



RESOURCES

*resourcing the new economy
for a better tomorrow*



EQ RESOURCES LIMITED

A Globally Significant Critical Mineral Producer

Austex / AMEC Brisbane Resources Lunch

Andrew Mooney, Chief Financial Officer

27 November 2024

ASX : EQR



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A GLOBALLY SIGNIFICANT CRITICAL MINERAL PRODUCER

ASX:EQR
TUNGSTEN



RESOURCES

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MT CARBINE TUNGSTEN MINE

& QUARRYING OPERATIONS, AUSTRALIA

WOLFRAM CAMP EPM, AUSTRALIA

SALORO TUNGSTEN MINE, SPAIN



**Largest
Western
Tungsten
Producer**



**Strong
Tungsten
Market
Fundamentals**



**Large Economic
Resources +
Upside
Potential**



**Vertical
Integration
Opportunities**



**Established
Low-Cost
Production**



**De-Risked
Operations**



**Secured
Offtake**



**Advanced
Sorting
Technology**



**Environment
Award +
Genuine ESG
Performance**



**Circular
Economy
Driven**

Strategic Partners



Endorsement Through Funding & Grants

Strong Support for Critical Minerals Projects in Australia



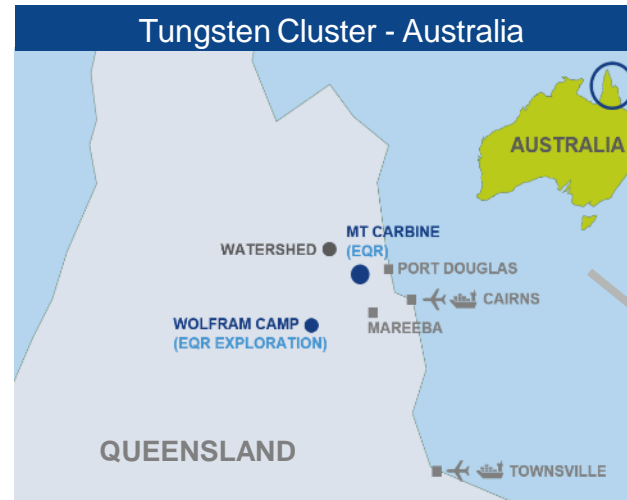
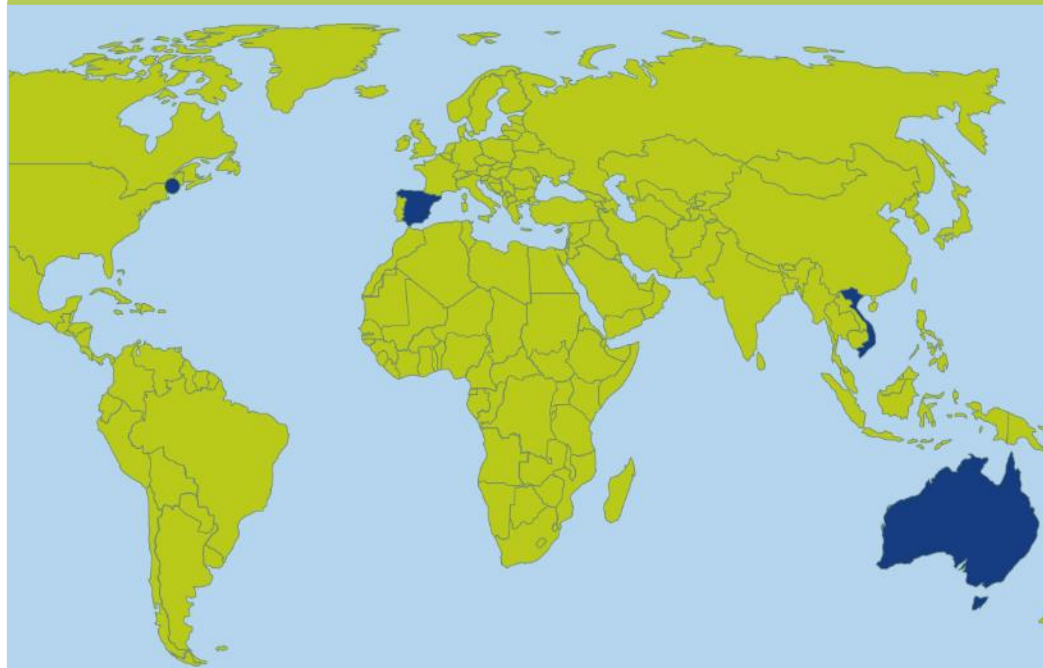
Department of Resources
Department of State Development and Infrastructure

