



RESOURCES

*resourcing the new economy
for a better tomorrow*



EQ RESOURCES LIMITED

AGM

23 November 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 Update (November 2022), 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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Mt Carbine: Australia's Only Primary Tungsten Producer

Tungsten Concentrate from Mt Carbine Operations

Corporate Overview



Key Statistics	
Share Price	\$0.05 per share
12-month range	\$0.04 - \$0.078 per share
Shares on Issue	1,453 million
Market Capitalisation	\$66.8 million
Top 20 Shareholders	61%

Board & Management	
Non-Executive Chairman	Oliver Kleinhempel
Non-Executive Director	Stephen Layton
Non-Executive Director	Zhui Pei Yeo
Non-Executive Director	Richard Morrow
Chief Executive Officer	Kevin MacNeill
Chief Geologist	Anthony Bainbridge

Share Price Performance



- 1 Feasibility Study Resource Drilling results announced – Announcements: 06 July 2021 ([link](#)), 13 July 2021 ([link](#)), 05 August 2021 ([link](#))
- 2 Updated JORC Mineral Resource announced – Announcement: 23 September 2021 ([link](#))
- 3 Bankable Feasibility Study results announced – Announcement: 13 December 2021 ([link](#))
- 4 AMGC Grant for 2nd XRT Sorter announced – Announcement: 25 January 2022 ([link](#))
- 5 Underground Scoping Study results announced – Announcement: 12 April 2022 ([link](#))
- 6 Government \$6M Critical Minerals Grant announced – Announcement: 28 April 2022 ([link](#))
- 7 Early Work Program completion announced – Announcement: 27 June 2022 ([link](#))
- 8 Phase 1 2022 Drill Program and Updated JORC Mineral Resource announced – Announcements: 04 May 2022 ([link](#)), 20 May 2022 ([link](#)), 04 August 2022 ([link](#))
- 9 Bankable Feasibility Study Update results announced – Announcement: 09 November 2022 ([link](#))

Mt Carbine: A Globally Significant Business



Currently in Production

Australia's **only primary tungsten producer**, consistently **accelerating production**. Open pit production to commence by April Quarter 2023.



Secured Long-Term Offtake Partnership

Secured offtake via CRONIMET partnership for at least **25,000 tonnes concentrate at fair market value - worth \$400 million** at current pricing. Product globally accepted, shipments to some of the largest Asian, US and European consumers.



De-Risked

Proven production, Proven economics, Fully permitted, Infrastructure in place, Low-cost expansion ongoing, **Offtake contracts** in place, **Government supported**. **Fully funded** for Open pit production.



Economic Resource

Well **above world average grade**, Life Of Mine at 14yr +. Stage 2 BFS Open Pit only uses 18% of Mineral Resource. **Ongoing drilling** expected to **increase Life of Mine**, further **improve costs** and **increase production** rates.



Positive Market Conditions & Outlook

Increasing commodity price forecast combined with **favourable supply-demand dynamics** underpins Mt Carbine's strategic relevance in the critical minerals sector. Classified as **critical mineral** for its economies by US, UK, EU, Japan, South Korea & India.



Genuine ESG Performance & Commitment

EQR is committed to embedding **resource efficiency** to **minimise environmental footprint** and delivering **positive societal impact** while striving to **lead by example** through having the courage to do the right thing and be **accountable**.



Experienced Leadership & Upskilled Staff in Place

Major milestones achieved keeping the project **on track** and **credible**. Constant staff training ensures a **skilled** and **proficient workforce** with **high capability** that is **locally sourced** with **long-term commitment**.



Beneficial Re-Use for 2nd Revenue Stream

Beneficial Reuse of waste product promotes **Circular Economy commitment** in-line with QLD Government initiatives while generating \$4 million gross revenue in 2020/2021.

Last 12-month Priorities – Status Update



- ✓ Phase 1 completed and increase production to 70 to 90tpm tungsten concentrate, becoming profitable - **Phase 1 completed, 70 to 90tpm on Track**
- ✓ Financial Close for Phase 2 Expansion (BFS scope) - **Completed**
- ✓ Drill Mt Carbine exploration targets and increase open pit optimisation tonnage, drill inferred resource to indicated (Phase 1 2022 Drilling Program) - **Completed**
- ✓ Further enhancing HSE standard at site, extending training program for employees - **Completed & Ongoing**
- ✓ Amendment to environmental authority (EA) to start open pit mining - **Submitted**
- ✓ Further promote "green aggregate" products to reduce environmental footprint of regional construction sector - **Completed**

Priorities of Coming 12-months



- Drilling of Western Extension & exploration targets (Phase 2 2022 Drilling Program)
- Construction of BFS Phase 2 (expanded crushing and screening plant)
- Re-opening underground access to decline – assess & define PFS scope of work
- Receipt of EA Amendment, re-start open-pit mining & high-grade ore processing
- Progress initiatives around energy efficiency and critical minerals traceability
- Co-ordinating with other Australian tungsten developers on suitable routes for down-streaming and value-adding (strong customer engagement)

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.

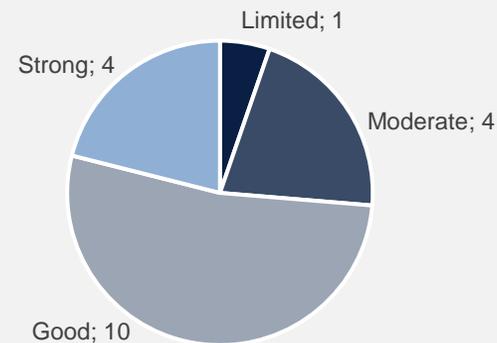
This information has been overlayed with the top 3 themes considered to be most material across the stakeholder groups.



Organisational Performance Scale

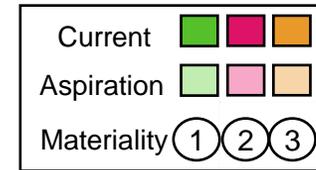
Lagging - Organisation is not investing in this category. Meets compliance obligation but nothing additional.

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.



