



RESOURCES

*resourcing the new economy
for a better tomorrow*



EQ RESOURCES LIMITED

Mt Carbine – Near Term Producer

March 30th, 2022

ASX : EQR



Disclaimer



Competent Person's Statement

- The information in this presentation partly relates to the outcomes of the Mt Carbine Bankable Feasibility Study, made available through the Company's website www.eqresources.com.au/.
- The Company confirms that it is not aware of any new information that materially affects the information included in the corresponding market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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Corporate Snapshot



Value Proposition

- Australia's only primary producer of tungsten
- High-grade resource (expandable)
- Multiple revenue streams
- Low-cost expansion
- Experienced Board & Leadership Team

Board & Leadership Team

Oliver Kleinhempel	German	Non-executive Chairman
Stephen Layton	Australian	Non-executive Director
Zhui Pei Yeo	Singaporean	Non-executive Director
Richard Morrow	Australian	Non-executive Director
Kevin MacNeill	Canadian	Chief Executive Officer
Tony Bainbridge	Australian	Chief Geologist

Share Price	A\$ 0.055
Issued Shares	1,344m
Market Capitalization	A\$ 73,9m
Shareholding: - Top 20 holders	59.6%



Why EQ Resources

- 1** Australia's only primary producer of tungsten, a critical mineral
- 2** Strong Economics of Open Pit & LGS (BFS scope) – \$131M NPV₈ with 154% IRR
- 3** Genuine ESG vision and commitment

- 4** BFS only focusses on the open pit only 14.4% of the resources (excl LGS)
- 5** Scoping study for UG set for Q1 2022, expected to confirm technical & economic viability
- 6** Potential to expand Open Pit with further drilling to be completed ahead of mining

Highlights of Last 12-Months



- ✓ Drilling under the pit (defined a high-grade resource), setting the scene for Bankable Feasibility Study (BFS) work
- ✓ Completed BFS for Mt Carbine Open Pit & Low Grade Stockpile Project
- ✓ Early Works initiated – purchase & installation of equipment
- ✓ Completed grant funded METS Ignited XRT project in collaboration with valuable partners
- ✓ Upgraded and stabilized gravity plant production (improving recoveries and feed grade), moving towards 24/7 operations
- ✓ Completed additional drill program (Q1/22) targeting potential open pit extension
- ✓ Initiated Underground Scoping Study
- ✓ Received environmental permitting for mining & processing 1Mtpa
- ✓ Completed large quarry contract, promotion with overseas customers

Priorities of Coming 12-Months



- Early Works install completed (April) and increase production up to 90tpm tungsten concentrate
- Financial Close for Phase 2 Expansion (BFS scope) (Sandvik crushing & screening)
- Interpretation of recent drilling targetting increase open pit optimization tonnage
- Continue drilling Mt Carbine exploration targets (Iron Duke)
- Open & assess historic decline
- Amendment to environmental licence to start mining open pit (Submission June)
- Further enhancing HSE standard at site, extending training program for employees
- Further promote "green aggregate" products to reduce environmental footprint of regional construction sector

Stakeholder ESG Sentiments

ESG Organisational Performance

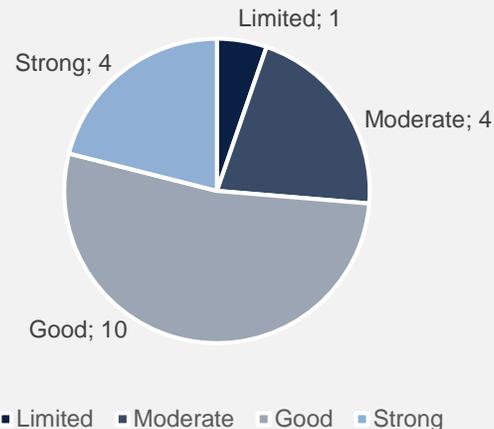
Stakeholders were asked to rate whether the organisation was perceived to be leading or lagging across each of the 12 ESG themes. They were asked to do this for current state, as well as for where they felt the Organisation should be positioned / aiming to be.

This information has been overlayed with the top 3 themes considered to be most material across the stakeholder groups.



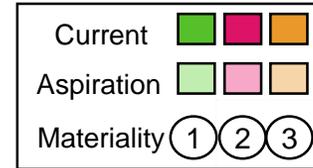
Organisational Performance Scale

Lagging - Organisation is not investing in this category. Meets compliance obligation but nothing additional.
Leading - Substantial investment in this category. Significantly advanced compared to industry average



Respondent Understanding of ESG

When rating their own understanding of ESG, most stakeholders felt they had moderate to strong knowledge of what ESG is.





Mt Carbine Open-cut & Modernisation Project (BFS)

100%-owned by EQ Resources

Mt Carbine Open-cut & Modernisation Project Overview



Located 130 km north of the city of Cairns in Far North Queensland, Australia

Situated within the Far North Queensland critical mineral province

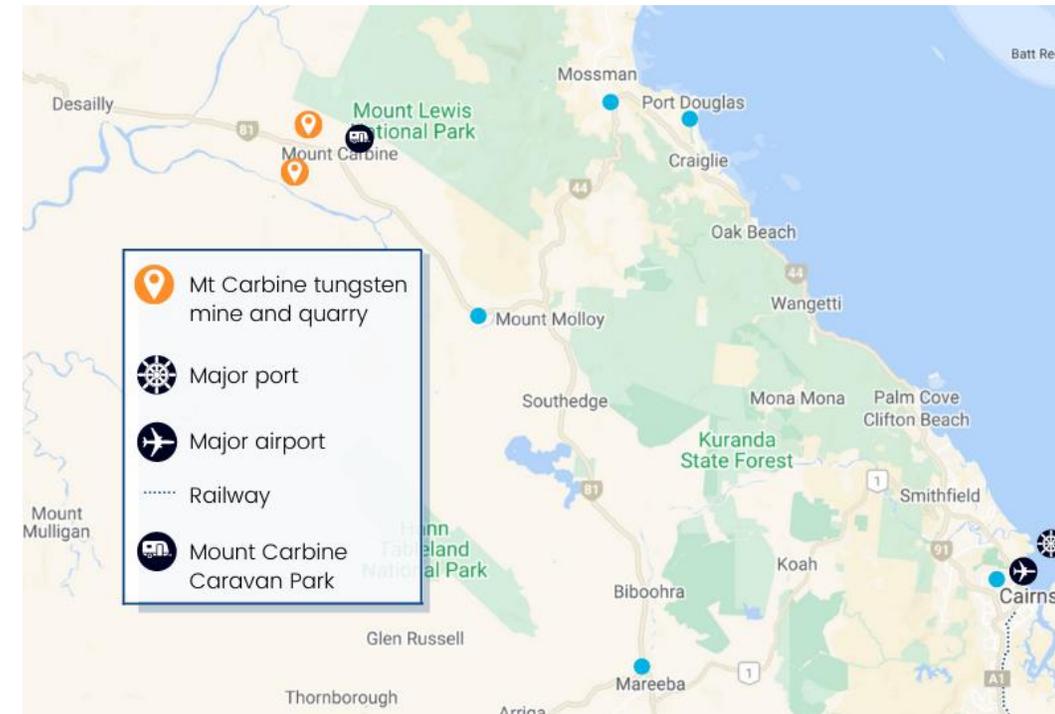
Operating tungsten mine and rock quarry resulting in no mine waste

