



**31<sup>st</sup> October 2023**

Dear Shareholder

**EQ Resources Limited – Annual General Meeting of Shareholders, 29 November 2023**

Notice is hereby given that the Annual General Meeting of Shareholders of EQ Resources Limited (**Company**) will be held at Level 4, 100 Albert Road, South Melbourne, VIC 3205 and virtually by a video-conferencing facility at 3:00pm (AEDT) on Wednesday, 29 November 2023 (“Annual General Meeting”, “AGM” or “Meeting”).

In accordance with recent amendments to the *Corporations Act 2001*, the Company is sending this notification letter instead of dispatching physical copies of the Notice of Meeting. The Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company’s website <https://eqresources.com.au/site/invest-in-us/asx-announcements> or at the Company’s share registry’s website (<https://investor.automic.com.au/#/loginsah>) through Investor Centre.
- A complete copy of the Meeting Materials has been posted to the Company’s ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company’s ASX code “EQR”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://investor.automic.com.au/>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Automic Pty Ltd on <https://investor.automic.com.au> or by fax to 1800 783 447 (within Australia) or +61 9473 2555 (outside Australia) between 9:00am and 5:00pm (AEDT) Monday to Friday, to obtain a copy.

As noted above, the Meeting will be held as a virtual meeting via a webinar conferencing facility. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Melanie Leydin'.

Melanie Leydin  
Company Secretary  
EQ Resources Limited



resourcing the new economy for a better tomorrow

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**EQ RESOURCES LIMITED**  
ABN 77 115 009 106

# Notice of Annual General Meeting

## Explanatory Statement and Proxy Form

**Date of Meeting:**  
Wednesday, 29 November 2023

**Time of Meeting:**  
3:00pm AEDT

**Location of Meeting:** Level 4, 100 Albert Road, South Melbourne VIC 3205 and via Zoom Webinar

**Registration link:** For registration for attendance at Level 4, 100 Albert Road, South Melbourne 3205, please email [Melanie.Leydin@vistra.com](mailto:Melanie.Leydin@vistra.com) and await further instruction.

For registration to attend virtually via the Zoom Webinar, please follow:  
[https://vistra.zoom.us/webinar/register/WN\\_K86D4hYhTKmBaFTF43RcnA](https://vistra.zoom.us/webinar/register/WN_K86D4hYhTKmBaFTF43RcnA)

If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website <https://www.eqresources.com.au/site/content/>.

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant,  
solicitor, or other professional advisor without delay.*

# EQ RESOURCES LIMITED

ABN 77 115 009 106

Registered office: Level 4, 100 Albert Road, South Melbourne, VIC 3205

Notice is hereby given that a meeting (**Meeting**) of Shareholders of EQ Resources Limited (**the Company**) will be held at Level 4, 100 Albert Road, South Melbourne, VIC 3205 and virtually by a video-conferencing facility on Wednesday, 29 November 2023 at 3:00pm (AEDT) ("**Annual General Meeting**", "**AGM**" or "**Meeting**").

Note that physical attendance will be limited and available only on an RSVP basis. To register your interest in attending in person, please email [Melanie.Leydin@vistra.com](mailto:Melanie.Leydin@vistra.com) for confirmation. Please do not attend in person unless you have received confirmation. Please note that all shareholders are able to attend and ask questions through the virtual component of the meeting.

Shareholders are encouraged to submit their proxies as early as possible, and in any event, prior to the cut-off date for proxy voting as set out in this Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the AGM. The virtual meeting can be attended using the following details:

The live webcast can be attended using the following details:

**When:** 29 November 2023 at 3:00pm (AEDT)

**Topic:** EQ Resources Limited Annual General Meeting

**Register in advance for this webinar:**

[https://vistra.zoom.us/webinar/register/WN\\_K86D4hYhTKmBaFTF43RcnA](https://vistra.zoom.us/webinar/register/WN_K86D4hYhTKmBaFTF43RcnA)

After registering, you will receive a confirmation email containing information about joining the meeting. As noted previously, the Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online. The Company will conduct a poll on each resolution presented at the meeting. The Company will accept questions during the meeting either by submitting a question through the Q&A box located on screen or by raising the hand function also located on screen at which point the Company will allow your question verbally.

The Company is happy to accept and answer questions submitted prior to the meeting by email to [melanie.leydin@vistra.com](mailto:melanie.leydin@vistra.com). The Company will address relevant questions during the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: EQR) and on its website <https://www.eqresources.com.au/site/content/>.

# AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

## ORDINARY BUSINESS

### Receipt and consideration of Accounts & Reports

To receive and consider the 2023 Annual Report of the Company and its controlled entities for the year ended 30 June 2023, which includes the Financial Report, the Directors' Report and the Auditor's Report.

*Note: Except as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

### Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2023 be adopted."*

### Resolution 2: Re-Election of Mr Oliver Kleinhempel as a Director of the Company

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Rule 17.5 of the Constitution and for all other purposes, Mr Oliver Kleinhempel, who retires by rotation in accordance with the Constitution of the Company and who, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

### Resolution 3: Increase in Aggregate Non-Executive Director Remuneration pool

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That for the purposes of clause 17.13 of the Constitution, ASX Listing Rule 10.17, and for all other purposes, the maximum aggregated annual Directors' fees payable to Non-Executive Directors of the Company, be increased to \$400,000 per annum, as described in Explanatory Statement which accompanies and forms part of this Notice."*

### Resolution 4: Approval to issue securities under Employee Incentive Plan

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, under and for the purposes of ASX Listing Rule 7.2 Exception 13(b), and for all other purposes, approval is given to refresh the Company's Equity Incentive Plan (Plan), and to issue securities under the Plan as described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

### Resolution 5: Approval to issue shares to Cronimet Asia Pte Ltd (and/or nominees)

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price will equal a total of USD\$7,500,000 on the terms and conditions set out in the Explanatory Statement."*

**Resolution 6: Ratification of agreement to issue of shares to Oaktree Capital Management L.P.**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 130,551,307 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Resolution 7: Ratification of agreement to issue of shares to Oaktree Capital Management L.P.**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 147,448,693 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Resolution 8: Ratification of agreement to issue of options to Oaktree Capital Management L.P.**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 78,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**SPECIAL BUSINESS**

