

## **EQ Resources Limited**

### **Quarterly Activities Report**

### **Quarter ended 30<sup>th</sup> September 2024**

EQ Resources Limited (“EQR” or “the Company”) is a leading tungsten mining company dedicated to sustainable mining and processing practices, with a focus on expanding its world-class tungsten assets at Mt Carbine in Far North Queensland (Australia) and at Saloro Mine, in Barruecopardo, Salamanca Province (Spain). The Company evaluates corporate and exploration opportunities within the new economy, leverages advanced minerals processing technologies and unexploited resources across multiple jurisdictions, to be a leading global supplier of the critical mineral, tungsten.

#### **HIGHLIGHTS**

##### **MT CARBINE OPERATIONS**

- Record Quarterly production for Mt Carbine with 26,028 mtu\* produced.
- Mining Operations successfully transitioned to an owner-operator model to reduce costs.
- Drilling program has confirmed High Grade Ore in Open Pit Stage II.

##### **SALORO OPERATIONS**

- Record Quarterly production for Saloro with 27,965 mtu\* produced.
- Preparation works started for the next phase of the Barruecopardo Open Pit.
- Significant improvements to the processing flow delivering a substantial recovery increase.
- Saloro has been awarded the 2024 Salamanca Small & Medium Enterprise of the Year Award by Banco Santander and the Chamber of Commerce of Salamanca .

##### **EQR EXPLORATION**

- Wolfram Camp (Australia) main targets identified, soil sampling ongoing and preparation works underway for Ore Sorting trial.

##### **CORPORATE**

- Group cash receipts from operations were A\$21.2 million in the quarter, up 87% on the prior quarter. Closing cash balance of A\$3.4 million as at 30 September 2024.
- Ammonium Paratungstate (APT) CIF Rotterdam, Fastmarkets mid-price of US\$335 per mtu on 30 September 2024\*.
- EQR acquired 50% JV stake from Cronimet, to fully integrate MtCarbine operations under 100% EQR ownership.
- Strategic Collaboration and Long-Term Offtake Contract with Elmet Technologies, a leading tungsten manufacturer in the USA.
- EQR appoints Andrew Mooney as Chief Financial Officer.
- A\$250,000 Queensland Government Grant awarded for Ore Sorter trial at Wolfram Camp.

## EQR GROUP Q1 FY2025 - PRODUCTION SUMMARY

Operations		Mt Carbine		Saloro		Group	
	Unit	Q4 FY2024	Q1 FY2025	Q4 FY2024	Q1 FY2025	Q4 FY2024	Q1 FY2025
Waste	t	357,590	355,200	1,310,446	1,579,971	1,668,036	1,935,171
Ore	t	240,902	194,823	347,142	380,975	588,044	575,798
Total Tonnes Mined	t	598,492	550,023	1,657,588	1,960,946	2,256,080	2,510,969
Strip Ratio	W:O	1.5 : 1	1.8 : 1	3.7 : 1	4.1 : 1	2.8 : 1	3.3 : 1
Closing Ore Stock	t	68,374	1,250	307,535	301,445	375,909	302,695
Gravity Plant Feed	t	60,197	70,284	217,512	225,329	277,709	295,613
Gravity Plant Grade	%	0.447%	0.545%	0.212%	0.240%		
<b>WO<sub>3</sub> Produced*</b>	<b>mtus</b>	<b>17,954</b>	<b>26,028</b>	<b>23,234</b>	<b>27,965</b>	<b>41,189</b>	<b>53,993</b>

\*Note: Metric Tonnes Unit, 1 mtu = 10kg WO<sub>3</sub>

## MT CARBINE OPERATIONS

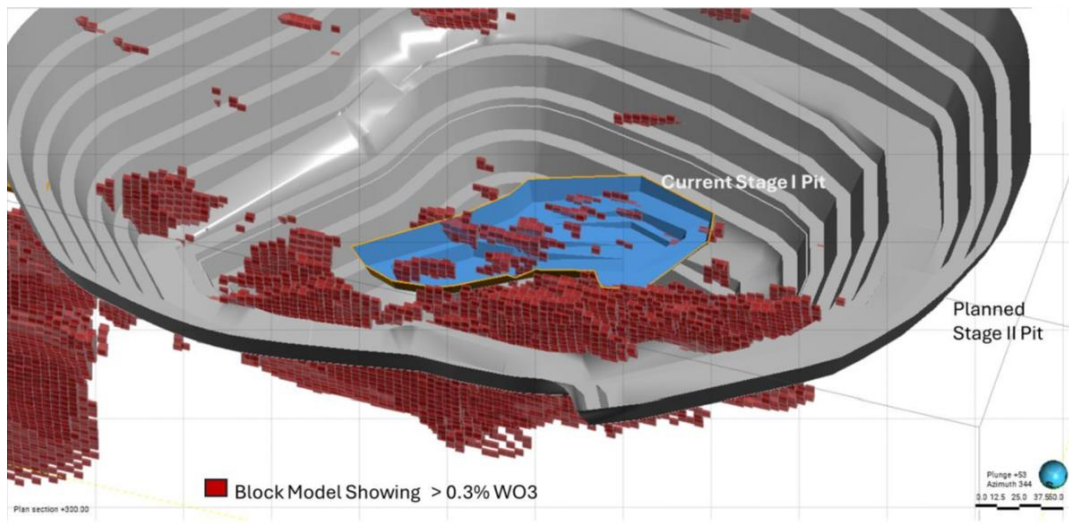
### OPEN CUT MINING



*Pictured: Mt Carbine Mine Open Pit End of September 2024*

In the first quarter of the Financial Year 2025 (Q1 FY2025), the Company completed an additional 37 infill Reverse Circulation (“RC”) drill holes, totalling 1,437 metres, targeting the main benches of the Andy White Open Pit. The drilling, executed from the current pit floor at levels between 295-305 metres Reduced Level (“RL”), has identified four main zones of mineralisation spanning a 100-metre strike and 80-metre width. This area is part of a larger main vein system that stretches 1.2 kilometres along strike with considerable width and includes the parallel Iron Duke Vein system to the north. Both vein systems are found to extend an additional 80 metres below the planned depth of Pit II, which is at 250m RL.