ESG Commitment & Development Strategy



Working with Local Indigenous Elders
Promoting Employment



Supporting Women in Mining



Creating Diverse Teams



Mt Carbine Rodeo Sponsorship



Supporting Regional Frogbit Sentinel
Program



Local Cancer Fundraiser Support



Mt Carbine Operations & BFS Update

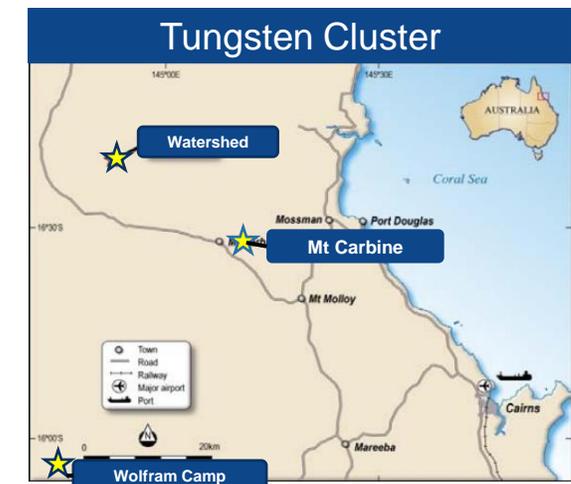
Mt Carbine's Major Infrastructure Advantages

De-risked Mt Carbine Open Pit & Modernisation Project is currently Australia's only primary Tungsten mine and is exporting concentrate economically and consistently to global consumers



<p>Road Infrastructure</p>		<ul style="list-style-type: none"> Tungsten concentrate currently produced at site is loaded into bulk bags, sealed and sold ex-gate at Mt Carbine. Sealed, maintained highway ensures consistent trucking access to mine site.
<p>International Airport & Port</p>		<ul style="list-style-type: none"> Close proximity to international export channels underpins low-cost production. 130km via sealed highway to Cairns International Airport. Townsville Port received \$232 million upgrade in 2021, securing its position as largest port in North Australia and the economic gateway to Asia.
<p>Power Supply</p>		<ul style="list-style-type: none"> 2021 upgrade of power supply line & new substation allows plant to operate 24/7. Will accommodate all future growth phases of Mt Carbine as production ramps up with mining of Open Pit. Bulk fuel supply on site through direct local supplier ensures reliability.
<p>Accommodation, Offices, Buildings & Towns</p>		<ul style="list-style-type: none"> Mt Carbine motel, roadhouse, fuel station & caravan park chalets for out-of-town specialist teams. Nearby towns of Port Douglas, Mossman, Mt Molloy & Mareeba allow up-skilled staff to be sourced locally and go home each day. Upgraded onsite Management & Admin offices facilitate hands-on management.
<p>Water Supply Security</p>		<ul style="list-style-type: none"> Multiple responsible sources of supply including 2 catchment storage dams, 17 investigation- and 1 production boreholes, draining of open pit, recycling of water through plant.
<p>Mining Infrastructure</p>		<ul style="list-style-type: none"> Completed upgrades in processing facilities positions Mt Carbine as Australia's only primary Tungsten mine currently in production and exporting consistently Processing facilities are designed for steady-state production of 1Mtpa. 2x Tomra XRT Ore Sorters secure economic viability of project.

Perfectly situated within a Critical Minerals Cluster (W, Sn) in Far North Queensland:



Cluster potential - significant deposits defined in region

- Watershed:** 2014 DFS by Vital Metals (2012 JORC)
- Wolfram Camp** 2015 Technical Report by Almonty Industries (NI 43-101)

Health & Safety Performance

Pro-active HSE culture through upskilling of employees



No lost time injuries in over 500 days.

Safety and Management team continue to actively working to promote a Think First, pro-active safety culture.

Pro-active indicators of risk assessments, JSEAs, Take-5, safety permits, drug testing, safety meetings, inspections, pre-starts, etc. continue to be at forefront of Company's focus.

Strong focus on training and upskilling of employees through on-site training and value-add courses.

