS material, produced 488,979 tonnes of Ore Sorter Plant feed for sorting, and 153,687 tonnes of fines material for the Gravity Plant.

The operations are set to undergo significant transformational changes in the upcoming financial year, with the processing plants doubling their throughput. Most of the major equipment, ancillary structures, and supporting equipment from Sandvik for the Crushing Plant have been received on site with commissioning expected to start Q2 FY2025. The Queensland Critical Minerals and Battery Technology Fund has agreed to establish a A$20 million 3-year loan facility, including Tranche 1 of A$12m to double crushing capacity at to 2mtpa.

See ASX Announcement 20th March 2024: 'Mt Carbine receives additional equipment for doubling of throughput capacity'.

XRT Ore Sorter Plant

With the commencement of Open Pit ore deliveries, the operations have experienced a higher proportion of material in the sortable fraction, which is an overall benefit to the operation due to the low-cost nature of XRT Ore Sorting. Using the experience acquired while operating and sorting the LGS material, processing the primary ore from the Stage I Open Pit has increased mass yields ranging between 15-18%, with stable WO_3 recoveries.

Commissioning of the Tomra XRT Ore Sorter # 3 was finalised at the end of July 2023. It will replace the older model Tomra XRT Ore Sorter # 1, which will be refurbished. Boasting newer programming and increased efficiencies, the plant is already seeing the benefits of the upgrade, with an increased run time from around 50% in previous months to 74% in September.

The Ore Sorter Plant has received another upgrade ahead of schedule, with significant upgrades to the software and ejection module of Tomra XRT Ore Sorter #2 currently in operation. These upgrades aim to increase the product grade and decrease by 75% the amount of air needed for the operation, saving a considerable amount of power. The benefit of this has been seen as a lower yield but a higher grade, optimising further downstream crushing.

In the next financial year, the Tomra XRT Ore Sorter # 3 will also receive an upgrade of the ejection module, and the Ore Sorter Plant will benefit from the addition of a new Tomra XRT Ore Sorter #4. This will bring the total number of units operating to three and further reduce the risk of bottlenecking when the Crushing Plant Phase 2, with double the throughput, comes online.

See ASX Announcement 11th April 2024: ‘Mt Carbine hits quarterly production record with XRT Sorter expansion well underway.’

Inside TOMRA Ore Sorter #2 showing the valve bank (left) and the end of the conveyor belt where the material gets ejected (right).

Ore Sorter Strategy Proves Correct

EQR’s strategic mine selection at Mt Carbine focuses on mining highly sortable ore to maximise efficiency and sustainability. Adopting ore sorting technology has enabled EQR to significantly enhance its operational efficiency by concentrating approximately 500,000 tonnes of crushed ore, sized 6-40mm, into 50,000 tonnes of high-grade ore. This high-grade ore retains 95% of the metal units and is directly fed into the Gravity Plant. By doing so, the Company avoids the unnecessary further crushing of 90% of the ore in this size fraction, which is predominantly barren. This not only reduces the initial need for a larger Gravity Plant but also reduces operational costs associated with energy, wear-and-tear on equipment, and minimises double-handling of materials and the need for additional equipment and labour. Additionally, reducing processing volume significantly decreases energy consumption and lowers greenhouse gas emissions, aligning with EQR’s commitment to sustainable mining practices and reducing the overall environmental impact.

Operating and Financial Review continued

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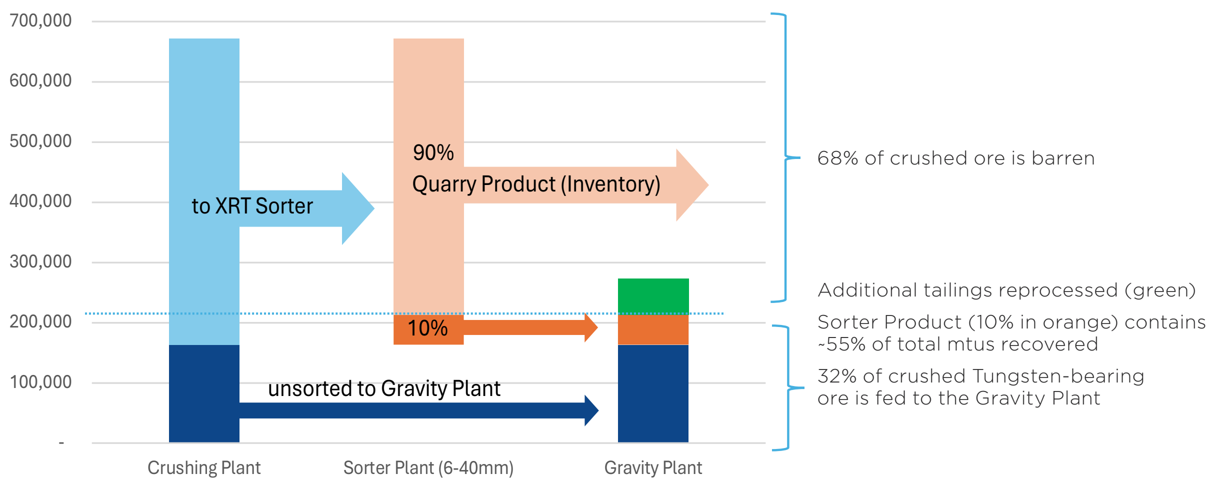


Operating and Financial Review continued

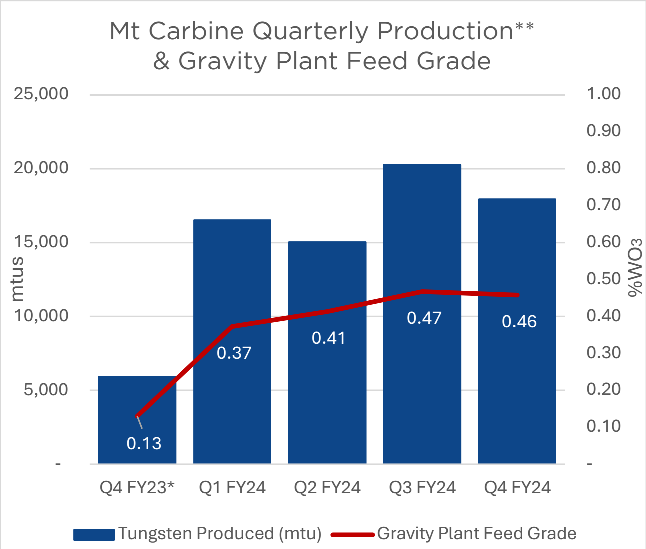
Gravity Plant

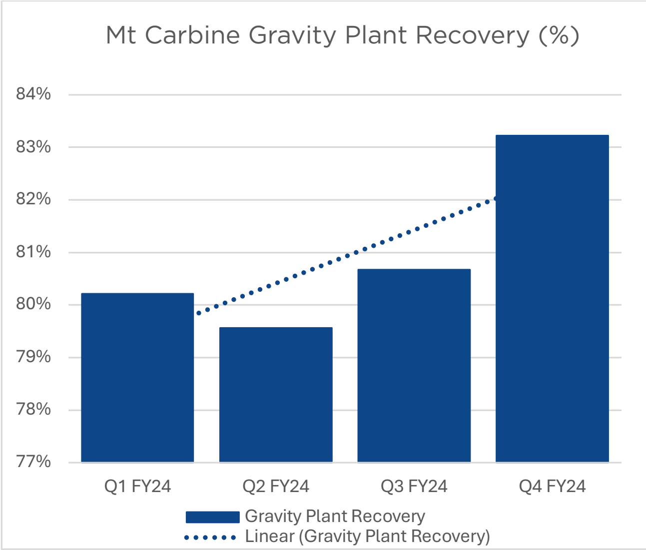
The Gravity processing operations at the site have successfully transitioned from primarily processing material from the LGS at 0.0745% WO_3, based on historic assays, to processing tungsten-rich ore at 0.15 - 0.22% WO_3 sourced from open pit operations and has led to significant positive outcomes.

The operations team has effectively enhanced the performance of the Ore Sorter Plant and the recovery rates of ore processed through the Gravity Plant, resulting in a higher-grade feed to the plant and a substantial increase in concentrate production.

The high-grade Ore Sorter Product processed at the Gravity Plant through the High-Grade circuit increased from 3,000 tonnes monthly average for FY2023 to 4,000 tonnes monthly average for FY2024, greatly increasing the Gravity Plant's feed grade.

The High-Grade Crushing Circuit at the Gravity Plant.





* for illustration purposes to compare before versus after processing Open Pit ore

** 50% EQR 50% Cronimet

The quarterly average fee grade in the Gravity Plant improved from 0.12% WO_3 in FY2023 to 0.37% WO_3 for FY2024, thanks to the combination of a higher overall Head Feed grade processed in the Crushing Plant and an increase in the volume of Ore Sorter Product processed.

The Phase 2 expansion continues to progress across the site, with significant developments at the Gravity Plant. A new mineral jig has been commissioned and installed in series with the existing jig for a boost in recovery. So far, the recovery has seen an overall increase of ~10%. The plant has received a second motor control centre, necessary for doubling plant capacity, that will be commissioned in late 2024.

The Gravity Plant has maintained excellent operational metrics, achieving 93% availability and 82.2% run time.

Fine ore being screened in a vibrating screen with new self-cleaning panels, ahead of the Mineral Jig at the Gravity Plant.

Operating and Financial Review continued

Laboratory activities

The newly established laboratory has been efficiently assaying samples from the open pit and various processing plants, providing quick turnaround times for results. This enables the team to better understand the new material being processed, assess different grades, and optimise the processing circuits accordingly.

The lab efficiently processes samples daily, with a well-distributed labour force ensuring timely completion of tasks like crushing, splitting, pulverising, and assaying. Quality control measures, including both internal and external checks, were maintained to ensure reliable results. The lab successfully implemented a 24-hour turnaround for results, significantly improving the understanding of the plant's efficiency.

This year, the laboratory team achieved concentrate results within 1% of those from Australian Laboratory Service ("ALS") and Massan. Established quality control measures and procedures, including 20% internal and 10% external quality checks via ALS. Expanded operational capacity to process up to 100 samples daily when fully staffed. The team is currently building the capacity to process drill core and conduct multi-element assaying on soil samples into the current workflow, which is expected to enhance versatility from the X-Ray Fluorescence spectrometer ("XRF") and provide more comprehensive results and insights for exploration leases without sending samples to ALS for analysis.

The newly established laboratory shed before all equipment and shelving was put into place.

The collaboration with the Barruecopardo laboratory in Spain has greatly improved the overall knowledge base and the management of information. Moving forward, the Company is working on a combined Laboratory Information Management System between both operations for ease of access to results through a central database.

Quarry Operations

After good sales from the continued relationship with Boral Asphalt reseal projects in the first half of the year, the prolonged wet season limited the extent of infrastructure projects that could progress.

Culminating in Cyclone Jasper in December, and the crippling flooding that affected the Far North Queensland region thereafter, the quarry team was pleased to be the only quarry in the district that did not spend many weeks underwater!

This did result in vital emergency repairs being able to be supplied with material to open local roads to the stranded public, whether by supply to councils or supply to other quarries. Significant landslips occurred during this event and some locations have been in caretaker mode until plans for rehabilitation have gone through process. Disaster Recovery Funding is now filtering through to local councils and enabling local roads projects to come to the fore. Mt Carbine Quarry is currently supplying to the restructuring of the Alexander Range north of the Daintree River which commenced in June 2024 and has continued through July and August, and have provided material tenders for the Captain Cook Highway Jasper Landslip Project (yet to be awarded).

Aligned with the Queensland Government strategy of repurposing waste rock from mining projects, the Mt Carbine operations beneficially re-uses clean mine waste to make a diverse array of products, including road bases, drainage aggregates, bituminous sealing aggregates, and robust armour rock to name only a few.

The increased mine & blast operations of the past year have not only increased tungsten production but has also given greater opportunity for extraction of the large armour rocks required for slope stabilisation, as well as rock fill for Gabion Walls and Mattresses.

Operating and Financial Review continued

Tenement Interests

In accordance with ASX Listing Rule 5.3.3, the following table is submitted with respect to tenements held by the Company and its controlled entities:

Location	Holding Entity	Beneficial Interest	Interest Acquired or Disposed	Area	Expiry date
Queensland, Australia					
ML 4867	Mt Carbine Quarries Pty Ltd	100%	28/06/2019	358.5 ha	31/07/2041
ML 4919	Mt Carbine Quarries Pty Ltd	100%	28/06/2019	7.891 ha	31/08/2041
EPM 14871	EQ Resources Limited	100%	12/12/2005	10 sub-blocks	12/12/2025
EPM 14872	EQ Resources Limited	100%	11/12/2005	21 sub-blocks	11/12/2025
EPM 27394	EQ Resources Limited	100%	01/06/2020	4 sub-blocks	1/06/2025
EPM 28898	EQ Resources Limited	100%	17/06/2024	147 sub-blocks	17/06/2029
New South Wales, Australia					
EL 6648	EQ Resources Limited	100%	N/A	4 Units	19/10/2026 1)
EL 8024	EQ Resources Limited	100%	N/A	19 Units	29/11/2024 1)

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

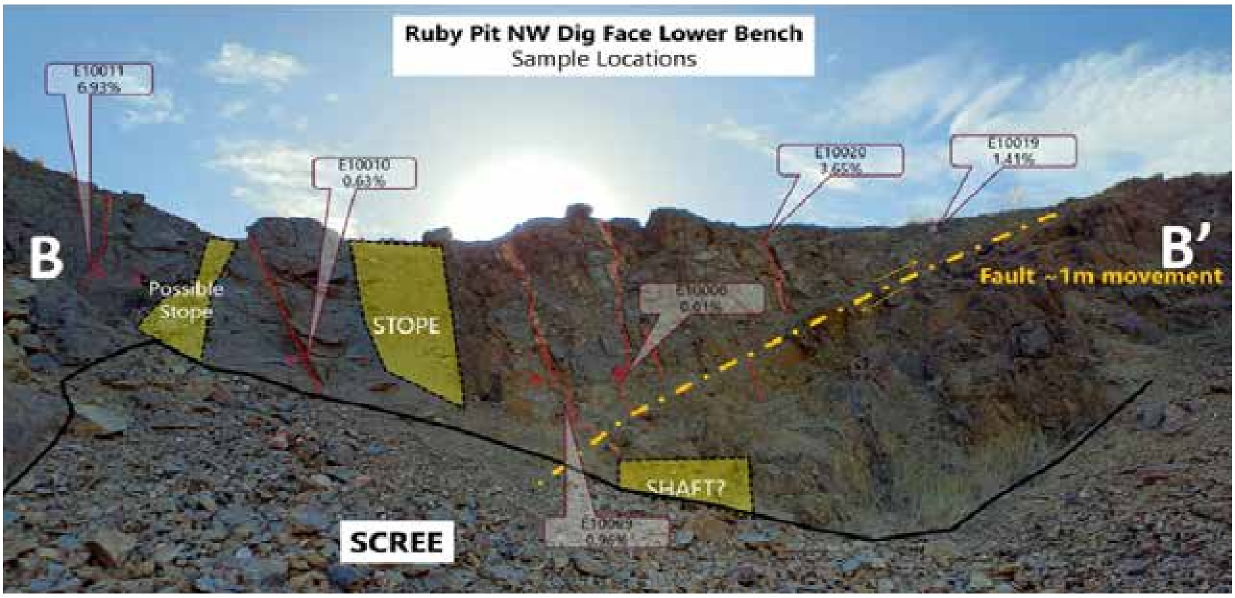
1) Sozo Farm-in arrangement.

ML4867 & ML4919 were renewed for a further 19 years during the reporting period (More information see: *ASX Announcement 24th March 2023: 'Mt Carbine Mining lease renewed for 19 Years'*). This renewal included a new landowner agreement with Australian Wildlife Conservatory (AWC) and a submission of an initial Mine Plan for the first 5 years of mining.

Australian Regional Exploration

Brownfields - Ruby Vein Outline

Located 150 meters north of the planned open cut at Mt Carbine, the Ruby Veins outcrop at an elevation of 430-460m RL at the top of Mt Carbine. Historically, these veins were partially mined by artisanal miners and appeared as three narrow veins, 5-10 cm wide, displaying good wolframite mineralisation in certain areas. A shallow investigative RC drilling program targeted the top 30 meters of the veins to explore for wider zones. The drilling revealed vein zones with widths of 1-2 meters and grades of up to 1.2% WO_3, which is considered significant at the 480m RL level. Compared to the nearby, well-drilled Johnson Vein, where the main mineralised zone occurs at 250-275m RL, hitting such grades at this higher level is regarded as an important discovery by the geology team.



Ruby Vein section & plan showing thin veins at high level in the system. Shallow 50-meter holes hit 12 meters of grades up to 1.2% WO_3.

Operating and Financial Review continued

Wolfram Camp Mine Exploration Permit – EPM 28898

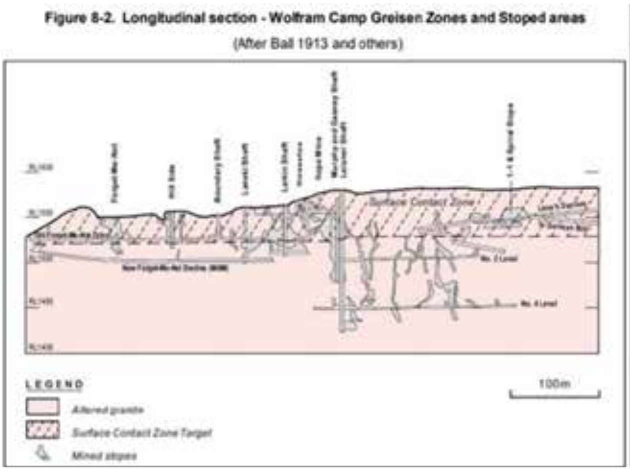
EQR has been awarded the EPM for resource exploration at the historic Wolfram Camp mine site to determine the feasibility of re-commissioning. This aligns with the Queensland Government's plan to invest A$245 million in the Critical Minerals Strategy, emphasising the re-commercialisation of old mines for economic growth and a sustainable future. The permit encompasses a 477km^2 RA442 license area within the Herberton Tin-Tungsten field and offers immense potential. Approximately 5 million tonnes of Low-Grade Stockpile and tailings are readily available for evaluation. The 5-year program includes drilling over 10,000 meters in the next 3 years and collecting 4,000 soil samples as well as completing a pre-feasibility on selected targets. An XRT Ore Sorter trial will also be undertaken in FY2025 to evaluate its compatibility with the existing Mt Carbine processes. This initiative supports EQR's growth strategy and will further solidify the region's role as a critical mineral hub due to Wolfram Camp being located approximately 60km from the Mt Carbine Mine Site.