EQR – World’s Largest Western Tungsten Producer

Vertically Integrated Tungsten Production



- EQ Resources (EQR) positions itself as a globally significant, conflict-free critical mineral producer, leading the western tungsten market with vertically integrated operations spanning three continents and a strategic partnership extending its influence to a fourth.
- By offering a traceable and responsible alternative to China’s tungsten supply chain, EQR meets the rising global demand for strategic materials essential to defence, aerospace, and renewable industries.



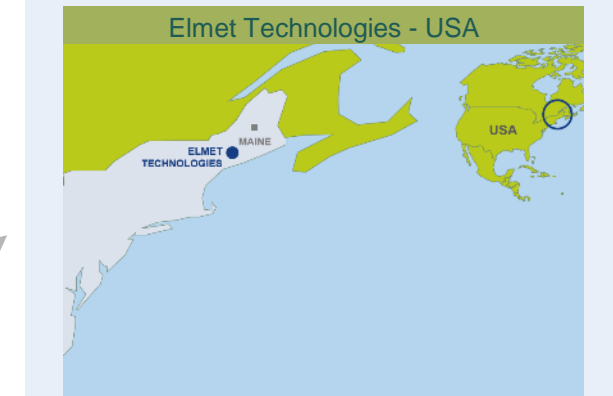
Government Grant for Ore Sorter Trials at Wolfram Camp . 15 Oct 2024 ([link](#))



Tungsten Concentrate to Commence for Elmet Technologies. 12 Nov 2024 ([link](#))



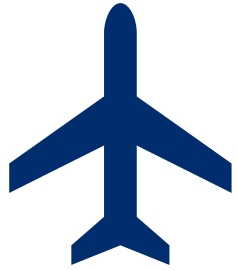
EQ Resources to Acquire 100% Interest in Producer of High-Quality Ferrotungsten. 18 Nov 2024 ([link](#))



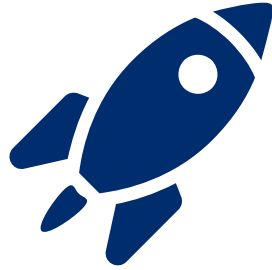
Strategic Collaboration Agreed with Elmet Technologies. 2 Sep 2024 ([link](#))

