

25th November 2021

EQR FARMS-OUT NSW PROJECTS TO FOCUS ON MT CARBINE TUNGSTEN MINE

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

EQ Resources Limited (ASX: EQR) ("EQR") is pleased to advise that it has executed a binding Farm-In and Joint Venture Agreement (the "Agreement") 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.

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

Sozo is a privately owned mineral exploration company focussed on the discovery of economic copper, gold, and nickel deposits within Eastern Australia.

Panama Hat is located approximately 25km southeast of Broken Hill in New South Wales and comprises the historical Huonville Gold Field which lies within the Proterozoic Broken Hill Block which is recognised as one of the richest metallogenic regions in the world.

Crow Mountain is located approximately 30km southeast of Barraba in northern New South Wales and covers a significant strike length of the crustal scale, gold - endowed Peel Fault, a potential analogue of the Mother Lode system in California, USA.

Commenting on the agreement, EQ Resources' CEO Mr Kevin McNeill said: "I am delighted to have Sozo Resources partner with EQR to explore the NSW Projects. Introducing a farm-in partner allows us to solely focus on our 100%-owned Mt Carbine Tungsten Mine. As previously announced EQR is completing a BFS for a major expansion and rebirth of the mine".

Key Terms of the Farm-In and Joint Venture Agreement between EQ Resources Limited and Sozo Resources Pty Ltd:

- The Agreement is conditional upon Sozo completing due diligence on the tenements and EQR obtaining a tenement renewal for EL6648.
- Sozo can earn up to an 80% interest in the project tenements by completing expenditure of A\$1.6M over 4 years as follows:
 - Stage 1 – Sozo to complete \$100K of expenditure within 9 months from the Agreement Commencement Date,

- Stage 2 – Sozo to spend a further \$750K of expenditure within a further 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.
- Stage 3 – Sozo 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%).
- If Sozo elects to complete Stage 3 expenditure, then EQR is free carried until the end of Stage 3.
- Dilution – standard dilution provisions apply and if a participant's interest reduces to 10% or less, they are deemed to have withdrawn with a 0.75% Net Smelter Royalty or by agreement between the parties (being the date for completion on 31 December 2021).
- The agreement may be terminated upon, the earliest to occur of any of the following:
 - all of the Tenements have either been relinquished or have expired;
 - the Joint Venturers cease to hold any interest in the Tenements; or
 - one Joint Venturer holds a 100% Joint Venture Interest (including where a Joint Venturer (as applicable) withdraws from the Joint Venture pursuant to the terms of this agreement).

Released on authority of the Board by:

Kevin MacNeill
Chief Executive Officer

Further Enquiries:

Peter Taylor
Investor Relations
0412 036 231
peter@nwrcommunications.com.au

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.

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.

Follow us:  