**Resolution 9 Approval of 10% Placement Facility**

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*“That, under and for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to the equivalent of 10% of the company’s fully paid ordinary issued capital (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.*

**Resolution 10: Amendment of Constitution**

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*“That for the purposes of section 136(2) of the Corporations Act, the Constitution of EQ Resources Limited be modified by making the amendments contained within the Explanatory Statement accompanying this Notice, with effect from the conclusion of the Meeting.”*

By the order of the Board



Melanie Leydin  
Company Secretary  
25<sup>th</sup> October 2023

## Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
  - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
  - b. Each shareholder has a right to appoint one or two proxies.
  - c. A proxy need not be a shareholder of the Company.
  - d. If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
  - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
  - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
  - h. To be effective, Proxy Forms must be received by the Company's share registry Automic Pty Ltd, no later than 48 hours before the commencement of the Annual General Meeting, i.e. no later than Monday, 27 November 2023 at 3:00pm (AEDT). Any proxy received after that time will not be valid for the scheduled meeting.
    - (i) By post to Automic Pty Ltd, 477 Collins Street Melbourne Victoria 3000;
    - (ii) In person to Automic Pty Ltd, 477 Collins Street Melbourne Victoria 3000;
    - (iii) By fax to 1800 783 447 (within Australia) or +61 9473 2555 (outside Australia)
    - (iv) Online by going to [www.automicgroup.com.au](http://www.automicgroup.com.au) or by scanning the QR code found on the enclosed proxy form with your mobile device; or
    - (v) For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

## 4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

## 5. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the Annual General Meeting will vote undirected proxies in favour of all the proposed resolutions.

## 6. Voting Exclusion Statement:

### Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on these resolutions – see Restriction on KMPs voting undirected proxies below.

## Resolution 2

There is no voting exclusion on this resolution.

## Resolution 3

The Company will disregard any votes cast on this Resolution:

- 1) in favour of the Resolution by or on behalf of any Directors or any associate of a Director, regardless of the capacity in which the vote is cast; or
- 2) as a proxy by a person who is a member of the Company's Key Management Personnel at the date of the Meeting or a Closely Related Party of such a member,

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate or a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 4

The Company will disregard any votes cast in favour on this Resolution by or on behalf of a person who is eligible to participate in the Equity Incentive Plan and any associates.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 5

The Company will disregard any votes cast in favour on this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Cronimet Asia Pte Ltd) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 6

The Company will disregard any votes cast in favour on this Resolution by or on behalf of A person who participated in the issue or is a counterparty to the agreement being approved (namely Oaktree Capital Management L.P.) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 7**

The Company will disregard any votes cast in favour on this Resolution by or on behalf of A person who participated in the issue or is a counterparty to the agreement being approved (namely Oaktree Capital Management L.P.) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 8**

The Company will disregard any votes cast in favour on this Resolution by or on behalf of A person who participated in the issue or is a counterparty to the agreement being approved (namely Oaktree Capital Management L.P.) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 9**

As at the date of dispatch of this Notice, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A2. The proposed issue of 147,448,693 securities under Listing Rule 7.1A.2 (as announced on 10 August 2023) as at the date of this Notice have yet to be issued as Completion under the Share Purchase Agreement ("SPA") as announced on 10 August 2023 is conditional upon the satisfaction of certain conditions precedent, including the approval of foreign direct investment agencies in both Australia and Spain.

As part of EQRs acquisition of leading European tungsten producer Saloro S.L.U the securities are proposed to be issued to Tungsten Mining JV S.L.U., Spain, ("Tungsten Mining"), a portfolio company of funds managed by Oaktree Capital Management L.P.

The Company will disregard any votes cast in favour on this Resolution by or on behalf of a person who is party to the Share Purchase Agreement ("SPA") and to whom the securities are proposed to be issued, and by or on behalf of any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associates of any of those people.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 10**

There are no voting exclusions on this Resolution. This is a Special Resolution requiring at least 75% of the votes cast by Shareholders entitled to vote to be in favour of the Resolution in order for it to pass.

**7. Enquiries**

Shareholders are invited to contact the Company Secretary, Melanie Leydin on +61(3) 9692 7222 if they have any queries in respect of the matters set out in this Notice.

## EXPLANATORY STATEMENT

### Purpose of Information

This Explanatory Statement (“**Statement**”) accompanies and forms part of the Company’s Notice of Annual General Meeting (“**Notice**”) for the 2023 Annual General Meeting (“**Meeting**”) will be held at Level 4, 100 Albert Road, South Melbourne VIC 3205 and virtually via a video-conferencing facility at 3.00pm (AEDT) on Wednesday, 29 November 2023.

The Notice incorporates, and should be read together, with this Statement.

### Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ended 30 June 2023 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all Shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at +61 3 9692 7222, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company's website [www.eqresources.com.au](http://www.eqresources.com.au) or via the Company's announcement platform on ASX. Except as set out in Resolution 1, no resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on, the 2023 Annual Report and the management of the Company. The auditor will be invited to attend, to answer questions about the audit of the Company's 2023 Annual Financial Statements.

## ORDINARY BUSINESS

### Resolution 1: Adoption of Remuneration Report

#### *Background*

Section 250R (2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors’ Report in the Company’s 2023 Annual Report. The Remuneration Report sets out the Company’s remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company’s last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty-five (25%) per cent of the total votes cast on that resolution and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company’s remuneration policies.

#### *Board Recommendation*

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the

Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

The Chair intends to vote all undirected proxies in favour of this resolution.

### ***Voting Exclusions***

A voting exclusion statement for this resolution is set out in Note 6 above.

## **Resolution 2: Re-Election of Mr Oliver Kleinhempel as a Director of the Company**

### **Background**

The Constitution of the Company requires that at each annual general meeting one third of the Directors (except for the managing director), or, if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between person who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

Oliver was appointed Non-executive Director on 12 August 2019 and as Chair on 24 April 2020. Mr Kleinhempel started his career at Outotec, a leading minerals & metals processing technology company, where he spent several years in Europe, South America and Southeast Asia on various assignments. In the recent 9 years, Mr Kleinhempel held various executive management positions in project development, finance and commodity trading sectors, with a regional focus on Asia-Pacific. Mr Kleinhempel holds a bachelor's degree in Business Administration from the Cooperative State University Baden Wuerttemberg (Germany) and obtained a Master's Degree from the Mining Institute of the Clausthal University of Technology (Germany). The Company considers Mr. Kleinhempel a non-independent director for all purposes.