Tungsten Uses

Critical Alloy Element, Without Substitute in Most Applications



Aviation



Aerospace



Automotive



Heavy Machinery



Heavy Industry



Tools & Construction



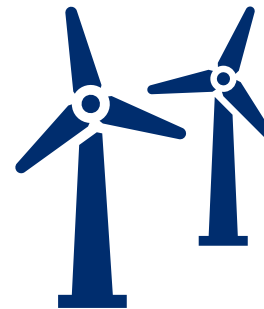
Medical



Military



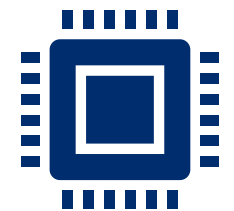
EV Battery Development



Green Energy



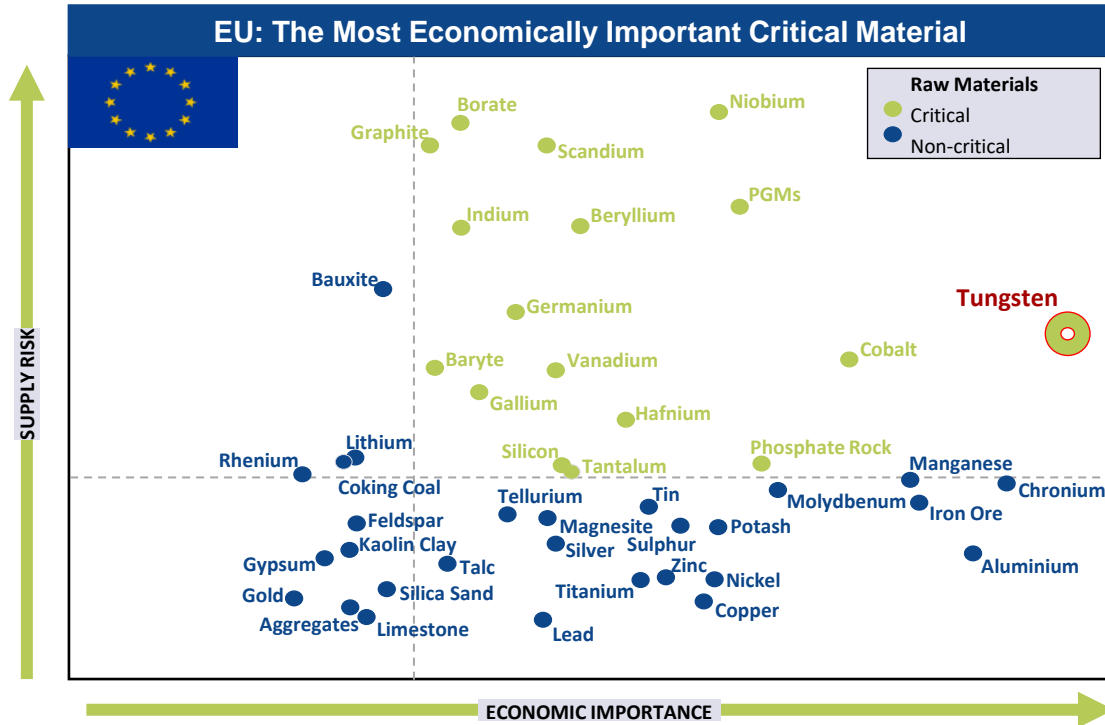
Science & Tech



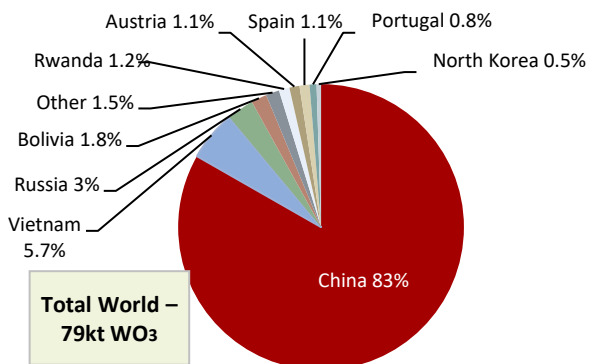
Micro Electronics

Tungsten - A Critical Metal

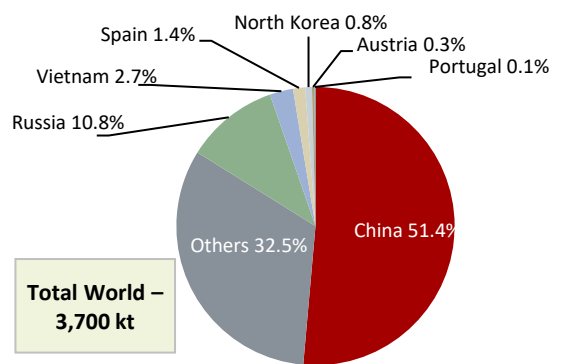
EQR Is Unhedged, Provides Spot Price Exposure To a Tight Market