Further assessments are planned to explore these deeper extensions. EQR's CEO, Kevin MacNeill, expressed satisfaction with the drilling results, noting their alignment with the design of the Open Pit Stage II and their promise for future vein mining. The confirmed consistency of these veins and their westward extensions are expected to significantly contribute to the company's underground ore body, with stripping and mining already ongoing at the level 385-375m RL with the first decent grade of ore at higher levels than originally expected.



*Pictured: Block model showing main high grade vein packages relative to Open Pit Stage I (In blue, currently mined) and Open Pit Stage II (in grey, next stage that has started)*

See ASX Announcement: [‘High-Grade Drilling Results Confirm Main Mineralised Level at MtCarbine’](#), dated 29<sup>th</sup> July 2024.

After 14 months of contractor mining, the Company announced on 16<sup>th</sup> August 2024 that its Mt Carbine mine would transition to owner-operator mining (See ASX Announcement: [‘Mt Carbine Mine Transition to Owner-Operator Mining’](#) dated 16<sup>th</sup> August 2024). Since the transition in August 2024, EQR has established baseline costs and operational procedures. The transition is expected to bring cost savings, increased operational control, and greater mining flexibility, alongside upskilling the local workforce.

The transition to owner-operator status is part of EQR's strategy to optimise operations and value from the Andy White ore body. This change also includes incorporating key operational management and most of the workforce from the previous contractor into the Mt Carbine operations, ensuring continuity and leveraging their expertise. As owner-operators, Mt Carbine has switched to a 24-hour mining roster, increased monthly tonnage, reducing unit costs, and gained earlier access to higher grade veins, as confirmed by recent drilling results.

All the equipment for the new fleet was successfully commissioned by the end of the quarter, including a new CAT 90 tonne excavator, two 60-tonne Volvo dump trucks, a CAT 745 Moxy water truck, and two bulldozers. This equipment combined with the implementation of the 24-hour mining operations are already delivering strong results.



*Pictured left: New CAT 90 tonne excavator on commissioning day and the Volvo 60 tonne dump trucks. Pictured right: The Komatsu bulldozer next to the CAT 90 tonne excavator.*

Mining in the Open Pit Stage I continued throughout the quarter with the team mining ore in the level 285m RL, the second to last level of Stage I. Stripping for Open Pit Stage II is continuing at level 365m RL to 345m RL, with the first signs of the Johnson, Wayback and Iolanth vein systems.

Eight blasts were conducted in Q1 FY2025 with 355,200 tonnes of waste and 194,823 tonnes of ore extracted with close to 70% of Open Pit ore over 0.22%WO<sub>3</sub>. 1.8 million tonnes of waste have been stripped since the re-opening of the Open Pit.

## PROCESSING

In Q1 FY2025, 259,709 tonnes of ore have been crushed with 223,383 from the Open Pit and 36,326 from the historic Low-Grade Stockpile ("LGSP"), with an estimated overall head grade around 0.16% WO<sub>3</sub>.

165,779 tonnes of crushed ore have been processed through the XRT Ore Sorters for sorting in the quarter, reflecting an 18% increase from the prior quarter of 136,319 tonnes. This improvement is due to the new ejection system at Tomra XRT Ore Sorter #2 commissioned in mid-June 2024. The Sorter Plant has provided 16,828 tonnes of high-grade Sorter Product to the Gravity Plant increasing the feed grade from 0.438% WO<sub>3</sub> for Q4 FY2024 to 0.545% WO<sub>3</sub> for Q1 FY2025.

The Gravity Plant at Mt Carbine Mine recorded new production records in the quarter. The Gravity Plant achieved a new daily record of 641 mtus in 24hrs; a new monthly record of 10,702 mtus in September; and achieved a total of 26,028 mtu for the quarter Q1FY2025. The improvements were due to:

- Increased feed grade thanks to the additional Sorter Product processed in the quarter;
- Increased recovery following the installation of the scavenger jig; and
- Increased overall Plant feed volume from 60,197 tonnes to 70,284 tonnes

See ASX Announcement: ['EQR Hits New Production Record as China and US Trade Tension Impact Tungsten Market'](#), dated 2<sup>nd</sup> October 2024.

## QUARRY OPERATIONS

Quarry sales continued to improve in the quarter following the completion of a successful project tender, which was one of the disaster recovery projects arising from Tropical Cyclone Jasper. Work has continued through August and September on bank retention remedial work with local residents now able to have road access to their properties.

Many other tenders have been submitted during Q1 FY2025 and Mt Carbine Quarry has been working closely with local civil companies to provide proposals for other disaster recovery projects such as access to local farms, cattle stations and reconstruction of roads across to the Daintree River.