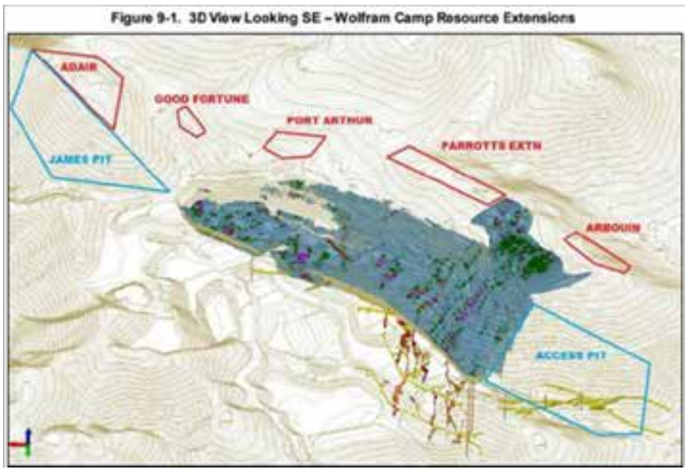
See ASX Announcement 27th July 2023: 'EQR Awarded Permit For Historic Wolfram Camp Mine'.

See QLD Government Statement 18th June 2024: "Permit granted to unlock critical minerals and jobs at historic Far North Queensland mine site".

Over the past 12 months, the Company has secured environmental and heritage site access approvals. The Queensland Government has also provided the main camp at the Wolfram mine site, which can now be used as a base of operations. Currently, two personnel from the geology department are on-site, working through extensive historical information to ensure it is properly organised into accessible databases.

The main intrusive at the Wolfram Camp prospect is the O'Briens Creek Supersuite. This geological feature is significant as it represents an older intrusive event compared to the younger "S" type intrusives found at the nearby Mt Carbine tungsten system. The O'Briens Creek Supersuite is associated with porphyry-style mineralisation and peripheral vein systems, which are key characteristics of the Wolfram Camp prospect. Previously, the focus was on the localised identification of 'greisen' mineralisation that occurs along the contact, but the current program is focused on following the higher-grade vein system. Most of the drilling (97%) has been shallow RC drilling, providing limited geological information and hindering detailed interpretation. Old workings maps from the early 20th century offer valuable insights, indicating that artisanal miners were extracting high-grade veins at depths exceeding 100 meters below the greisen contact. Given the higher grades of these veins, there is a strong case for deeper drilling to follow the vein system to greater depths.





Left: Longitudinal section – Wolfram Camp greisen zones and stoped areas; Right: 3D view looking SE – Wolfram Camp Resources Extensions.

At Bamford Hill, there is an extensive breccia pipe that is locally well mineralised, with grades exceeding 0.5%. Although the size potential has yet to be fully determined, and historical drilling has been limited, mapping suggests that the breccia pipe extends vertically over 250 meters. Detailed reconnaissance mapping, coupled with Induced Polarization surveys, is planned for Bamford Hill to enhance understanding of its scale and mineralisation potential.

Orebody	Resource Classification	Tonnes (kt)	Grade (% WO_3)	WO_3 (mtu)
Greisen	Indicated	442	0.15	66,300
	Inferred	1,829	0.15	274,350
Pipe Material	Indicated	77	0.69	53,130
	Inferred	602	0.69	415,380
	Total	**2,950**	**0.279**	**823,050**

Wolfram Camp Resources. Source: 2015 Technical Report Almonty Industries (NI 43-101)

NSW Exploration Tenements

Sozo Resources has successfully completed the Stage 1 Farm-In Conditions and has chosen to proceed to Stage 2 of the Farm-In. This decision grants Sozo the exclusive right to acquire a 49% legal and beneficial interest in the Joint Venture gold property. To secure this interest, Sozo must invest $750,000 in exploration activities, with the expenditure deadline set for August 3rd, 2024.

Panama Hat

At the Telephone Gold Prospect, recent drilling efforts included 7 RC holes and 7 AC holes, aiming to test gold mineralisation along NW-SE striking structures and a satellite soil anomaly. While the drilling confirmed the presence of these structures, the gold assays were modest, with the best result being 2 meters at 0.59 g/t Au. The anticipated shallow gold oxide resource was not found, leading to a shift in exploration focus.

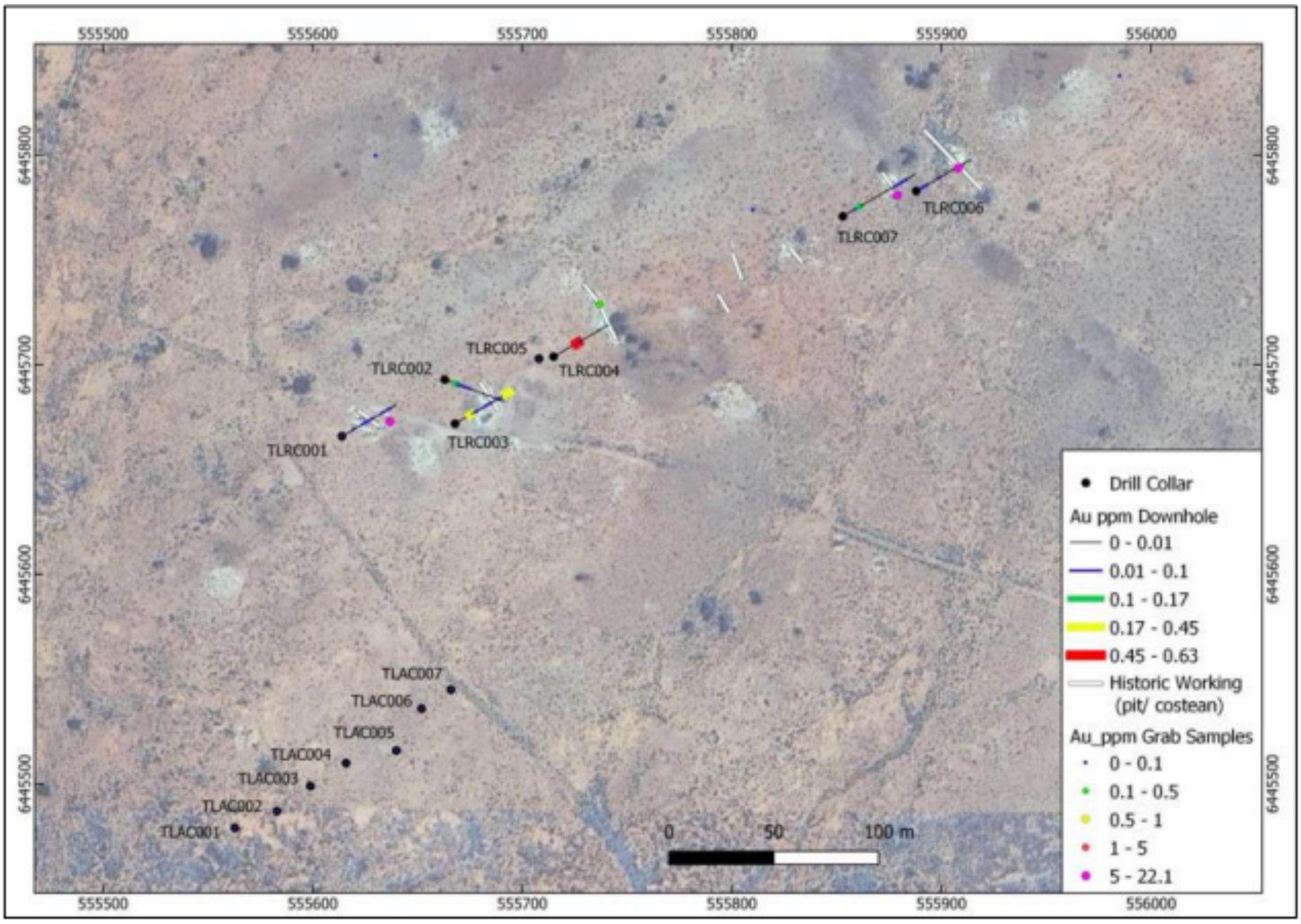
The AC drilling, which targeted a soil anomaly, also yielded disappointing results with the highest gold assay at 40ppb. The absence of arsenic, a common gold pathfinder, suggested the anomaly might be transported rather than in situ. Consequently, further drilling at the Telephone Line Prospect was deemed unjustified, redirecting exploration efforts to the Panama Hat and Willyong Tank Prospects.

At the Panama Hat Prospect, a newly interpreted NW-SE linking structure between major shear zones has been identified as a promising exploration target. Future efforts will focus on these structural intersections, building on insights from previous drilling campaigns.

Operating and Financial Review continued

Crow Mountain

Additionally, flooding and permit delays postponed fieldwork, causing Sozo to miss initial deadlines. To address this, Sozo was granted an 18-month extension to complete the agreement terms, including meeting the minimum expenditure requirements, ensuring the project stays on track.



Plan view image showing Telephone Line Reverse Circulation and Air Core drilling program at Panama Hat Project, with down hole gold assays (ppm).

Operating and Financial Review continued

Saloro/Barruecopardo Operations

HR:

125
employees, 200 direct jobs created with contractors

100%
permanent contract

24%
women employees

786
people have visited the mine in FY 2024

25,113
alcohol tests conducted, 402 drug tests

141
training courses provided

SALORO
maintains ISO 14001 (Environment) and 45001 (Safety and Health) certifications

PRODUCTION:

1,329,792
tonnes of ore mined

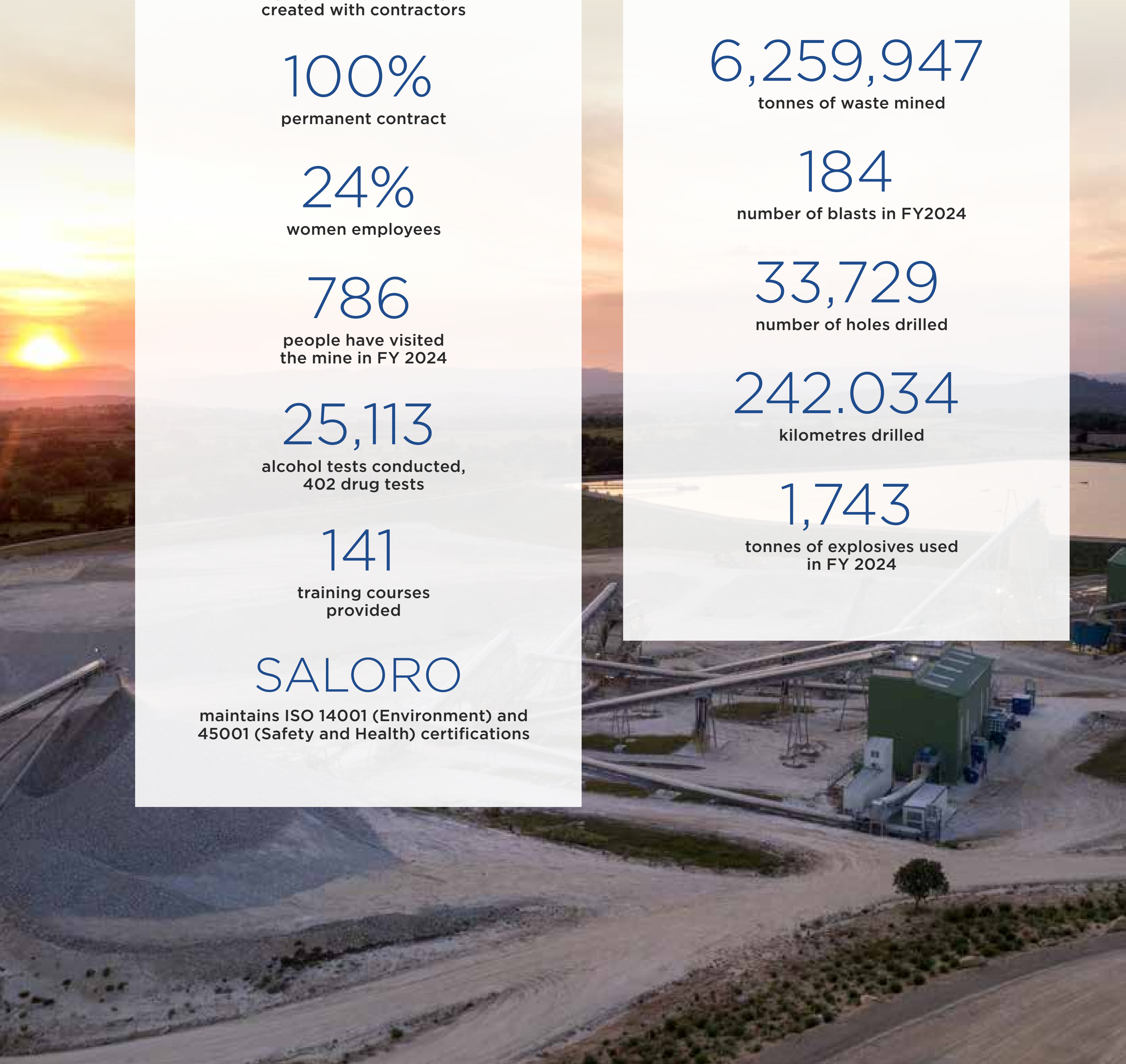
6,259,947
tonnes of waste mined

184
number of blasts in FY2024

33,729
number of holes drilled

242.034
kilometres drilled

1,743
tonnes of explosives used in FY 2024



Operating and Financial Review continued

Health and Safety

The acquisition of Saloro by EQR initiated the integration of the Health and Safety (HSE) departments of both companies, sharing the high safety standards that EQR had implemented in its Mt Carbine operations.

During the second half of FY2024, coinciding with the arrival of EQR, a great effort has been made for Saloro and EQR to share work procedures, knowledge and collaboration in safety matters with regular workshops and meetings between HSE departments to share best practises and safety procedures.

Saloro has continued with its policy of alcohol and drug controls, a procedure established since the beginning of the construction work and commissioning of the facilities. All workers support this initiative, aware that the Company must guarantee the safety of its employees and offer to its staff optimal working conditions. During FY2024 a total of 25,113 alcohol tests and 402 drug tests were conducted.

Saloro has diligently maintained compliance with mining sector regulations by conducting mandatory training. Workers were keen to upskill, undertaking additional courses designed to enhance responsiveness to various workplace risks. In FY2024, the Company placed a special emphasis on training the workforce regarding the hazards associated with respirable silica, in response to the recent important regulatory updates. To effectively implement this training, the Company engaged external companies and undertook detailed organisation of the courses, ensuring the team is both well-prepared and compliant with the latest safety standards. The following training has been conducted:

- 26 Initial mining training
- 41 Respirable Crystalline Silica (theory)
- 35 Respirable Crystalline Silica (Practise)
- 17 First Aid Course
- 20 Safety in Mining
- 2 Chemical product training
- Site wide training for the use of Automatic Defibrillator (AED)

Saloro conducts comprehensive control activities to mitigate risks associated with its operations. This includes performing at least three annual measurements of silica content in the respirable dust fraction, along with the installation of irrigation and dust collection systems at critical points. Additionally, timely training is provided to workers, and personal protective equipment (PPE) is distributed and monitored to ensure proper use for each specific job.

Furthermore, routine checks are conducted on the environmental conditions within the workplace, covering aspects such as noise, vibrations, lighting, and radiation. Safety equipment, including first aid kits, fire extinguishers, fall arrest harnesses, and ladders, is also inspected monthly to maintain high safety standards.

Open Cut Mining Operations

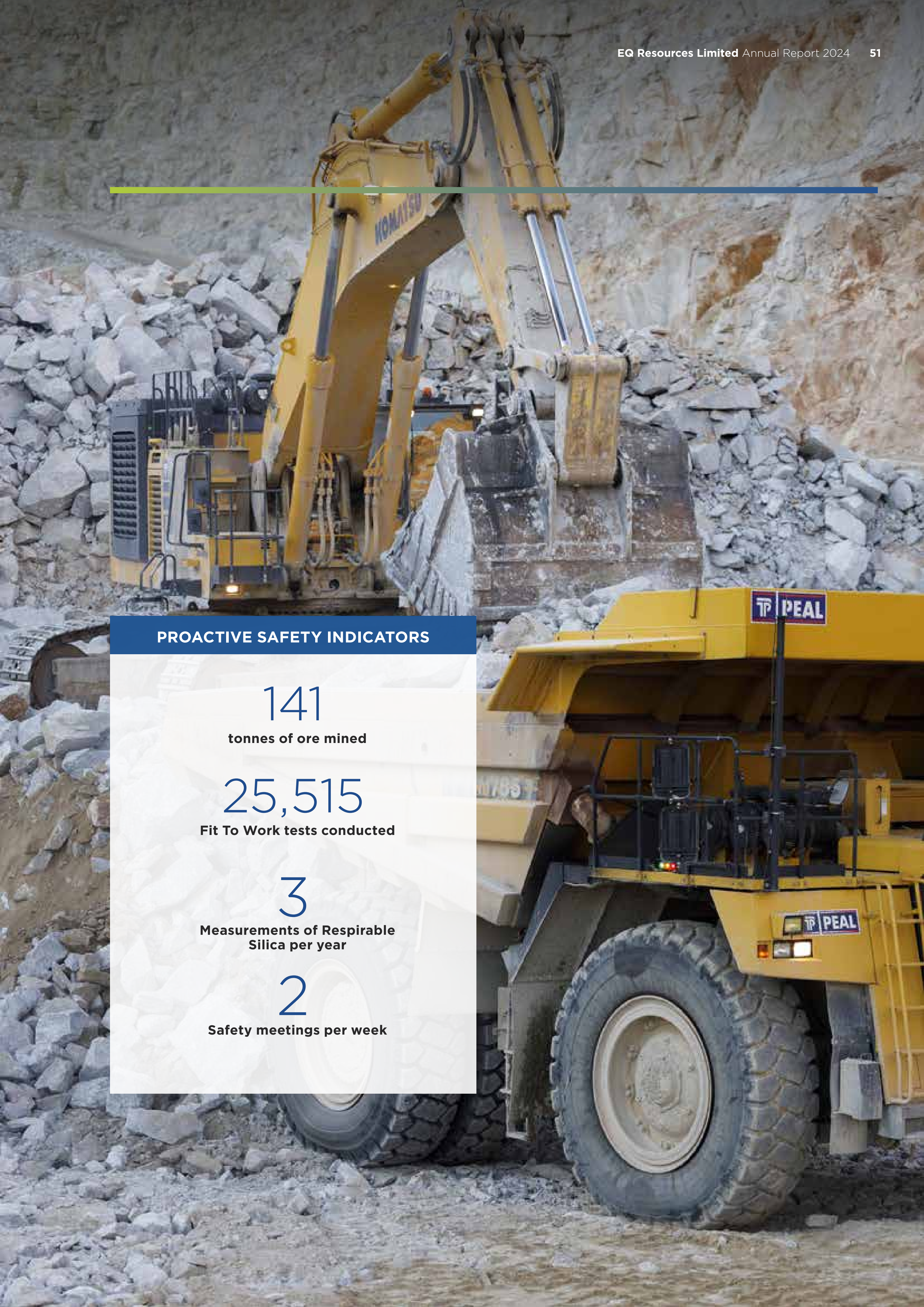
During this fiscal year, the mining operations faced a variety of challenges, each presenting unique obstacles but also opportunities for growth and improvement. Through strategic management and the dedicated efforts of the team, the team at Saloro have successfully navigated these challenges, ensuring continued operational success and resilience. Below, are the details of the most significant events of 2024 that have shaped the operations, highlighting the achievements and the proactive steps taken to enhance productivity and sustainability.