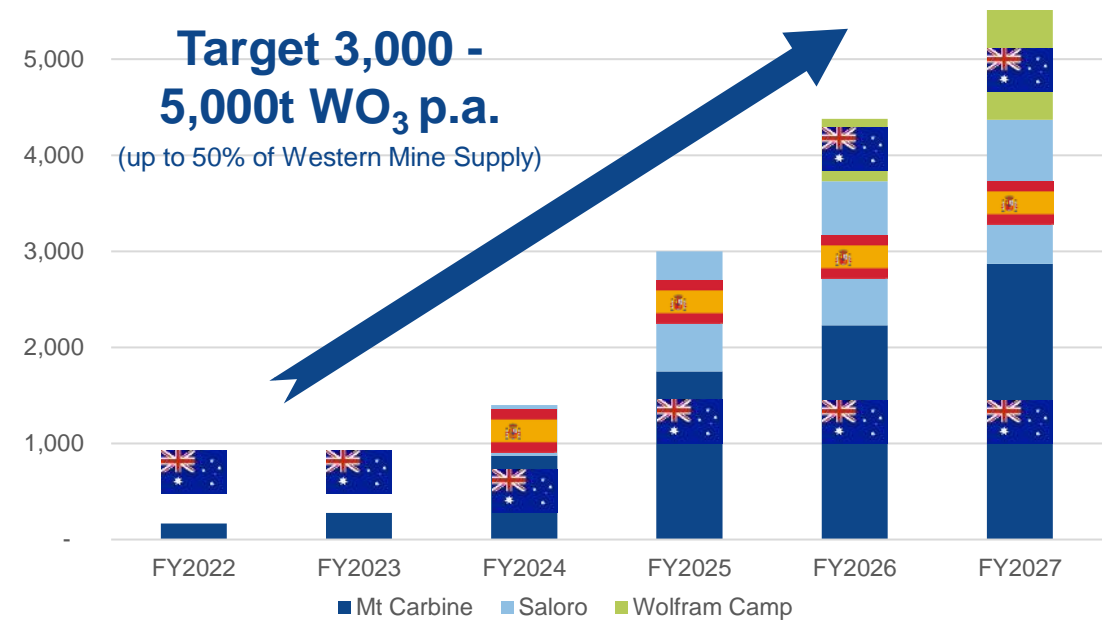
Tungsten Production by Country



Tungsten Reserves by Country



EQR Consolidated Group
tWO₃ Production Projections*



*FY 2022, FY 2023, FY 2024 Actuals + Onwards Projections. 100% Equivalent WO₃ t, Wet Weight

Tungsten APT 88.5% WO₃ min cif Rotterdam and Baltimore duty-free, \$/mtu WO₃
325.00 - 338.00 ▼ 3.50 (1.04%)

Ferro-tungsten basis 75% W, in-whs dup Rotterdam, \$/kg W
43.00 - 44.00 0.00 (0%)



Mt Carbine (Australia)

Mt Carbine Mine Is Australia's Leading Tungsten Mine and Is Consistently Exporting Concentrate to Global Consumers



Mt Carbine Open Pit
& Processing Plants



- Re-opened 2020; Life of Mine: 2030 Open Cut - 2032 on stockpiles
- Potential 7 years Underground Mining, Scoping Study
- 19 years Mining Permit
- Focus on quarterly production ramp up
- >150 staff and contractors
- A\$50 million expenditure in the development
- Proximity to international export channels underpins low-cost production
- 130km via sealed highway to Cairns International Airport

Saloro (Spain)

Europe's Largest Tungsten Mine, With Outstanding ESG Credentials, Additional Ramp-Potential and Regional Exploration Upside