Established mine-to-ship logistics chain to ensure the project remains scalable and reliable over its multi-decade life

Binding off-take agreement in place for tungsten product

Industry-leading BFS completed and currently advancing through final stages of permitting & project funding

Project Location Map



BFS Highlights

2,200tpa

Avg Tungsten production
To bring in line with large-scale tungsten producers

A\$155/mtu

Total cash cost (CIF)
Projected to be in the lowest cost quartile

12 years

Initial mine life
LGS & Open-cut project with industry-low cash costs

A\$430/mtu

Long-term price forecast
High product quality and strong critical mineral demand growth

A\$131m

Pre-tax NPV_{8, real}
Project value exceeds EQR's current market capitalisation

154%

Post-tax IRR
Outstanding returns for a low risk development asset

A\$21m

Capital cost
Low capital intensity to provide rapid payback period of 2.2 years

49%

EBITDA margin
Substantial cash margins to support sustainable growth

Refer to the ASX Release on 13 December 2021 for full Bankable Feasibility Study details.

Pre-tax Cashflow Generation – UG Potential

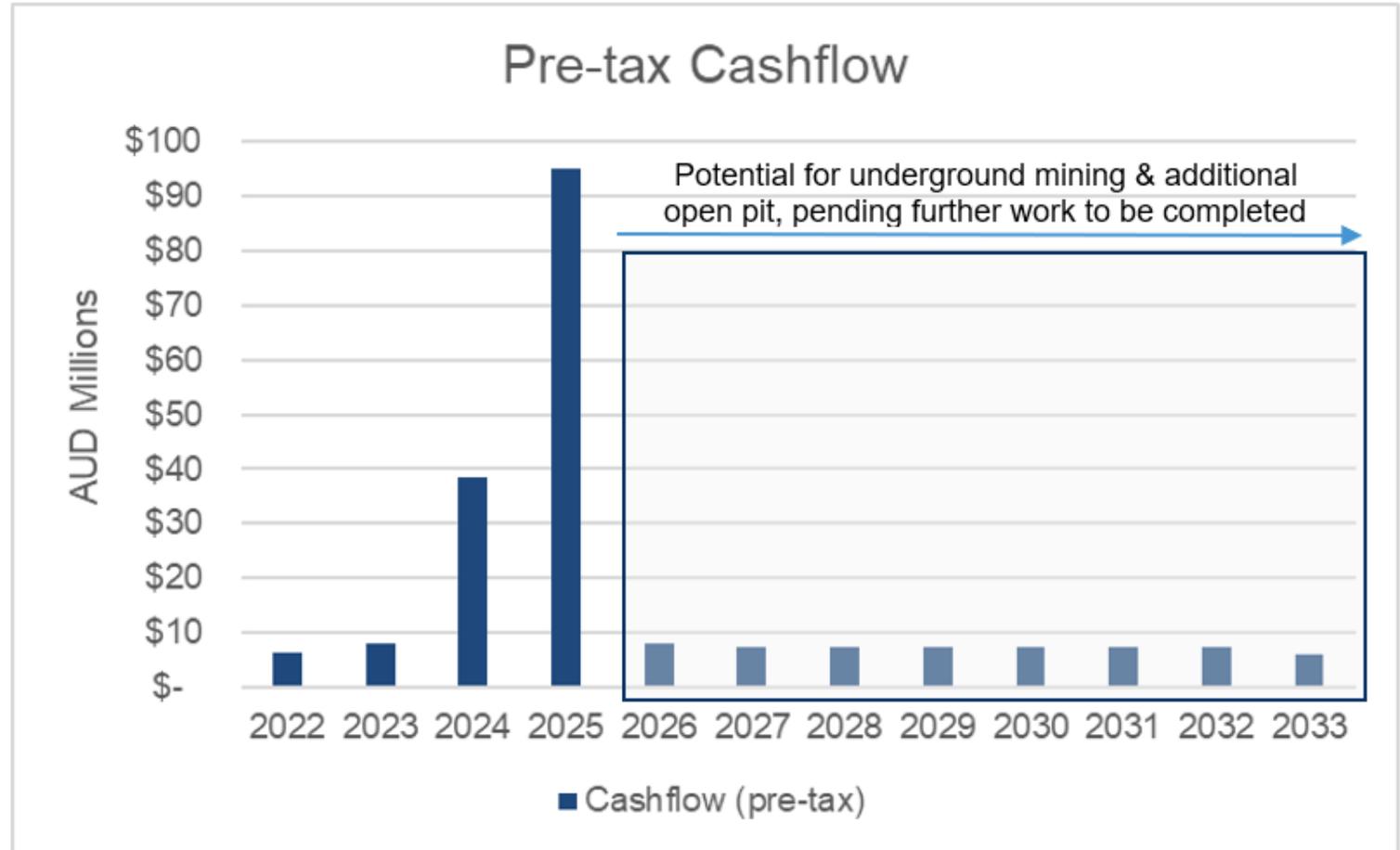


Open Pit currently defined is **+/-15% of resource**

Significant **underground potential** exists to drive economics for several more years

Scoping Study to be completed on UG resource potential to gain better understanding of economics and viability over and above interal work completed to date

Site infrastructure supports UG mining operation and capacities



Compelling Economics

BFS¹ confirms high margins, low capital intensity & operating cost and speed to market