Extension of the contract with mining operator Peal Hispania

Since September 2020, PEAL Hispania has been a key partner in production work at the Barruecopardo mine. The recent two-year extension of their contract, valid through September 2025, underscores the enduring commitment of PEAL Hispania to the project at Barruecopardo. This long-standing relationship provides stability and continuous improvement in the operations, reflecting a mutual dedication to the success and growth of the mine.

Rainiest year in the mine area since 2019

While this has been the rainiest year since 2019, the project has proven to be well-prepared to handle these conditions.



PROACTIVE SAFETY INDICATORS

141
tonnes of ore mined

25,515
Fit To Work tests conducted

3
Measurements of Respirable Silica per year

2
Safety meetings per week

Operating and Financial Review continued

In addition to the capacity of the dams distributed across the mine site, during the dry season, work was carried out to evaporate water from the dams, with the implementation of vegetation irrigation systems and dust suppression systems on mine roads and in the processing plant areas. Additionally, mining operations extended deeper into the pit to construct a sump. This development allowed excess water to be directed and collected in a designated control area, from where it could be pumped out. This measure prevented the water from interfering with other mining activities. Finally, to enhance water consumption and evaporation systems, progress was made on the construction of the next phases of the project.

Irrigation and evaporation systems in operation on the Barruecopardo site.

The process has been initiated to request an increase in the allowed discharge volume of water from the main dam from the local environmental water authority to enhance flexibility in water management during the rainy season.

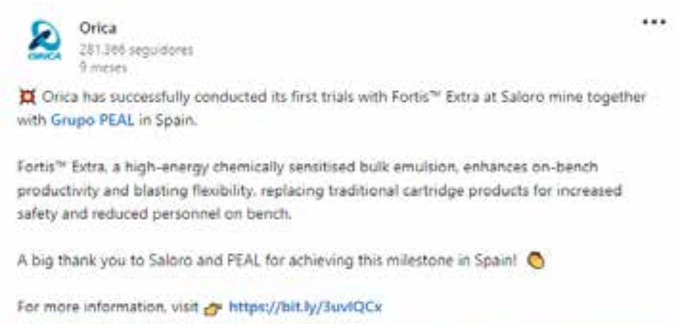
Eastern Slope Stability Improvement

Following the analysis of geotechnical data collected in the area with potential instability, a decision was made to execute a pushback on the eastern slope. This action was taken to enhance the stability of the slope, thereby ensuring greater safety for future deep mining operations. The pushback required an additional movement of 655,000 tonnes of material.

Barruecopardo Open Pit pushback works on the eastern slope.

First Open Pit in Spain to Use Explosives with In-Situ Sensitisation

With ORICA as the explosive supplier, a first trial of bulk explosives with In-Situ Sensitisation in October 2023 was conducted. This innovative product not only delivers superior fragmentation quality but also significantly enhances safety measures. It improves safety protocols during the handling processes involved in blasting operations and substantially boosts public safety by removing the necessity to transport explosives by road. This development is a testament to the Company's commitment to pioneering advancements in mining technology and safety, emphasising the ongoing efforts to lead the industry in both innovation and operational excellence.


Orica
281.366 seguidores
9 meses

Orica has successfully conducted its first trials with Fortis™ Extra at Saloro mine together with Grupo PEAL in Spain.

Fortis™ Extra, a high-energy chemically sensitised bulk emulsion, enhances on-bench productivity and blasting flexibility, replacing traditional cartridge products for increased safety and reduced personnel on bench.

A big thank you to Saloro and PEAL for achieving this milestone in Spain!

For more information, visit https://bit.ly/3uvlQCx

LinkedIn post from Orica and the process of loading and density control of the emulsion.

Operating and Financial Review continued

Resources and Reserve Statement

Saloro Resources Estimate

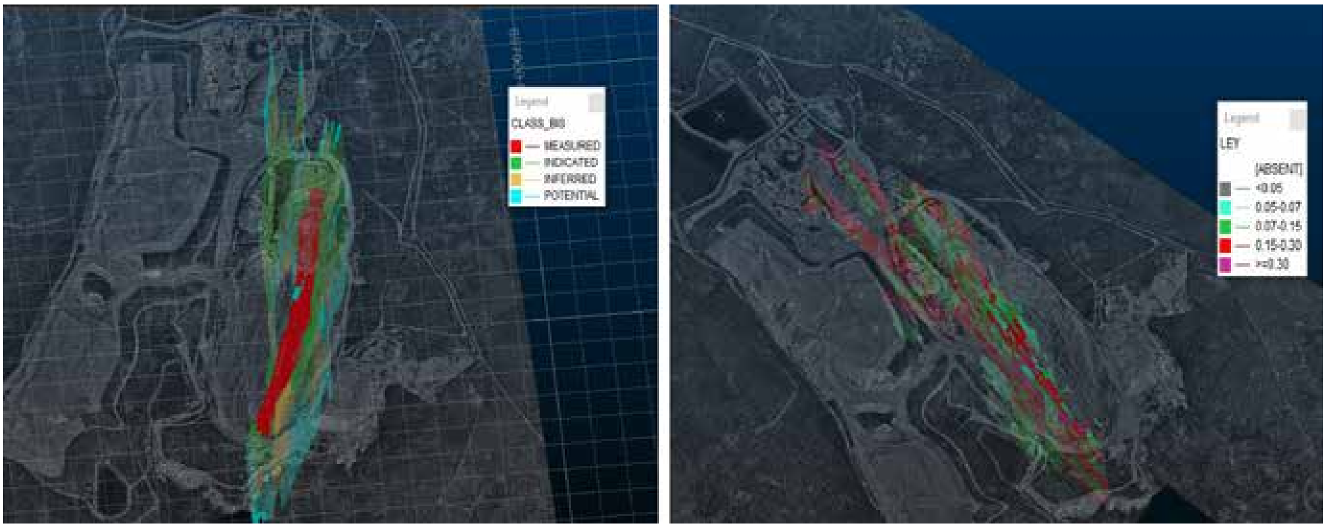
Orebody	Resource Classification	Tonnes (Mt)	Grade (% WO_3)	WO_3 (mtu)
In-Situ	Measured	8.82	0.19	1,659,959
	Indicated	10.27	0.18	1,799,757
	Inferred	3.82	0.26	995,555
	Total	**22.91**	**0.20**	**4,455,272**

Saloro Barruecopardo Resources as per June 2024, Resources >=0.05% WO_3 data from topography June 2024

Preparation of the MRE Report Following the JORC 2012 Code

After completing the exploration drilling campaign, which began in January 2022 and concluded in March 2023, with a total of 7,423.10 meters of drilling across 22 holes, work commenced on preparing a Mineral Resource Estimate (MRE) in accordance with the guidelines of the JORC 2012 Code. This resource report was compiled by Jorg Pohl as the Competent Person.

The conclusions of this report were published by EQR in February 2024. The resource model developed is moderately conservative, providing a more accurate representation of the observed conditions in the mine.

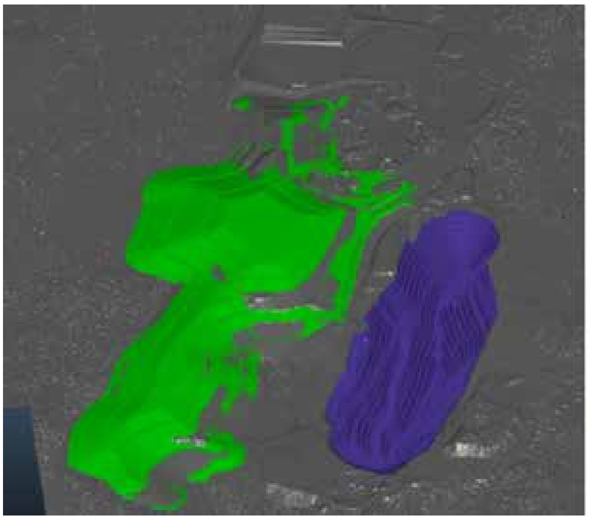


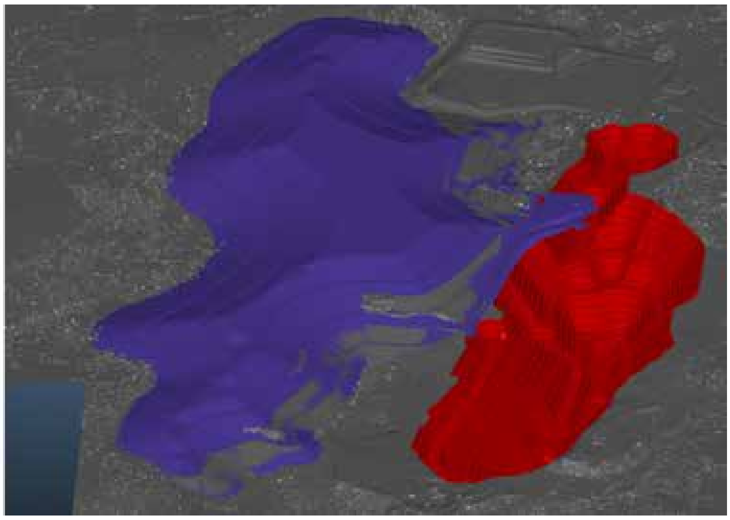
2023 Resource Block Model, filtered by class and grade.

Project 2035

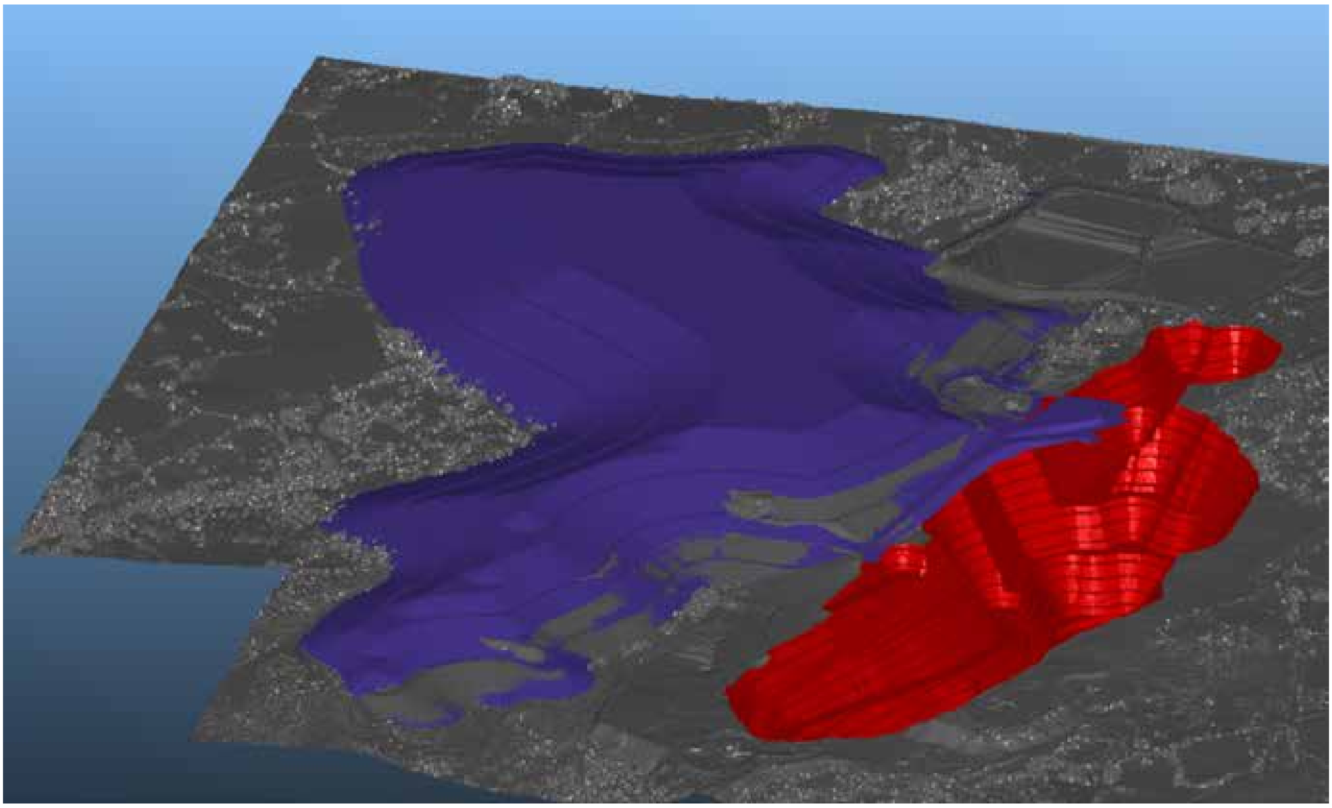
With the data received from the new resource model and with the aim of obtaining regional government permits for a future expansion of the waste dump and mine extension, the development of the Project named 2035 has begun. This project is scheduled to be presented in September 2024. Estimates suggest that the resolution and subsequent approval of the project could be obtained within 6 to 12 months, i.e., by March or September 2025.

For the presentation of this project, a slightly aggressive optimisation has been performed on its inputs to achieve the largest occupied areas and greatest volumes to be produced.





Left: Current open pit design in purple, waste dump in green; Right: Phase 1 Project 2035, open pit in red and waste dump in purple.



Final design: Project 2035, open pit in red and waste dump in purple.

Continuous Improvement in Grade Control

Given the importance of grade control in the operations at Saloro, daily procedures have been adjusted while maintaining the QAQC standards, to achieve an increasingly accurate grade control block model. This improved model will be used for future revisions of the resource model.

Operating and Financial Review continued

Thanks to the work carried out by the geology and mining department, the grade control model shows that the tonnes of ore have increased by 2.2%, mtu have increased by 4.7% and overall grade by 2.5% when compared to the 2023 resource model.

Continuous Improvement in Dilution Control
Operational dilution control is a key element for Saloro at the Barruecopardo mine. Given the special characteristics of the deposit, the use of tools to accurately determine mineral movement during the blasting process has been crucial. However, these tools are always preceded by a geological analysis of the working areas.

Since 2021, the Barruecopardo mine in Salamanca has been using the OREPRO 3D software. This tool allows the team to determine how the mineral moved during the blasting process once the program's inputs are entered.

With the results obtained in 2024 using the new resource model, the technical service team observed an operational dilution of 7.8% compared to the 2023 resource model, which is significantly lower than the 15% from previous years.

Additionally, tonnes have increased by 8.9%, and mtu has increased by 0.4%, as shown in the table below.

Mine Production and Operations

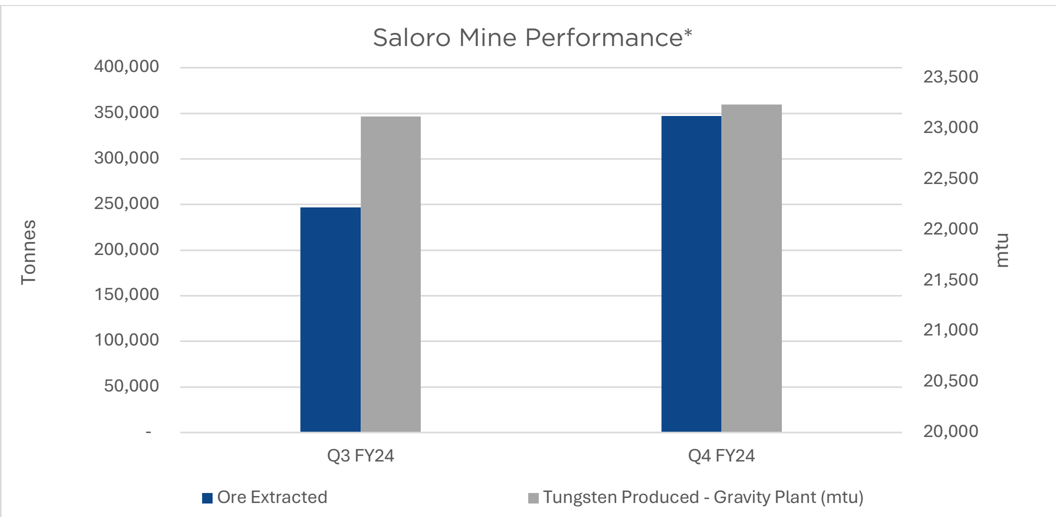
Production at the mine has remained very stable throughout the year. However, the rainfall during the rainy season has been a constant monitoring element to prepare for potential issues.

Using the pit centre, which was prepared as a sump during the summer in anticipation of the rainy season, operations in the northern and southern areas proceeded without any setbacks.

The production figures are shown in the following table:

EQR Saloro Mine Production

Mining		Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	Total
Ore Mined	t	**340,744**	**404,337**	**248,457**	**348,596**	**1,342,134**
(HG+LG)	mtu	63,226	64,680	43,008	65,363	236,277
	grade	0.186	0.160	0.173	0.188	0.176
Waste Mined (+VLG)	t	**2,042,590**	**2,015,218**	**1,958,237**	**1,609,172**	**7,625,217**



* Reporting starting post acquisition January 2024

Barruecopardo Open Pit as of end of June 2024.

