

17th January 2022

EXTENSION DRILLING COMMENCES

EQ Resources Limited is the 100% owner of the Mt Carbine Tungsten Mine near Cairns, Australia's only primary tungsten producer.

Queensland Tungsten producer EQ Resources ("EQR" or "the Company") is pleased to announce the start of a new diamond drilling campaign aimed at upgrading the open pit and underground resource at the Mt Carbine Tungsten Mine, 130 km north-west of Cairns.

The first stage of the 2022 Drilling Program comprises a six-hole drill campaign as a follow up to the successful resource definition program last year. Previous drill results formed the basis for EQR's Bankable Feasibility Study ("BFS") released in December 2021, demonstrating sound economics with an IRR of 154% over a current 12-year project life (See ASX announcement '[Mt Carbine BFS Delivers Low Capex, Strong Early Cash Flow Operation With Significant Development Potential](#)' as announced on 13 December 2021).

EQR is bringing forward its drilling plans to test the potential to extend open pit mining and to examine underground mining options after Year 4 of the plan as set out in the BFS. The targets include the sparsely drilled Iron Duke formation, which is considered a near term underground development target.

EQR's Chief Executive Officer, Mr Kevin MacNeill commented: "The positive progress on the Early Works for our processing upgrade and the strong global market for tungsten concentrates has encouraged our Board to look further into the future for mine planning."



Fig.1 – Drill Rig of Drill Contractor DDH1 Drilling Pty Ltd

"The Feasibility Study really only looked at mining around 15% of the total resource at Mt Carbine. This drill program is designed to extend the resource and get a better understanding of the geology around the high-grade Blossom Zone."

"Mt Carbine is an amazing resource. Our geologists are continuing to learn more as we run our ground geophysics near the mine and even further out into our exploration tenement. If successful, this drilling could delineate ore resource for expansion beyond the current three-year open cut design."

The first holes will be targeted to extend the pit in both the east and west directions (see yellow marking in Fig.2). In the east where the nose of the syncline occurs, the target is to see if the veins continue beyond the folding or if there is lithological control to the veining in the area of the saddle reefs. To the west, there are

already 13 holes indicating veins continue westward but only two intercepts occur in the theoretical “Blossom Zone” of mineralisation that occurs between the 200-350m RL.

Drilling will target extensions of the zone indicated by the following historical holes:

- CB064 - 22,536E / 26,485N, RL 368.5m, 291.6-293.2m for **1.6m @ 8.17% WO₃***
 - CB012 - 22,555E / 26,207N, RL 384.3m, 153.2-155.2m for **2.0m @ 0.85% WO₃***
- (*Historical Results)

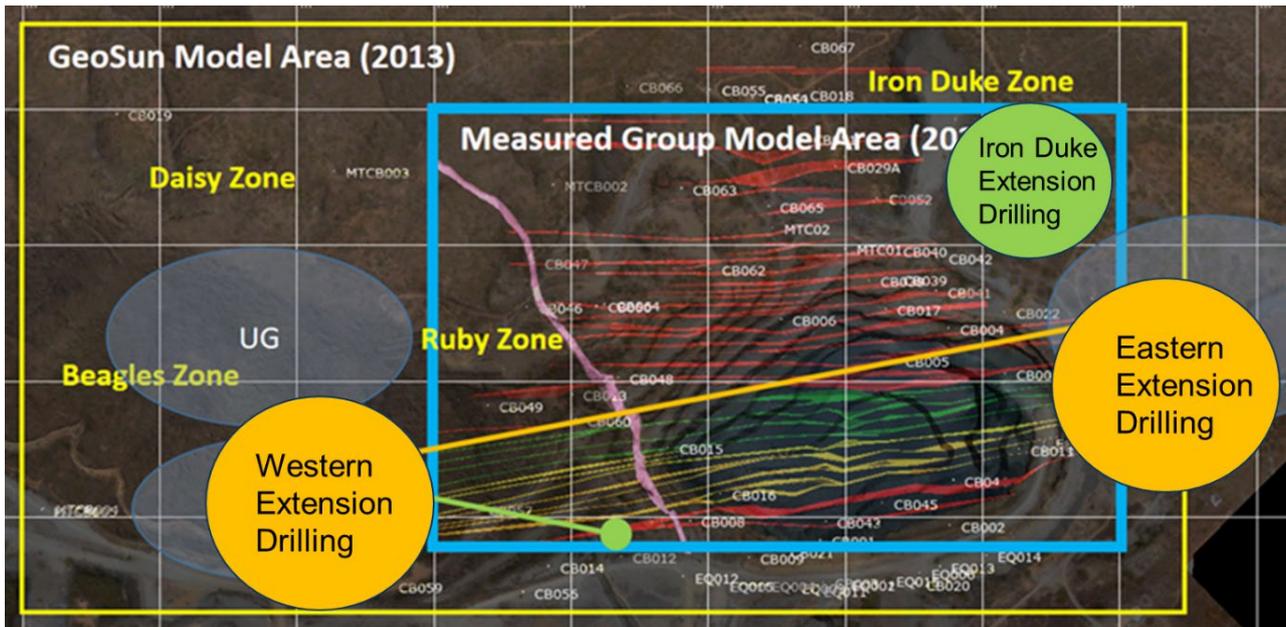


Fig.2 – Target Areas of First Stage Extension Drilling.

Additional holes will be targeted to find the extension of the Iron Duke Lode in an easterly direction (see green marking in Fig.2). This is a 200m step out from existing mineralisation. These holes will be targeting an extension of the intercepts of following historical holes:

- CB018 - 22,748E / 26,717N, RL 383m, 169.0-173.7m for **4.7m @ 1.08% WO₃***
179.0-181.0m for **2.0m @ 0.59% WO₃***
191.0-196.0m for **5.0m @ 0.48% WO₃***
 - CB051 - 22,752E / 26,668N, RL 389m, 130.3-132.3m for **2.0m @ 4.02% WO₃***
160.4-162.4m for **2.0m @ 2.03% WO₃***
- (*Historical Results)

The above work program is expected to be completed by the end of Quarter 1, 2022.

Released on authority of the Board by:

Kevin MacNeill
Chief Executive Officer

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About the Company

EQ Resources Limited is an ASX-listed company transforming its world-class tungsten assets at Mt Carbine in North Queensland; leveraging advanced technology, historical stockpiles and unexploited resource with the aim of being the pre-eminent tungsten producer in Australia. The Company also holds gold exploration licences in New South Wales. The Company aims to create shareholder value through the exploration and development of its current portfolio whilst continuing to evaluate corporate and exploration opportunities within the new economy and critical minerals sector.

Competent Person's Statements

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 to the Company's drilling program are based on, and fairly represents, information compiled and/or assessed by Mr Bainbridge. Mr Bainbridge has verified and approved the data disclosed in this release, including the analytical and test data underlying the information. 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.

Forward-looking Statements

This announcement may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this announcement include risks associated with planned production, including the ability of the Company to achieve its targeted production outline due to regulatory, technical or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates. Neither the Australian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Australian Securities Exchange) accepts responsibility for the adequacy or accuracy of this announcement.

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