### **Board Recommendation**

The Board (with Mr Kleinhempel abstaining), recommends that shareholders vote in favour of the re-election of Mr Kleinhempel. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Kleinhempel's re-election.

The Chair intends to vote all undirected proxies in favour of this resolution.

### ***Voting Exclusions***

A voting exclusion statement for this resolution is set out in Note 6 above.

## **Resolution 3: Increase in Aggregate Non-Executive Director Remuneration pool**

### **Background**

The Company seeks Shareholder approval to increase the maximum aggregate fees paid to Non-Executives of the Board to \$400,000 per annum. Shareholder approval is sought under clause 17.13 of the Constitution and ASX Listing Rule 10.17.

The Board considers the proposed increase in the maximum aggregate fees paid to Non-Executives as prudent with recent changes to the Company's size and operations which will assist the Company in attracting and retaining high caliber Directors which is in the best interests of shareholders.

Clause 17.13 of the Constitution provides that Directors' fees paid by the Company (or any entity with which it is associated) to its Directors shall not be increased without the prior approval of shareholders.

Clause 17.10 of the Constitution provides that Fees payable to non-Executive Directors shall be by a fixed sum and not be a commission on or percentage of profit or operating revenue

Listing Rule 10.17 prohibits a Company increasing the amount of fees it pays to its Non-Executive Directors unless the increase is approved by shareholders.

The Constitution allows the Directors to divide the total aggregate amount between themselves in such manner and proportion as they may from time to time agree.

For the purposes of Listing Rule 10.17, the “total amount of directors’ fees payable” includes superannuation contributions made for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice on a pre-tax basis.

Approval is sought pursuant to Clause 17.13 of the Constitution and Listing Rule 10.17, to increase the maximum aggregate amount of fees payable to Non-Executive Directors to \$400,000 per annum.

In determining the proposed increase in aggregate fees to Non-Executive Directors, the following matters were considered:

- a) to have flexibility to make additional appointments to the Board having regard to the increased size of the Company.
- b) to ensure the Company maintains the ability to remunerate, attract and retain Non-Executive Directors of high caliber.
- c) to allow for growth in Non-Executive Directors’ remuneration in the future to reflect market competitiveness for Non-Executive Directors with the skills, expertise, and experience appropriate for the Company’s business; and
- d) the continued growth of the Company and resulting increased required commitment from Non-Executive Directors on the Board and its Committees may require adjustments to remuneration that reflect the growth and are comparative with peer companies.

It is imperative that the Company remains able in the future to attract and retain Non-Executive Directors with the appropriate experience, expertise, skills, and diversity to oversee the Company’s business and strategic direction. An increased maximum Non-Executive Director fees cap will assist to achieve this and will also provide the Company with sufficient flexibility to make appropriate appointments to the Board if suitable candidates are identified.

Shareholders should also note that, if the proposed new maximum Non-Executive Director fees cap is approved, it will not necessarily represent the full sum paid to Non-Executive Directors each financial year but within the fee cap approved. The Company will in future continue to set the actual level of remuneration of its Non-Executive Directors within the maximum fees cap, having regard to independent external advice, market practice, Board performance and other appropriate factors.

If Shareholders do not approve this Resolution, the maximum Non-Executive Director fees cap will not be increased and the existing cap of \$200,000 will remain in effect.

The remuneration of each Non-Executive Director for the financial year ended 30 June 2023 is detailed in the Annual Report.

The following information is provided in accordance with ASX Listing Rule 10.17:

- (a) The amount of the proposed increase is by \$200,000 to a maximum aggregate of \$400,000; and
- (b) The Company has issued the following securities to Non-Executive directors under ASX Listing Rule 10.11 with the approval of the shareholders in the last three (3) years. No securities were issued under ASX Listing Rule 10.14 in the last 3 years.

Shares	Options	Shareholder approval
5,000,000	1,250,000	25.01.2023
15,625,000	22,000,000	17.05.2021
<b>20,625,000</b>	<b>23,250,000</b>	

### **Board Recommendation**

Given the personal interests of the Non-Executive Directors, the Board does not believe it is appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

### **Voting Exclusions**

A voting exclusion statement for this resolution is set out in Note 6 above.

## **Resolution 4: Approval to issue securities under Equity Incentive Plan**

### **Background**

The Company previously received approval of issues of securities under its employee incentive plan by shareholders at the general meeting held on 26 November 2020. Accordingly, securities issued until 26 November 2023 are excluded from the 25% combined annual issue limit for the purposes of ASX Listing Rules 7.1 and 7.1A.

The Company is seeking Shareholder approval to refresh and extend shareholder approval to issue securities under the Company's Equity Incentive Plan ("Plan") for the next three years from 26 November 2020 thereby giving the Company flexibility to make future issues of securities for eligible persons to 26 November 2023.

The Company's Equity Incentive Plan (Plan) is part of an integrated strategy regarding the use of equity as part of the Company's overall remuneration policy to reward staff. A summary of the Plan is included in Annexure A.

The Plan is designed to:

- a) provide a cost-effective way to remunerate;
- b) align incentives with Shareholder interests;
- c) encourage broad-based share ownership by employees; and
- d) assist attraction and retention.

The Board has the power to establish and to generally issue options, Shares or performance rights under the Plan. Performance rights and options are rights to acquire Shares subject to satisfaction of specified vesting conditions in a specified performance period.

The Board considers it prudent to seek shareholder approval so that such issues will not be taken into account for the purposes of the 15% limit under Listing Rule 7.1 and the 10% limit under Listing Rule 7.1A. The Board considers it desirable to maintain this flexibility to access capital through subsequent issues as required.

As at the date of this Notice, the following securities have been issued under the Plan since approval by Shareholders on 26 November 2020:

- 2,000,000 options, which will convert to 2,000,000 Shares if exercised prior to their expiry in 2024
- 14,000,000 options, which will convert to 14,000,000 Shares if exercised prior to their expiry in 2024, and
- 2,000,000 options, which will convert to 2,000,000 Shares if exercised prior to their expiry in 2024.