Black Stork living in harmony with production equipment at the mine.

Operating and Financial Review continued

Processing

Timeline of Plant Development & Recovery Optimisation

Q1 FY2024 (July to September 2023):
During the first quarter of FY2024, Saloro's processing plant achieved notable milestones, demonstrating operational efficiency and strategic advancements. In July, the plant set a new historical production record, showcasing exceptional operational performance. The ongoing Recovery Enhancement Plan focused on improving metal recovery rates, yielded a metal recovery rate of 48%, underscoring the effectiveness of the enhancement strategies.

The commissioning of the Tomra XRT Ore Sorter marked a significant leap in processing efficiency, and by August, the sorter had transitioned to regular operation, becoming an integral component of the workflow. Concentrate homogenisation tests were conducted on August 8th to enhance processing consistency, followed by modifications to the Spiral and table circuits and water adjustments from the primary screen to primary jigs on August 10th. These changes significantly improved processing efficiency. Additionally, on August 18th, parameters and tonnage adjustments to the hydrosizer were made, further optimising its performance as part of the ongoing recovery enhancement strategy.

September saw continued refinement of operations, including a critical consultation with metallurgist Kevin Harney, who provided expert guidance for metallurgical improvements. Despite a disruption caused by a swing jaw failure in the jaw crusher, the quarter ended on a high note with significant improvements in jig performance following modifications to jig meshes on September 20th. Regular monitoring of the rod mill was also initiated, maintaining an optimal fill level to ensure efficient grinding.

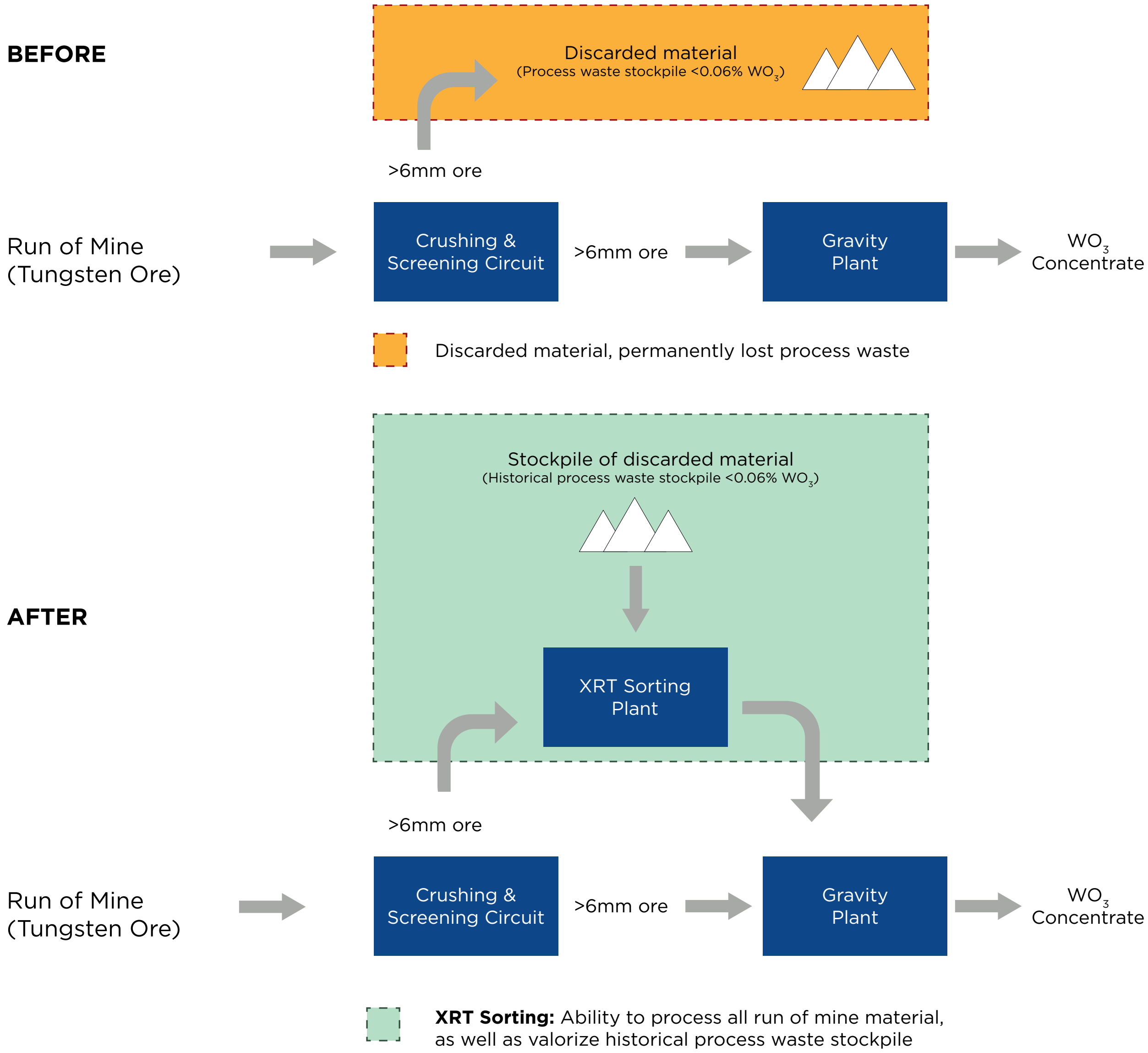
Q2 FY2024 (October to December 2023):
The second quarter of FY2024 was characterised by focused efforts on enhancing plant performance and preparing for future expansions. In October, a large team from EQ Resources, along with metallurgist consultant Kevin Harney, visited the mine, focusing on strategies to improve plant performance further. This led to significant improvements in jig performance and subsequent recovery rates. Key modifications to flow and screen panels on October 10th and 17th, respectively, aimed at optimising processing outcomes, were successfully implemented.

Recognising the need for expanded processing capacity, a purchase order was placed in October for a second Tomra Ore Sorter, with delivery scheduled for the end of December 2023. November continued the optimisation trend, with monitoring and enhancement of the jig's hydraulic circuit beginning on November 2nd. Additionally, coarse table tailings were recirculated starting November 8th, improving material recovery, and cyclone testing with AMP commenced on November 13th, exploring further enhancements to the processing circuit. The month also saw modifications to the spiral circuit and an expansion of jig operations to include eight jigs, aiming to boost throughput and recovery efficiency.

By the end of December 2023, Saloro's operations demonstrated marked improvements across various metrics. The total tonnes crushed reached 711,912, while the total tonnes milled amounted to 533,382, reflecting the enhanced efficiency and throughput of the plant.

Q3 FY2024 (January to March 2024):
Following the acquisition of Saloro by EQ Resources in January 2024, the Crushing and Ore Sorter Plants witnessed significant advancements. The most notable change was the installation and commissioning of the second Tomra XRT Ore Sorter that leverages the experience gained from the Company's Mt Carbine Operation. Previously, Saloro's process setup discarded any ore larger than 6mm post tertiary crushing because its grade, below 0.06% WO_3, was deemed uneconomical for further processing. During its ramp-up phase, the XRT Sorting Plant has achieved ore grade enhancements of more than 25 times, processing sorter feed with a grade below 0.06% WO_3 into a sorter concentrate with a grade between 1.5-2% WO_3.

Thanks to the superior sorting performance, the XRT Sorting Plant now processes 100% of the stream that was previously discarded, contributing an additional 26% of material to the downstream Gravity Plant. Furthermore, a stockpile of over 343,000 tonnes of previously discarded >6mm ore is ready for reprocessing, containing an estimated 19,894 mtu.



See ASX Announcement 15th February 2024: 'Saloro XRT Sorting Performance Update'.

Other work included feed optimisation at the jaw crushing and ROM feeding pad, which led to a remarkable 30% increase in primary crusher throughput. Trials adjusting the Ore Sorter feed from 20/8mm to 40/8mm sizing resulted in a substantial 40% increase in mtus, driven primarily by higher throughput rates achievable with larger rock sizing. However, the corresponding changes to the Ore Sorter circuit were deferred to the second half of the calendar year to allow further downstream optimisation.

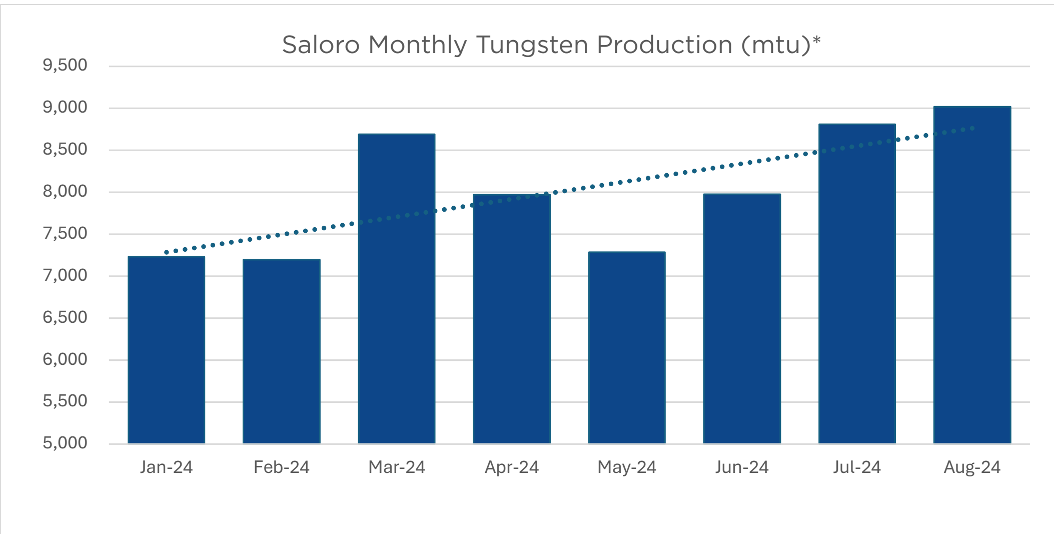
Q4 FY2024 (April to June 2024):

The fourth quarter of FY2024 focused on refining the processing plant's performance and enhancing recovery rates. As part of the ongoing recovery improvement program, the jig distribution system was replaced with a more advanced distributor featuring nine outlets, allowing for more uniform and independent feeding of each jig chamber. The alumina balls have been changed to a different density, and the deck has had its hole diameter changed from 7.7 mm to 8.5mm. The spiral circuit was upgraded with new coarse and fine hydrocyclones, achieving 85% efficiency in size classification. The decommissioning of the hydrosizer and adding a clarometer relieved the thickener, further improving circuit efficiency.

Operating and Financial Review continued

Introducing a new high-frequency screen for the shaking table feed had the most significant impact on the circuit's performance, with classified feed positively influencing recovery rates. Additional improvements around the flotation circuit were also initiated, with expectations of further lifting recovery at the final product circuit, particularly within the cleaner shaking tables.

These operational enhancements and strategic improvements have firmly positioned Saloro under EQ Resources' stewardship for continued success and growth.



* Reporting starting post acquisition January 2024

Operating and Financial Review continued

Tenement Interests

In accordance with ASX Listing Rule 5.3.3, the following table is submitted with respect to tenements held by the Company and its controlled entities:

Location	Holding Entity	Beneficial Interest	Interest Acquired	Area	Expiry date	Granting
Salamanca, Spain						
C.E. Barruecopardo, 6.432-10	Saloro, SLU	100%	18/01/2024	2,100 Ha	1/11/2041	20/11/2014
P.I. Saldeana 1ª Fracción, 6.432-11	Saloro, SLU	100%	18/01/2024	29,300 Ha	13 Aug.*	13/08/2001
P.I. Saldeana 2ª Fracción, 6.432-12	Saloro, SLU	100%	18/01/2024		13 Aug.*	13/08/2001
P.I. Milano, 6.432-20	Saloro, SLU	100%	18/01/2024	29,000 Ha	13 Aug.*	13/08/2011
P.I. Cortegana, 6.570	Saloro, SLU	100%	18/01/2024	16,700 Ha	14 Nov.*	14/11/2006
P.I. Almonaster, 6.572	Saloro, SLU	100%	18/01/2024	4,300 Ha	14 Nov.*	14/11/2006
P.I. Aracena, 6.649	Saloro, SLU	100%	18/01/2024	5,300 Ha	30 Oct.*	30/10/2008
P.I. Brincones, 6.834	Saloro, SLU	100%	18/01/2024	6,100 Ha	7 May*	7/05/2013

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

Material Business Risks

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities. The Company's Risk Management Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value. The Board reviews the entity's risk management framework at least annually. Management reports risks identified to the Board through regular operations reports, and via direct and timely communication to the Board where and when applicable. The Company does not have an internal audit function. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework, which is developed and updated to help manage risks. During the reporting period, management reported to the Board on the effectiveness of the company's management of its material business risks.

The matters listed below are not listed in order of importance and are not intended to be an exhaustive list of all the risks and uncertainties affecting the business.

Operational Risks

The Mt Carbine Mine in Australia is subject to various operational risks, including disruptions in operations, equipment failures, challenges in securing replacement equipment, and issues with product separation and screening. Since its inception in February 2020, the Mt Carbine site has evolved from a junior exploration entity into a comprehensive mining operation under the leadership of EQR's CEO, Kevin MacNeill. With the initiation of open cut mining in late June 2023, Kevin leveraged his 30 years of experience managing mining operations across North America, Europe, and Africa. His extensive background has fostered the development of a proactive, hands-on management style and a streamlined operational team, which emphasises efficient decision-making and employee empowerment to achieve optimal outcomes.

The Saloro Barruecopardo Mine in Spain faces similar operational risks, though Europe's advanced infrastructure, including roads, ports, and utilities, supports efficient mining operations. Reliable transport networks ensure smooth supply chain operations, from transporting raw materials to delivering finished products, while also reducing logistics costs and improving market access.

Additional risks for both operations include, but are not limited to, adverse weather conditions, material availability, the availability and productivity of skilled workers and contractors, industrial and environmental incidents, labour disputes, and unexpected increases in the costs of labour, consumables, spare parts, and equipment. The operation also faces potential IT disruptions, unforeseen regulatory changes, and broader risks tied to global uncertainty and events such as the COVID-19 pandemic, which could include governmental responses that impact operations.

Environmental Risks

EQR must comply with a range of environmental performance and reporting requirements, many of which are conditions of its mineral exploration and mining activities. There is a risk that the Company may not be able to achieve the financial performance or outcomes disclosed herein if it fails to comply with those environmental performance and reporting requirements or if the requirements change in the future and the Company is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. EQR seeks to manage and minimise this risk through its existing risk management framework and through detailed environmental management plans and systems including the implementation of ISO 14001:2015 Environmental Management Systems (EMS).

Saloro's Barruecopardo operations are accredited under ISO 14001. The globally accepted standard offers a structured approach for organisations to create and deploy an EMS, and continuously enhance their environmental practices. Compliance with this standard enables organisations to proactively reduce their environmental impact, adhere to applicable legal regulations, and fulfill their environmental goals. The framework covers numerous elements, including resource consumption, waste management, tracking environmental performance, and engaging stakeholders in environmental initiatives.

Operating and Financial Review continued

Social Risks

EQR is exposed to social risks as a result of the many stakeholders who are involved in its operations including but not limited to employees, contractors, local community members residing in areas where the Company operates, governments and government agencies (local, state and federal) as well as customers and suppliers. EQR is subject to reputational damage as well as potential claims for damages as a result of any harm or loss sustained by any stakeholder as a result of the actions by the Company and/or and its representatives. There is a risk that the Company may not be able to achieve the financial performance or outcomes disclosed herein if it incurs reputational damage or significant claims for damages. EQR seeks to manage and minimise this risk through its existing risk management framework, including Board approved policies on stakeholder management and through established stakeholder consultation processes.

At its Mt Carbine operations, EQR manages and minimises risks through an Integrated Health and Safety Management System, designed to protect employees' physical safety and mitigate operational risks. This system is guided by the Integrated Management System (IMS), which aligns with the intended outcomes of ISO 9001:2015 Quality Management Systems.

Saloro's operations are accredited to ISO 45001, the occupational health and safety management system that provides an internationally recognised framework for managing health and safety risks. It enables organisations to systematically assess hazards and implement risk control measures, resulting in fewer workplace injuries, illnesses, and incidents.

Governance Risks

EQR must comply with a range of governance requirements which are conditions of its listing on the Australian Securities Exchange (ASX) and of its mineral exploration and mining activities. There is a risk that the Company may not be able to achieve the financial performance or outcomes disclosed herein if it fails to comply with those governance requirements or if the requirements change in the future and the Company is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. EQR seeks to manage and minimise this risk through its existing risk management framework including Board approved governance policies which are subject to regular review.

Financial risks

The financial risk management strategy seeks to ensure EQR can fund its corporate objectives and meet its obligations to stakeholders. The Audit and Risk Committee and the Board carry out financial risk management to address overall financial risk, including specific financial risks such as tungsten price risk, foreign exchange risk, interest rate risk, credit risk, and liquidity management. At present, EQR does not hedge any of these risks.

Interest Rates – EQR is exposed to interest rate risk arising from its borrowings. Borrowings issued at variable rates expose it to cash flow interest rate risk, and borrowings issued at fixed rates expose it to fair value interest rate risk. Increases in interest rates, either through increases in base rates or borrowing margins, may reduce EQR's cash flow and profitability.

Foreign currency – EQR is exposed to foreign currency risk principally from commercial transactions and valuations of assets and liabilities that are denominated in a currency that is not EQR's functional currency, Australian Dollars. EQR's exposure to foreign currency risk arises principally through selling tungsten products denominated in currencies other than EQR's functional currency, principally the US dollar, and capital and operating expenditure incurred in other currencies, principally the Euro.

Credit – EQR is also exposed to credit risk through investments in cash and cash equivalents, financial instruments and deposits with or undrawn committed liquidity from banks and financial institutions, and credit exposures to customers, including outstanding receivables and committed transactions. EQR may be exposed to potential financial loss if the counterparties to those investments and transactions fail to perform as contracted. EQR monitors its exposure to credit risk on an ongoing basis through the management of concentration risk and ageing analysis.