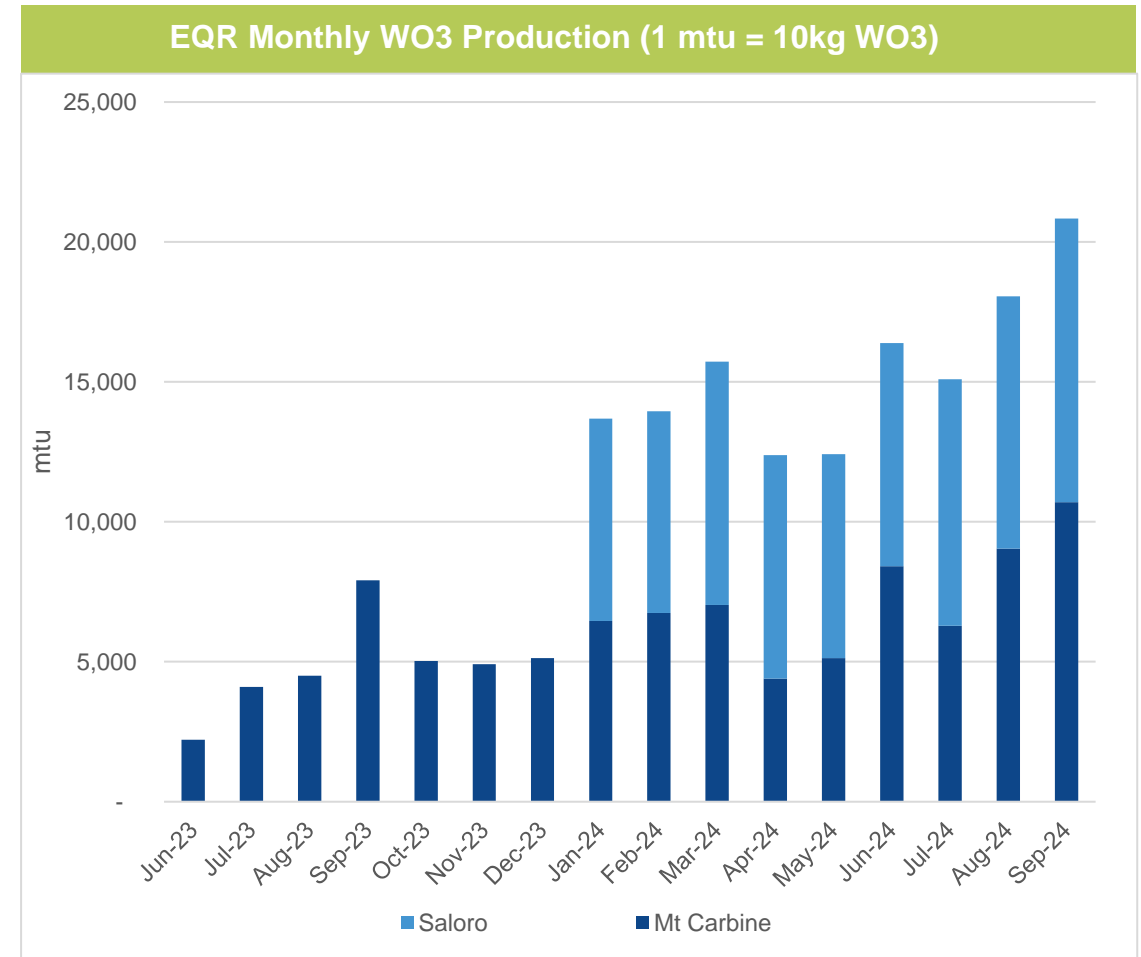