PROACTIVE SAFETY INDICATORS – FY 2021/22

2,806

Take 5 Safety Assessments

114

JSEA Job Safety Environment Analysis

24

Toolbox Talks

2

Prestart safety meetings per day

28

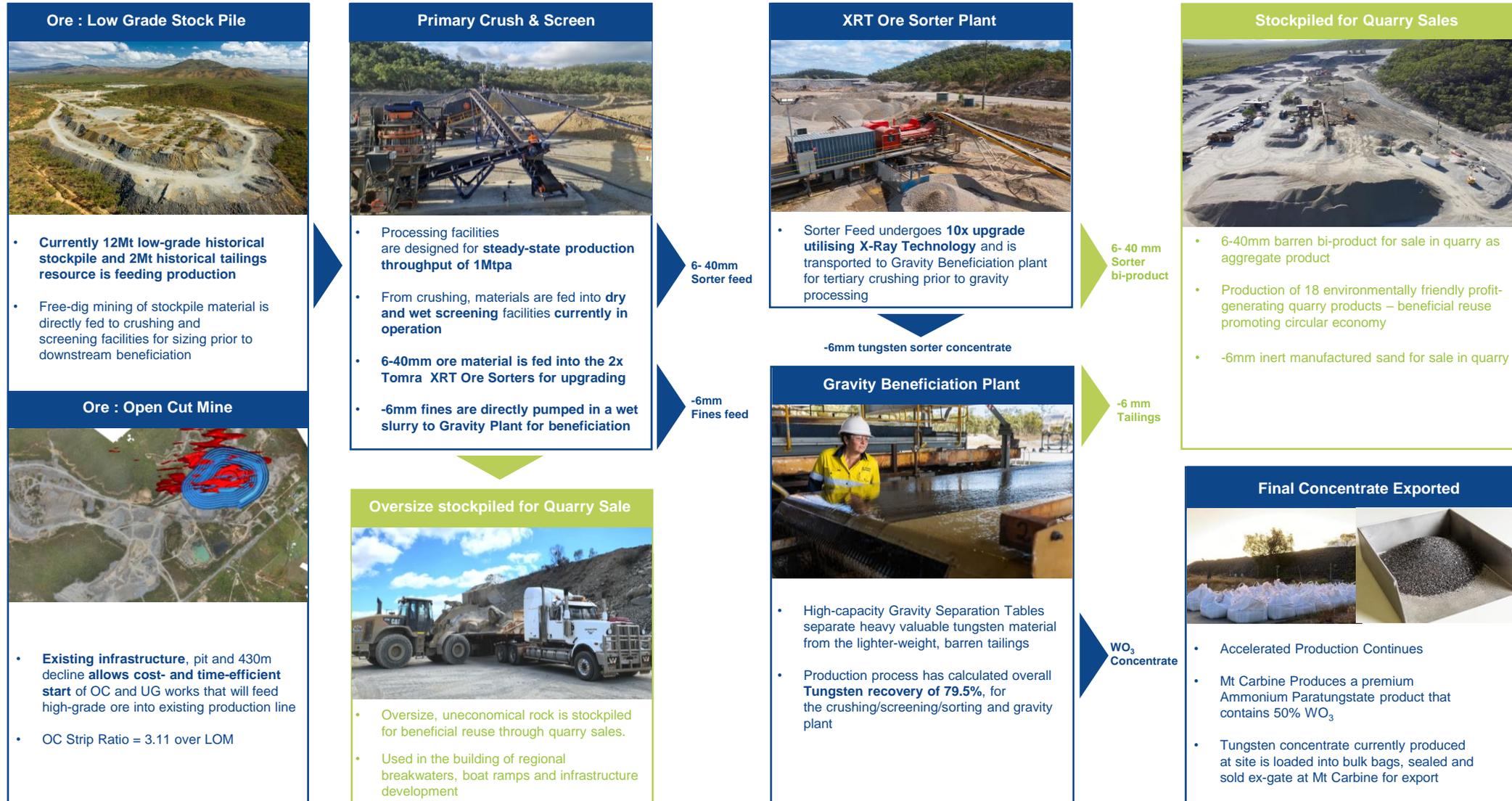
Traineeships started



EQR Supervisor, Andrew Umland (middle) is presented with the first 'Safety Legend' Award in QLD by the Hon Stewart, Minister of Resources (left) and Department of Resources Director General, M. Cridland.

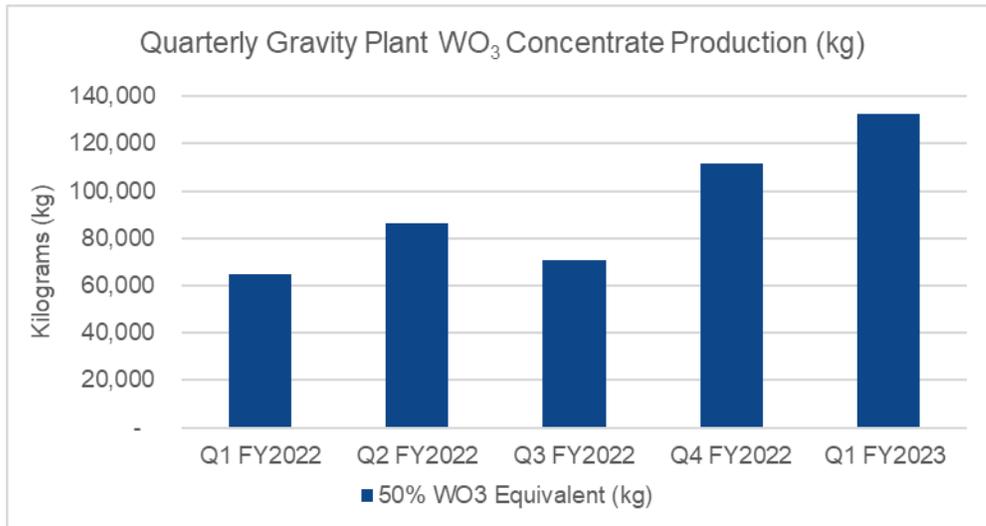
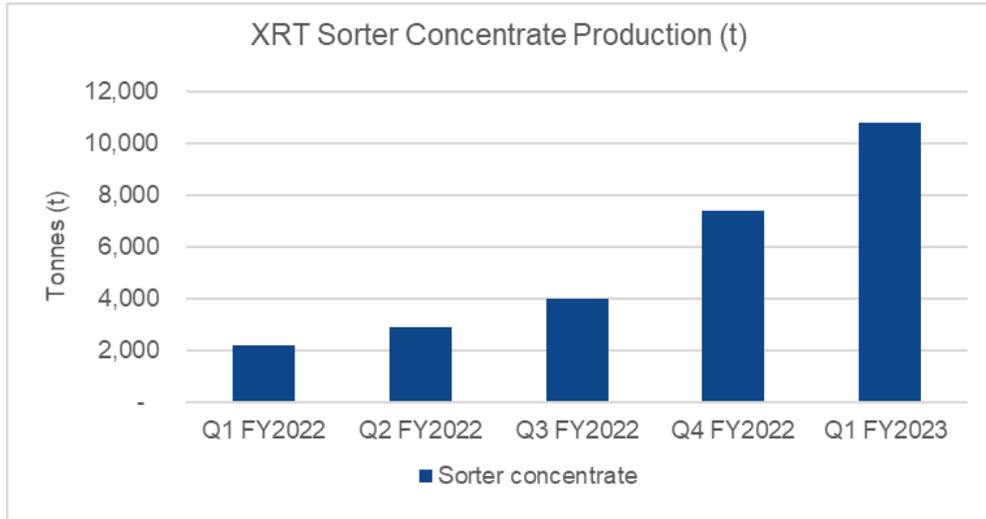
Mt Carbine Process Flowsheet

Technologically driven | Economically proven | Actively Producing | Consistently Selling | Environmentally Responsible

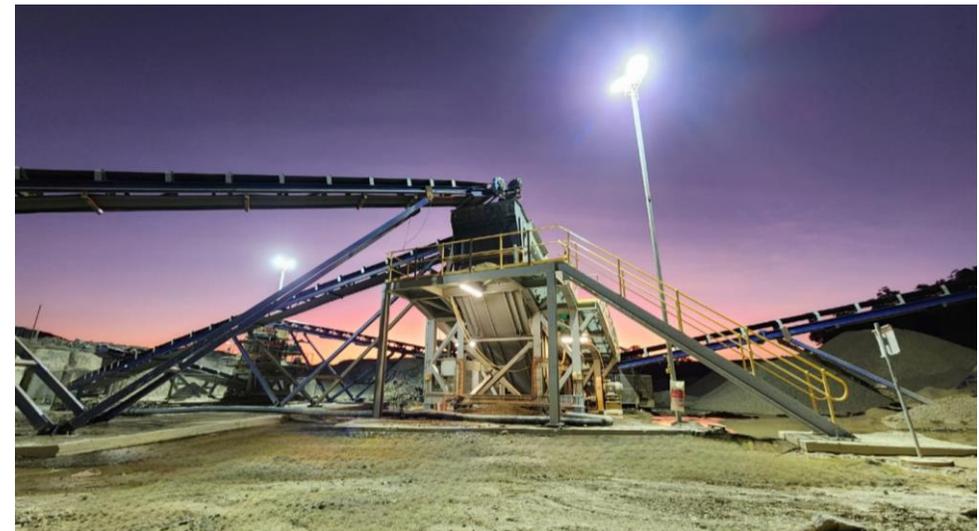


Technologically Driven, Economically Proven

Overcoming Western World difficulties using Sensor Based Sorting



- ✓ Quarter-on-quarter growth for all production areas (operating on a 24/7 basis)
- ✓ Early Works capital projects benefiting production outputs
- ✓ Phase 1 Crushing/Screening plant production outputs growing monthly
- ✓ Two TOMRA XRT Sorters fully operational driving concentrate output
- ✓ Gravity processing plant benefiting from higher quality material with BFS planned recoveries being achieved
- ✓ Skilled workforce in place, HSET Systems established and strong