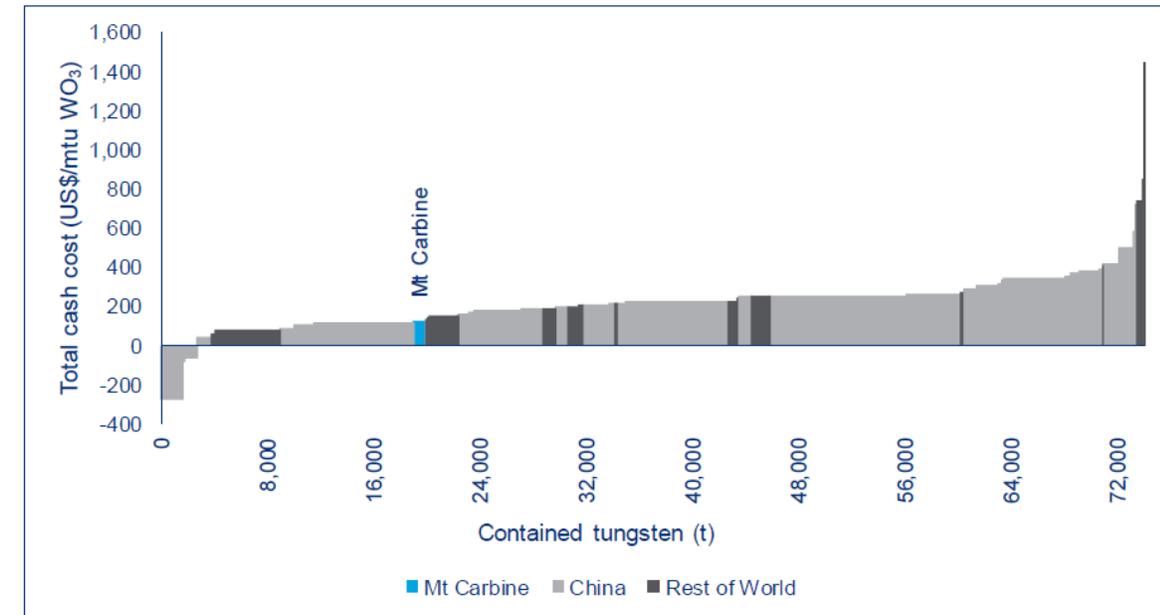


Summary of BFS Results

Parameter	Unit	BFS
Production Rate (LoM Avg)	mtu	2,200
Life of Mine	years	12
Total Cash Cost (FCA)	A\$/mtu	159
Capital Cost	A\$m	21
Pre-tax NPV _{8, real}	A\$m	131
NPV / Capex Ratio	x	5.2
Post-tax IRR	%	154%
EBITDA Margin (LoM)	%	49
Payback Period	years	2.25

1) Refer to the ASX Release on 13 December 2021 for full Bankable Feasibility Study details.

Global tungsten Cash Cost Curve (US\$/mtu)



Source: Wood Mackenzie, Mt Carbine costs provided by EQ Resources

Notes:

- The BFS has been prepared to a -20% to +20% level of accuracy. The production target and financial information in this table must be read in conjunction with the cautionary statement in this ASX Release.
- AUD:USD exchange rate of 0.73 has been used for currency conversions.

Phased Project Development Plan

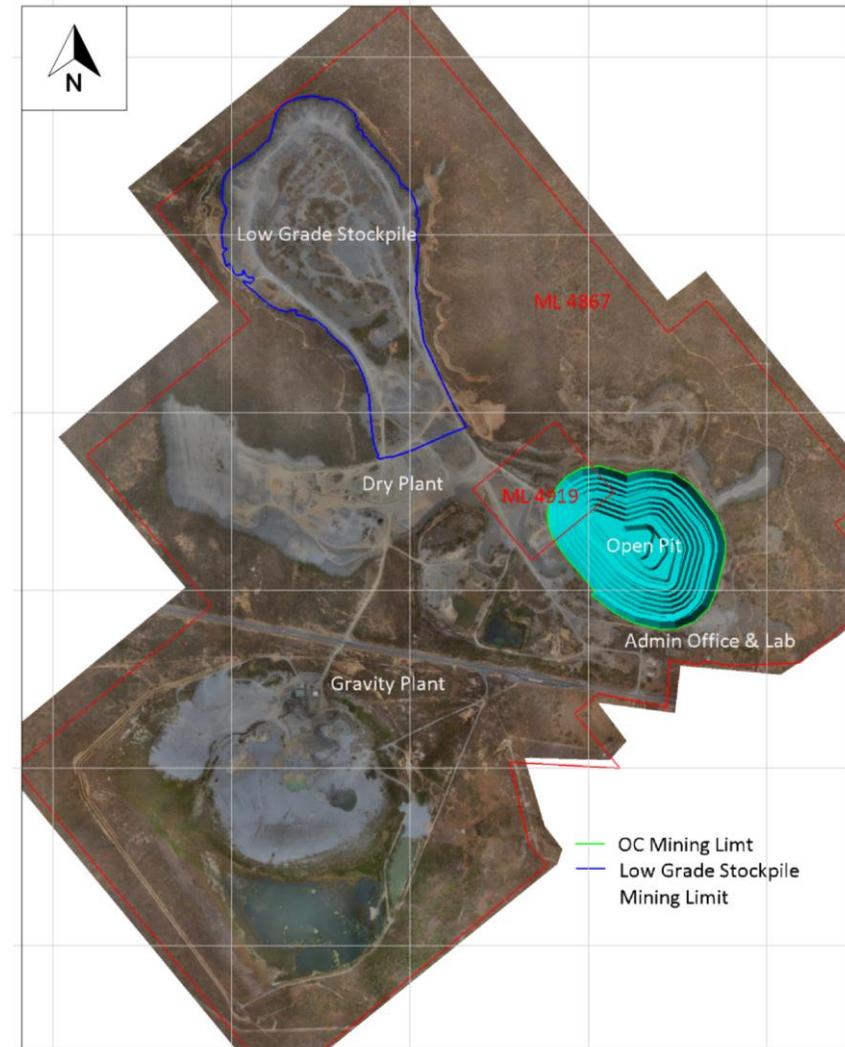
Development plan includes integration of open-cut and processing facility modernisation

Phase 1 focuses on minimal capital expenditure, incremental improvements to increase the mine's productivity and profitability focusing solely on the mining and processing of the Low Grade Stockpile

Phase 2 focuses on the commencement of open pit mining; The crushing and screening plant and processing plant will be upgraded to further reduce operating costs and improve the tungsten recovery from the open pit high grade ore

Phase 3 (focus of future study) shall investigate commencement of underground mining activities at Mt Carbine to allow the continuation of mining once the open pit resource is exhausted

Simplified location plan for the Project





Mt Carbine Geology & Mining Plan

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Geology and Resources



- Measured Group prepared the Independent Resource Statement released on 23 September 2021
- **BFS open pit shell design to include ~14.4% of the known resources**
- Detailed Drilling allowed high grade zones to be linked

Classification	Tonnes (million)	Grade (% WO ₃)	WO ₃ (mtu)
Low Grade Stockpile			
Indicated	12.00	0.075	900,000
In-Situ Hard Rock Resources			
Indicated	2.40	0.74	1,776,000
Inferred	6.81	0.59	4,017,900
Sub-Total	9.21	0.63	5,793,900
Total Mt Carbine Mineral Resource			
	21.21		6,693,900

1. Total estimates are rounded to reflect confidence and resource categorisation.
2. 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)
3. No upper cut was applied to individual assays for this resource, a lower cut of 0.25% WO₃ was applied