## SALORO OPERATIONS



*Pictured: The Barruecopardo Mine Open Pit (Spain) at the end of September 2024.*

### OPEN CUT MINING

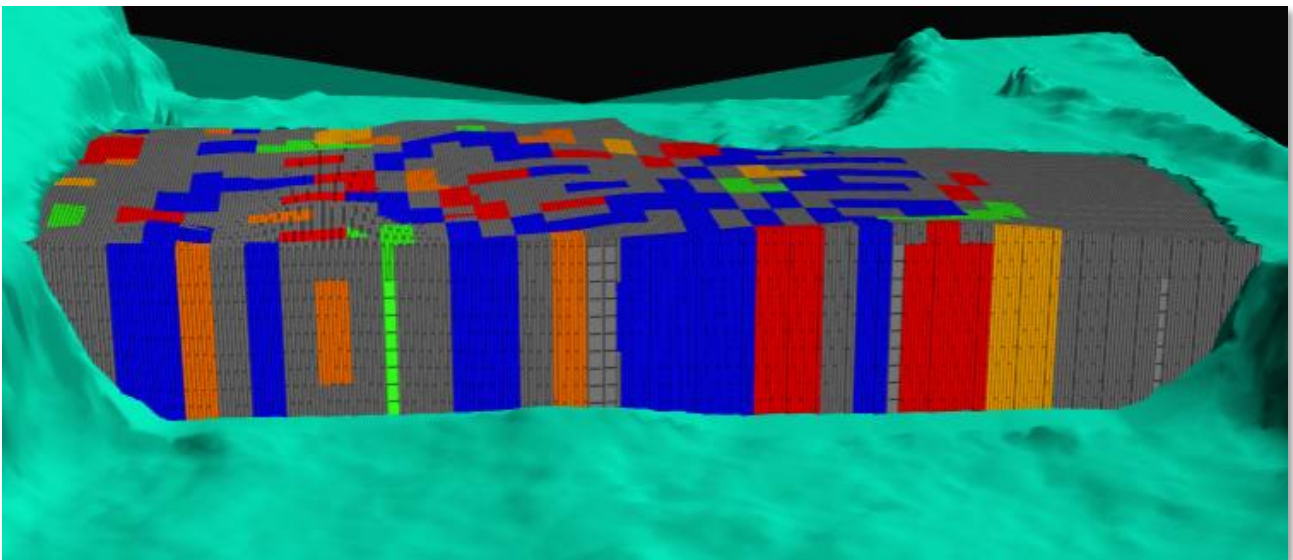
During Q1 FY2025, in addition to achieving the corresponding production targets, the focus of the operations at the Barruecopardo Mine were maximising the capacity of water dams through the implementation of new evaporation systems, trialling blasts in 10 metre mining benches instead of 5 metre and preparation and development of works in Phase 6 in the Northern Zone of the mine. 1.5 million tonnes of Waste and 380,975 tonnes of Ore were extracted from the pit during the Q1FY2025.

#### *Drilling and Blasting on 10-Metre Benches*

At the Barruecopardo Open Pit, due to the specific features of the mineralized zone, 5 experimental blasts have been carried out on 10 metre benches whereas previously conducted on 5 metres benches. The aim of the tests is to assess potential increased efficiencies, reduced drill metres decreasing drilling costs, reduced blasting costs thanks to economies of scale while potentially improved stability of the highwall and improved blast fragmentation.

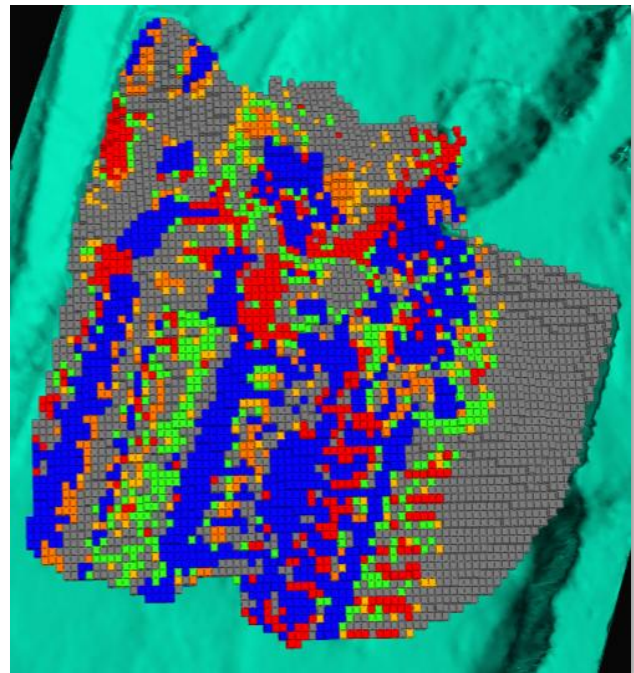


*Pictured: A 10-metre bench face with the mineralised zones marked*



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

The results have been positive, particularly in the central zone of the mineral body, where continuity and consistency are greater with estimated total savings at AU\$0.16 per ton for the tests.



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

#### *Development of the Barruecopardo Mine Open Pit Phase 6, North Area*

Work has continued on preparing the north zone, for the next phase of the Open Pit, Phase 6, following end of the breeding period of the Black Stork and Egyptian Vulture. In the western area, the switchback has been prepared at 700m RL, while in the north and east, work has been conducted on the benches from 730m RL down to elevation 710m RL. These early works will allow the mining team to access the mineralised zones in the north a few months earlier than initially estimated.