Mt Carbine Ore Reserves - Increase by 29%



September, 2022	Orebody	Reserve Classification	Tonnes (Mt)	Grade (%WO ₃)	WO3 (Mtu)
	Low Grade Stockpile		LGS - Proved	-	-
		LGS - Probable	10	0.08%	
In- Situ		Open Pit - Proved	-	-	1,155,000
		Open Pit - Probable	3.50	0.33%	
All		TOTAL	13.50		1,905,000

December, 2021	Orebody	Reserve Classification	Tonnes (Mt)	Grade (%WO ₃)	WO3 (Mtu)
	Low Grade Stockpile		LGS - Proved	-	-
		LGS - Probable	10.13	0.075%	
In- Situ		Open Pit - Proved	-	-	898,380
		Open Pit - Probable	1.26	0.713%	
All		TOTAL	11.39		1,658,130

+29%



Key take-aways:

- Increase in Reserves by 256,000 Mtu in a smaller pit design as we bring in the 'halo' ore
- Pit designed so 95% of this increase comes into Year 1
- Strip Ratio drops from 11:1 to 3:1
- Reserves are anticipated to grow into Phase 3 Pit

For further details refer to ASX Announcement dated 16 September 2022: [Material Increase In Mount Carbine Ore Reserve](#)

Compelling Economics

Strong BFS Update enhanced by 29% Open Pit Reserve Upgrade



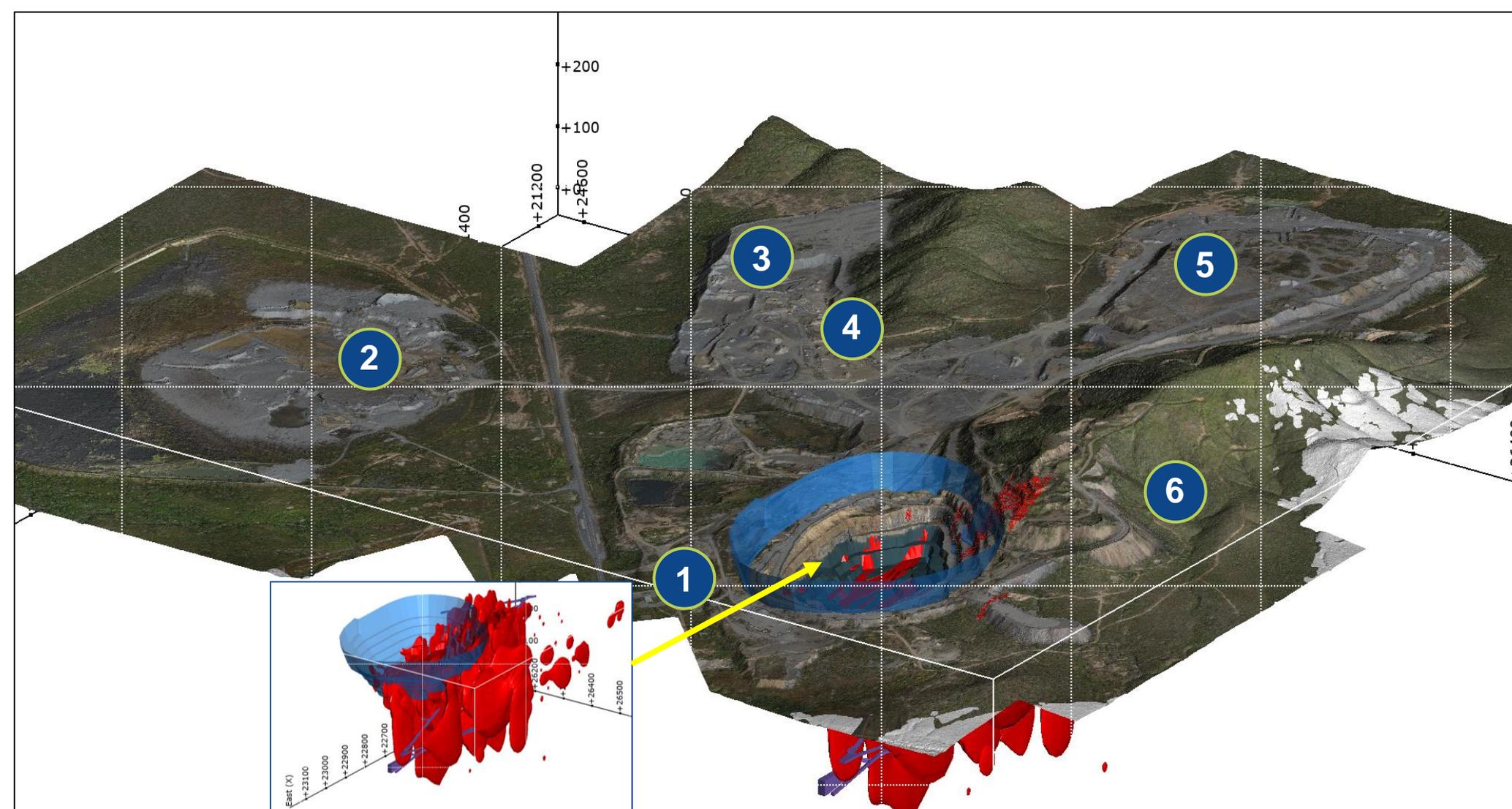
Comparison of Consolidated Project Economics

Parameter	Unit	Initial BFS (December 2021)	Updated BFS (November 2022)	
Capital Cost	A\$m	22.9	21.4	
Pre-tax NPV_{8, real}	A\$m	131	210*	
IRR _{Project}	%	154	397**	
Total Cash Cost (FCA)	US\$/mtu	113	118***	
NPV / Capex Ratio	x	5.7	9.8	
Payback Period	years	2.25	1.5	
Strip Ratio	(Waste:Ore)	11.1:1	3.1:1	
Concentrate Produced	(t / 50% WO ₃)	26,680	30,960	

* NPV shown as Project NPV; NPV attributable to EQR as 50% portion of Joint Venture Scope and 100% of additional ore recovered from Open Pit results to \$173 million

** Driven by the CMAI \$6 million grant, lowering baseline investment amount for the Company

*** AUD/USD average exchange rate of \$0.688 over the life of project was used for currency conversions



- 1 Office, Lab & Core Shed
- 2 Tailings Pond / Retreatment Plant
- 3 Quarry & OOSR Stockpile
- 4 XRT Sorter
- 5 LG Ore Stockpile
- 6 Exploration Targets – Iron Duke

Mt Carbine Expansion & Development Plan

100% owned by EQ Resources

Mt Carbine Phased Development Plan

Includes integration of open pit and processing facility modernisation

BFS Scope

Stage 1

Focus: 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.