Completed

Stage 1 – Define Resources for Open Cut Mine

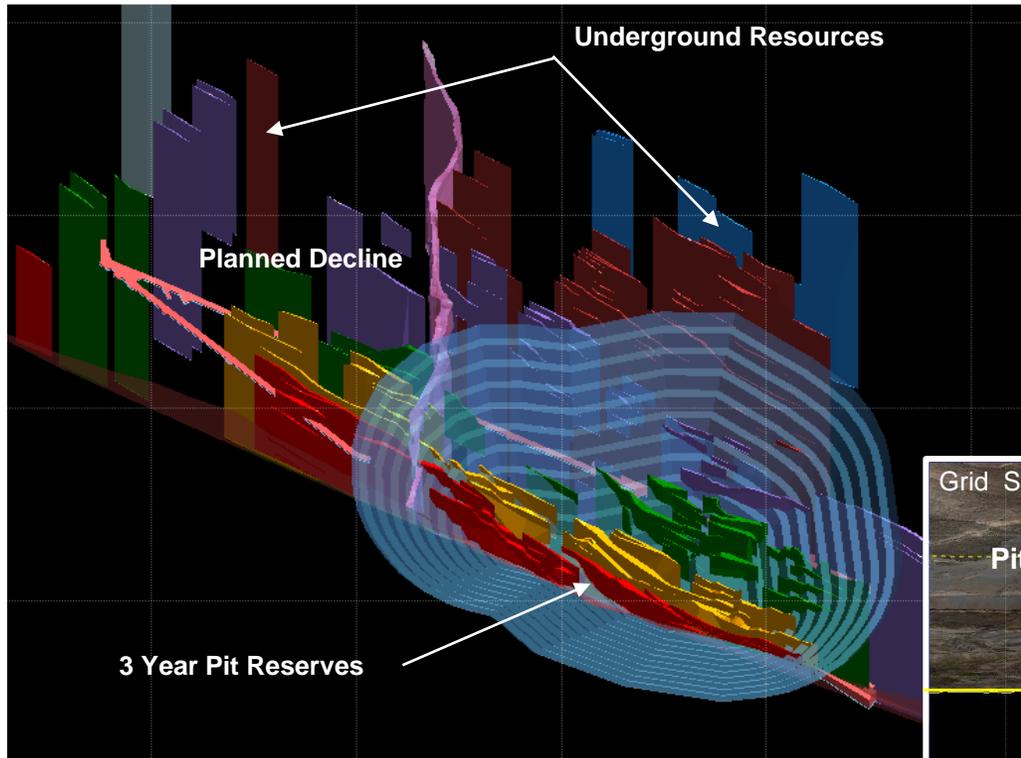
- Detailed Drilling allowed high grade zones to be linked, around the Andy White pit
- Independent Resource Statement released on 23 September 2021
- **First open pit design to include 14.4% of the known resources**

2022 Workplan

Stage 2 – Drill & Expand

- ✓ Drill out further shallow open cut resources
- **Convert 6Mt @0.59%WO₃ Inferred to Indicated**; So far conversion has increased tonnes & grade
- **Drill Exploration Targets - Dazzler & Daisy**

Geology and Resources



Phase 1 and 2 (under Bankable Feasibility Study)

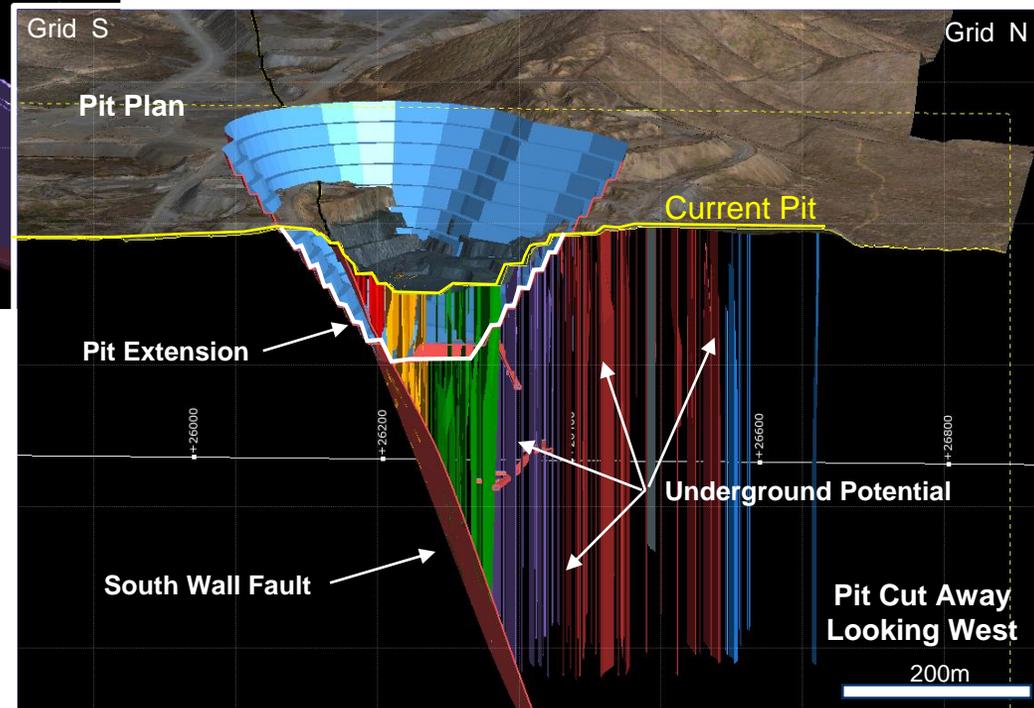
- Low grade stockpile – 10.1Mt@0.075%
- Preferred Pit - 15Mt Pit Extension contains 1.1Mt@0.83%WO₃
- 14.4% of known in-situ resources

Phase 3 (planned Scoping Study)

- Long Life Underground Mine
- 85.6% of known resources

Perspective View showing

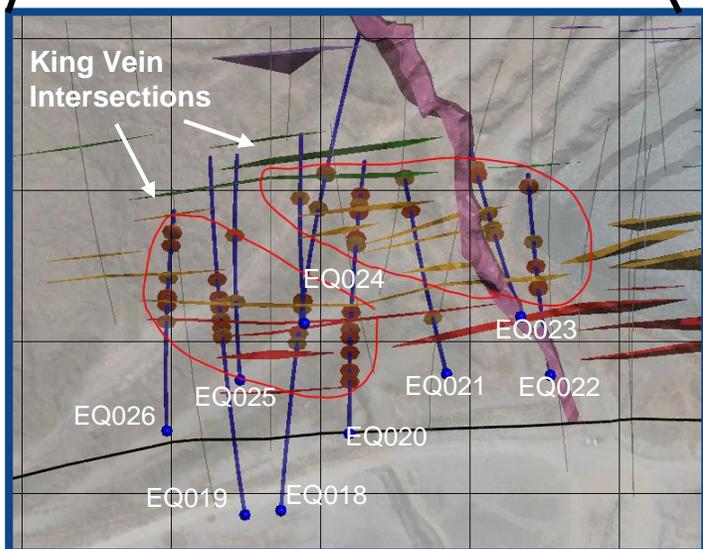
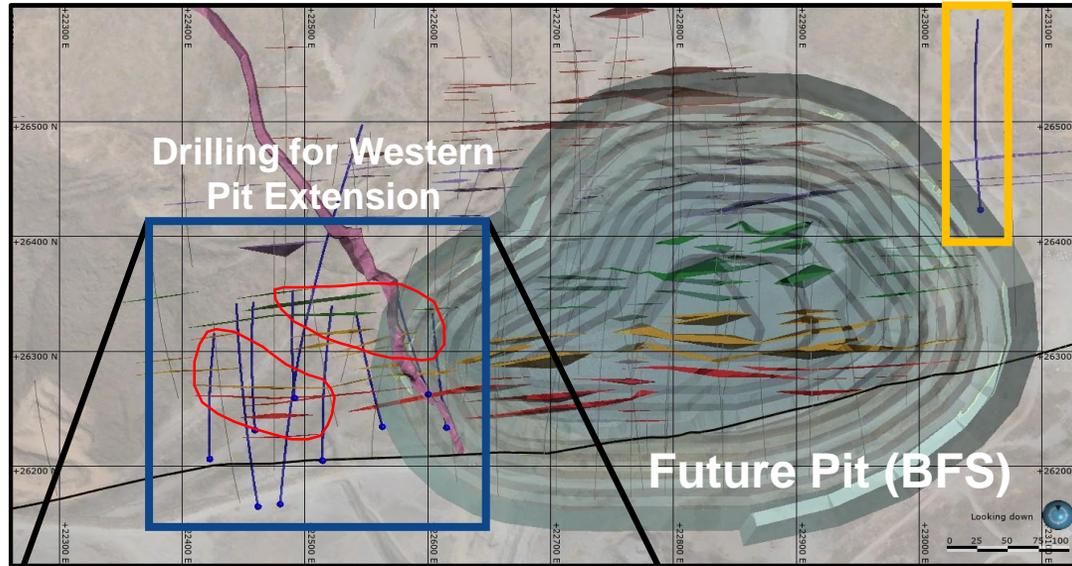
- Planned Open Cut Extension
- Color Coded Ore Zones in the pit
- Highlights additional resources outside planned pit, a lot of this ore will be accessed from existing decline