For the purposes of setting a ceiling on the number of securities proposed to be issued for the purposes of Exception 13, the maximum number of securities to be issued following shareholder approval is 150,826,761 (being 10% of Shares on issue as at the date of this Notice).

ASX Listing Rule 7.2 exception 13(b) provides an exception to ASX Listing Rules 7.1 and 7.1A for securities issued under an employee incentive scheme within 3 years after shareholder approval of the scheme. The Company therefore seeks approval of issues under the Plan under ASX Listing Rule 7.2 Exception 13(b) so that issues of securities under the Plan do not impede the capacity of the Company to issue up to a further 25% of its capital without shareholder approval.

ASX Listing Rule 7.1 imposes a limit of 15% on the number of equity securities which the Company can issue in a 12-month period without prior shareholder approval. Listing Rule 7.1A allows the company to seek shareholder approval by special resolution for a further 10% capacity for the number of equity securities which the Company can issue in a 12-month period.

Approval is sought to issue up to 150,826,761 securities (each conditionally entitling the applicable holder to one fully paid ordinary share upon exercise on achievement of the applicable milestone). Any additional issues under the Plan above that number would utilise the Company's 15% placement capacity under ASX Listing Rule 7.1.

The objects of the Plan are to:

- enable the Company to provide variable remuneration that is performance focussed and linked to long term value creation for shareholders;
- enable the Company to compete effectively for the calibre of talent required for it to be successful;

- ensure that participants in the Plan have commonly shared goals; and
- assist participants in the Plan to become shareholders.

### **ASX Listing Rules Chapter 7**

An exception to ASX Listing Rule 7.1 and 7.1A is set out in ASX Listing Rule 7.2 (Exception 13(b)) which provides that ASX Listing Rules 7.1 and 7.1A do not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the Plan.

Shareholders' approval is sought to refresh approval of issues under the Plan in accordance with Exception 13(b) of ASX Listing Rule 7.2 and to enable the Company to subsequently issue equity securities under the Plan for 3 years after the Meeting, without utilising the Company's the 15% limit on issuing securities in each 12 month period contained in the ASX Listing Rule 7.1 (or the further 10% limit if such limit is approved by shareholders under Listing Rule 7.1A – the Company is seeking shareholder approval for this 10% Placement Facility under Listing Rule 7.1A in Resolution 9 of this Notice of Meeting).

The Company wishes to preserve the flexibility to issue the full 15% capacity for each of the next 3 years. Approval under this Resolution will provide more scope for the Company to raise additional equity if required.

If this Resolution is approved, the Company will be able to issue equity securities under the Plan to eligible participants over a period of 3 years and these equity securities will not count towards the 15% limit in ASX Listing Rule 7.1. If this Resolution is not passed, the Company may (subject to the Listing Rules and applicable law) issue equity securities under the Plan, however those incentives will be taken into account when calculating whether the 15% limit under Listing Rule 7.1 has been reached.

### **Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 4.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

### **Voting Exclusions**

A voting exclusion statement for this resolution is set out in Note 6 above.

## **Resolution 5: Approval to issue shares to Cronimet Asia Pte Ltd (and/or nominees)**

### **General**

As announced on 14 September 2023, the Company entered into a binding heads of agreement with Cronimet Asia Pte Ltd ("CR Asia") and Cronimet Australia Pty Ltd ("CR Australia") for the acquisition of CR Australia's joint venture interest in the Mt Carbine Tungsten Operation ("Heads of Agreement").

In accordance with the Heads of Agreement the Company has agreed to issue that number of Shares which, when multiplied by the issue price, will equal a total of USD\$7,500,000 in consideration for the acquisition CR Australia's joint venture interest in the Mt Carbine Tungsten ("Consideration Shares").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares

The agreement for the proposed issue of the Consideration Shares falls within exception 17 of Listing Rule 7.2. In accordance with that exception, the issue of the Consideration Shares requires the approval of Shareholders under Listing Rule 7.1 and as per the Heads of Agreement, the issue of the Consideration Shares is subject to the approval of the Company's shareholders.

### **Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Consideration Shares. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and the proposed transaction and Heads of Agreement will not proceed.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares.

### Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) the Consideration Shares will be issued to CR Asia (and/or nominees);
- (b) the actual number of Consideration Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals USD\$7,500,000 (using a USD to AUD exchange rate as at the issue date of the Consideration Shares). The Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same date;
- (d) the Consideration Shares will be issued at a deemed issue price of AUD0.09 and in consideration for the acquisition of CR Australia's joint venture interest in the Mt Carbine Tungsten Operation;
- (e) the purpose of the issue of the Consideration Shares is to satisfy the Company's obligations under the Heads of Agreement;
- (f) the Consideration Shares are being issued to CR Asia (and/or nominees) under the Heads of Agreement. A summary of the material terms of the Heads of Agreement is set out in Annexure C; and
- (g) the Consideration Shares are not being issued under, or to fund, a reverse takeover.

### Dilution

Set out below is a worked example of the number of Shares that may be issued under Resolution 5 based on a deemed issue price of \$0.09 and exchange rates of \$0.6379 being the USD to AUD RBA exchange rate as at 19 October 2023 and \$0.6579 and \$0.6179 being, alternative worked examples based on assumed variable exchange rates.

Assumed Exchange Rate	Deemed Issue price	Maximum number of Shares which may be issued <sup>1</sup>	Current Shares on issue as at the date of this Notice <sup>2</sup>	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 5 <sup>3</sup>	Dilution effect on existing Shareholders
\$0.6179	\$0.09	134,825,000	1,569,806,073	1,704,631,073	8.59%
\$0.6379	\$0.09	136,491,667	1,569,806,073	1,706,297,740	8.69%
\$0.6579	\$0.09	138,158,333	1,569,806,073	1,707,964,406	8.80%

#### Notes:

1. Rounded to the nearest whole number.
2. There are currently 1,569,806,073 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities converted or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 7 (based on the assumed exchange rates set out in the table).
3. Using a USD to AUD exchange rate (RBA exchange rate as at 19 October 2023). The Company notes that the above workings are an example only and the exchange rate may differ. This will result in the actual number of Shares to be issued and the dilution percentage to also differ.

### Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

## **Voting exclusions**

A voting exclusion statement for this resolution is set out in Note 6 above.

## **Resolutions 6 to 8: Ratification of agreement to issue shares and options to Oaktree Capital Management L.P.**

### **General**

As announced on 10 August 2023, the Company entered into a share purchase agreement with Oaktree Capital Management L.P. ("Oaktree") to acquire a 100% interest in Salaro S.L.U., Spain from Tungsten Mining JV S.L.U., Spain and a portfolio company of funds managed by Oaktree ("Share Purchase Agreement").

In connection with the Share Purchase Agreement the Company entered into a subscription agreement with Oaktree ("Subscription Agreement"). In accordance with the Subscription Agreement, the Company agreed to issue Oaktree 278,000,000 Shares at an issue price of \$0.09 per Share ("Subscription Shares") and 78,000,000 Options at an exercise price of \$0.10 per Share, exercisable during the period of 2 years following the date of completion of the Share Purchase Agreement ("Subscription Options") to raise \$25,000,000.

130,551,307 Shares were agreed to be issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 6) and 147,448,693 Shares were issued pursuant to the Company's 7.1A mandate (being, the subject of Resolution 7) which was approved by Shareholders at the annual general meeting held on 23 November 2022.

The agreement to issue the Subscription Shares and Subscription Options did not breach Listing Rule 7.1 at the time of agreement.

### **Listing Rules 7.1 and 7.1A**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2022. The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 9 being passed by the requisite majority at this Meeting.

The agreement to issue the Subscription Shares and Subscription Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the combined 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Subscription Shares and Subscription Options. (Noting that the securities that may be issued under Listing Rule 7.1A for the period following the last mandate approved by shareholders at the annual general meeting held on 23 November 2022 expires on the earlier of 12 months or the date of the 2023 annual meeting, and the Company is seeking a renewed mandate under Listing Rule 7.1A, in Resolution 9).

### **Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Subscription Shares and Subscription Options.

Resolutions 6 to 8 seek Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue the Subscription Shares and Subscription Options.

## **Technical information required by Listing Rule 14.1A**

If Resolutions 6 to 8 are passed, the Subscription Shares and Subscription Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Subscription Shares and Subscription Options. (Noting that the securities that may be issued under Listing Rule 7.1A for the period following the last mandate approved by shareholders at the annual general meeting held on 23 November 2022 expires on the earlier of 12 months or the date of the 2023 annual meeting, and the Company is seeking a renewed mandate under Listing Rule 7.1A, in Resolution 9).

If Resolutions 6 to 8 are not passed, the Subscription Shares and Subscription Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Subscription Shares and Subscription Options. (Noting that the Company will have no residual 10% mandate under Listing Rule 7.1A if Resolution 9 is not passed, and will need to rely on the 15% mandate under Listing Rule 7.1 for further issues of securities without shareholder approval).

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 9 being passed at this Meeting.

## **Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 6 to 8:

- (a) the Subscription Shares and Subscription Options are to be issued to Oaktree Capital Management L.P.;
- (b) 278,000,000 Subscription Shares are to be issued on the following basis:
  - i. 130,551,307 Shares to be issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 6); and
  - ii. 147,448,693 Shares to be issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 7);
- (c) 78,000,000 Subscription Options to be issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 8)
- (d) the Subscription Options are to be issued on the terms and conditions set out in Annexure E;
- (e) the Subscription Shares agreed to be issued are all fully paid ordinary shares in the capital of the Company will be issued on the same terms and conditions as the Company's existing Shares;
- (f) the Subscription Shares and Subscription Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Subscription Shares and Subscription Options will occur on the same date;
- (g) the issue price is \$0.09 per Subscription Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Subscription Options are being issued in conjunction with the Subscription Shares. The Company has not and will not receive any other consideration for the issue of the Subscription Shares and Subscription Options (other than in respect of funds received on exercise of the Subscription Options);
- (h) the purpose of the issue of the Subscription Shares and Subscription Options was to raise \$25,000,000, which will be applied towards continued operations at the Company's Mt Carbine and Barruecopardo Projects and for general working capital; and
- (i) the Subscription Shares and Subscription Options have been agreed to be issued to Oaktree under the Subscription Agreement. A summary of the material terms of the Subscription Agreement is set out in Annexure D.

## **Board Recommendation**

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

## **Voting exclusions**

A voting exclusion statement for this resolution is set out in Note 6 above.

## SPECIAL BUSINESS

### Resolution 9: Approval of 10% Placement Facility

#### Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to the equivalent of 10% of the company's fully paid ordinary issued capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Resolution 9 seeks Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of Resolution 9 will be to allow the Company to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without any further Shareholder approval, in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 9, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If Resolution 9 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholder's present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### Description of Listing Rule 7.1A

##### (a) *Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by Shareholder's present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

##### (b) *Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, only Fully Paid Ordinary Shares.

##### (c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides those eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue at the commencement of the "relevant period" (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):

- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - (i) the agreement was entered into before the commencement of the relevant period; or
  - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of fully paid shares issued in the relevant period with approval under Listing Rules 7.1 or 7.4;
- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.1 or 7.4.

*(d) Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

*(e) Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

*(f) 10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(10% Placement Period).**

### Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) If this Resolution is approved by Shareholders, the period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid commences on the date of the Annual General Meeting at which the approval is obtained, being 29 November 2023, and expires on the first to occur of the following:
  - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 29 November 2023;
  - (ii) the time and date of the Company's next annual general meeting;
  - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
  - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
  - (i) consideration for the acquisition(s) of new assets and investments, including the expenses associated with such acquisition(s); and
  - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 24.10.2023 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Assumed Issue Prices, based on:		
		50% decrease in Current Share Price: \$0.033	Current Share Price: \$0.065	100% increase in Current Share Price: \$0.130
Current Variable A 1,569,806,073 Shares	10% Voting Dilution	156,980,607 Shares		
	Funds raised	\$5,101,870	\$10,203,739	\$20,407,479
50% increase in current Variable A 2,354,709,110 Shares	10% Voting Dilution	235,470,911 Shares		
	Funds raised	\$7,652,805	\$15,305,609	\$30,611,218
100% increase in current Variable A 3,139,612,146 Shares	10% Voting Dilution	313,961,215 Shares		
	Funds raised	\$10,203,739	\$20,407,479	\$40,814,958

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options or Convertible Notes are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.065 (6.5 cents), being the closing price of the Shares on ASX on 24<sup>th</sup> October 2023.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) Previous issues over the Last 12 Months – Listing Rule 7.3A.6

The table below shows the total number of equity securities agreed to be issued in the past 12 months preceding the date of the Annual General Meeting under Listing Rule 7.1A.2, and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12-month period.