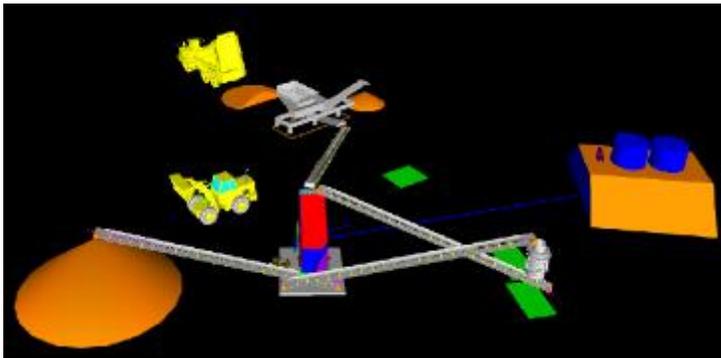
Stage 2

Focus: Commencement of open pit mining. 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.

Stage 3

Focus: Underground Mining; >82% of current Mineral Resources are not in the Open Cut BFS but rather sit below the planned pit & in the Iron Duke Formation. A full scoping showed a long-life Underground Mine has potential and EQR should complete a PFS on this option.

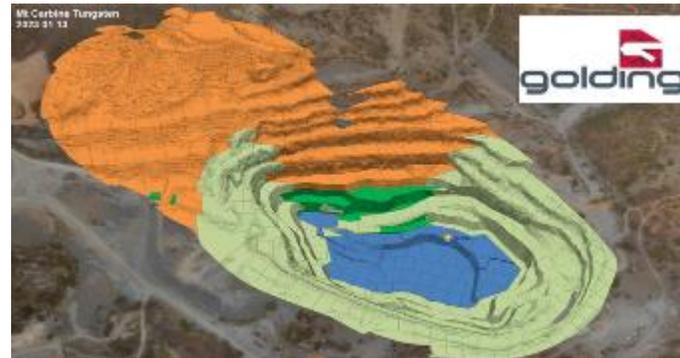
Stage 1 Crushing and Screening Circuit Design



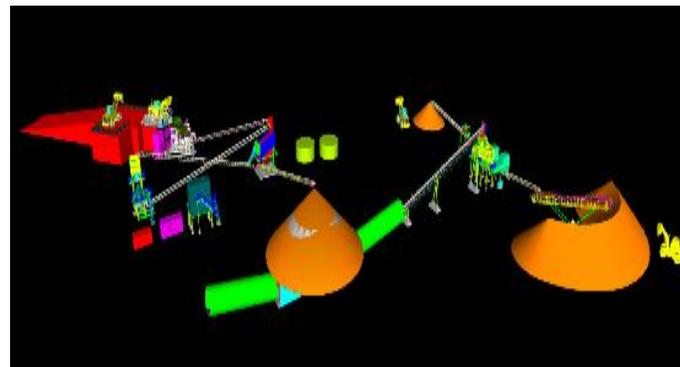
Stage 1 Crushing and Screening Circuit in production



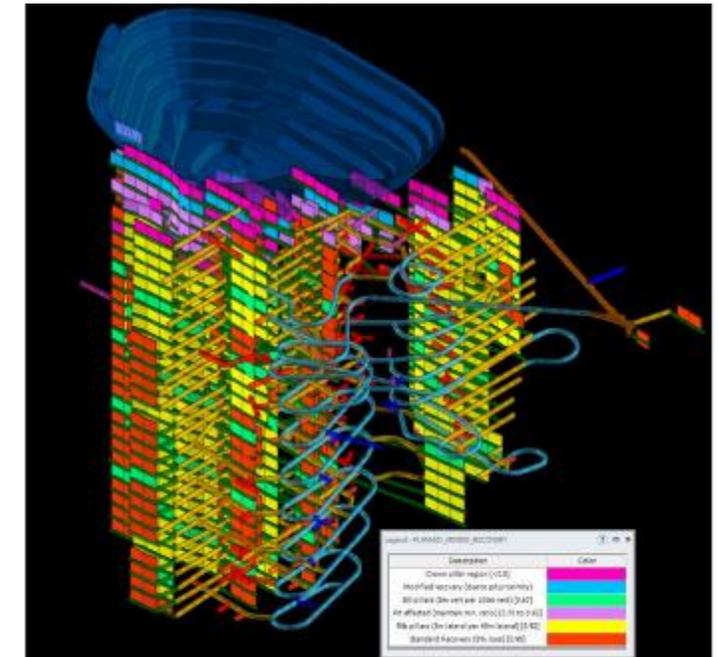
Stage 2 Projected pit encompassing additional resource