Access to capital and liquidity – EQR has debt obligations and relies on access to debt and equity financing to conduct its business, particularly the Spanish finance to support the purchase of Saloro and the proposed expansion of the crushing capacity at the Mt Carbine mine. There is a risk that EQR may not be able to access equity or debt capital markets to support EQR's business objectives or successfully refinance debt facilities on commercially favourable terms or at all. The ability to secure financing or refinancing on acceptable terms may be adversely affected by ESG factors and the Company's financial position or volatility in the financial markets.

Competent Persons Statement

Competent Person's Statement - Resources

Statements contained in this announcement relating to the Mt Carbine Project Mineral Resource Estimation, are based on, and fairly represents, information and supporting documentation prepared by Mr Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by EQ Resources Limited to prepare an estimate of the Mineral Resource at Mt Carbine. Mr Grove has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Grove consents to the use of this information in this announcement in the form and context in which it appears.

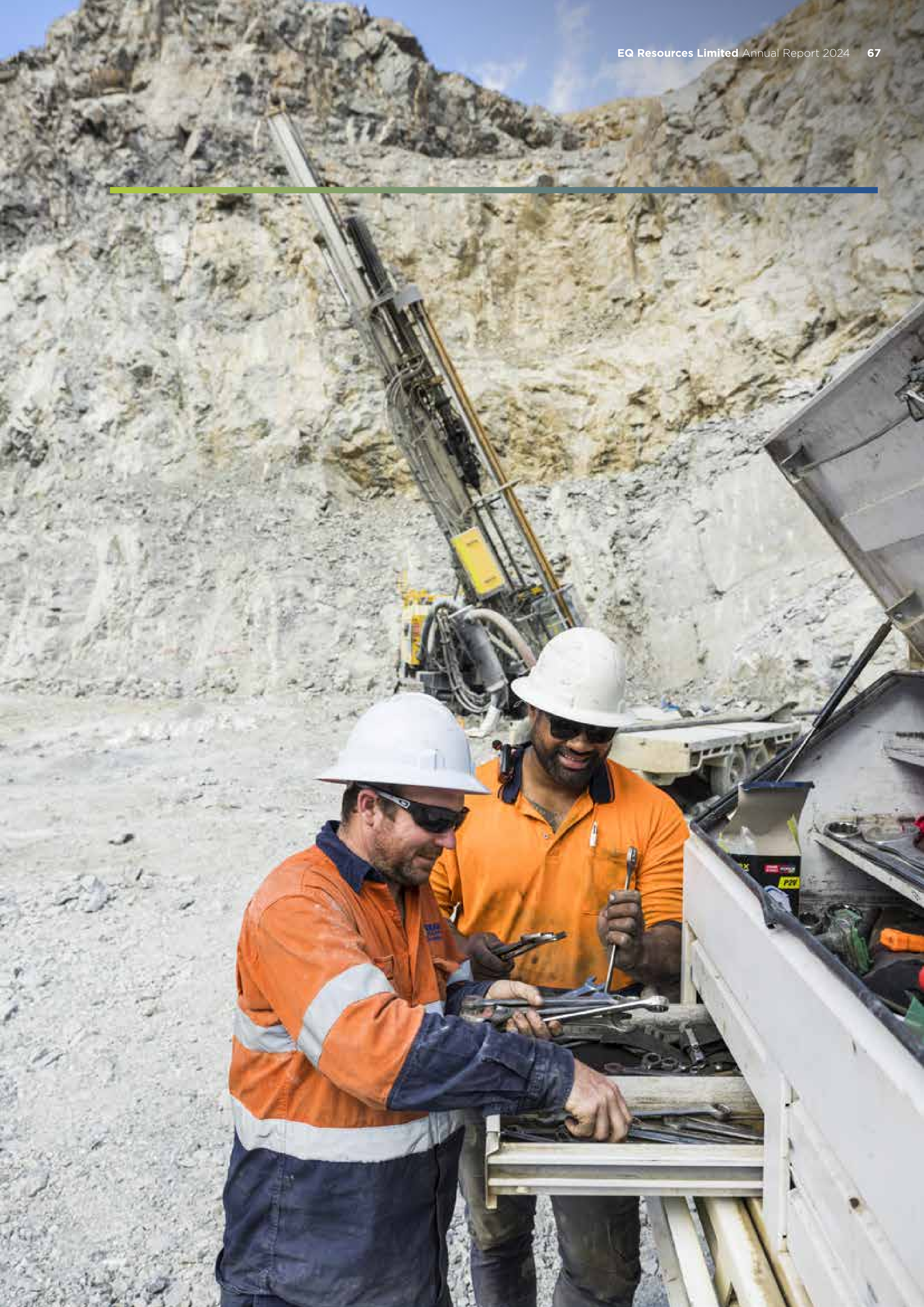
EQ Resources' exploration and Resource work is being managed by Mr Tony Bainbridge, AusIMM. Mr Bainbridge is engaged as a contractor by the Company and is not "independent" within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Bainbridge has sufficient experience which is relevant to the style of mineralisation 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. Mr Bainbridge has verified and approved the data disclosed in this release, including the sampling, analytical and test data underlying the information. The diamond core samples were assayed at the ALS Laboratory in Brisbane, Australia. The mineral Resource estimate as shown in Annex 1 has been prepared by Measured Group. Mr Bainbridge has 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.

Competent Person's Statement - Reserves

The information in this release relating to the Reserves Estimate is published and based on information compiled by Mr Tony O'Connell, Principal Mining Consultant and Director of Optimal Mining Solutions Pty Ltd. Mr O'Connell is a qualified Mining Engineer, (BE (Mining), University of Queensland), has over 24 years of experience and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr O'Connell 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 O'Connell 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 O'Connell, Measured Group Pty Ltd or Optimal Mining Solutions Pty Ltd has any material interest or entitlement, direct or indirect, in the securities of EQ Resources Limited or any associated companies.



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 2024.

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 2024.

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, Non-executive Chairman
- Stephen Layton, Independent Non-executive Director
- Richard Morrow, Independent Non-executive Director
- Stephen Weir, Non-executive Director (Appointed: 19 January 2024)
- Zhui Pei Yeo, Non-executive Director

Company Secretary

Melanie Leydin

Principal Activities

The principal activities of the Group during the 2024 financial year focused on the following:

- Acquisition of Saloro S.L.U. ("Saloro") on 18 January 2024 to strengthen EQR's relevance in the global tungsten industry, with the Company, upon acquisition, becoming the largest independent tungsten concentrate producer outside of Australia.
- Commencement of open cut mining activities at the Mt Carbine Andrew White Open Pit.
- Continued optimisation of the production processes and recoveries from the Gravity and XRT Sorter Plants at both the Mt Carbine and Barruecopardo operations.
- Securing funding for the Mt Carbine and Barruecopardo operations and undertaking activities to advance each project, including significant capital upgrades to plant and equipment.
- The execution of a definitive agreement to acquire the Mt Carbine Joint Venture interest from CRONIMET.
- 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 whilst engaged in Farm-In and Joint Venture Agreement over its gold exploration licences in New South Wales.

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 $2,129,588 (2023: loss of $3,716,846).

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) Historic Wolfram Camp Mine Exploration Permit awarded to EQR expanding its exploration and development interests in the Herberton Tin-Tungsten field. EQR's commitment to fostering regional economic growth, environmental stewardship and job creation is reflected in this strategic move. Refer ASX announcement "EQR Awarded Permit for Historic Wolfram Camp Mine" dated 27 July 2023.

(b) Acquisition of leading European Tungsten producer, Saloro, from global investment Manager Oaktree Capital Management L.P. ("Oaktree") on 18 January 2024. Through the combination of both operations, EQR becomes the largest tungsten concentrate producer in the Western World, with a robust growth pipeline across two top-tier mining jurisdictions. As part of the transaction, Oaktree invested $25 million into EQR at $0.09 per share.

As part of the $25 Million investment by Oaktree, Non-executive Director Stephen Weir was appointed to the EQR Board as Oaktree's Nominee Director and Chair of the Audit & Risk Committee on 19 January 2024.

Refer ASX Announcements "EQR Acquires Leading European Tungsten Producer, Saloro S.L.U., and Secures $25 Million Investment by Oaktree" dated 10 August 2023; "EQR Completes Acquisition of Saloro S.L.U. and $25 Million Placement with Oaktree" dated 18 January 2024 and "Stephen Weir Joins EQR's Board of Directors" dated 19 January 2024.

(c) Increase in contributed equity of $42,162,613 (before share issue costs):

	Date	Number of Shares	Issue Price	$
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	$0.0650	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	$0.0650	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)	06/09/2023	3,125,000	$0.0650	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	$0.0650	1,625,000
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	$0.0400	4,000,000
Issue of 5,000,000 shares @ $0.0600 per share upon the exercise of options granted to Key Management Personnel (refer ASX announcement dated 8 November 2023)	08/11/2023	5,000,000	$0.0600	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	$0.0900	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 2 February 2024)	02/02/2024	1,000,000	$0.0400	40,000

	Date	Number of Shares	Issue Price	$
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	$0.0432	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	$0.0450	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	$0.0461	25,004
Fair value of options exercised				808,570
TOTAL				**42,162,613**

(d) 50% joint venture interest in the Mt Carbine Tungsten Operation, acquired by EQR's wholly owned subsidiary Mt Carbine Retreatment Pty Ltd. A long-term offtake arrangement has also been entered into under which CRONIMET Asia Pte Ltd ("CR Asia") will purchase all tungsten concentrate from the Mt Carbine Operation. The parties agreed on the following consideration for the transfer of the joint venture interest:

- EQR to issue new ordinary shares at $0.09 per share to CR Asia (or its nominee), equal to a total of US $7.5 million;
- EQR will assume all JV assets and liabilities, including all obligations under the Offtake Agreements.

As part of the transaction, CRONIMET will be granted the right to enter into a product marketing agreement with EQR for the Barruecopardo Mine currently operated by Saloro. This agreement is conditional upon closing the acquisition of Saloro by EQR. Refer ASX Announcement "Strategic Partner Cronimet Joins EQR Register, as EQR Acquires JV Interest from Cronimet" dated 18 October 2023 . Refer Note 21. Subsequent Events for further announcements pertaining to the above acquisition.

(e) Completion of a new JORC 2012 compliant Mineral Resource Estimate ("MRE") updating Saloro's historical resource statement added 4.74M mtu (mtu = 10kg WO_3) to EQR's resource inventory, resulting in EQR's Indicated and Measured In-Situ Resources increasing by 69%. 78% of the Saloro MRE is in the Indicated and Measured Category. Refer ASX announcement "Saloro Adds 69% of Measured and Indicated Resources to EQR's In-situ Resource Inventory" dated 1 February 2024 and "Supplement information to Saloro Mineral Resource Estimate" dated 7 February 2024.

(f) Delivery completion of all core equipment under the Sandvik Crushing & Screening Package ordered in July 2022 to facilitate the doubling of throughput capacity at the Mt Carbine mine. The construction schedule is currently in the process of being finalised. Refer ASX announcement "Mt Carbine Receives Additional Equipment for Doubling of Throughput Capacity" dated 20 March 2024.

(g) $20 Million 3-year loan facility agreement executed with Queensland Investment Corporation ("QIC") from the Queensland Critical Minerals and Battery Technology Fund ("QCMBTF").

- Tranche A: $12 Million to assist in doubling processing capacity and commence underground drill testing.
- Tranche B: $8 Million to continue underground drill testing and commence underground trial mining.

Utilisation of this facility is subject to the satisfaction of customary conditions precedent, including project completion testing. For key terms, refer to ASX announcement "QIC Approves A$20M Funding for Mt Carbine Tungsten Mine Expansion" dated 8 May 2024.

(h) $2.17 million R&D Tax refund received for the 2023 financial year from activities focused on the Company's commitment to operational improvement and innovation, such as:

- Studies on the reduction of equipment wear (selection and trial of new materials for relevant equipment, trial of new operational conditions – in particular, with regards to fluid velocity);

- Feed preparation improvement trials for the ore sorter plants – leading to improved performance in terms of recovery and sorter product grade; and
- Preparation work for increased capacity by testing high-capacity / energy-efficient equipment.

Refer ASX announcement "Mt Carbine Tungsten Mine Receives $2.17M R&D Tax Refund" dated 10 May 2024.

(i) Infill drilling campaigns completed at the Mt Carbine Andrew White Open Cut revealled additional high-grade ore. Refer ASX announcements "Mt Carbine Infill Drilling Reveals Additional High-Grade Ore in Stage II Waste Cutback Area" dated 3 June 2024; "Mt Carbine Drilling Reveals High-Grade Zones in Stage 2 Pit" dated 30 April 2024; and "Mt Carbine Major Drilling Campaign Update" dated 30 January 2024.

(j) Record production increases achieved throughout the second half of the 2024 financial year at both the Mt Carbine and Barruecopardo operations. Refer ASX announcements "Mt Carbine and Saloro Operations Hit New Production Records" dated 25 June 2024 and "Mt Carbine Hits Quarterly Production Record" dated 11 April 2024.

Directors' Interests in Shares, Options and Performance Rights

Director	Shares Directly and Indirectly Held	Options Directly and Indirectly Held	Performance Rights Directly and Indirectly Held
O. Kleinhempel	20,033,600	312,500	-
S. Layton	55,431,559	312,500	-
R.D. Morrow	6,991,471	312,500	-
Z.P. Yeo	73,482,310	312,500	-

Directors' interests in shares, options and performance rights as at 30 June 2023 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 Institute of Chartered Accountants, 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, eleven (11) Board Meetings, two (2) Audit Committee Meetings, one (1) Risk Committee Meeting and one (1) Remuneration & Nomination Committee Meeting was held.

Director	Meetings Eligible to Attend	Meetings Attended
O. Kleinhempel	11	11
S. Layton	11	11
R.D. Morrow	11	11
S.R. Weir	5	5
Z.P. Yeo	11	11

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 Committee		Risk Committee	
Director	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended
O. Kleinhempel	1	1	2	2	1	1
S. Layton	1	1	2	2	1	1
R.D. Morrow	1	1	2	2	1	1
S.R. Weir	-	-	-	-	-	-
Z.P. Yeo	1	1	2	2	1	1

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 1,250,000 unissued ordinary shares of EQ Resources under vested options at the date of this report, 1,250,000 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 2024 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;

Directors' Report continued

(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 2023 Annual General Meeting

The Group received votes against its Remuneration Report for the 2023 financial year; however, it did not receive any specific feedback on its remuneration practices at the 2023 Annual General Meeting or during the year.

(b) Key Management Personnel

The following persons were Key Management Personnel of the Group during the 2024 financial year:

	Position	Appointment	Resignation
Directors			
O. Kleinhempel	Non-executive Director Non-executive Chairman	12 August 2019 24 April 2020	-
S. Layton	Independent Non-executive Director	14 November 2017	-
R.D. Morrow	Independent Non-executive Director	16 March 2021	-
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	4 May 2020 1 April 2021	- -

(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 2024 are set out in the following tables:

	Short-term benefits				Share-based payments			
2024	**Salary & fees $**	**Non-monetary benefits $**	**Leave provisions $**	**Post-employment benefits $**	**Shares $**	**Performance rights and options[1] $**	**Total $**	**% Performance based**
Directors								
O. Kleinhempel	48,000	-	-	-	-	-	48,000	0.00%
S. Layton	48,000	-	-	-	-	-	48,000	0.00%
R. Morrow	48,000	-	-	-	-	-	48,000	0.00%
Z.P. Yeo	48,000	-	-	-	-	-	48,000	0.00%
Executives								
K.B. MacNeill	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**	

	Short-term benefits				Share-based payments			
2023	**Salary & fees $**	**Non-monetary benefits $**	**Leave provisions $**	**Post-employment benefits $**	**Shares $**	**Performance rights and options[1] $**	**Total $**	**% Performance based**
Directors								
O. Kleinhempel	48,000	-	-	-	-	37,967	85,967	44.2%
S. Layton	48,000	-	-	-	-	19,150	67,150	28.5%
R. Morrow	48,000	-	-	-	-	19,150	67,150	28.5%
Z.P. Yeo	48,000	-	-	-	-	19,150	67,150	28.5%
Executives								
K.B. MacNeill	300,000	15,661	25,991	-		25,413	367,065	6.9%
Total KMP compensation	**492,000**	**15,661**	**25,991**	**-**	**-**	**120,830**	**654,482**	

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

No cash bonuses were paid during the reporting period.

(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 2024	**Balance at 1 July 2023**	**Granted as compensation**	**Received on exercise of Performance Rights/ Options**	**Other Changes**	**Balance at 30 June 2024**	**Balance held nominally**
Directors						
O. Kleinhempel	20,033,600	-	2,000,000	-	22,033,600	-
S. Layton	55,431,559	-	-	-	55,431,559	-
R. Morrow	5,991,471	-	1,000,000	-	6,991,471	-
S. Weir	-	-	-	-	-	-
Z.P. Yeo	71,482,310	-	2,000,000	-	73,482,310	-
Executives						
K.B. MacNeill	4,161,789	-	-	(690,000)	3,471,789	-
	157,100,729	**-**	**5,000,000**	**(690,000)**	**161,410,729**	**-**

(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 2024	Balance at 1 July 2023	Granted	Lapsed	Exercised	Balance	Total vested and exercisable	Total unvested & unexercisable
Directors							
O. Kleinhempel	10,312,500	-	(8,000,000)	(2,000,000)	312,500	312,500	-
S. Layton	4,312,500	-	(4,000,000)	-	312,500	312,500	-
R. Morrow	4,312,500	-	(3,000,000)	(1,000,000)	312,500	312,500	-
Z.P. Yeo	4,312,500	-	(2,000,000)	(2,000,000)	312,500	312,500	-
Executives							
K.B. MacNeill	10,000,000	1,000,000	(10,000,000)	-	1,000,000	-	1,000,000
	33,250,000	**1,000,000**	**(27,000,000)**	**(5,000,000)**	**2,250,000**	**1,250,000**	**1,000,000**

(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 35 (d).

(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 2024	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	Expensed 2024 year	IFRS 2 Not yet expensed
Executives								
K.B. MacNeill	1,000,000	03/07/23	03/07/26	$0.02993	29,933	-	29,769	164
	1,000,000				29,933	-	29,769	164

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

5,000,000 equity instruments were issued during the 2024 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 subsequently as Non-Executive Chairman on 24 April 2020. Cash payments and benefits totalling $16,000 were paid to Mr Kleinhempel during the 2024 financial year whilst $32,000 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 $48,000 were paid to Mr Layton during the 2024 financial year. 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 2024 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 $4,000 were paid to Mr Yeo during the 2024 financial year whilst $44,000 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. 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 $388,204 during the 2024 financial year.