Cut-Away Section thru the Planned Pit shows

- Existing & new pit extension
- Bounding South Wall Fault
- Ore is open to the West & North and to Depth
- Pit extends on low side not touching the high wall

Q1/22 - Open Pit Confirmation Drilling



Insert showing visual tungsten Intersections marked as 'Brown Disks' and grouped in two lodes (red circles)

Example of scheelite mineralization overprinting wolframite (on left); Intergrowth of wolframite and chalcopyrite in broad mineralized zone (EQ026, 93.2m; on right)



Phase 1 & 2 Mine Plan

Mine plan is designed extract ore from the open-cut pit extension and low grade ore stockpile



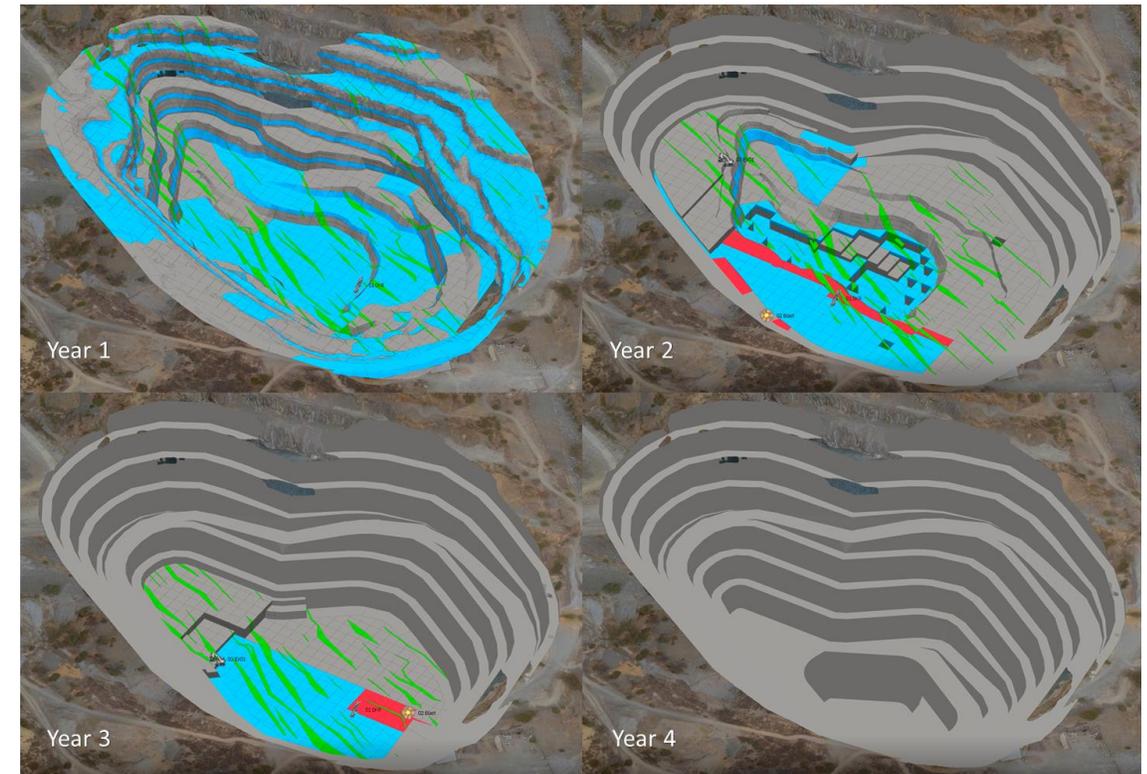
BFS mine plan is designed to deliver a **constant feed of 1Mtpa of ore to the ROM for a 12 year mine life**

Mine plan is supported by the Ore Resource of 21.2Mt (to be extracted from Measured and Indicated Mineral Resources)