*Pictured: The Northern Area will be the target of Phase 6, next phase of the Open Pit.*

## PROCESSING – RECOVERY INCREASE

In Q1 FY2025, 278,952 tonnes of ore have been crushed, 110,762 tonnes went through the XRT Ore Sorters for an uptick of 16,469 tonnes of high-grade Sorter Product generated for the Gravity Plant, a substantial increase compared to 4,600 tonnes of sorter product last quarter of FY2024. This increase of Sorter Product processed had a direct impact on the Gravity Plant feed grade which climbed from an estimated 0.210% WO<sub>3</sub> in January 2024 to an estimated 0.275% WO<sub>3</sub> in September.

The operations at Saloro have had their best month on record in September 2024 with 10,136 mtu and best quarter on record with 27,965 mtu produced driven by a combination of factors including an increased feed grade, increased run time and increased recovery.

The Gravity Processing Plant has undergone significant modifications aimed at deepening the understanding of materials and processes, which has resulted in improved recovery rates and simplified operations. A key focus was on introducing new management processes aiming at transferring operational knowledge across all shifts to ensure uniform benefits from shared experiences while enhancements were made to each step of process equipment to maximize performance.

Specific improvements included:

- **Crushing Section:** Audits with Metso led to maximized plant efficiency.
- **Sorting System:** Upgrades enabled handling of larger sizes, which increased capacity and improved downstream processing.
- **Jigs and Heavy Minerals:** New methods improved jig performance and adjustments in the spiral circuit reduced recirculation and expanded scavenging sections.
- **Flotation Circuit:** Equipment upgrades optimized performance and throughput, reducing losses to below 1%. Key pumps in the flotation system, including a large peristaltic pump in tank 404 have been replaced.
- **Cyclone Adjustments:** All cyclone apexes were replaced to ensure optimal separation; new direct connections were established to eliminate cavitation issues observed in previous months.
- **Jig Maintenance:** The jigs were cleaned, refilled with alumina, and repaired, with new parts installed where needed. These adjustments have already resulted in smoother operations and reduced downtime.
- **Spiral Circuit Tweaks:** We tested and implemented a cyclone on the spiral 512 feed, improving its performance, and adjusted the material flow between spirals to reduce losses and maximize recovery.
- **Mills:** Changes in the rod and ball mills enhanced fine particle generation, boosting plant efficiency. The ball mill underwent a comprehensive maintenance session.
- **Table Circuit:** New tables have been added, both coarse and fine, and process water management improvements addressed risks like potential cyclone overflows and minimized short-circuiting of mineral losses. Optimizing the feed and discharge points has improved material flow between stages and reduced recirculation.
- **Copper Sulfate and PAX Dosing:** The adjustment in dosing of critical reagents improved process control and cost savings.

The phased updates have shown successful results, encouraging the team to accelerate further enhancements with the Falcon concentrators, potential scavenging jigs installation, and a new screening upgrade in the spirals circuit. More updates on positive outcomes are expected in the next report.



## SUSTAINABILITY

EQR's website has a sustainability tab that communicates the Company's ESG commitments and ongoing initiatives. See [What We Care About](#) and [ESG Showcase](#). EQR reports its safety and ESG development according to its core values outlined in its ESG Program Framework, which is available here: [Sustainability Framework and Materiality Assessment](#).

The Mt Carbine Operations have celebrated "Are you Ok?" day, to raise awareness on mental health.



The Mt Carbine Operations recorded 3,159 positive safety indicators during the quarter, including "Take 5s", Job Safety Environment Analysis, workplace inspections, safety meetings.

The 2024 Salamanca Small & Medium Enterprise of the Year Award has been granted by Banco Santander and the Chamber of Commerce of Salamanca to Saloro recognising the Company's role in job creation, its impact on society, and its clear understanding of its market.



*Pictured: Alvaro Serrano (CEO of Saloro; front row third from left), receiving the SME of the Year Award*