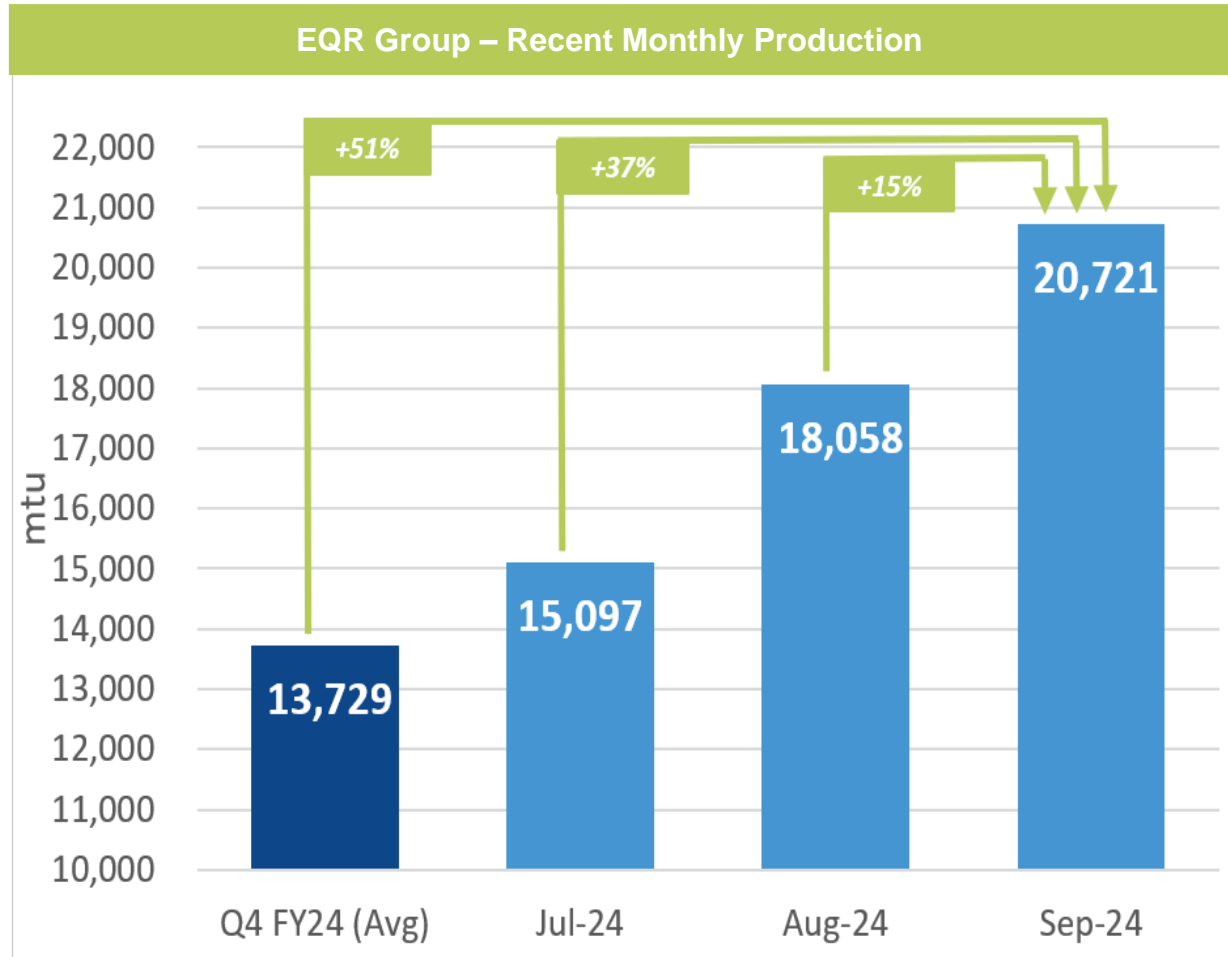
Barruecopardo
Open Pit