Number of equity securities on issue at commencement of 12-month period	1,459,486,938
Equity securities proposed to be issued in the prior 12-month period under Listing Rule 7.1A.2*	147,448,693
Percentage of equity securities represent of total number of equity securities on issue at commencement of 12-month period	10.1%

\*For full details of proposed issues of equity securities made by the Company under listing rule 7.1A.2 since the date of the last Annual General Meeting, see Annexure B.

The proposed issue of 147,448,693 securities (as announced on 10 August 2023) as at the date of this Notice have yet to be issued as Completion under the Share Purchase Agreement (“SPA”) as announced on 10 August 2023 is conditional upon the satisfaction of certain conditions precedent, including the approval of foreign direct investment agencies in both Australia and Spain.

The Company is not seeking shareholder approval under Resolution 9 for the proposed issue of securities under the SPA, as the agreement to issue those securities was made utilising the issue capacity under Listing Rule 7.1A as approved by shareholders at the Company’s last Annual General Meeting. Accordingly, the issue of the securities under the SPA does not affect the Company’s capacity to issue securities under Listing Rule 7.1, nor under the Listing Rule 7.1A capacity for which shareholder approval is sought in this Resolution 9.

For completeness, the material details of the agreement relating to the proposed issue of securities under the SPA under Listing Rule 7.1A as announced on 10 August 2023 are outlined below.

### Key Terms of SPA

Under the terms of the Transaction, EQR through its wholly-owned subsidiary, European Tungsten Pty Ltd (“European Tungsten”) has agreed to acquire 100% of the issued capital of Saloro from Tungsten Mining for a nominal consideration of EUR1 and the benefit of all of the intercompany loans owed by Saloro to the Oaktree group (which is approximately EUR80,000,000) for EUR1. EQR has agreed guarantee all of the obligations of European Tungsten under the SPA.

Completion under the SPA is conditional upon the satisfaction of certain conditions precedent, including the approval of foreign direct investment agencies in both Australia and Spain (“Conditions Precedent”), and shall occur on the fifteenth (15th) business day after the date on which the last Conditions Precedent is satisfied or waived (“Completion Date”)

The Transaction was conditional upon ASX confirming that ASX Listing Rules 11.1.3 did not apply to the Transaction and the Company obtaining shareholder approval in accordance with ASX Listing Rule 11.1.2, if required by ASX. ASX has determined that neither ASX Listing Rules 11.1.2 nor 11.1.3 will apply to the Transaction.

On the Completion Date, the Company shall issue 278 million Subscription Shares at an issue price of \$0.09 per share (representing a ~30% premium to the 15 days VWAP) and grant 78 million Options (with an exercise price of \$0.10 per share, exercisable during the period of 2 years following the Completion Date) to Oaktree’s nominee entity, OCM Luxembourg Tungsten Holdings S.À R.L. (“OCM”) pursuant to a subscription agreement (“Subscription Agreement”). EQR intends to issue the Subscription Shares and Options under its ASX Listing Rule 7.1 and 7.1A placement capacity.

Additionally, under the Subscription Agreement, the Subscription Shares, Options and the shares to be issued upon the exercise of the Options (“Option Shares”) will be subject to voluntary escrow for a period of twelve (12) months from the Completion Date. The parties have also agreed that for so long as OCM holds a shareholding of 10% or more in the Company, OCM shall be entitled to appoint a director to the Board of the Company (“Investor Director”). The Investor Director shall also be appointed as the chair of the Company’s Audit and Risk Committee and another representative of OCM shall be appointed as a member of the Audit and Risk Committee.

Following Completion under the SPA, in the event the Options granted to OCM are exercised, all of the proceeds shall be used to repay the Saloro Bank Facilities.

### **Board Recommendation**

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

## **Voting Exclusions**

A voting exclusion statement for this resolution is set out in Note 6 above.

## **Resolution 10: Amendment of Constitution**

### **Background**

As part of its regular review of its operations in order to streamline administration, minimise costs and incorporate recent regulatory updates, the Company proposes to amend the Constitution as set out below.

The amendments are proposed in order to bring the provisions of the Constitution in line with recent technological updates and will assist the Company to utilise various electronic platforms and tools to hold and conduct shareholder meetings.

Section 136 of the Corporations Act allows a company to modify its constitution, by passing a special resolution.

Accordingly, this Resolution seeks Shareholder approval to amend the existing Constitution.

A copy of the amended Constitution is available for review by Shareholder at Level 4, 100 Albert Road, South Melbourne, VIC 3205. A copy of the amended Constitution can also be sent to Shareholders upon request to the Company Secretary at [Melanie.Leydin@vistra.com](mailto:Melanie.Leydin@vistra.com).

### **Proposed Amendments – Virtual Only Shareholder Meeting**

The Company seeks Shareholder approval for the purposes of Section 136(2) of the Corporations Act, and for all other purposes, to amend the Constitution as follows.