(i) EQ Resources' Financial Performance

EQ Resources' financial performance for the five years to 30 June 2024 is summarised below, and the relationship between results and performance is discussed.

Year ended	Measure	2024	2023	2022	2021	2020
Net profit / (loss) after tax	$	(2,129,588)	(3,716,846)	(6,063,051)	(4,574,191)	(3,015,680)
Net assets	$	56,625,658	16,304,564	14,317,218	16,725,734	14,936,296
Cash and cash equivalents	$	3,489,532	5,335,596	1,723,426	3,504,721	2,989,859
Cash flows from operating activities	$	(12,703,554)	(1,392,628)	(3,112,770)	(3,816,722)	(2,948,321)
EBITDA	$	(18,467,257)	(829,258)	(4,478,339)	(3,947,550)	(2,789,350)
Share price at 30 June	$	$0.048	$0.070	$0.047	$0.028	$0.028
Basic earnings / (loss) per share	Cents	(0.13)	(0.26)	(0.45)	(0.39)	(0.30)

Financial Performance

The loss for the consolidated Group for the financial year after tax amounted to $2,129,588 (2023: loss of $3,716,846).

The Group has created value for shareholders through:

- Acquisition of Saloro S.L.U. ("Saloro") on 18 January 2024 to strengthen EQR's relevance in the global tungsten industry, with the Company, upon acquisition, becoming the largest independent tungsten concentrate producer outside of Australia.
- Full 12 months of open cut mining activities at the Mt Carbine Andrew White Open Pit.
- Continued optimisation of the production processes and recoveries from the Gravity and XRT Sorter Plants at both the Mt Carbine and Barruecopardo operations.

- Securing funding for the Mt Carbine and Barruecopardo operations and undertaking activities to advance each project, including significant capital upgrades to plant and equipment.
- The execution of a definitive agreement to acquire the Mt Carbine Joint Venture interest from CRONIMET.
- 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 2024 financial year with no impairments recognised, resulting in exploration and evaluation expenses of $1,934,696 before amortisation and R&D Tax Offset, being capitalised for the 2024 financial year. The carrying value of the exploration assets as at 30 June 2024 is $14,922,119 (2023: $14,273,131).

At 30 June 2024, the Group had a net working capital deficit of $55,567,286 (2023: $13,978,417 deficit). The deficit in net working capital is predominately due to:

- The recognition of $40,226,904 of borrowings 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 reporting date; and
- 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 $4,906,401 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 $42,162,613 (before share issue costs). Refer to Significant Changes on Page 70 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:

	2024 $	2023 $
Audit-related services		
Amounts paid or payable:		
- Nexia Melbourne Audit Pty Ltd	176,245	88,680
- Deloitte, Spain	25,671	-
Taxation services		
Amounts paid or payable:		
- Nexia Melbourne Pty Ltd	27,634	16,700
- Deloitte, Spain	65,793	-
	295,343	**105,380**

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 2024 in accordance with a resolution of Directors.

Oliver Kleinhempel
Non-executive Chairman

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 $	2023 $
Revenue	2	**26,838,757**	5,138,414
Other income	2	**3,488,333**	7,981,238
Total revenue & other income		**30,327,090**	13,119,652
Administration expenses		**(1,915,748)**	(1,077,473)
Consultant expenses		**(364,943)**	(450,804)
Depreciation	10	**(6,145,479)**	(1,292,283)
Amortisation – deferred exploration & evaluation	11	**(1,021,333)**	(131,796)
Development and testwork costs		**(1,027,001)**	(710,998)
Exploration expenses written-off		**(16,063)**	(3,187)
ESG initiatives		**(49,650)**	(45,540)
Finance costs		**(2,624,813)**	(1,491,341)
Foreign exchange gains (losses)		**93,968**	(221,964)
Occupancy expenses		**(796,179)**	(276,104)
Gain / (Loss) on disposal of fixed assets		**2,718**	(87,946)
Production expenses		**(29,813,628)**	(4,547,603)
Salaries and employee benefits expense		**(10,746,580)**	(5,248,052)
Share based payments	29	**(3,539,925)**	(674,837)
Superannuation		**(523,597)**	(406,687)
Travel and accommodation		**(97,719)**	(169,496)
Total expenses		**(58,585,972)**	(16,836,111)
Profit (Loss) before income tax expense		**(28,258,882)**	(3,716,459)
Income tax expense	4	**-**	-
Profit (Loss) after income tax expense		**(28,258,882)**	(3,716,459)
Other comprehensive income/(loss)			
Gain/(loss) on revaluation of financial assets		**(3,996)**	(387)
Gain/(loss) on financial asset revaluation		**1,698,278**	-
Bargain purchase gain	3	**24,435,012**	-
Total Comprehensive Profit / (Loss) Attributable to Owners of EQ Resources Limited		**(2,129,588)**	(3,716,846)
		Cents	Cents
Basic profit (loss) per share	15	**(0.13)**	(0.26)
Diluted profit (loss) per share	15	**(0.11)**	(0.24)

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $	2023 $
Current Assets			
Cash assets	22(b)	**3,489,532**	5,335,596
Trade and other receivables	8	**16,482,084**	3,933,612
Prepayments	8	**656,636**	634,064
Inventory	5	**17,145,002**	877,740
Financial assets	5	**840,973**	815,649
Total current assets		**38,614,227**	11,596,661
Non-Current Assets			
Receivables	9	**1,248,267**	4,487,440
Property, plant and equipment	10, 20	**99,523,735**	14,014,956
Inventory	6	**8,159,128**	8,213,656
Deferred exploration and evaluation	11, 20	**14,922,119**	14,273,131
Financial assets	6	**3,818,933**	2,560,468
Total Non-Current Assets		**127,672,182**	43,549,651
Total Assets		**166,286,409**	55,146,312
Current Liabilities			
Trade and other payables	12, 27	**42,647,114**	11,309,854
Employee benefits	29	**516,930**	439,919
Lease liability	26, 28	**1,324,113**	910,822
Convertible notes	14	**-**	3,494,215
Financial liabilities	25	**1,294,812**	1,369,196
Contract liability – offtake	23	**4,906,401**	4,901,961
Contract liability – sublease	23	**1,466,669**	1,768,851
Borrowings	24	**42,025,474**	-
Total Current Liabilities		**94,181,513**	24,194,818
Non-Current Liabilities			
Employee benefits	29	**22,383**	31,868
Lease liability	26, 28	**1,823,620**	1,176,523
Convertible notes	14	**549,012**	-
Financial liabilities	25	**10,819,849**	11,787,921
Provisions	31	**2,264,374**	-
Borrowings	24	**-**	1,650,618
Total Non-Current Liabilities		**15,479,238**	14,646,930
Total Liabilities		**109,660,751**	38,841,748
Net Assets		**56,625,658**	16,304,564
Equity			
Issued capital	13	**68,338,429**	27,222,060
Reserves		**5,675,116**	3,523,413
Accumulated losses		**(17,387,887)**	(14,440,909)
Total Equity		**56,625,658**	16,304,564

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash Flows from Operating Activities			
Proceeds from sales to customers		**28,416,570**	6,236,356
Proceeds from R & D tax offset		**2,152,803**	2,346,937
Proceeds from diesel fuel rebate		**749,802**	271,989
Proceeds from grants		**651,411**	5,983,000
Proceeds from other sources		**9,242**	307,160
Payment to suppliers and employees		**(43,679,827)**	(16,499,915)
Interest paid		**(911,428)**	-
Interest paid for lease liabilities		**(150,111)**	(55,834)
Interest received		**57,984**	17,679
Net Cash Flows Used in Operating Activities	22(a)	**(12,703,554)**	(1,392,628)
Cash Flows from Investing Activities			
Payments for the purchase of plant and equipment		**(12,656,696)**	(4,293,175)
Payments for the capitalised exploration and evaluation expenditure		**(1,880,376)**	(3,085,926)
Payments for the purchase of other entities		**(2,198,705)**	-
Proceeds from the sale or disposal of plant and equipment		**8,956**	118,291
Payment of loan to other entities (unincorporated joint venture)		**(2,122,550)**	(3,694,544)
Proceeds from release of other security deposits		**-**	-
Payments for the purchase of tenements		**-**	-
Payments / proceeds for tenement security deposits		**(50,000)**	-
Net Cash Flows Used in Investing Activities		**(18,899,371)**	(10,955,354)
Cash Flows from Financing Activities			
Proceeds from the issue of shares		**34,269,999**	4,812,000
Proceeds from the issue of convertible notes		**750,000**	-
Proceeds from the issue of share options		**2,495,744**	-
Payments for share / convertible note issue costs		**(430,748)**	224,307
Proceeds from long-term loan facilities		**259,860**	10,000,000
Proceeds from short-term loan facilities (unincorporated joint venture)		**1,932,500**	100,000
Proceeds from short-term loan facilities (other related parties)		**-**	-
Payments for lease liabilities		**(787,582)**	(289,658)
Payments for loans and borrowing cost		**(16,548,000)**	(317,689)
Payments for transaction costs of loans and borrowings		**(383,739)**	-
Proceeds from offtake advance extension		**-**	1,482,960
Net Cash Flows from Financing Activities		**21,558,034**	16,011,920
Net (decrease)/increase in cash held		(10,044,891)	3,663,939
Add opening cash brought forward		5,335,596	1,723,426
Add opening cash from acquiring other entities		8,280,498	-
Effect of movement in exchange rates on cash held		(81,671)	(51,769)
Closing Cash Carried Forward	**22(b)**	**3,489,532**	5,335,596

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Attributable to the Shareholders of EQ Resources Limited			
Consolidated	**Issued Capital $**	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
At 1 July 2022	**22,192,705**	**(10,724,063)**	**2,848,576**	**14,317,218**
Profit / (loss) before income tax for the period	-	(3,716,459)	-	(3,716,459)
Other comprehensive income for the period	-	(387)	-	(387)
Total comprehensive loss for the period	**-**	**(3,716,846)**	**-**	**(3,716,846)**
Issue of share capital	5,332,000	-	-	5,332,000
Share issue costs	(302,645)	-	-	(302,645)
Share based payments	-	-	674,837	674,837
Total transactions with owners in their capacity as owners	**5,029,355**	**-**	**674,837**	**5,704,192**
Balance at 30 June 2023	27,222,060	(14,440,909)	3,523,413	16,304,564
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**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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 2024, the consolidated entity incurred a total comprehensive loss of $2,129,588 (2023: loss of $3,716,846), incurred cash outflows from operating activities of $12,703,554 (2023: $1,392,628) and had a net working capital deficit of $55,567,286 (2023: $12,598,157 deficit). The deficit in net working capital is predominately due to:

- The recognition of $40,226,904 of 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 funding of the Company's growth initiatives via short-term financing facilities such as equipment leases, and trade payables.

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

- Continued optimisation of the production processes and recoveries from the Gravity and XRT Sorter Plants at both the Mt Carbine and Barruecopardo operations.
- 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 28 June 2025;
- Continued engagement with strategic partners to secure offtake prepayments;
- Continued success with grant applications for companies operating in the critical minerals sector; 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.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party. The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

(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.

(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 and 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.

Notes to the Consolidated Financial Statements continued

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. 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 activies 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.

Notes to the Consolidated Financial Statements continued

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 units 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
- 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.

Notes to the Consolidated Financial Statements continued

(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).
- 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 recognized 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

Notes to the Consolidated Financial Statements continued

- 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.

(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 19.

(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 29.

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) 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.

Notes to the Consolidated Financial Statements continued

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 20 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 25 – Other Financial Liabilities; and

Note 28 – Financial Risk Management Objectives and Policies.

(s) 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 K. MacNeill, Chief Executive Officer (CEO).

2. REVENUE AND OTHER INCOME

	2024 $	2023 $
Sales and hire income	**26,480,740**	5,039,906
Sub-lease rent - unincorporated joint venture	**302,182**	69,259
Interest received – other persons/corporation	**55,835**	29,249
	26,838,757	5,138,414
Other income:		
Government wage subsidies	**9,242**	322,050
AMGC grant	**-**	190,000
CMAI grant	**600,000**	4,824,818
R&D tax offset	**2,152,803**	2,307,510
Diesel fuel rebates	**711,486**	336,860
Other income	**14,802**	-
	3,488,333	7,981,238
Total revenue and other income	**30,327,090**	13,119,652

3. ACQUISITION OF SUBSIDIARIES

On 18 January 2024, the Group acquired 100% of the issued share capital of Saloro S.L.U. ("Saloro"), obtaining control of Saloro. Saloro is a Spanish company dedicated to the production and marketing of tungsten and qualifies as a business as defined in IFRS 3 *Business Combinations.* Saloro was acquired as it aligned with the Group's corporate strategy to become a substantial and globally leading supplier of sustainably produced critical minerals.

	$
Cash consideration	**2**
Total purchase consideration	**2**
Assets and liabilities acquired at fair value:	
Financial assets	12,266,801
Inventory	13,695,649
Property, plant and equipment	78,991,585
Identifiable intangible assets	-
Financial liabilities	(80,519,021)
Deferred tax assets/(liabilities)	-
Net identifiable assets and liabilities acquired	**24,434,014**
Bargain purchase[1]	**24,435,012**
Total consideration	**2**
Purchase consideration – cash inflow	
Cash consideration	2
Less: cash and cash equivalents acquired	8,280,498
Total consideration transferred	**8,280,496**
Revenue and profit contribution from the date of acquisition to year-end	
Revenue	14,195,709
Profit / (loss) after tax	(8,098,536)

[1] The bargain gain arising on the Saloro acquisition is provisional pending the final valuation of the acquired net identifiable assets and liabilities.

Notes to the Consolidated Financial Statements continued

4. INCOME TAX

	2024 $	2023 $
(a) Reconciliation of income tax expense to prima facie tax payable		
Profit / (loss) before income tax	**(2,129,588)**	(3,716,846)
Tax at the statutory rate of 25% (30 June 2023: 25%)	**(532,397)**	(929,212)
Tax effect of amounts which are not taxable in calculating taxable income:		
Non-deductible expenses	**2,134,981**	1,418,709
Non-assessable income	**(6,932,501)**	(586,734)
Deferred tax assets not recognised	**5,329,917**	97,236
Income tax benefit	**-**	-
(b) Unrecognised deferred tax assets		
Balance at beginning of year	**5,330,712**	4,511,295
Current year not recognised	**5,624,283**	180,749
Adjustments in respect of prior year tax balances	**(932,101)**	638,668
Balance at end of year	**10,022,894**	5,330,712
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	**14,279,183**	9,772,349
Less: other timing differences	**(4,256,289)**	(4,441,637)
Net deferred tax assets	**10,022,894**	5,330,712

No income tax provision is considered necessary for the Company for the period ending 30 June 2024.

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 2024 of $57,116,716 (2023: $39,089,398). A future income tax benefit which may arise from tax losses of 25% of approximately $14,279,179 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

	2024 $	2023 $
Current		
Finished goods[2]	**1,454,731**	341,447
Work-in-progress[2]	**12,152,075**	218,517
Raw materials	**19,064**	39,094
Workshop inventory	**3,519,132**	278,682
	17,145,002	877,740
Non-current		
Finished goods	**1,789,426**	1,690,023
Raw materials[1]	**6,369,702**	6,523,633
	8,159,128	8,213,656
	25,304,130	9,091,396

[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, along with the work-in-progress and finished goods inventory which have been created from this stockpiled material since acquisition.

[2] Finished goods and work-in-progress incorporate the fair value of 767,663 tonnes of ROM inventory plus 2,477 mtu (mtu = 10kg of WO_3) of tungsten concentrate produced but not sold of year-end acquired as part of the acquisition of Saloro on 18 January 2024.

Inventory is consumed on a units 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 do not include any write-downs of inventory to NRV.

6. FINANCIAL ASSETS

	2024 $	2023 $
Shares in listed companies:[1]		
Critical Resources Limited (ASX: CRR)	**1,160**	5,156
	1,160	5,156
Capitalised borrowing costs:[2]		
Current	**90,117**	108,417
Non-current	**556,096**	200,084
	646,213	308,501
Unexpired interest:[2]		
Current	**678,582**	707,232
Non-current	**2,081,492**	2,133,500
	2,760,074	2,840,732
Deferred acquisition costs:[3]		
Current	**72,274**	-
Non-Current	**1,180,185**	221,729
	1,252,459	221,729
	4,659,906	3,376,118

[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] During the reporting period, 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 7th anniversary of the definitive agreement execution) and a payment of $2.75 million, reducing the liability to 1.5% for life of the Mt Carbine Mine.

Notes to the Consolidated Financial Statements continued

The capitalised borrowing costs represent those costs directly attributable to securing this funding package and will be amortised over the period in which the first stage royalty of $10 million will be repaid.

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% (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.

[3] Deferred acquisition costs represent those costs directly attributable to the acquisition of Saloro on 18 January 2024. These costs will be amortised over the life of mine.

7. AUDITOR'S REMUNERATION

	2024 $	2023 $
Audit-related services		
Amounts paid or payable:		
- Nexia Melbourne Audit Pty Ltd	176,245	88,680
- Deloitte, Spain	25,671	-
Taxation services		
Amounts paid or payable:		
- Nexia Melbourne Pty Ltd	27,634	16,700
- Deloitte, Spain	65,793	-
	295,343	**105,380**

8. TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Trade receivables	**6,733,194**	2,495,980
Less: Allowance for doubtful debts	**(10,634)**	(549)
	6,722,560	2,495,431
Other taxation	**3,516,956**	808,648
Other receivables - related entities	**5,531,580**	-
Other receivables – other persons/corporation	**710,988**	629,533
Total trade & other receivables	**16,482,084**	3,933,612
Prepayments	**656,636**	634,064

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

Receivables from related entities represent the Company's 50% portion of loans provided to the unincorporated joint venture since its inception. These loans are unsecured and non-interest bearing and are 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).

9. RECEIVABLES

	2024 $	2023 $
Receivables from related entities	**-**	3,306,742
Tenement security deposits	**1,189,102**	1,172,598
Other security deposits	**59,165**	8,100
	1,248,267	4,487,440

Tenement deposits are restricted in that they are available for rehabilitation that may be required on the mining leases and/or exploration tenements (refer to Notes 17 and 18).

Receivables from related entities relate to the Company's 50% portion of loans provided to the unincorporated joint venture, which have been reclassified as current during the reporting period (refer Note 8).