 Saloro



- Discovered 1900 - Closed 1982 - Re-opened 2019
- Acquired by EQ Resources in January 2024
- Minimum 7 years mine plan
- Mining lease until 2044
- Production 1,300 tonnes WO₃ /year and climbing
- 90 staff and 40 contractors
- A\$200 million capex investment in the operation prior to EQR Acquisition
- On the border with Portugal, proximity to international export channels

EQR Group WO₃ Production – Update Q3 CY2024



Production Output EQR Group (monthly average, in mtu)
*1mtu = 10kg WO₃

See ASX Announcement: [“Quarterly Tungsten Production at EQ Resources up 31%”](#) Dated 02 October 2024

Summary Deal Terms - TMG Acquisition



- **Acquisition Structure:** EQR has executed a binding Heads of Agreement (HoA) to acquire 100% of the shares in Tungsten Metals Group Limited, and subsidiaries, including Mr. George Chen's interest in Asia Tungsten Products Co Ltd, securing 100% ownership of the TMG Group.
 - TMG Group own and operate the largest ferrotungsten (FeW) plant outside of China, located in Vietnam, with a potential production capacity of 4,000tpa FeW.
- **Indicative Valuation:** A\$13.5M, inclusive of acquisition of TMG Group shares and liabilities, subject to conditions precedent and applicable adjustments at closing, per the terms of the HoA.
- **Consideration:**
 - **Equity:** ~170M new EQR shares issued to TMG shareholders
 - **Cash:** A\$2.5M funded via customer prepayments for FeW
- **Exclusivity Period:** Parties committed to exclusivity until 20 December 2024.
- **Conditions Precedent:**
 - Completion of due diligence
 - Signing of definitive agreements
 - Regulatory and shareholder approvals
 - Standard transactional conditions
- **Expected Completion:** Targeted for H1 2025, pending fulfilment of conditions.
- **Escrow Arrangements:** Related parties receiving EQR shares will face a 12-month voluntary escrow, ensuring long-term alignment.



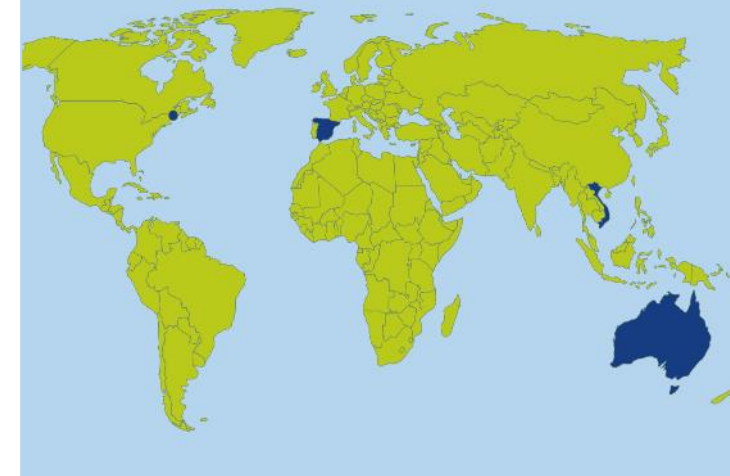
EQ Resources to Acquire 100% Interest in Producer of High-Quality Ferrotungsten. 18 Nov 2024 ([link](#))

TMG Acquisition - Strategic Rationale



- **Raw Materials Supply:** The Vietnam facility is the largest tungsten smelter outside China. Prior success of the operations was limited by a lack of quality raw materials to produce FeW at scale. EQR resolves this by providing a stable supply chain from its tungsten operations in Australia and Spain.
- **Vertical integration** of EQR's upstream operations aligns with EQR's corporate strategy to leverage its existing substantial resource base and production output along the tungsten supply chain.
- **Leadership position gained**, with largest FeW plant (by capacity) outside of China.
- **Capture higher margins** from conversion of tungsten concentrate to value-added FeW product, achieving approx. 20% value addition to concentrate and accessing higher margin markets where FeW has outperformed APT prices.
- **Diversification and de-risking:** EQR will 100% own and operate tungsten operations on three continents with access to a global customer base. Tungsten concentrate shifted to FeW production, may have positive benefits for the APT price segment, which is the price basis for EQR's concentrates.
- **Policy shift by Western Governments:**
 - Strategic / Critical Minerals classification (funding opportunities)
 - Sanctions / Tariffs / Incentivise decoupling
- **Strengthening ties between Vietnam and Australia** (recently entered into a Comprehensive Strategic Partnership) and solid growth outlook for Vietnam's overall economy.