Stage 2 Crushing and Screening & Sorting Circuit Design

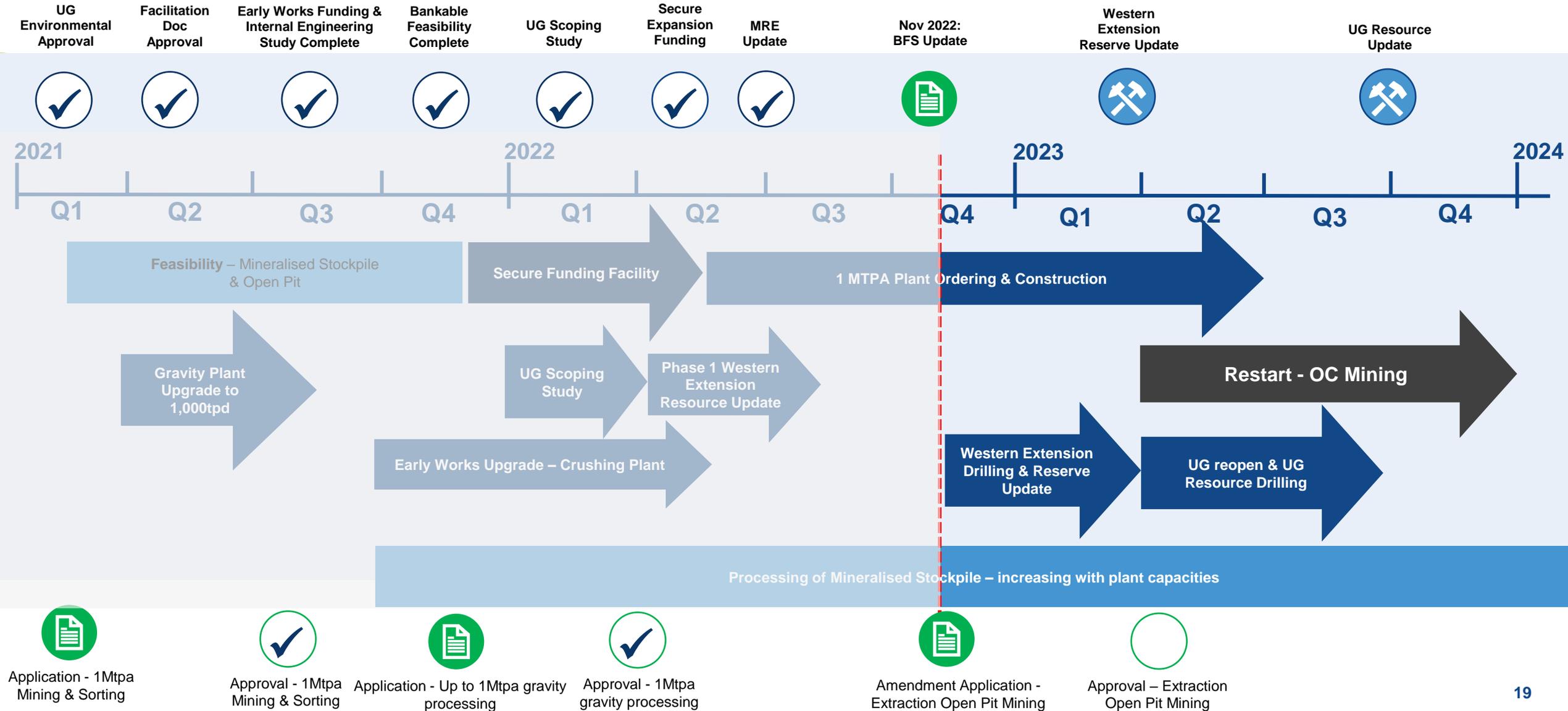


Stage 3 Projected additional underground resource

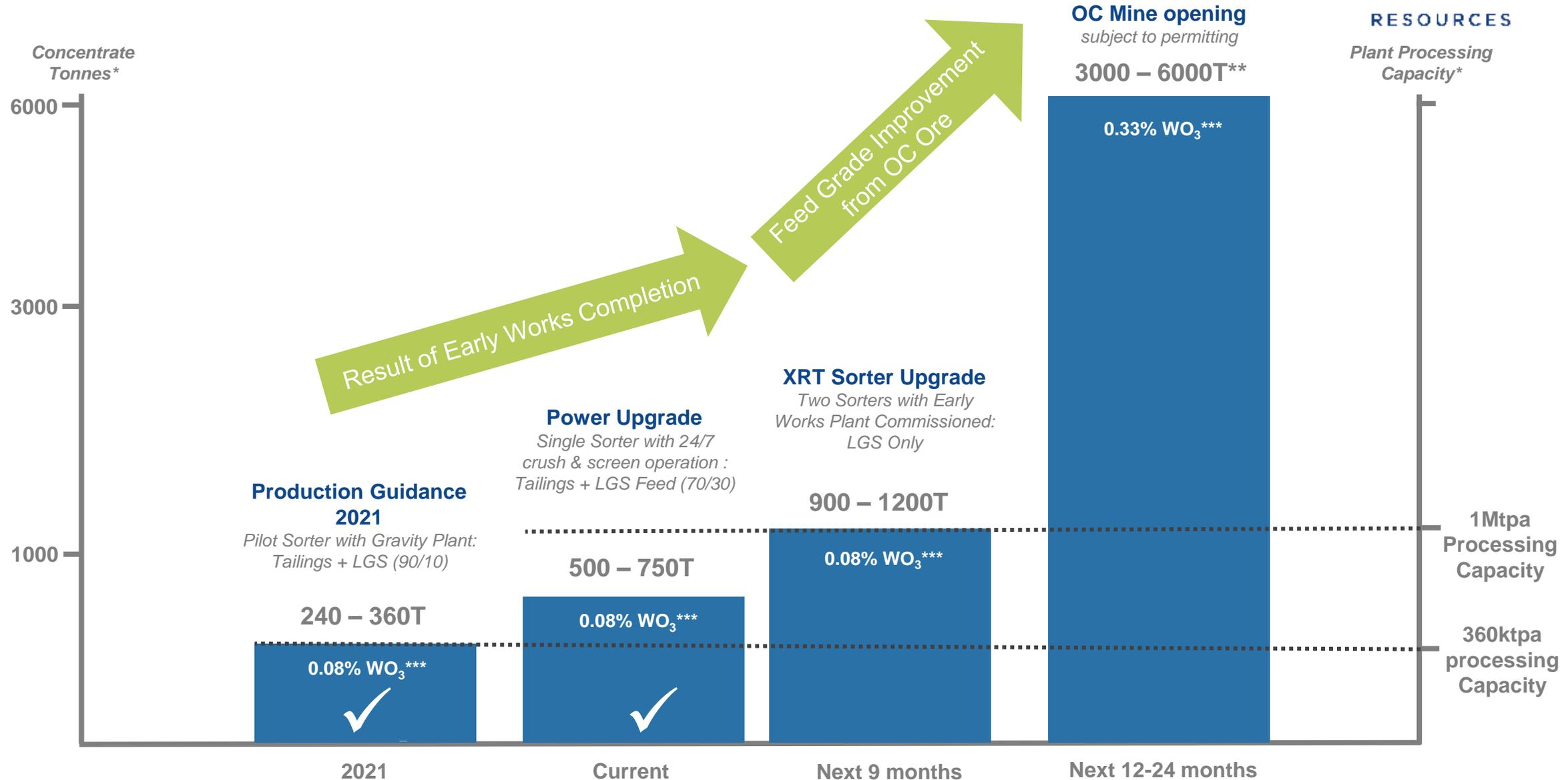


Development Timeline