10. PLANT AND EQUIPMENT AT COST

	Land & Buildings	Plant & Machinery	Mine Assets	Capital works in progress	Total
Cost at 1 July 2023	131,552	11,867,434	-	5,835,146	17,834,132
Additions	222,231	3,481,714	9,712,485	1,421,860	14,838,290
Acquisition of subsidiary	13,387,757	61,144,444	923,508	1,429,544	76,885,253
Disposals	-	(430,786)	-	-	(430,786)
Cost at 30 June 2024	13,741,540	76,062,806	10,635,993	8,686,550	109,126,889
Comprising:					
Cost at 30 June 2024	13,741,540	76,062,806	10,635,993	8,686,550	109,126,889
Accumulated depreciation at 1 July 2023	(648)	(3,818,529)	-	-	(3,819,177)
Charge for the year	(695,260)	(5,051,382)	(398,837)	-	(6,145,479)
Eliminated on disposal	-	361,501	-	-	361,501
Cost at 30 June 2024	**13,045,632**	**67,554,396**	**10,237,156**	**8,686,550**	**99,523,735**

11. DEFERRED EXPLORATION AND EVALUATION

	2024 $	2023 $
Costs brought forward	**14,273,131**	10,803,974
Costs incurred during the period	**1,934,696**	3,640,380
Capitalised portion of R&D tax offset	**(24,462)**	(39,427)
Total deferred exploration and evaluation	**16,183,365**	14,404,927
Amortisation deferred exploration and evaluation	**(1,261,246)**	(131,796)
Costs carried forward	**14,922,119**	14,273,131
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	**-**	-
Expenditure on non-joint venture areas	**14,922,119**	14,273,131
Costs carried forward	**14,922,119**	14,273,131

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.

Notes to the Consolidated Financial Statements continued

Farm-In and Joint Venture Agreement – NSW Projects

EQ Resources Limited entered into a binding Farm-In and Joint Venture Agreement with Sozo Resources Pty Ltd ("Sozo") in November 2021 whereby Sozo can earn up to an 80% interest in EQR's 100% owned NSW projects, Crow Mountain (EL6648) and Panama Hat (EL8024), by completing expenditure of $1.6 million over 4 years as follows:

- Stage 1 – Sozo to complete $100K of expenditure within 9 months from the Agreement's Commencement date;
- Stage 2 – Sozo will spend a further $750K within 24 months to earn a 49% interest. If Sozo elects to continue sole funding exploration expenditure at the end of Stage 2, it will have earned a further 2% (51% in total), and a Joint Venture will be formed and
- Stage 3 – Sozo is to spend a further $750K of expenditure and complete a Scoping Study (as defined by the 2012 JORC Code) within a further 24 months to earn a further 29% (in total $1.6M for 80%).

Sozo Resources has successfully completed the Stage 1 Farm-In Conditions and has elected to proceed to Stage 2 Farm-In, providing Sozo the exclusive right to earn a 49% legal and beneficial interest in the Joint Venture gold properties subject to conditions.

12. TRADE AND OTHER PAYABLES

	2024 $	2023 $
PAYABLES		
Trade payables	**31,992,515**	3,489,058
Other taxation	**497,830**	779,477
Unearned revenue	**805,920**	461,247
Accrued expenses	**2,403,296**	1,678,556
Other Payables - other persons/corporation	**5,443,290**	4,901,516
Other payables – related entities	**1,504,263**	-
	42,647,114	11,309,854

Payables from related entities represent the Company's 50% portion of loans payable to the unincorporated joint venture since its inception. These loans are unsecured and non-interest bearing and are 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).

13. ISSUED CAPITAL

	2024 $	2023 $
Share Capital		
1,787,288,465 (2023: 1,474,486,938) ordinary shares fully paid	**43,031,133**	27,376,334
278,000,000 (2023: Nil) ordinary shares fully paid under escrow	**25,307,296**	-
	68,338,429	**27,376,334**

(a) Movements in Ordinary Share Capital

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
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**

1 July 2022 to 30 June 2023	Date	Number of Shares	Issue Price	$
Balance b/fwd		1,344,186,938		22,192,705
Issue of 25,000,000 shares @ $0.040 per share to sophisticated investors as part of the October 2022 share placement (refer ASX announcement dated 7 November 2022)	07/11/2022	25,000,000	$0.040	1,000,000
Issue of 47,670,615 shares @ $0.040 per share to sophisticated investors as part of the October 2022 share placement (refer ASX announcement dated 10 November 2022)	10/11/2022	47,670,615	$0.040	1,906,825
Issue of 19,599,064 shares @ $0.040 per share to sophisticated investors as part of the October 2022 share placement (refer ASX announcement dated 14 November 2022)	14/11/2022	19,599,064	$0.040	783,962
Issue of 16,730,321 shares @ $0.040 per share to sophisticated investors as part of the October 2022 share placement (refer ASX announcement dated 15 November 2022)	15/11/2022	16,730,321	$0.040	669,213
Issue of 6,300,000 shares @ $0.040 per share to convertible note holders for annual interest payable on the convertible notes (refer ASX announcement dated 21 November 2022)	21/11/2022	6,300,000	$0.040	252,000

Notes to the Consolidated Financial Statements continued

1 July 2022 to 30 June 2023	Date	Number of Shares	Issue Price	$
Issue of 5,000,000 shares @ $0.040 per share to sophisticated shareholders, approved by shareholders on 25 January 2023, as part of the October 2022 placement (refer ASX announcement dated 1 February 2023)	01/02/2023	5,000,000	$0.040	200,000
Issue of 2,000,000 shares @ $0.040 per share upon the exercise of unlisted options granted to Key Management Personnel (refer ASX announcement dated 1 May 2023)	01/05/2023	2,000,000	$0.040	80,000
Issue of 3,000,000 shares @ $0.060 per share upon the exercise of unlisted options granted to Key Management Personnel (refer ASX announcement 16 May 2023)	16/05/2023	3,000,000	$0.060	180,000
Issue of 2,000,000 shares @ $0.040 per share upon the exercise of unlisted options (refer ASX announcement dated 26 June 2023)	26/06/2023	2,000,000	$0.040	80,000
Issue of 3,000,000 shares @ $0.060 per share upon the exercise of unlisted options (refer ASX announcement dated 26 June 2023)	26/06/2023	3,000,000	$0.060	180,000
Share issue costs				(302,645)
Balance as at 30 June 2023		**1,474,486,938**		**27,222,060**

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 2023	130,782,346	0.060	7,836,852
Options recognised as share-based payments expense	163,046,721	0.086	14,073,654
Options recognised as share issue costs	20,000,000	0.068	1,350,000
Forfeited/cancelled	(1,300,000)	(0.054)	(70,000)
Exercised	(44,780,672)	(0.061)	(2,751,744)
Expired	(64,000,000)	(0.045)	(2,849,207)
Balance at 30 June 2024	203,748,395	0.086	17,589,555

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	07/11/25	1.36
Issue EQRAM	16,100,000	-	0.0650	03/07/26	2.01
Issue EQRAN	1,250,000	1,250,000	0.0650	31/01/26	1.59
Issue EQRAO	78,000,000	78,000,000	0.0100	18/01/26	1.55
Issue EQRAP	88,646,721	88,646,721	0.0675	29/05/27	2.91
Outstanding at 30 June 2024	203,748,395	187,648,395			

(c) Movements in Performance Rights

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

14. CONVERTIBLE NOTES

On 17 September 2021, the Company issued 6,000,000 convertible notes with an aggregate principal value of $6,000,000. Subsequent to this issue, 2,000,000 notes plus accrued interest were converted into 30,832,307 ordinary shares on 29 and 30 September 2021.

On 28 September 2023, the noteholders opted to fully exercise the convertible notes into EQR ordinary shares at a conversion price of $0.065 per share.

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.

A further issuance of $750,000 convertible notes occurred on 6 November 2023 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 maturity date.

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 6 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. 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 2023	2,852,667	1,147,333	4,000,000
Nominal value of convertible notes issued	525,000	225,000	750,000
Notes converted during the period	(2,852,667)	(1,147,333)	(4,000,000)
Balance as at 30 June 2024	**525,000**	**225,000**	**750,000**

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	28,150
Liability derecognition upon conversion	(3,422,556)
Balance as at 30 June 2024	**544,637**

Debt Component – Convertible Notes	2023 $
Opening balance at 1 July 2022	3,004,651
Accrued interest at an effective interest rate	586,963
Interest paid at coupon rate	(280,000)
Capitalised borrowing costs	182,601
Balance as at 30 June 2023	**3,494,215**

Notes to the Consolidated Financial Statements continued

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.

15. EARNINGS PER SHARE

	2024 $	**2023 $**
Loss after income tax attributable to the owners of the Company used in calculating basic and diluted earnings per share	**(2,129,588)**	(3,716,846)
	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	**1,696,757,002**	1,420,196,670
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.	**1,886,732,213**	1,547,960,515
Basic loss per share (cents)	**(0.13)**	(0.26)
Diluted loss per share (cents)	**(0.11)**	(0.24)

16. KEY MANAGEMENT PERSONNEL COMPENSATION

	2024 $	**2023 $**
Short-term employee benefits	**543,647**	533,652
Post-employment benefits	**-**	-
Share based payments	**29,651**	120,830
	573,298	654,482

17 CONTINGENT LIABILITIES

The Group has provided guarantees totalling $1,172,598 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.

18. 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

In November 2021, EQ Resources Limited entered into a binding Farm-In and Joint Venture Agreement with Sozo Resources Pty Ltd ("Sozo") whereby Sozo can earn up to an 80% interest in EQR's 100% owned NSW projects, Crow Mountain (EL6648) and Panama Hat (EL8024), by completing expenditure of $1.6 million over 4 years as follows:

- Stage 1 – Sozo to complete $100K of expenditure within 9 months from the Agreement Commencement Date;
- Stage 2 – Sozo is to spend a further $750K of expenditure within an additional 24 months to earn a 49% interest. If Sozo elects to continue sole funding exploration expenditure at the end of Stage 2, it will have earned a further 2% (51% in total), and a Joint Venture will be formed; and
- Stage 3 – Sozo is to spend a further $750K of expenditure and complete a Scoping Study (as defined by the 2012 JORC Code) within an additional 24 months to earn a further 29% (in total, $1.6M for 80%).

For further details, refer to ASX announcement "EQR Farms-Out NSW Projects to Focus on Mt Carbine Tungsten Mine" dated 26 November 2021.

This agreement ensures that the Company's minimum expenditure requirements, as shown in the table below, will be satisfied in order to maintain each tenement in good standing.

	2024 $	2023 $
Payable not later than 1 year (NSW only)	**-**	118,000
Payable later than one year but not later than two years	**160,000**	160,000
	160,000	278,000

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.

19. INVESTMENT IN SUBSIDIARIES

	Equity Interest		Cost of Parent Entity's Investment	
Parent Entity EQ Resources Limited	**2024 %**	**2023 %**	**2024 $**	**2023 $**
Controlled Entities				
Mt Carbine Mining Pty Ltd	100	100	2	2
Mt Carbine Retreatment Pty Ltd	100	100	200	200
European Tungsten Pty Ltd[2]	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[1]	50	50	50	50
Saloro S.L.U.	100	-	2	-

1 Mt Carbine Retreatment Management Pty Ltd is the agent for the unincorporated joint venture between Mt Carbine Retreatment Pty Ltd and CRONIMET Australia Pty Ltd.

2 Formerly Troutstone Pty Ltd and is the holding company for Saloro.

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

20. 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 2024 financial year, the Directors considered the following:

Notes to the Consolidated Financial Statements continued

- The commencement of open-cut mining operations in July 2023 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).
- Mt Carbine Infill Drilling revealing additional high-grade ore in the Stage II Andrew White Open Pit waste cutback area, which was previously undrilled and considered waste.
- New JORC 2012 compliant Mineral Resource Estimate ("MRE") updating Saloro's historical resource statement added 4.74M mtu (mtu = 10kg WO_3) to EQR's resource inventory. With 78% of the Saloro MRE being in the Indicated and Measured Category, it provides great confidence to the project's longevity.
- Completion of a 511m percussion drill program at the Telephone Line Prospect at Panama Hat (EL 8024) conducted by Sozo Resources Pty Ltd ("Sozo") in line with the Farm-In and Joint Venture Agreement entered into between the Company and Sozo in November 2021.
- 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:
  - Two (2) gold prospects in NSW and has entered into Farm-In and Joint Venture Agreement (the "Agreement") executed with Sozo Resources Pty Ltd ("Sozo") whereby Sozo can earn up to an 80% interest in EQR's Panama Hat and Crow Mountain Projects (EL's 6648 and 8024) by completing expenditure of A\$1.6M over 4 years.

    As announced on 8 May 2023, Sozo Resources has successfully completed the Stage 1 Farm-In Conditions and has elected to proceed to Stage 2 Farm-In, providing Sozo the exclusive right to earn a 49% legal and beneficial interest in the Joint Venture gold properties subject to conditions.
  - Three (3) tungsten-focused Exploration Permits, EPM 27394, 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	2024 $	2023 $
Non-current assets		
Receivables	**1,248,267**	4,487,440
	1,248,267	4,487,440
Plant and equipment		
Plant and equipment – at cost	**105,669,214**	15,307,239
Accumulated depreciation	**(6,145,479)**	(1,292,283)
	99,523,735	14,014,956
Inventory		
Inventory – Quarry Material	**8,159,128**	8,812,714
Inventory – Workshop	**-**	278,682
	8,159,128	9,091,396
Deferred exploration and evaluation expenditure		
Exploration and evaluation expenditure	**16,183,365**	14,554,304
Tenement and other security deposits – increase / (decrease)	**-**	99,406
Amortisation	**(1,261,246)**	(380,579)
	14,922,119	14,273,131
TOTAL	**123,853,249**	41,866,923

Reconciliation of the carrying amount of Mt Carbine assets at the beginning and end of the current and previous financial year:	2024 $	2023 $
Combined assets carrying amount at the beginning of the year	**41,866,923**	26,590,574
Receivables – increase / (decrease)	**(3,239,173)**	3,306,742
Plant and equipment – additions	**14,838,290**	8,470,929
Plant and equipment – acquisition of subsidiary	**76,885,253**	
Plant and equipment – WDV of disposals	**(69,285)**	(179,685)
Plant and equipment – depreciation expense	**(6,145,479)**	(1,292,283)
Inventory – increase / (depletion)	**(932,268)**	1,402,083
Tenement & other security deposits – increase	**-**	99,406
Capitalised exploration and evaluation expenses	**1,934,696**	3,640,380
Capitalised exploration and evaluation expenses - R&D Tax Offset	**(24,462)**	(39,427)
Capitalised exploration and evaluation – amortisation	**(1,261,246)**	(131,796)
TOTAL	**123,853,249**	41,866,923

21. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2024 that have not previously been reported other than:

- The execution of a definitive agreement to acquire CRONIMET's joint venture interest (being the remaining 50% not yet owned by EQR) in the Mt Carbine Retreatment JV. Refer ASX announcement "EQR Executes Definitive Agreement to Acquire Mt Carbine Retreatment Joint Venture Interest from Cronimet" dated 5 July 2024.
- Completion of a further 37 holes on Infill RC Drilling at 10m spacing into the Main Vein Packages at Mt Carbine, totalling 1,437m of drilling which revealed serval high-grade intersections (internals are down hole intercepts sampled at 1m intervals and then composited). Refer ASX announcement "High-Grade Drilling Result at Mt Carbine" dated 29 July 2024.
- Golding Contractors Pty Ltd (Golding) was engaged by EQ Resources Limited, Mt Carbine Mining Pty Ltd and Mt Carbine Quarries Pty Ltd under a Mining Services Agreement for Mount Carbine dated on or around 26 May 2023 (Contract). Upon termination of the Contract, the parties agreed to settle all outstanding payables owed to Golding by way of a repayment schedule, with payments to be completed over the course of the reminder of the current financial year.

Notes to the Consolidated Financial Statements continued

The owner-operator model will result in cost savings, operational control, and mining flexibility whilst upskilling EQR's local workforce. The Company is also fortunate to have the key management personnel running the mining and engineering departments transition to become EQR employees. Refer ASX announcement "Mt Carbine Transitions to Owner-Operator Mining" dated 16 August 2024.

- Strategic collaboration and long-term offtake contract entered into between EQR and Elmet Technologies LLC ("Elmet"). Elmet will purchase tungsten concentrate with an estimated value of A$30 million (at current market prices) over 5 years and will secure the offtake allocation through an advance payment of A$2.0 million. In recognition of the parties' intent to collaborate, EQR will grant Elmet 20,000,000 options with an exercise price of $0.10 and an expiry date of 2 years. Refer ASX announcement "EQR and Elmet Technologies Agree to a Strategic Collaboration and Long-Term Offtake Contract" dated 2 September 2024.

22. STATEMENT OF CASH FLOWS

Reconciliation of net cash outflow from operating activities to operating loss after income tax	**2024 $**	**2023 $**
(a) Operating loss after income tax	**(2,129,588)**	(3,716,846)
Depreciation and amortisation	**7,166,812**	1,424,079
Share based payments expense	**3,539,925**	674,837
Amortised finance expense	**1,838,451**	1,072,449
Gain on disposal of assets	**-**	-
Loss on disposal of assets	**(2,718)**	119,352
(Revaluation) Devaluation of investment to market value	**(26,129,294)**	387
Unrealised foreign exchange (gains) losses	**(219,651)**	221,964
R&D tax offset capitalisation	**24,462**	39,427
Change in assets and liabilities:		
Decrease (Increase) in receivables	**(7,067,497)**	(6,349,632)
Decrease (Increase) in other assets	**(21,030,287)**	(322,694)
Increase/(decrease) in trade and other creditors	**31,305,831**	5,444,049
Net cash outflow from operating activities	**(12,703,554)**	(1,392,628)
(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. The Company does not have any unused credit facilities.		
The balance at 30 June comprised:		
Cash assets	**3,489,532**	5,335,596
Cash on hand	**3,489,532**	5,335,596

23. CONTRACT LIABILITIES

	2024 $	**2023 $**
Contract Liability - Sublease[1]		
Current	**1,466,669**	1,768,851
Non-current	**-**	-
	1,466,669	1,768,851
Contract Liability - Offtake[2]		
Balance at the beginning of the year	**4,901,961**	3,266,190
Plus: Offtake extension (final drawdown)	**-**	1,482,960
Less: Unrealised foreign exchange (gain) / loss	**4,440**	152,811
	4,906,401	4,901,961

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.