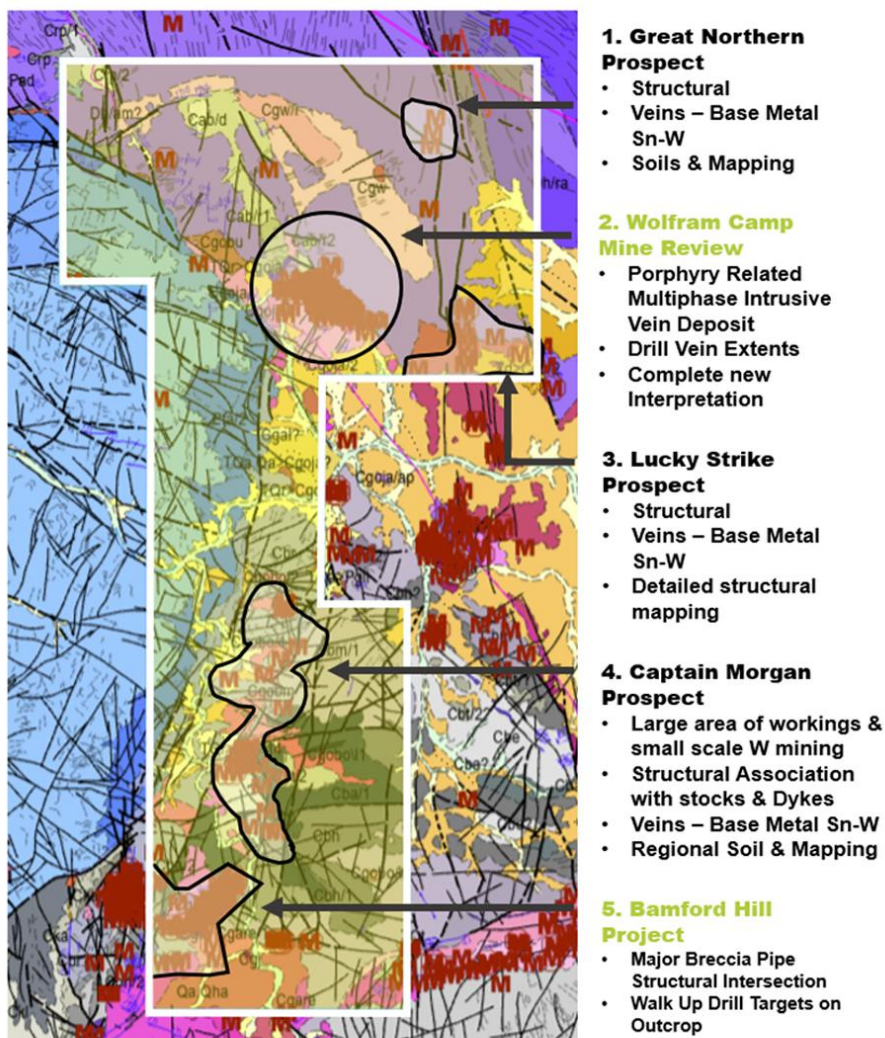
The Saloro Operations had 25 employees conducted training on mining risk, mobile machinery or initial training, with 30 new safety improvements implemented. There were 22 open door visitors taken through the Barruecopardo Mine site.

## EXPLORATION ACTIVITIES

### Wolfram Camp and Bamford Hill, QLD, Australia

On June 18, 2024, EQR secured an Exploration Permit-Minerals for the 477km<sup>2</sup> RA442 license at Wolfram Camp, QLD, Australia, aiming at to revitalize the Wolfram Camp and Bamford Hill areas, located within the Herberton Tin-Tungsten field and establish a regional Tungsten Cluster, potentially enhancing local economic and environmental outcomes. This effort has been supported by the Resources and Critical Minerals Minister Scott Stewart and is seen as an extension of EQR's successful operations at Mt Carbine Tungsten mine and is expected to include extensive exploration and drilling activities in the coming years. There will 5 major exploration targets within the boundaries with a soil sampling campaign that started this quarter and Ore Sorting trials on the existing historic stockpiles estimated at 2.95 million tonnes @ 0.279% WO<sub>3</sub>, are scheduled to commence Q2 FY2025 to further evaluate the sortability of the ore for potential re-development of the mine.

### Wolfram Camp: 5 Major Targets



Major targets will undergo: 1) New Mapping 2) Geochem 3) High Resolution Magnetics, 4) Drill Testing.

See ASX Announcement: [‘EQR Identifies 5 Exploration targets For Wolfram Camp’](#) dated 7<sup>th</sup> October 2024.

## MINERAL RESOURCES ESTIMATE

### *Mt Carbine Mine Mineral Resources Estimate as of June 2024*

Orebody	Resource Classification	Tonnes (Mt)	Grade (% WO <sub>3</sub> )	WO <sub>3</sub> (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
	<b>Subtotal</b>	<b>13.53</b>	<b>0.070%</b>	<b>980,071</b>
In-Situ	Indicated	17.49	0.30%	5,235,286
	Inferred	10.68	0.30%	3,217,311
	<b>Subtotal</b>	<b>28.17</b>	<b>0.30%</b>	<b>8,452,597</b>
<b>All</b>	<b>Total</b>	<b>41.70</b>	<b>0.23%</b>	<b>9,432,668</b>

**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 of 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; lower cuts of 0.05% & 0.08% WO<sub>3</sub> were applied to the resource and reported as Low Grade Insitu and In Situ respectively. These cuts are where mineralisation forms distinct vein zones.
- Drilling used in this methodology was all diamond drilling with 1/2 core sent according to geological intervals to ALS for XRF-15b analysis
- Resource estimation was completed using the Kriging Variable Orientation Estimation Methodology
- Indicated spacing is approximately 30 x 30m inferred is approximately 60 x 60m.
- The deposit is sheeted vein system with subparallel zones of quartz tungsten mineralisation that extends for >1.2km in length and remains open to the west and north. At depth the South Wall Fault cuts the Iolanthe to Johnson's veins but the Iron Duke zones remain open to depth.

### *Wolfram Camp Mineral Resources Estimates as of 2015.*

Orebody	Resource Classification	Tonnes (kt)	Grade (% WO <sub>3</sub> )	WO <sub>3</sub> (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
	<b>Total</b>	<b>2,950</b>	<b>0.279</b>	<b>823,050</b>

Source: 2015 Technical Report Almonty Industries (NI 43-101)

## ORE RESERVES

### *Mt Carbine Ore Reserves as of June 2024.*

Reserve Category	ROM Tonnes (Mt)	WO <sub>3</sub> (%)	Contained WO <sub>3</sub> (mtu)
Open Cut - Proven	-	-	-
Open Cut - Probable	5.36	0.28%	1,500,800
<b>Open Cut - Total</b>	<b>5.36</b>	<b>0.28%</b>	<b>1,500,800</b>
LGSP - Proven	-	-	-
LGSP - Probable	9.77	0.075%	732,750
<b>LGSP - Total</b>	<b>9.77</b>	<b>0.075%</b>	<b>732,750</b>
<b>All - Total</b>	<b>15.13</b>	<b>0.148%</b>	<b>2,233,550</b>

## TENEMENT INTERESTS

There was no change in the Tenements list held by the Company and its controlled entities, disclosed below in accordance with ASX Listing Rule 5.3.3.