Phased approach for early cash flow, with continuous Resource development

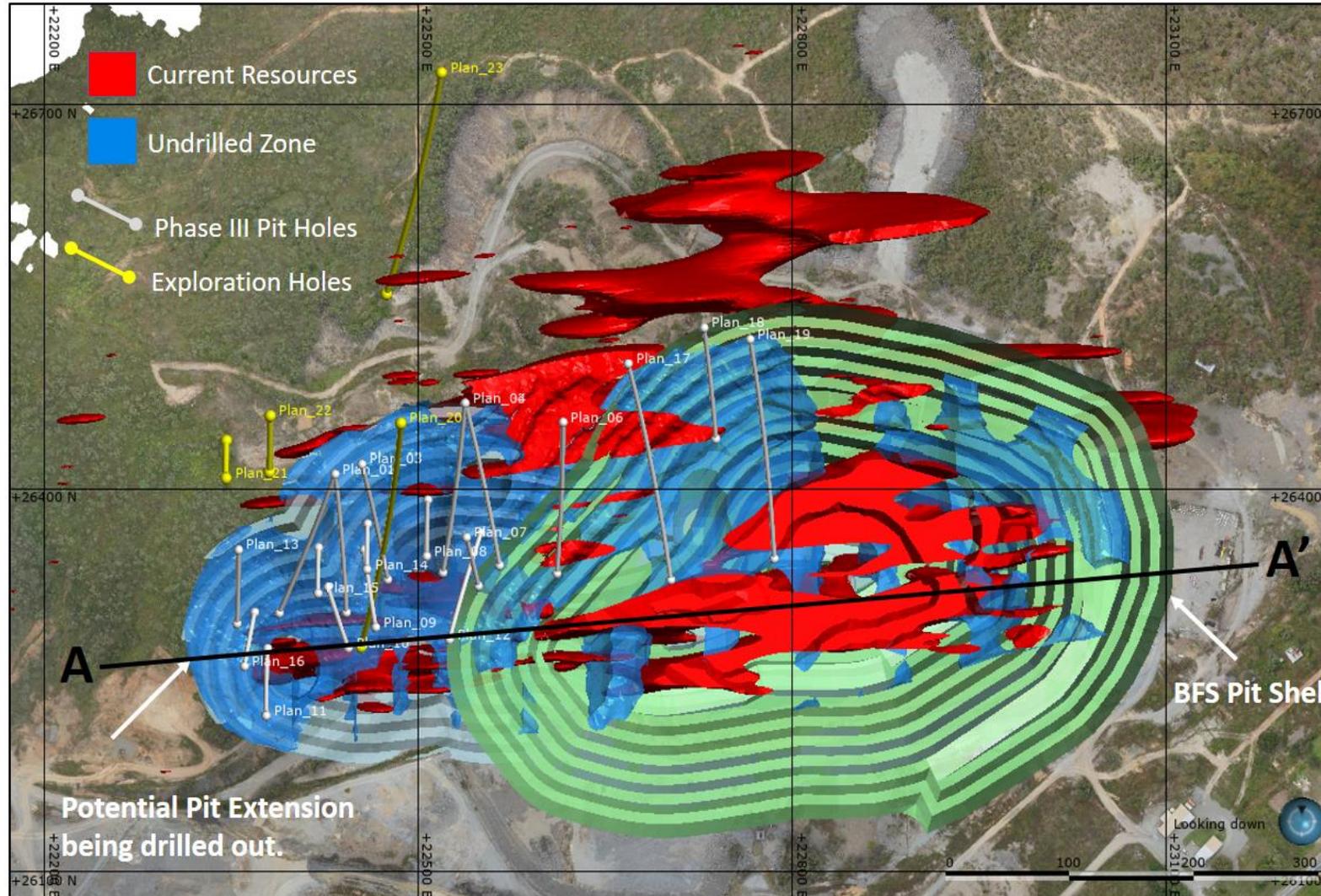


Mt Carbine Production Ramp-Up



*Basis 50% WO₃ concentrate // **Based on new pit design // ***Actual / estimated feed grade