#### Proposed Amendments

(a) Insert new definitions in clause 1.1 as follows:

*“Virtual Meeting Technology means any technology that allows a person to participate a meeting without being physically present at the meeting.”*

(b) Amend clause 13.2 of the Constitution to read as follows:

#### **“13.2 Power to convene**

*Any Director may convene a general meeting whenever he or she thinks fit and:*

- (i) at one or more physical venues;*
- (ii) at one or more physical venues and using Virtual Meeting Technology; or*
- (iii) using Virtual Meeting Technology only,*

*provided that, in each case, members as a whole are given a reasonable opportunity to participate in the meeting.”*

(c) Amend clause 13.5 of the Constitution to read as follows:

#### **“13.5 Notice**

*A notice of a general meeting must specify the place, the day and the hour of meeting (and if the meeting is to be held in two (2) or more places or using the Virtual Meeting Technology only, the technology that will be used to facilitate this) and must state the general nature of the business to be transacted at the meeting and other requisites as required under the Corporations Act.”*

(d) Amend clause 14.1 of the Constitution to read as follows:

#### **“14.1 Use of technology**

*If Virtual Meeting Technology is to be used for a meeting of members pursuant to clause 13.2 of this*

*Constitution, the Directors will determine the type of virtual meeting technology to be used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio or visual device which permits instantaneous communication and in each case, members as a whole are given a reasonable opportunity to participate in the meeting. “*

(e) Amend clause 14.2 of the Constitution to read as follows:

**“14.2 Quorum**

*Business may not be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Three members (including any proxy for a shareholder and any person representing a company shareholder in accordance with the Corporations Act and includes any of those persons attending a meeting of members at the venue or venues for the meeting or using Virtual Meeting Technology approved by the Directors in accordance with this Constitution) constitute a quorum in all cases.”*

***Purpose of Proposed Amendment***

The recent legislative updates made to the Corporations Act provide that companies may use technology to allow members to attend general meetings virtually if a wholly virtual meeting is expressly permitted by the constitution. The abovementioned amendments to the Constitution will allow the Company to hold wholly virtual meeting of members following the passing of this Resolution.

***Other Minor Amendments***

Some minor amendments have also been carried out throughout the document in order to refresh definitions, including the name of the Company which was changed to EQ Resources Ltd since the last update of the Constitution, that do not alter the meaning of the clauses, that are cosmetic or that are needed in order render the foregoing amendments effective.

***Board Recommendation***

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

***Voting exclusions***

A voting exclusion statement for this resolution is set out in Note 6 above.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 9;

“**10% Placement Period**” has the meaning as defined in the Explanatory Statement for Resolution 9;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2023;

“**ASX**” means ASX Limited ABN 77 115 009 106 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” of a member of Key Management Personnel has the meaning given in section 9 of the Corporations Act;

“**Company**” means EQ Resources Limited ACN 115 009 106;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**EIP**” means Equity Incentive Plan

“**Explanatory Statement**” means the explanatory statement which forms part of this Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2023 and which is set out in the 2023 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Section**” means a section of the Explanatory Statement;

“**Security**” means an equity security or a debt security;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Share Purchase Agreement**” means an agreement entered into between Tungsten Mining JV, S.L.U. and European Tungsten Pty Ltd and EQ Resources Limited on 10.08.2023.

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average market price as defined in Listing Rule 19.12.

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## ANNEXURE A – SUMMARY OF EQUITY INCENTIVE PLAN

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The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below.

### 1. AWARDS

Under the Plan, Participants (as defined below) will be granted incentive awards (**Awards**) which may comprise:

- (a) shares in the Company, issued at a price determined by the Board in their sole and absolute discretion, subject to any vesting conditions (**Shares**); and/or
- (b) options, issued at a price determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price determined by the Board in their sole and absolute discretion, and subject to any vesting conditions (**Options**); and/or
- (c) performance rights, issued at a price determined by the Board in their sole and absolute discretion, each being a conditional right to subscribe for one Share on payment of an exercise price determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions (**Performance Rights**).

Awards may have grant conditions. Subject to those grant conditions being satisfied, all Awards will be granted subject to the satisfaction of vesting conditions (if any) as determined by the Board in its sole and absolute discretion.

### 2. ELIGIBILITY

At the discretion of the Board, a person who is:

- (a) a full time or part time employee or non-executive director of the Company or an associated body corporate (being a body corporate that is a related body corporate of the body, a body corporate that has voting power in the body of not less than 20% or a body corporate in which the body has voting power of not less than 20%) (**Group Company**);
- (b) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full-time position with a Group Company; or
- (c) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company, where the work is or might reasonably be expected to be the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company, is permitted to participate in the Plan.

People eligible to participate in the Plan are called **Eligible Employees**. The Board may permit an Award the subject of an offer to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee's (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (**Nominated Party**).

A **Participant** is an Eligible Employee or Nominated Party to whom an Award has been granted.

### 3. PAYMENT FOR AWARDS

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

### 4. LIMITS ON NUMBER OF AWARDS GRANTED

Under the Plan rules, where an offer is made under the Plan, the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed the maximum number permitted by the Corporations Act (including the ESS Corporations Act Provisions) and the Listing Rules during the relevant period.

## **5. ENTITLEMENTS OF PARTICIPANTS**

### **(a) Notice of meeting**

Unless otherwise resolved by the Board when it makes an offer, and subject to the terms of issue, a Participant is entitled to notice of a meeting of the Shareholders and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the offer.

### **(b) Dividends**

The Board may determine, at the time of an offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested). Participants who hold Options or Performance Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Performance Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.

### **(c) Changes in capital**

Unless otherwise resolved by the Board when it makes an offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights offer, provided that if the Shares are unvested and/or have any restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights offer will be subject to the Plan as if those shares were Shares issued under the offer made to the Participant.

Options or Performance Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.

In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares issued pursuant to the offer to a Participant as the Board deems appropriate. If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue) the exercise price of Options and Performance Rights will be reduced in accordance with the Listing Rules.

If the Company makes a bonus issue the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue.

If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options or Performance Rights, subject to the relevant vesting conditions.

## **6. DEALING, VESTING AND EXERCISE**

### **(a) Dealing**

Participants must not dispose of, grant (or purport to grant) any security interest in or over, or otherwise deal with (or purport to dispose or deal with) an Award unless:

- (i) it is in compliance with the terms of the Share offer and any Share vesting conditions; or
- (ii) in respect of Options and Performance Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.

**(b) Vesting**

Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Awards by the Company.

**(c) Exercise**

Vested Options and Performance Rights can only be exercised during the exercise period specified in the invitation to participate in the Plan.

The exercise price per Share in respect of an Option or Performance Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share will be issued to the Participant for each exercised Option or converted Performance Right.

Options and Performance Rights will expire on the date that is two years after the date of issue, or such other period determined by the Board or the Plan.

**7. LAPSE OF AWARDS**

Subject to the Board's discretion, if a Participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), is dismissed from office for cause or poor performance, or in another circumstance determined by the Board:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse;
- (c) vested Options and Performance Rights that have not been exercised will lapse on the date of cessation of employment or office.