Location	Holding Entity	Beneficial Interest	Interest Acquired or Disposed	Area	Expiry date
Queensland, Australia					
ML 4867	Mt Carbine Quarries Pty Ltd	100%	NA	358.5 ha	31/07/2041
ML 4919	Mt Carbine Quarries Pty Ltd	100%	NA	7.891 ha	31/08/2041
EPM 14871	EQ Resources Limited	100%	NA	10 sub-blocks	12/12/2025
EPM 14872	EQ Resources Limited	100%	NA	21 sub-blocks	11/12/2025
EPM 27394	EQ Resources Limited	100%	NA	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%	NA	4 Units	19/10/2026 <sup>1)</sup>
EL 8024	EQ Resources Limited	100%	NA	19 Units	29/11/2024 <sup>1)</sup>
<b>ML</b> = Mining Lease; <b>EPM</b> = Exploration Permit for Mineral (Qld); <b>EL</b> = Exploration License (NSW)					
1) Sozo Farm-in arrangement.					

Location	Holding Entity	Beneficial Interest	Interest Acquired	Area	Expiry date
Salamanca, Spain					
C.E. Barruecopardo, 6.432-10	Saloro, SLU	100%	18/01/2024	2,100 Ha	1/11/2041
P.I. Saldeana 1 <sup>a</sup> Fracción, 6.432-11	Saloro, SLU	100%	18/01/2024	29,300 Ha	13 Aug.*
P.I. Saldeana 2 <sup>a</sup> Fracción, 6.432-12	Saloro, SLU	100%	18/01/2024		13 Aug.*
P.I. Milano, 6.432-20	Saloro, SLU	100%	18/01/2024	29,000 Ha	13 Aug.*
P.I. Cortegana, 6.570	Saloro, SLU	100%	18/01/2024	16,700 Ha	14 Nov.*
P.I. Almonaster, 6.572	Saloro, SLU	100%	18/01/2024	4,300 Ha	14 Nov.*
P.I. Aracena, 6.649	Saloro, SLU	100%	18/01/2024	5,300 Ha	30 Oct.*
P.I. Brincones, 6.834	Saloro, SLU	100%	18/01/2024	6,100 Ha	7 May*
C.E. = Mining Lease; *P.I. = Exploration Permit which is renewed annually.					

## FINANCIAL AND CORPORATE

### *A\$20M funding facility from QIC for Mt Carbine Mine expansion*

The Company and Queensland Investment Corporation ("QIC") have agreed last quarter in Q4FY2024 to set up a three-year funding facility, with QIC committing up to A\$20 million from the Queensland Critical Minerals and Battery Technology Fund ("QCMBTF"). This fund primarily aims to enhance the mining and refining of critical minerals as well as the development and production of battery technologies and advanced materials in Queensland.

This three-year loan facility will expedite the Company's ongoing expansion plan to increase processing capacity to 2 mtpa at the Mt Carbine Tungsten Mine, with A\$12 million allocated in Tranche 1. The subsequent Tranche 2, amounting to A\$8 million, will support the initial phase of the 2024 drilling program that targets defined underground areas, integrating these results into a detailed underground feasibility study. The underground resource, minimally explored and accessible through a 1980s decline reopened post-quarter, offers higher ore grades and substantial potential for resource expansion. This funding arrangement is subject to standard prerequisites, including project completion tests.

The terms of the arrangements between the Company and QIC are expected to complete in Q2 FY2025 with flow of funds to follow for our expansion and drilling plans.

See ASX Announcement: ['QIC approves A\\$20M funding for Mt Carbine Tungsten Mine expansion'](#), dated 8th May 2024.

### *Acquisition of 100% of the Mt Carbine Retreatment Joint Venture*

On 5 July 2024, EQR executed the definitive agreement to acquire 50% of the Mt Carbine Retreatment Joint Venture (Mt Carbine JV) from CRONIMET Asia Pte Ltd (CR Asia) and CRONIMET Australia Pty Ltd (CR Australia). The Agreement formalises the binding Heads of Agreement (HoA) entered into in October 2023, which was subject to the parties' financial and legal due diligence. EQR owns 100% of the Mt Carbine JV effective 30 June 2024.

The parties agreed on the following consideration for the transfer of the JV interest:

- EQR to issue new ordinary shares at A\$0.09 per share to CR Asia (or its nominee), equal to a total of US\$ 7.5 million;
- EQR assumes all obligations under the Offtake Agreement;
- EQR assumes all assets and liabilities of the Joint Venture; and CRONIMET and
- EQR enters into a marketing agreement under which CRONIMET will receive a net 1% marketing fee for marketing Saloro production over five years.

See ASX announcement ['Final Agreement to Acquire Mt Carbine JV from Cronimet'](#) dated 5<sup>th</sup> July 2024.

### *EQR and Elmet Technologies agree to a Strategic Collaboration and Long-Term Offtake Contract*

EQR entered into a strategic collaboration and long-term offtake contract with 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.