Low grade ore stockpile

Open-cut pit extension stage plans



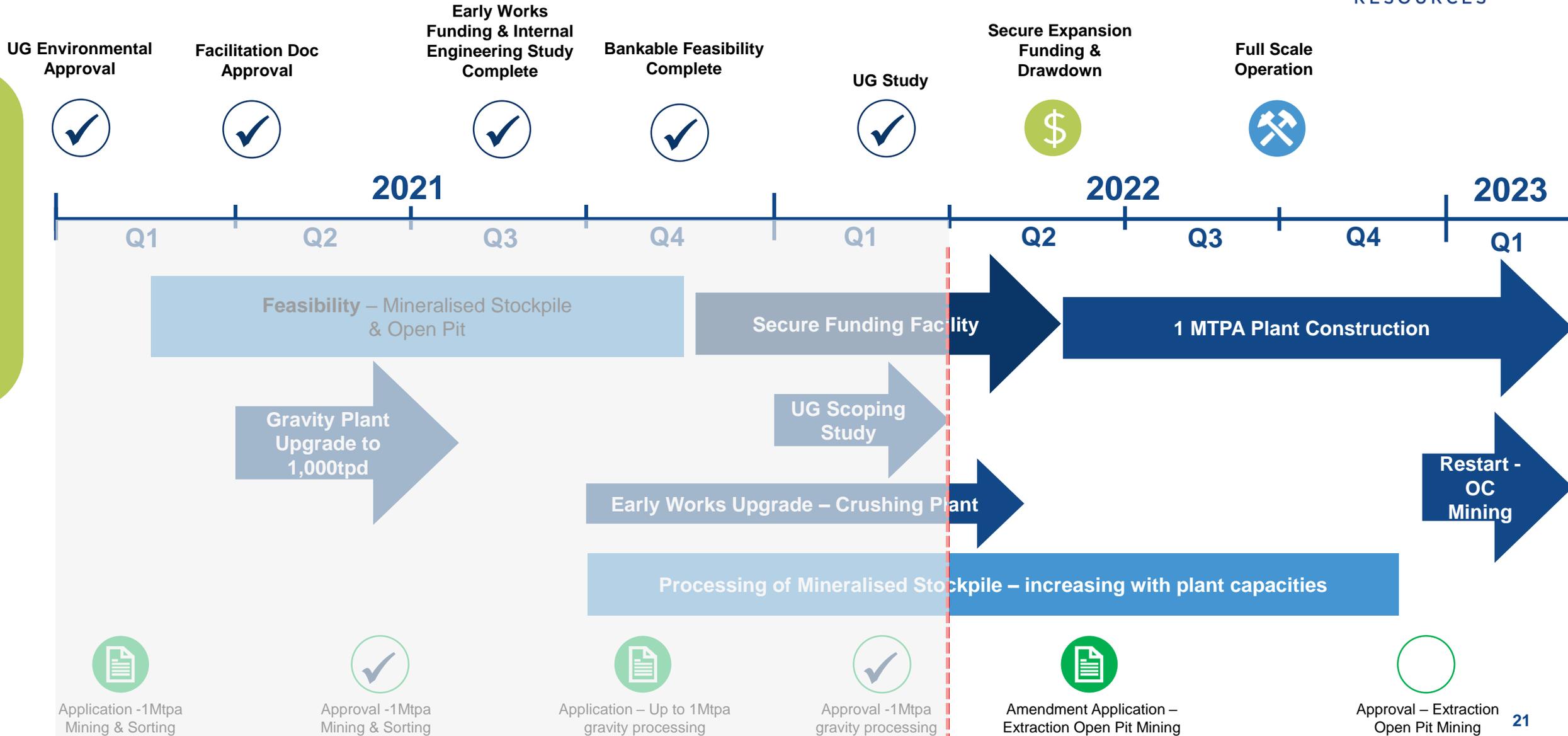


Mt Carbine Production Expansion & Development Plan

100%-owned by EQ Resources

Development Timeline

Phased approach for early cash flow



Current Operation

Mt Carbine is currently operating and is well serviced with existing on-site infrastructure

The site infrastructure strategy for the project is to utilise as much as possible the **existing site infrastructure** and only construct new infrastructure if required to support new or upgraded facilities

As the overall changes to the footprint and capacity of the mining and associated crushing, screening, XRT sorting and processing **infrastructure is minimal**

Non-process site infrastructure will include high voltage power supply and reticulation upgrades, workshop and warehouse upgrades and existing site offices will be refurbished to improve general amenities

Existing Infrastructure



Phase 1 & 2 Processing

Processing improvements identified through operational performance analysis

Existing **dry and wet processing** facilities **currently in operations**

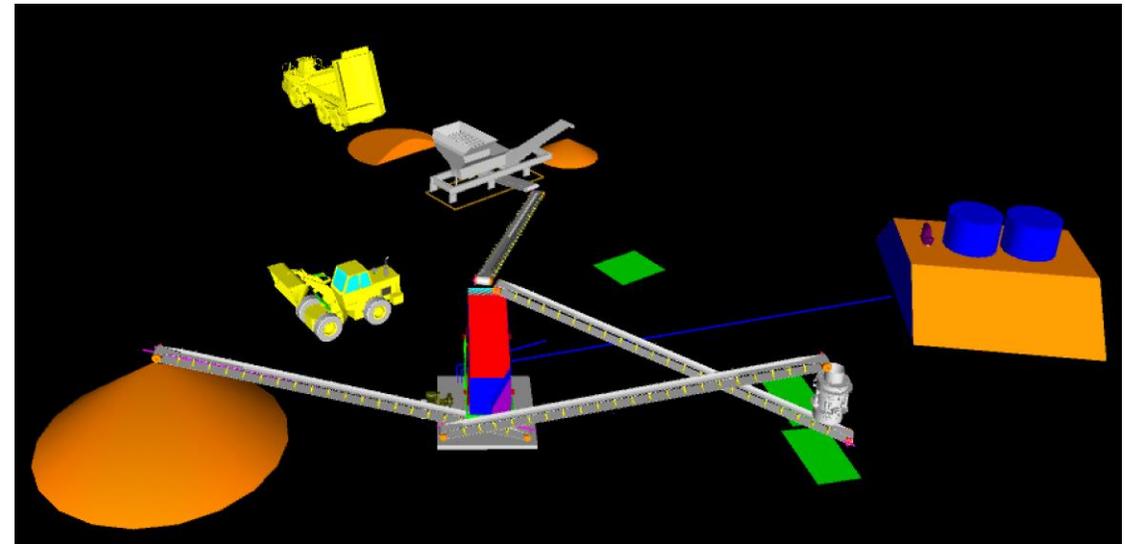
Processing facilities are designed for **steady-state production of 1Mtpa**

Production to reach steady-state within the **first 2 months of operations**

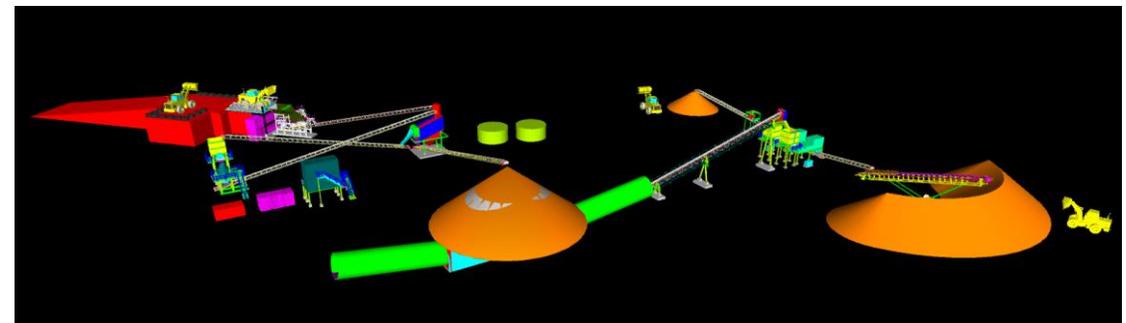
Production process has an estimated **overall Tungsten recovery of 79.5%**, including for both the crushing/screening/sorting and wet concentrator plant

The tungsten concentrate produced at site is loaded into bulk bags, sealed and **sold ex-gate** at Mt Carbine