[2] The Company's wholly owned subsidiary and 50% unincorporated joint venture partner, Mt Carbine Retreatment Pty Ltd's, Offtake Advance recognition. The Loan is denominated in USD and the Offtake Advance Agreement between CRONIMET Asia Pte Ltd, CRONIMET Australia Pty Ltd and Mt Carbine Retreatment Pty Ltd governs the terms and repayment of this advance.

A further offtake prepayment facility of US $3 million was secured from the Company's joint venture and offtake partner, CRONIMET Asia Pte Ltd, with US $1 million of this additional facility being drawn as at 30 June 2022 (refer ASX Announcement "CAPEX Funding for Mt Carbine Expansion Secured" dated 2 May 2022). Note: The Company's wholly owned subsidiary and 50% unincorporated joint venture partner, Mt Carbine Retreatment Pty Ltd, interest in the offtake prepayment equates to 50% of the total prepayment facility.

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.

The contract liability arrangement for the unincorporated joint venture between Mt Carbine Retreatment Pty Ltd and CRONIMET Australia Pty Ltd (Joint Venture) is as follows:

- Deed of Cross Security between the Joint Venture parties and Mt Carbine Retreatment Management Pty Ltd (as the manager), which secures the performance of their obligations to each other under the Joint Venture; and
- General Security Deed from Mt Carbine Quarries Pty Ltd in favour of the Joint Venture parties over all present and after acquired property of Mt Carbine Quarries Pty Ltd including its rights under the Mining Leases.

24. BORROWINGS

	2024 $	2023 $
Unsecured borrowing at amortised cost		
Loan from related parties	**1,798,570**	1,650,618
	1,798,570	1,650,618
Secured borrowing at amortised cost		
Bank loans	**40,348,612**	-
Bank loans – undrawn	**(572,450)**	
Bank loans – capitalised interest	**450,742**	-
	40,226,904	**-**
Current	**42,025,474**	1,650,618

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

(a) The Group has 5 principal bank loans:

- A loan of $12,911,556 (€8,000,000) was taken out on 31 March 2021, comprising interest-only payments at a rate of 4.92%. The loan is due for renewal on 10 December 2024 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $12,575,949 (€7,792,058) of the loan was drawn.
- A loan of $8,069,722 (€5,000,000) was taken out on 21 October 2020, comprising interest-only payments at a rate of 5.00%. The loan is due for renewal on 11 October 2024 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $8,067,941 (€4,998,921) of the loan was drawn.
- A loan of $5,648,806 (€3,500,000) was taken out on 1 October 2021, comprising interest-only payments at a rate of 5.00%. The loan was renewed on 15 September 2024 and is secured by a letter of credit from Oaktree Capital Management L.P.

Notes to the Consolidated Financial Statements continued

- As at reporting date $572,450 (€354,690) of the loan was drawn.
- A loan of $5,648,806 (€3,500,000) was taken out on 31 January 2022, comprising interest-only payments at a rate of 5.00%. The loan is due for renewal on 10 December 2024 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $5,573,773 (€3,453,510) of the loan was drawn.
- A loan of $8,069,722 (€5,500,000) was taken out on 7 September 2022, comprising interest-only payments at a rate of 5.42%. The loan is due for renewal on 21 June 2024 and is secured by a letter of credit from Oaktree Capital Management L.P. As at reporting date $7,913,459 (€4,903,179) of the loan was drawn.

(b) The Group has 1 unsecured related party loan:

A 6-month unsecured loan facility was provided by a related party of the Group, Director and shareholder, Zhui Pei Yeo, at an interest rate of 8% per annum charged on the outstanding loan balance. As announced on 31 July 2023, a secondary Variation Agreement was entered into to extend the repayment date from 31 July 2023 to 31 July 2024, hence its classification as a current liability in the Statement of Financial Position.

Approval was given at the Extraordinary General Meeting held on 29 July 2024 for the issue of up to 39,304,733 shares and 13,101,578 free attaching options to Zhui Pei Yeo (or his nominee) in consideration for the settlement of above related party loan. Refer ASX announcements "Notice of Extraordinary General Meeting/Proxy Form" dated 26 June 2024 and "Results of Meeting" dated 29 July 2024.

25. OTHER FINANCIAL LIABILITIES

	2024 $	2023 $
Financial liabilities carried at fair value through profit or loss:[1]		-
Current	**1,245,147**	1,334,992
Non-current	**10,538,413**	11,505,740
	11,783,560	12,840,732
Deferred interest:[2]		
Current	**49,665**	34,204
Non-current	**281,436**	282,181
	331,101	316,385
Total Financial Liabilities	**12,114,661**	13,157,117

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.

26. LEASES

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

Right-of-use assets	2024 $	2023 $
Balance at 1 July 2023	**2,376,049**	2,019,963
Additions:		
- Plant & equipment	**1,751,191**	180,005
- Heavy & light vehicles	**466,010**	930,146
Disposals	**(42,935)**	(115,768)
Amortisation charge for the year	**(1,100,019)**	(638,297)
Balance at 30 June 2024	**3,450,296**	2,376,049
Lease Liability - Maturity Analysis		
Less than 1 year	**1,324,113**	910,822
1 to 5 years	**1,823,620**	1,176,523
5+ years	**-**	-
	3,147,733	2,087,345
Amounts Recognised in profit or loss		
Interest on lease liabilities	**153,110**	115,168
Expenses relating to short-term leases	**-**	-
	153,110	115,168
Amounts recognised in the statement of cash flows	**150,111**	55,834
Total cash outflow for leases	**937,693**	345,492

27. CORPORATE INFORMATION

The Financial Report of the Group for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 30 September 2024.

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”.

28. 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.

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:

Notes to the Consolidated Financial Statements continued

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
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	**750,000**	750,000	-	-	-
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	**90,028,517**	**87,999,971**	**1,251,032**	**777,514**	**-**

	<6 months	6 -12 months	1-5 Years	>5 Years	Total
2023					
Trade and other payables	11,309,854	-	-	-	**11,309,854**
Lease liabilities	379,509	531,313	1,176,523	-	**2,087,345**
Financial liabilities	387,283	947,709	9,474,113	2,031,627	**12,840,732**
Total	**12,076,646**	**1,479,022**	**10,650,636**	**2,031,627**	**26,237,931**

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 – 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**

Consolidated – 2023

	Level 1	Level 2	Level 3	Total
Total assets		-	-	
Deferred acquisition costs	221,729	-	-	221,729
Capitalised borrowing costs	308,500	-	-	308,500
Shares held in listed entities	5,156	-	-	5,156
Unexpired Interest	-	2,840,732	-	2,840,732
	535,385	**2,840,732**	**-**	**3,376,117**
Total liabilities				
Deferred interest	-	316,385	**-**	316,385
Financial liability	-	12,840,732	**-**	12,840,732
	-	**13,157,117**	**-**	**13,157,117**

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 25 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.

(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 2024 was 65% as opposed to 57% at 30 June 2023.

Notes to the Consolidated Financial Statements continued

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.

In order 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 2021 Annual Report. The consolidated entity is not subject to externally imposed capital requirements.

29. 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 2024 Year	IFRS 2 Not yet Expensed
Options issued to key management personnel	29,933	-	-	29,769	-	164
Options issued to employees/consultants / sophisticated investors	4,009,587	-	8,980	3,476,172	521,959	2,476
Shares issued to for senior financial advisor service fees	25,004	-	-	25,004	-	-
Total share-based payments	**4,064,524**	**-**	**8,980**	**3,530,945**	**521,959**	**2,640**

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	03/07/2023	18/01/2024	28/05/2024
Number issued	16,100,000	78,000,000	88,646,721
Share price at the grant date	$0.072	$0.068	$0.063
Exercise Price	$0.010	$0.010	$0.0675
Life of options (years)	3 Years	2 Years	3 Years
Expected share price volatility	72.661%	60.232%	60.232%
Weighted average risk-free interest rate	3.97%	3.92%	4.07%
Fair value per option	$0.02993	$0.01583	$0.02610
Vesting conditions	1 Year[1]	12 Month Escrow	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.

	2024 Number	2024 WAEP	2023 Number	2023 WAEP
Outstanding at the beginning of the year	33,250,000	0.061	42,000,000	0.058
Granted	1,000,000	0.010	1,250,000	0.065
Forfeited/cancelled	(27,000,000)	0.059	-	-
Exercised[1]	(5,000,000)	0.059	(10,000,000)	0.050
Expired	-	-	-	-
Outstanding at year end	**2,250,000**	**0.104**	**33,250,000**	**0.061**
Exercisable at year end	**1,250,000**	**0.104**	**33,250,000**	**0.061**

1 Options are deemed exercised upon the resignation of Key Management Personnel. The 1,250,000 Options issued to Directors as part of the October 2022 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.

30. EMPLOYEE BENEFITS

	2024 $	2023 $
Current		
Annual leave benefits	**488,203**	413,798
Long service leave benefits	**28,727**	26,121
	516,930	439,919
Non-current		
Long service leave benefits	**22,383**	31,868
Total employee benefits	**539,313**	471,787

31. PROVISIONS

	2024 $	2023 $
On acquisition of subsidiary		
Provision for dismantling costs	**2,264,374**	-
Total provisions	**2,264,374**	-

32. 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 2023, the Company has adopted all the standards and interpretations mandatory for annual periods beginning on or after 1 July 2023. 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.

33. 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.

	2024 $	2023 $
ASSETS		
Current assets	**55,218,343**	22,913,935
Non-current assets	**28,391,268**	27,512,937
TOTAL ASSETS	**83,609,611**	50,426,872
LIABILITIES		
Current liabilities	**5,136,580**	9,365,121
Non-current liabilities	**10,328,941**	9,974,439
TOTAL LIABILITIES	**15,465,521**	19,339,560
NET ASSETS	**68,144,090**	31,087,312
EQUITY		
Issued capital	**68,338,429**	27,222,110
Reserves	**5,675,116**	3,523,413
Accumulated gains / (losses)	**(5,869,455)**	341,789
TOTAL EQUITY	**68,144,090**	31,087,312
FINANCIAL PERFORMANCE		
Profit (loss) for the year	**(6,207,248)**	2,075,825
Other comprehensive income/(loss) for the year	**(3,996)**	(387)
Total comprehensive profit/(loss)	**(6,211,244)**	2,075,438

Contingent Liabilities

As at 30 June 2024 and 30 June 2023 the Company had no contingent liabilities other than those disclosed in Note 17.

Contractual Commitments

In addition to the contractual commitments outlined in the Significant Changes section of the Directors Report, the following material contractual commitments were entered into during the period:

- Contract to purchase property, plant and equipment for $5,497,350. Non-refundable deposits of $1,780,000 were paid during the year, with the balance expected to be settled via a supplier finance facility consisting of 5.75% interest p.a. with repayments spread over 48 months. This commitment is expected to be settled in the 2025 – 2026 financial year.
- Compensation contract with Australian Wildlife Conservancy, the underlying leaseholder of the Mt Carbine Mining Leases (ML 4867 & ML 4919). This contract will give rise to an annual expense of $68,474 for the life of mine.
- Mining Services Agreement with Golding Contractors Pty Ltd for the Andy White Open Cut mining operations. The committed contract period is for 70 months, estimated at $179 million. The first 12-18 month period of the contract is based on a cost-plus model, which will be transitioned to rise-and-run matrix rates once a site-specific baseline cost has been established.

Guarantees Entered into by Parent Entity

As at 30 June 2024, the Group has not provided any financial guarantees.

34. OPERATING SEGMENTS

Segment Information

Identification of Reportable Segments

During the 2023 financial year, the Company operated principally in one business segment, mineral exploration, and in two geographical segments, Queensland and New South Wales, Australia.

The Company's revenues, assets, and liabilities according to geographical segments are shown below.

	June 2024			June 2023		
	Total $	Australia $	Spain $	Total $	Queensland $	NSW $
REVENUE						
Revenue & Other Income	**30,327,090**	**16,146,183**	**14,180,907**	13,119,652	13,119,652	-
Total segment revenue	**30,327,090**	**16,146,183**	**14,180,907**	13,119,652	13,119,652	-
RESULTS						
Profit / (loss) before income tax	**(28,258,882)**	**(20,160,346)**	**(8,098,536)**	(3,716,846)	(3,716,846)	-
Income tax	**-**	**-**	**-**	-	-	-
Profit/ (loss) after income tax	**(28,258,882)**	**(20,160,346)**	**(8,098,536)**	(3,716,846)	(3,716,459)	-
ASSETS AND LIABILITIES						
Assets	**166,286,409**	**75,734,356**	**90,552,053**	55,146,312	54,950,009	196,303
Liabilities	**(109,660,751)**	**(34,628,093)**	**(75,032,658)**	(38,841,748)	(38,841,748)	-

35. 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 (Sonnenalee Investments Limited) — Appointed Non-executive Director, 12 August 2019; Appointed Non-executive Chairman, 24 April 2020
- 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
- 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 Executive Officer, 1 April 2021

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

Notes to the Consolidated Financial Statements continued

(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.

There were no transactions with other related parties during the reporting period.

(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.

(d) Loans to/from related parties

During the reporting period, the Group obtained a $1.5 million, 6-month unsecured loan facility from Director and shareholder Zhui Pei Yeo at an interest rate of 8% per annum (refer ASX Announcement "CAPEX Funding for Mt Carbine Expansion Secured" dated 2 May 2022). The loan was settled via the issue of shares and free-attaching options in August 2024, hence its classification as a current liability in the Statement of Financial Position. Refer Note 24 for further details.

There were no loans to or from related parties as at the previous reporting date.

(e) Parent entity

EQ Resources Limited is the parent entity.

(f) Subsidiaries

Interests in subsidiaries are set out in Note 19.

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 Financial Statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes, are in accordance with the Corporations Act 2001 and:
   a) comply with Accounting Standards, which, as stated in the accounting policy Note 1, to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
   b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the company and consolidated group;
2. the directors have been given the declaration required by s.295A of the *Corporations Act* 2001 by the Chief Executive 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 121 is true and correct.

This declaration is made in accordance with the resolution of the Board of Directors.

On behalf of the Board

Oliver Kleinhempel
Non-executive Chairman
30 September 2024

Auditor's Independence Declaration

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Level 35, 600 Bourke St
Melbourne VIC 3000
E: info@nexiamelbourne.com.au
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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 2024 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 2024

Advisory. Tax. Audit.

Independent Auditor's Report

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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 2024, 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 2024 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 $2,129,588 (2023: $3,716,459), a net cash outflow from operating activities of $12,703,554 (2023: $1,392,628) during the year ended 30 June 2024 and, as of that date, the Company's current liabilities exceeded its current assets by $55,567,286 (2023: $12,598,157). 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.

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 2024, 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 and evaluated the accounting entries, including verification of the recognised assets and liabilities, and bargain purchase price on acquisition. • 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 2024 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.

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

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

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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 73 to 78 of the Directors' Report for the year ended 30 June 2024.

Independent Auditor's Report continued

Nexia Australia

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

In our opinion, the Remuneration Report of EQ Resources Limited for the year ended 30 June 2024, 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

Nexia Melbourne Audit Pty Ltd
Melbourne

Ben Bester
Director

Dated this 30th day of September 2024

Shareholder Information

Registered Office

Level 4, 100 Albert Road
South Melbourne VIC 3205, Australia
Phone: +61 (0)7 4094 3072

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 27 November 2024 at 3.00 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 9 October 2024. Any nominations must be received in writing at the Company's Registered Office no later than 5.00 pm (Melbourne time) on 9 October 2024.

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 2024 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.

Shareholder Information continued

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).

ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as at 23 September 2024.

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	90	12,800	-	-	-	-
1,001 – 5,000	47	149,210	-	-	-	-
5,001 – 10,000	212	1,849,070	-	-	-	-
10,001 – 100,000	1,053	44,272,912	-	-	-	-
100,001 – and over	822	1,785,420,317	1	1,000,000	1	750,000
Total	**2,224**	**1,831,704,309**	**1**	**1,000,000**	**1**	**750,000**
Holdings less than a marketable parcel	356	2,082,445	1	7,408	-	-

Equity Security Holders

Twenty largest quoted equity security holders.

Position & Holder Name	Holding
1. CITICORP NOMINEES PTY LIMITED	204,153,435
2. BNP PARIBAS NOMS PTY LTD	117,060,641
3. ZHUI PEI YEO	113,898,154
4. BNP PARIBAS NOMINEES PTY LTD <UOBKH R'MIERS>	104,245,035
5. LYNEWOOD HOLDINGS LTD	59,300,000
6. ARCHER PACIFIC HOLDING LIMITED	55,000,000
7. BODIE INVESTMENTS PTY LTD	50,812,500
8. SHAWLANE CAPITAL LTD	44,662,480
9. VENTURE FRONTIER LIMITED	38,461,539
10. TA SECURITIES HOLDINGS BERHAD	35,080,197
11. OCM LUXEMBOURG TUNGSTEN HOLDINGS SA RL	31,666,667
12. HEMMINGWAY UNITED INVESTMENT LTD	31,088,236
13. BAGLORA PTY LTD	31,000,000
14. BNP PARIBAS NOMINEES PTY LTD<IB AU NOMS RETAILCLIENT>	30,700,881
15. MONEX BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT>	27,700,000

Position & Holder Name	Holding
16.HONWAI PTY LTD <NORVIC FAMILY A/C>	26,606,231
17.DR LEON EUGENE PRETORIUS	22,432,744
18.TAN KIM SENG	22,222,000
19.ROKKS RESOURCES PTY LTD	19,000,000
20.SHAWLANE CAPITAL LTD	18,787,500
Total: Top 20 Holders of Ordinary Fully Paid Shares	1,083,878,240

Unquoted Equity Securities	Holding	Option Holders
Options over ordinary shares issues	140,853,676	241
Convertible Notes	750,000	1

Escrowed Securities	Holding	Holders
Shares	405,323,657	2
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
ZHUI PEI YEO	13,784,448	9.72%
OCM LUXEMBOURG TUNGSTEN HOLDINGS SA RL	10,555,556	7.44%
TAN KIM SENG	7,407,334	5.22%

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
TAN QUAN KAI ALEX	750,000	100%

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	278,000,000	15.00%

Shareholder Information continued

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.

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