

08th March 2022

EQR AND SANDVIK AGREE ON BINDING TERMS FOR FINANCING OF CRUSHING & SCREENING PLANT

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 that it has agreed with leading mining technology company Sandvik on binding terms for the delivery and financing of the crushing and screening mechanical and structural equipment for the Company's expansion program at Mt Carbine.

Subject to formal order documentation, the scope of supply comprises the primary, secondary and tertiary crushing stations, as well as a screening station and all related structures. The new crushing and screening plant will have a capacity of 350 metric tonnes per hour, which is 2.5-times the throughput of the crushing and screening plant currently in operation by EQR.

EQR's Chief Executive Officer, Mr Kevin MacNeill, commented, "It was an important milestone for us to finalise and agree on Sandvik's delivery scope, that equipment is on the critical path in our time schedule for the expansion program. We decided to go for this customised smart plant option, being detailed engineered including all conveying systems, feed station and internal interfacing around Sandvik's key equipment."

"The design and equipment selection is based on test work conducted by Sandvik on our Mt Carbine rock. We have the greatest confidence in the overall design. We are pleased that Sandvik provided attractive financing around their supply package, we consider this an endorsement for the project."

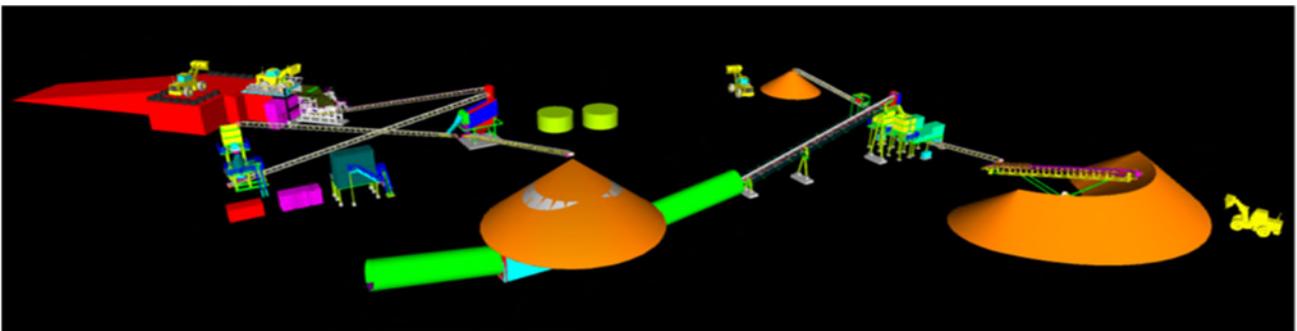


Fig.1 – 3D design for new crushing, screening and XRT sorting plant

“We are in discussions with various other stakeholders to finalise the funding package for what we consider is the first stage of the stockpile and open pit development. The \$4.8 million represents approximately half of the required Capex for that initial stage. The Board are reviewing all options and term sheets received so far.”

As part of the binding terms agreed between EQR and Sandvik, Sandvik Financial Services Pty Ltd (“SFS”) has extended financing terms as following:

- The agreed delivery scope amounts to \$4.8 million, with the financing facility being subject to a 30% deposit by EQR
- The facility considers (up to) 48 monthly instalments and a fixed interest rate of 5.75% p.a.
- Industry standard security arrangement agreed, subject to SFS standard documentation, including a first rank priority pledge over the Sandvik supplied equipment

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.

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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