Phase 1 Crushing and Screening Circuit

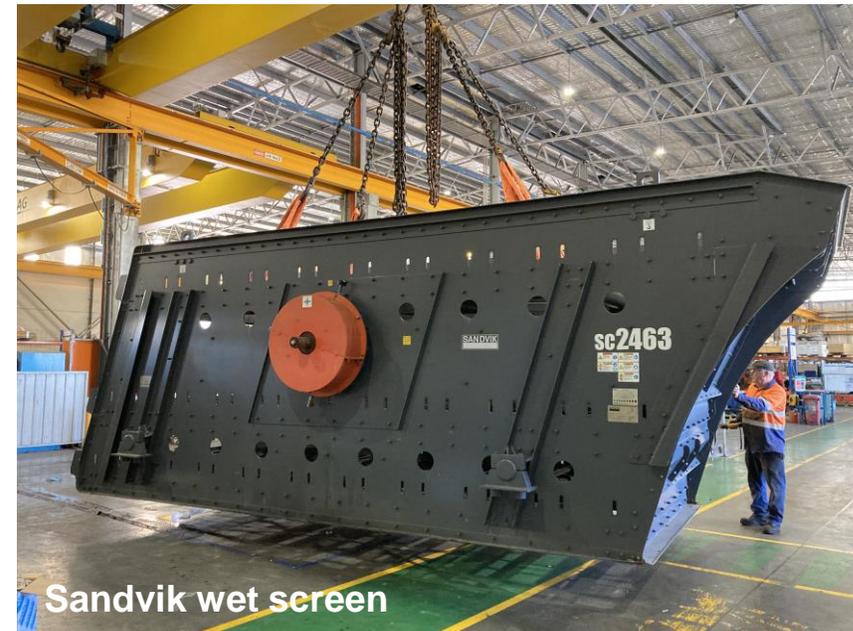


Phase 2 Crushing and Screening and Sorting Circuit



'Early Works' Implementation

- Upgrade of power supply line and new substation
- Wet screening circuit at primary crushing station
- Installation of pipeline from new screen to Gravity Processing plant
- Staffing up and training programs

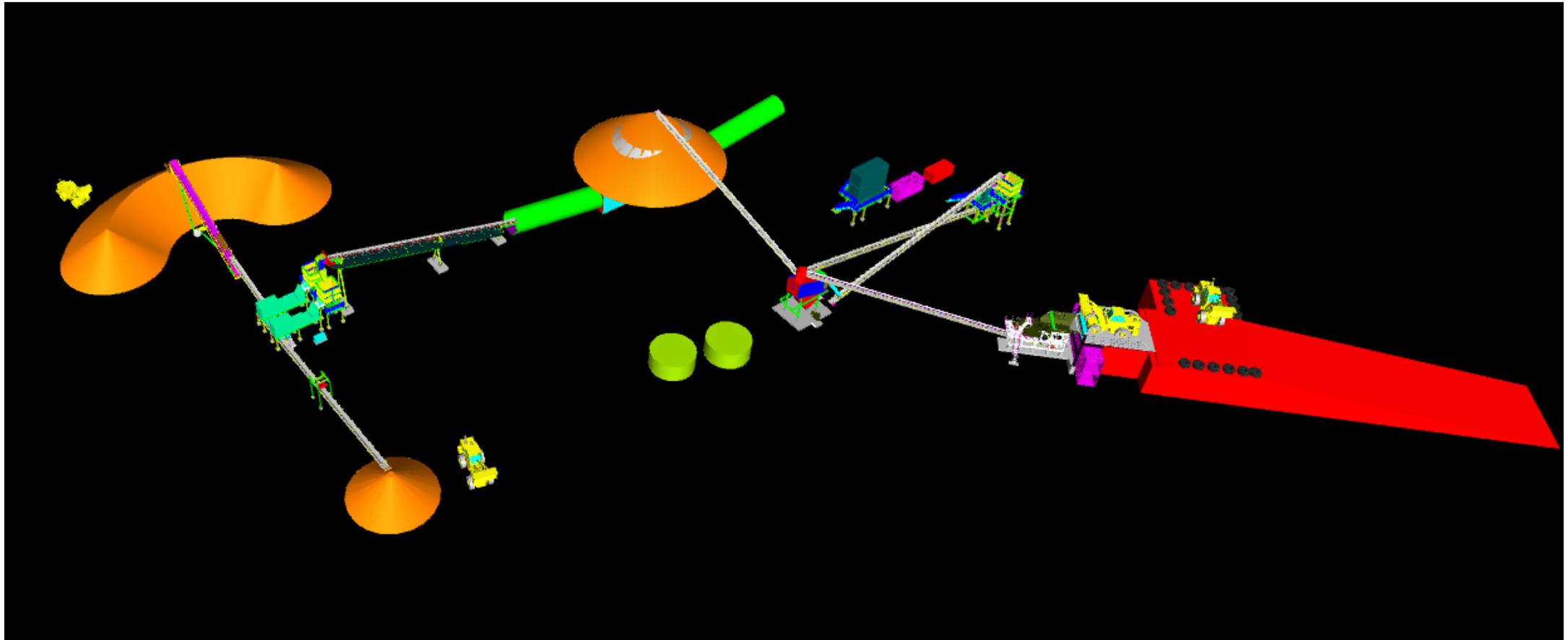


'Early Works' Implementation

- Fabrication of new conveying systems to cope with higher throughput
- Addition of 2nd Tomra XRT Sorter
- Installation of VSI for tertiary crushing of Sorter Concentrate