See ASX announcement ['EQR and Elmet Technologies Agree to a Strategic Collaboration and Long-Term Offtake Contract'](#) dated 2<sup>nd</sup> September 2024.

### *Andrew Mooney appointed as Chief Financial Officer*

Andrew Mooney was appointed Chief Financial Officer (“CFO”) of EQ Resources, effective 21 October 2024. As CFO, Andrew will be responsible for all finance, investor relations, treasury, capital management, strategic planning, tax, risk management and governance matters, ensuring that the financial operations of the Company support the delivery of EQR’s strategic plans and initiatives. Andrew will also be a member of EQR’s leadership team. Andrew is an experienced finance executive with a career spanning more than 25 years, working for large, listed mining businesses and big four accounting firms. His most recent position was Vice President Investor Relations for Coronado Global Resources Inc., a large ASX-listed mining company.

See ASX Announcement: [‘EQ Resources Appoints Chief Financial Officer’](#) dated 12<sup>th</sup> September 2024.

### *The Queensland Government Invests in Ore Sorter Trials at Wolfram Camp Mine*

EQR has been awarded A\$250,000 in funding from the Queensland Government’s METS Collaborative Project Fund. This grant will support the commencement of advanced XRT ore sorting trials at the Wolfram Camp tungsten mine, a historic site targeted for redevelopment. The funding is part of the Queensland Government’s broader initiative to reinvigorate former mines, aligning with their Critical Minerals Strategy and Resources Industry Development Plan, focusing on economic growth and sustainable practices.

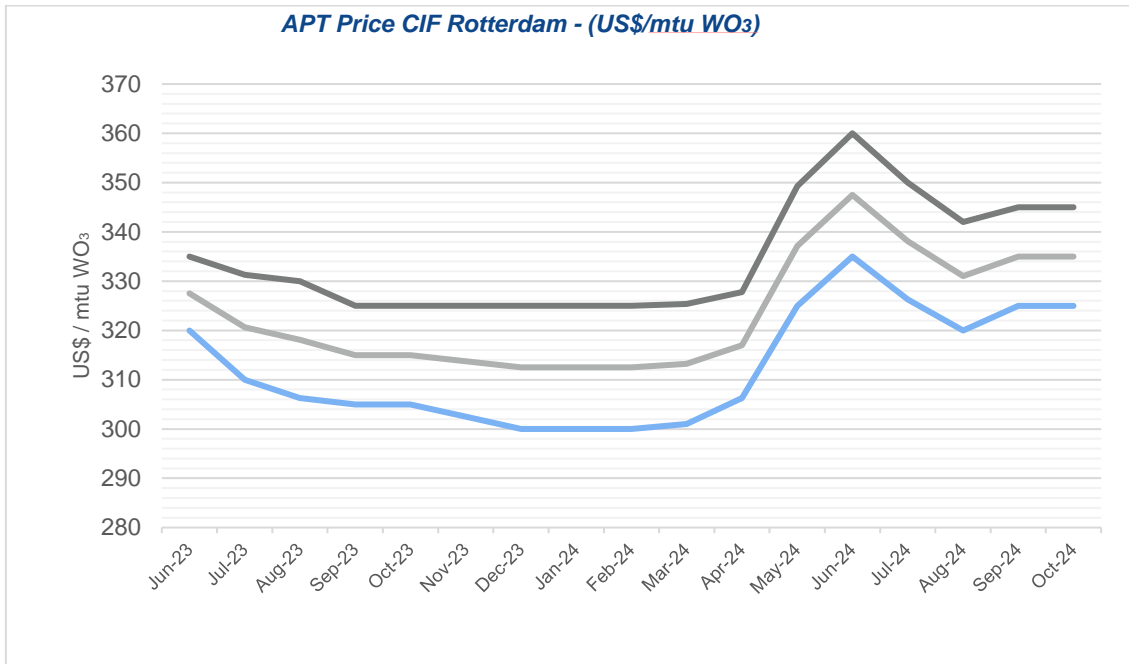
The initiative will be a collaborative project involving EQR, Tomra Sorting Pty Ltd (“Tomra”), and the University of Queensland’s Sustainable Minerals Institute. Tomra will supply advanced XRT Ore Sorters and support technology optimisation, while the University of Queensland will conduct mineralogical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



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

See ASX Announcement [‘Queensland Government and EQR Invest In Ore Sorter Trials at Wolfram Camp Mine’](#) dated 15<sup>th</sup> October 2024.

*Tungsten APT Price update*



*Pictured: Graph illustrating the price trend for tungsten APT (Ammonium Paratungstate) CIF Rotterdam.*

After a dip in prices during early FY2024, where the price hovered around US\$300-330/mtu WO<sub>3</sub>, the market recovered, showing a steady upward trend into the first quarter of FY2025. By September 2024, the price had risen to approximately US\$325-345/mtu WO<sub>3</sub>. This price increase aligns with broader trends in the global tungsten market, where growing demand for critical minerals, recent regulatory measures implemented by the US Department of Defence prohibiting the Department from sourcing tungsten from China and Russia, along with the currently low tungsten reserves of the US Defence Logistics Agency are contributing to a structural deficit of tungsten in the US.

**QUARTERLY CASH FLOW REPORT**

*Cash flows from operating activities*

Mt Carbine cash receipts from operations increased from A\$3,036,000 (50% JV interest) in the June quarter to A\$10,707,000 (100% JV interest), representing a 253% increase. This reflects the 45% increase in production from 17,954 mtu to 26,028 mtu and the Mt Carbine JV interest increase from 50% to 100% effective from 30 June 2024.