Phase 2 2022 Drilling Program - Key Objectives

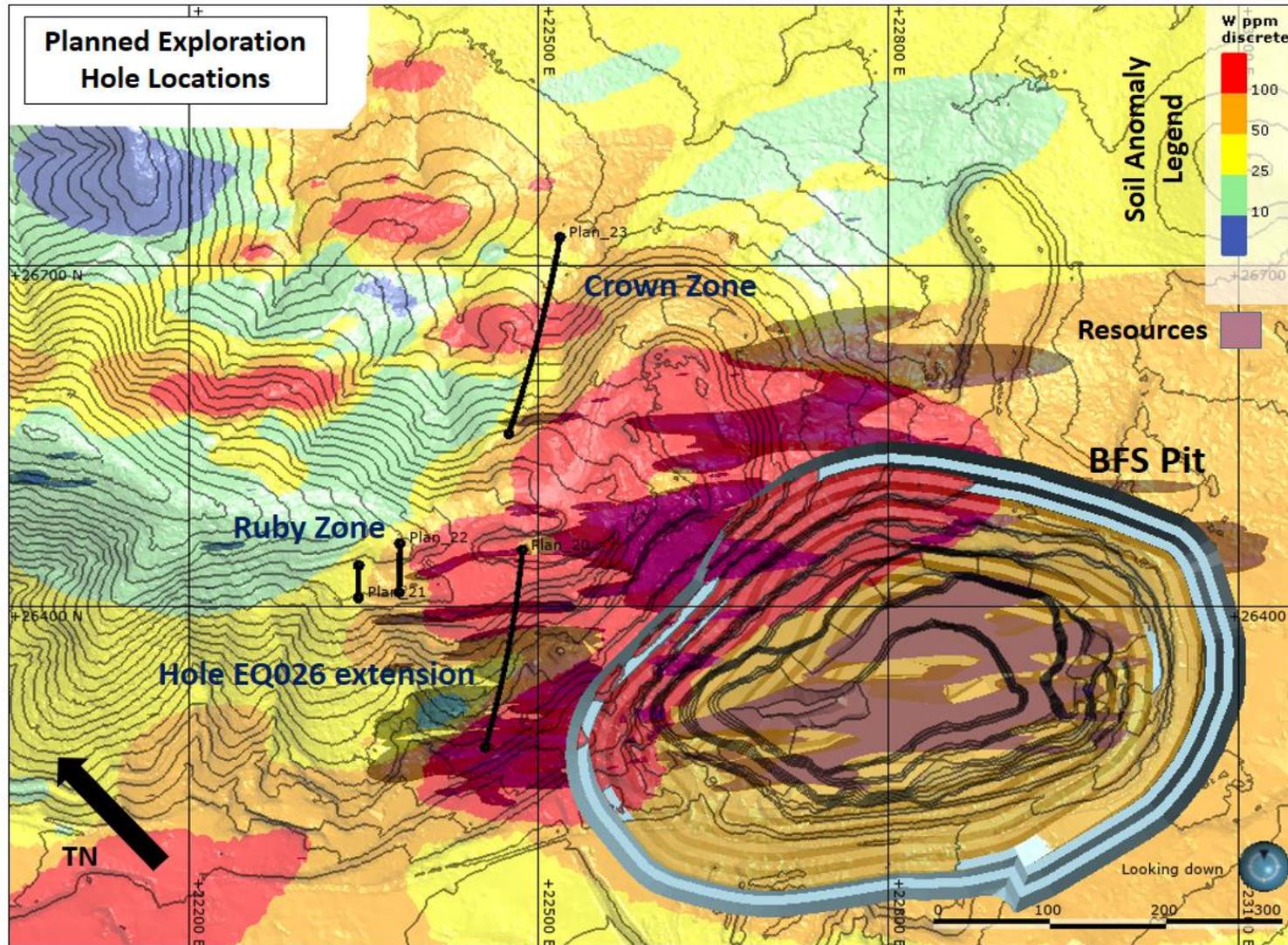


First

Resource Drilling - 19 holes

- Increase Indicated Resources in the western area
- Fills in the gaps in Dyke West Zone & Main BFS Pit
- Could add 4 years to open pit mine life

Phase 2 2022 Drilling Program - Key Objectives

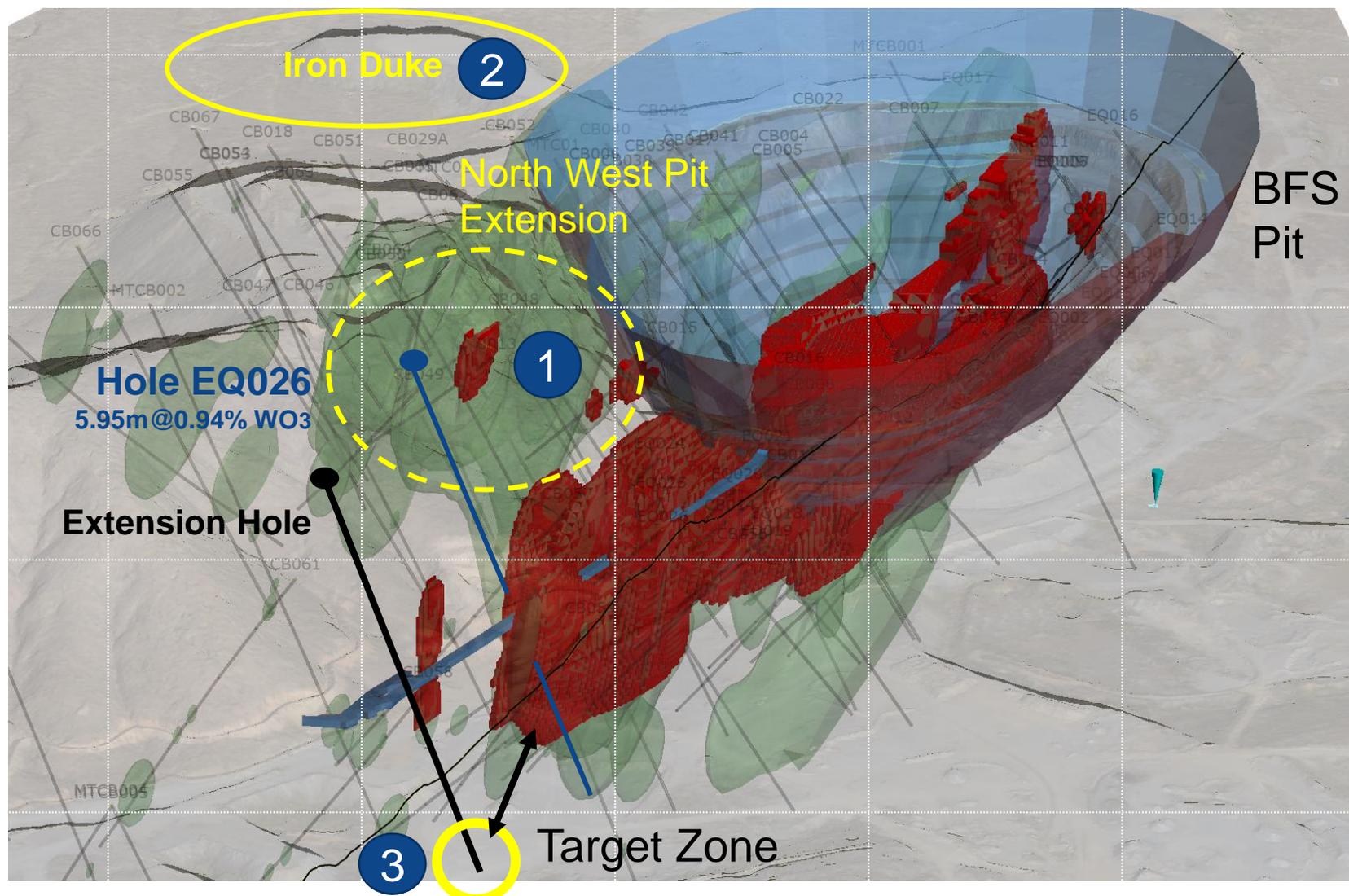


Second

Exploration Drilling - 4 holes

- Explore new high-grade vein discoveries; Located in soil sampling within the Iron Duke System (Ruby & Crown Veins)
- Explore around previous high-grade intersect in Hole EQ026 (5.95m@0.94%WO₃)

Exploration Drilling Overview



Summary

- 1** Resources
 - Target to bring in more Resources in western pit for further pit expansion
- 2** Exploration
 - Iron Duke zone
 - Hole EQ026 depth extents
- 3**

Strategically Aligned With Key Stakeholders



Endorsement Through Funding & Grants

Strong support for critical minerals projects in Australia



Queensland METS Collaborative Projects Fund (METS Ignited) ASX Announcement 24 July 2020: [Government Support for Mt Carbine Mine Waste Transformation Initiative](#)
Advanced Manufacturing Growth Center (AMGC) ASX Announcement 25 January 2022: [Federal Government Co-Invests in High-Tech Ore Sorting](#)
Critical Minerals Accelerator Initiative (CMAI) ASX Announcement 19 September 2022: [Federal Government Funding for Mt Carbine Reconfirmed](#)

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