TMG acquisition expands EQR's footprint to three continents - Australia, Spain, and Vietnam - strengthening its position as a leading Western tungsten producer.



FeW Production & Applications



TMG Ferrotungsten Plant



Arc furnace



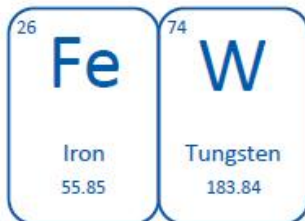
Metal extraction machine



Crushers



Properties of FeW



- 1 Increases the melting point of Alloys
- 2 Increases the hardness of alloys without increasing breakability
- 3 Increases the electrical conductivity of alloys



High speed steels



Tool steels



Structural steels



Defence steels



Super alloys



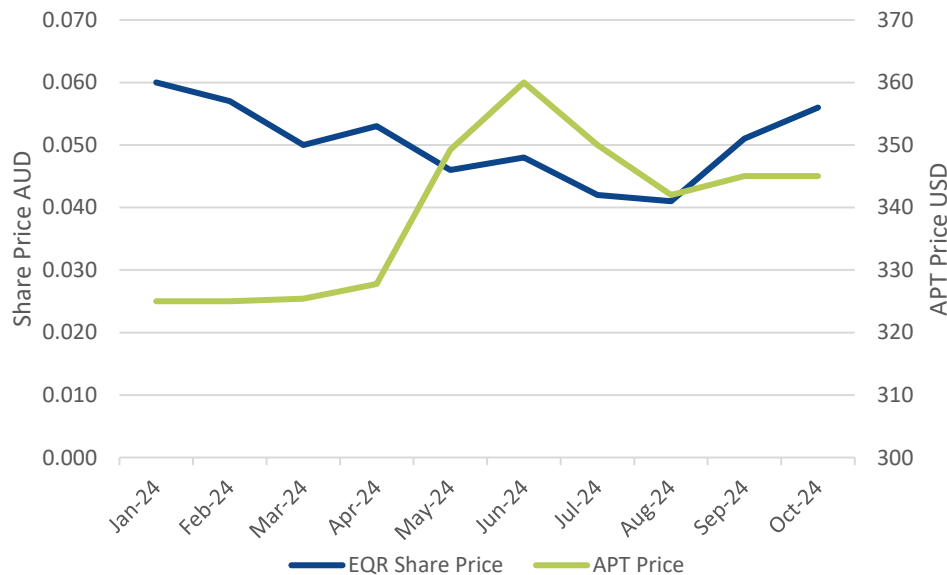
Others



Corporate Update



Key Statistics	
Share Price	A\$0.053 per share
Securities on Issue	Shares 2.24B / Options 205m
Market Capitalisation	~A\$120 million
Top 20 Shareholders	>60% (9% Board/Management)



* Source: FastMarkets APT Price Rotterdam (US\$/mtu, mtu = 10kg WO₃)

Operations Update

- **Spain:** October record production with recovery rates up to 65-70% (previously 38%). Focus on increasing throughput rates with sorter's performing well.
- **Mt Carbine:** Accelerated stripping underway to access High Grade ore in lloanthe vein package.
- **Group target:** Maintain Q4CY production levels similar to Q3CY.

Funding & Market Outlook

- Strong customer demand for EQR products.
- Geopolitical concerns on future sources for tungsten and other rare earth materials by western countries increasing.
- TMG deal generating significant industry interest with customer offtake and potential funding offers being collected.

Focus: Building momentum in operations, funding and strategic partnerships.

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