Saloro cash receipts from operations increased from A\$8,294,000 in the June quarter to A\$10,519,000, representing a 27% increase. This reflects the 20% increase in production from 23,234 mtu to 27,965 mtu and the effect of production prepayments and delivery schedules.

Joint production costs increased from A\$10,878,000 in the June quarter to A\$12,511,000, representing a 15% increase. This modest increase reflects the timing of mining payments agreed upon with the outgoing mining contractor and the move to owner-operator mining in August 2024. The net effect of owner-operator mining is a reduction in mining costs and an increase in staff costs. Mt Carbine staff costs increased from A\$1,925,000 (50% JV interest) in the June quarter to A\$3,719,000 (100% JV interest), representing a 93% increase. This reflects the move from contractor mining to owner-operator mining from August 2024 and the Mt Carbine JV interest increase from 50% to 100% effective from 30 June 2024.

### *Cash flows from investing activities*

The Company invested A\$3,820,000 at Mt Carbine, using mine waste to raise the noise & visual bund, which is a requirement under the Mt Carbine mining lease. A further A\$1,042,000 was paid to acquire plant and equipment, including mobile equipment required for owner-operator mining from August 2024.

### *Cash flows from financing activities*

The Company received net finance of A\$2,482,000 during the quarter. This included an advance for Saloro concentrate of A\$2,951,000 (€1.8m), which will be balanced against concentrate delivery invoices in the medium term.

### *Cash and financing facilities*

The Company held cash of A\$3,377,000, in line with A\$3,483,000 at the end of the last quarter. Spanish loan facilities remained relatively static in Euros, with headroom of A\$814,000 at quarter end. With EQR taking 100% control of the Mt Carbine JV, the Cronimet offtake advance and working capital facilities doubled to \$11,672,000.

All numbers included in the Quarterly Cash Flow Report are unaudited.

#### **Released on the authority of the Board by:**

**Kevin MacNeill**  
Chief Executive Officer

#### **Further Enquiries:**

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### *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 in resource estimates. Neither the Australian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Australian Securities Exchange) accepts responsibility for the adequacy or accuracy of this announcement.

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EQ RESOURCES LIMITED

ABN

77 115 009 106

Quarter ended ("current quarter")

30 September 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	21,226	21,226
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(12,511)	(12,511)
(d) staff costs	(5,803)	(5,803)
(e) administration and corporate costs	(1,434)	(1,434)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	10
1.5 Interest and other costs of finance paid	(694)	(694)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other		
- Diesel Fuel Tax Credits	397	397
- Traineeship Subsidies	35	35
- Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,226</b>	<b>1,226</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	(452)	(452)
(b) tenements	(3)	(3)
(c) property, plant and equipment	(1,042)	(1,042)
(d) exploration & evaluation (if capitalised)	(24)	(24)
(e) investments	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	(2,299)	(2,299)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,820)</b>	<b>(3,820)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	230	230
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(294)	(294)
3.5	Proceeds from Borrowings	-	-
3.6	Repayment of borrowings	(7)	(7)
3.7	Transaction costs related to loans and borrowings	(43)	(43)
3.8	Dividends paid	-	-
3.9	Other		
	- Lease Repayments	(355)	(355)
	- Concentrate Sale Prepayments	2,951	2,951
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,482</b>	<b>2,482</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,517	3,517
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,226	1,226
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,820)	(3,820)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,482	2,482
4.5	Effect of movement in exchange rates on cash held	(28)	(28)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,377</b>	<b>3,377</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,377	3,483
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Term Deposits	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,377</b>	<b>3,483</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	203
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Payments to Directors and Senior Executives for salaries (including superannuation), fees, consultancy, and expense reimbursements.</p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
- Banco Santander <sup>1</sup>	32,216	31,843
- Caixabank <sup>2</sup>	8,054	7,614
7.2 Cronimet Offtake Advance Facility	9,377	9,377
7.3 Cronimet Working Capital Facility	2,305	2,305
7.4 Convertibles Notes	750	750
<b>7.5 Total financing facilities</b>	<b>52,702</b>	<b>51,889</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>813</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.6	<p>7.1 Spanish Loan Facilities:</p> <p><sup>1</sup> Secured Loan Facilities at interest rates between 4.92% - 5.00% (Oaktree LC support until July 2025).</p> <p><sup>2</sup> Secured Loan Facility at an interest rate of 5.42% (Oaktree LC support until July 2025).</p> <p>7.2 Secured Loan no interest loan to be repaid from free cash flows, over life of mine.</p> <p>7.3 Unsecured Loan at an interest rate of SOFR + 3.00% p.a.</p> <p>7.4 Unsecured 2-Year Convertible Notes with a Coupon Rate of 9.00% p.a. payable in shares or cash at the election of the Note Holders.</p>	
<b>8. Estimated cash available for future operating activities</b>		<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)		1,226
8.2 Capitalised exploration & evaluation (Item 2.1(d))		(24)
8.3 Total relevant outgoings (item 8.1 + item 8.2)		1,202
8.4 Cash and cash equivalents at quarter end (item 4.6)		3,377
8.5 Unused finance facilities available at quarter end (item 7.5)		813
8.6 Total available funding (item 8.4 + item 8.5)		4,190
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>		<b>3.5</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:		
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?		

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**


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8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2024

Authorised by: the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.