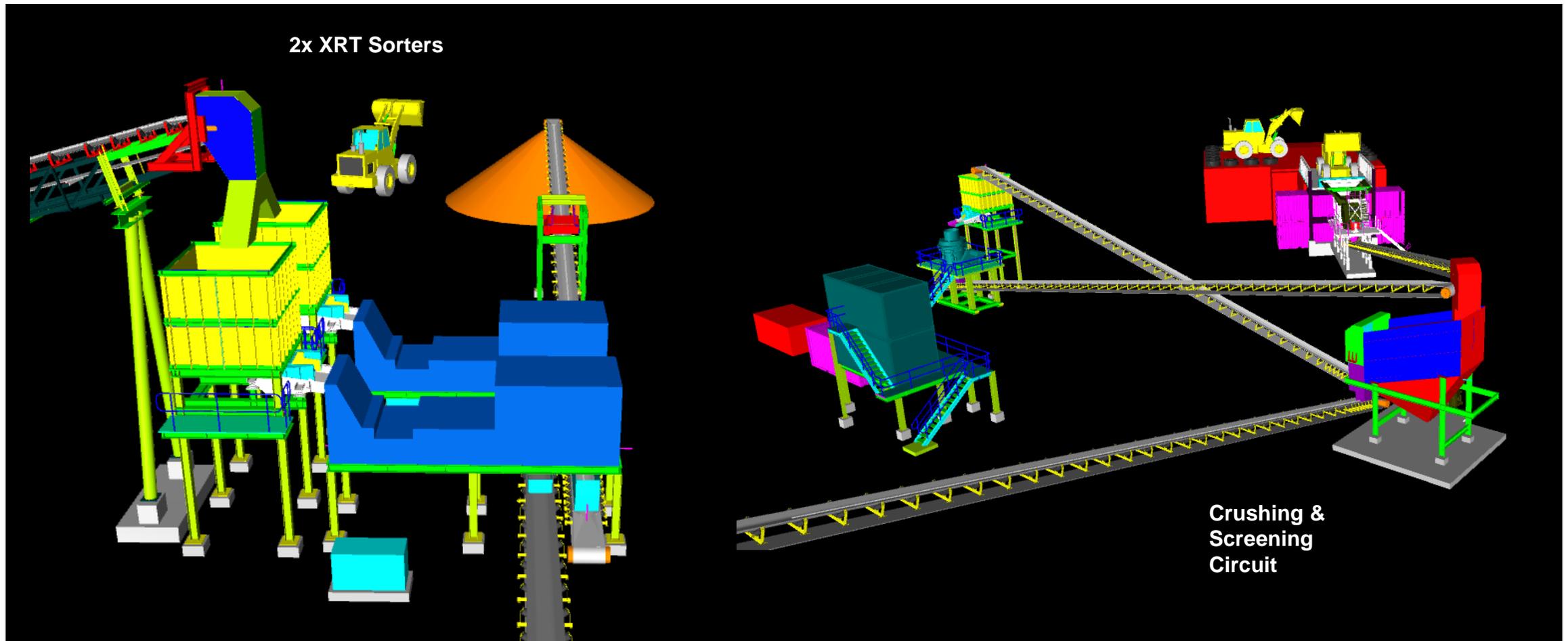


Crushing & Screening Phase 2

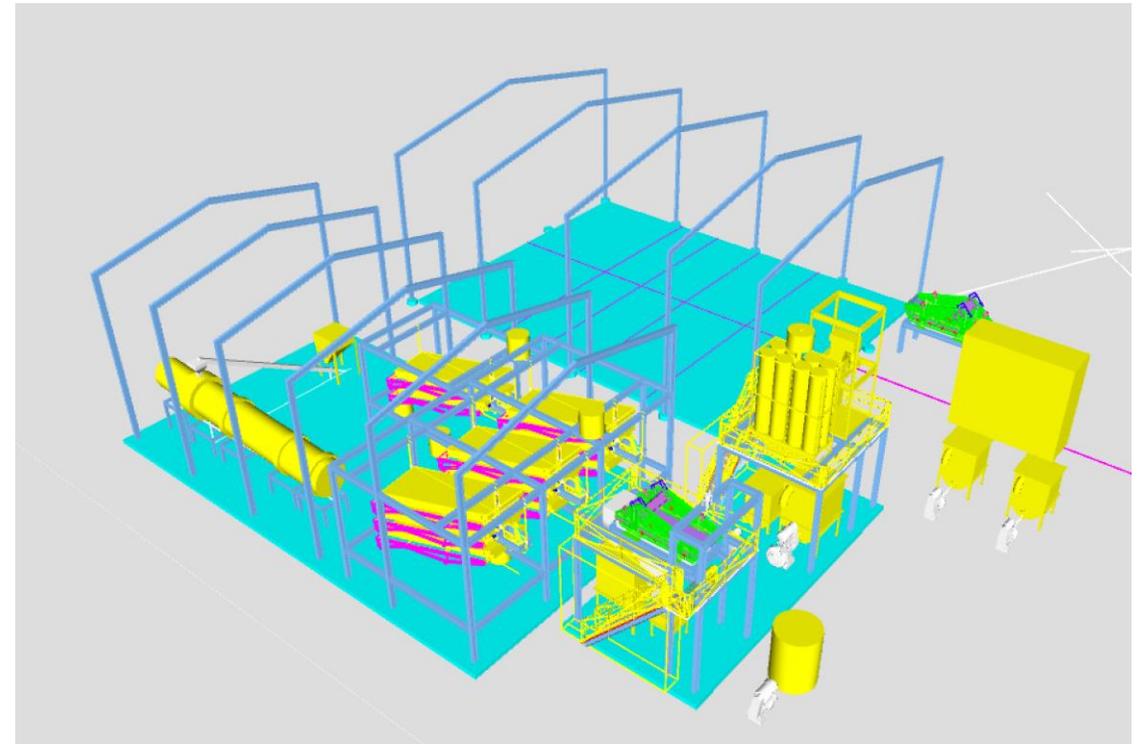
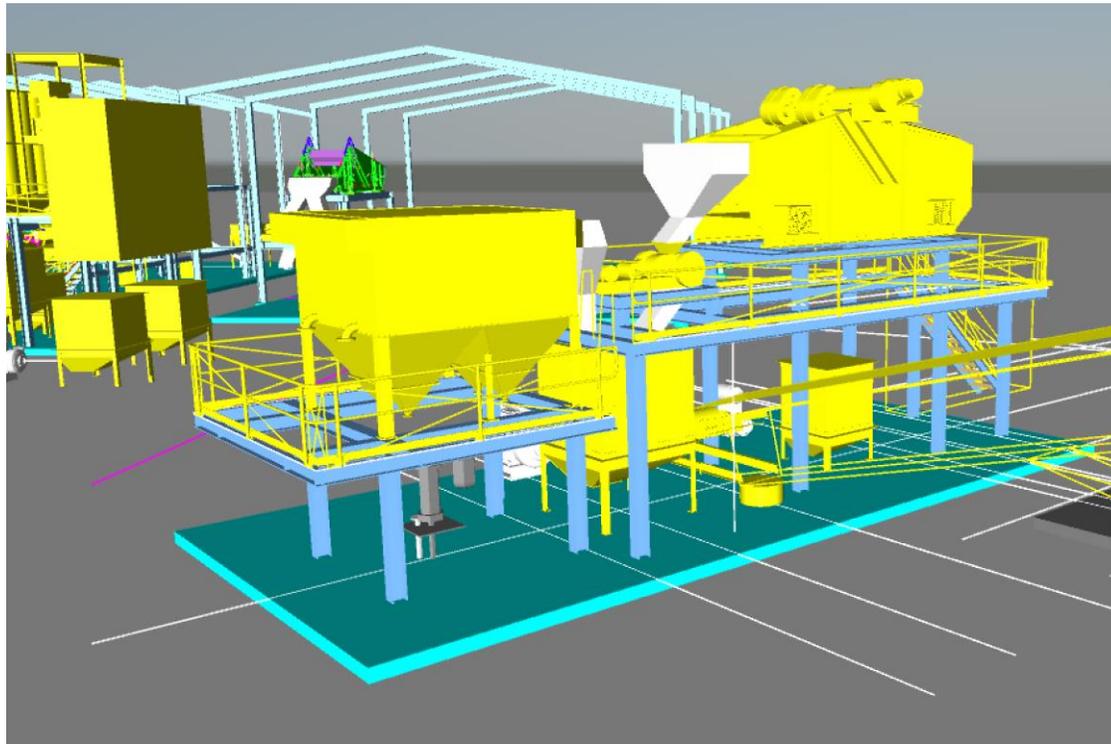


Phase 2 – Expanded Crushing & XRT Sorting Circuit

- In line with 1MTPA extraction permit
- Allowing for combined feed material from stockpile and open pit



Gravity Plant Phase 2



Strategic, Social and Economic Benefits

A critical minerals project of national significance



Embracing the concept of the **Circular Economy**, using **innovation** to identify suitable ore for treatment and the use of 'by-products' to supply road base and aggregate materials to build local roads and construction projects

Partnership with local **indigenous community and ongoing engagement**

The project will make an important contribution through **employment, economic infrastructure and \$425m in export revenue**

The project will employ approximately **70 direct full-time employees** and create significantly more jobs through the regional supply chain and direct contractor engagement



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