If a Participant's employment or engagement with a Group Company ceases in any other circumstances, unless the Board determines different treatment is warranted:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse; and
- (c) vested Options and Performance Rights that have not been exercised will continue in force and remain exercisable, until the last exercise date determined by the Board or the Plan.

**8. FORFEITURE OF SHARES**

Unvested Shares will be forfeited on the earlier of:

- (a) the Board determining any applicable vesting condition has not been, or is not capable of being satisfied, reached or met;
- (b) the Shares being forfeited under the Plan provisions dealing with cessation of employment, change of control, breach, fraud or misconduct; or
- (c) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions of the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law.

Vested Shares can also be forfeited under Rule 11 (see below). The Company must:

- (a) sell forfeited Shares in the ordinary course of trading on the ASX;
- (b) buy back and cancel the forfeited Shares; or
- (c) deal with the forfeited Shares in any other manner determined by the Board from time to time.

No consideration or compensation is payable to a Participant for, or in relation to, the forfeiture of Shares under the Plan.

## **9. BREACH, FRAUD OR MISCONDUCT**

If the Board determines that a Participant has:

- (a) been dismissed or removed where a Group Company was entitled to do so without notice;
- (b) been indicted for an offence under the Corporations Act;
- (c) had civil judgement entered against them;
- (d) committed fraud, defalcation or gross misconduct; or
- (e) materially breaches their duties or obligations,

in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse.

## **10. CHANGE OF CONTROL EVENTS**

On the occurrence of a Change of Control Event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Awards will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Awards will vest; and/or
- (b) reducing or waiving vesting conditions.

## **11. CLAWBACK**

If an event occurs which means vesting conditions were not or should not have been determined to have been satisfied, the Board may:

- (a) cancel the affected Options or Performance Rights for no consideration or treat the Shares as forfeited;
- (b) require the Participant pay the Company the after-tax value of the affected Shares, Options or Performance Rights within 30 business days; or
- (c) adjust fixed remuneration, incentives or participation in the Plan to take account of the after-tax value of the affected Shares, Options or Performance Rights.

## **12. AMENDMENTS TO TERMS OF EXERCISE OR THE PLAN**

The Board may vary the terms of exercise of Options or Performance Rights and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option or Performance Right will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that the rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.

**ANNEXURE B**  
**Resolution 9 - Approval of 10% Placement Facility**

<b>Date</b>	<b>Number of Securities</b>	<b>Security Type</b>	<b>Terms</b>	<b>Description</b>	<b>Party or Basis</b>	<b>Price</b>	<b>Discount</b>	<b>Total Consideration</b>	<b>Use of Consideration</b>
Announced on 10.08.2023 however securities yet to be issued	147,448,693	FPO	FPO	Placement	As part of EQRs acquisition of leading European tungsten producer Saloro S.L.U the securities are proposed to be issued to Tungsten Mining JV S.L.U., Spain, ("Tungsten Mining"), a portfolio company of funds managed by Oaktree Capital Management L.P.	\$0.09	Nil	\$25 million of which the cash has yet to be received, however the proposed use of funds is: 1. Repayment of debt under the Saloro Bank Facilities \$8,340,000 2. Capital Expenditure for Barruecopardo Project \$8,340,000 3. Working Capital contingency for Company \$8,340,000  TOTAL \$25,020,000	The securities are proposed to be issued as part of EQRs acquisition of leading European tungsten producer Saloro S.L.U. as announced to the market on 10.08.23.
<b>Total</b>	<b>147,448,693</b>						<b>Total</b>	<b>\$25,020,000</b>	

**Glossary**

FPO Fully Paid Ordinary Shares

## ANNEXURE C – MATERIAL SUMMARY OF HEADS OF AGREEMENT

<p><b>Conditions Precedent</b></p>	<p>Settlement of the transaction is subject to and conditional on the following conditions precedent being satisfied (or waived):</p> <ul style="list-style-type: none"> <li>i. the parties entering into a definitive agreements on terms acceptable to the parties and which shall be consistent with the terms set out in this HoA;</li> <li>ii. the Company obtaining all necessary shareholder approvals required to lawfully complete the transaction, including, but not limited to ASX Listing Rule 7.1;</li> <li>iii. the parties entering into a product marketing agreement for tungsten concentrate produced at the Barruecopardo Mine in Spain; and</li> <li>iv. the parties obtaining tax advice in respect of the proposed transaction which does not result in advice which recommends a change to the structure of the transaction.</li> </ul>
<p><b>Consideration</b></p>	<p>The Company has agreed to:</p> <ul style="list-style-type: none"> <li>i. issue new shares at a share price of AUD 9 cents per Consideration Share to CR Asia (and/or nominees) which is equal to USD 7,5 million worth (subject to voluntary escrow restriction for a period of 12 months from the date of issue); and</li> <li>ii. assume all obligations under the Offtake Agreements.</li> </ul>
<p><b>Settlement</b></p>	<p>Settlement of the transaction will occur upon satisfaction (or waiver) of the conditions precedent. At settlement:</p> <ul style="list-style-type: none"> <li>i. the Company shall allot and issue the Consideration Shares;</li> <li>ii. CR Australia must deliver to the Company an instrument of transfer in registrable form for the JV interest and shares held in Mt Carbine Retreatment Pty Ltd in favor of the Company;</li> <li>iii. the Company shall repay CR Australia the Working Capital amount (being an amount of approximately USD2.2m) on a schedule to be agreed by the Parties;</li> <li>iv. the Company shall assume all obligations under various equipment leases with CR Australia; and</li> <li>v. CR Asia (and/or nominees) must deliver to the Company an escrow deed which has been duly executed by CR Asia (and/or nominees).</li> </ul>

The Heads of Agreement otherwise contains provisions considered standard for an agreement of its nature.

## **ANNEXURE D – MATERIAL SUMMARY OF SUBSCRIPTION AGREEMENT (AND ASSOCIATED TRANSACTION DOCUMENTS)**

Under the terms of the Transaction, EQR through its wholly-owned subsidiary, European Tungsten Pty Ltd (“European Tungsten”) has agreed to acquire 100% of the issued capital of Saloro from Tungsten Mining for a nominal consideration of EUR1 and the benefit of all of the intercompany loans owed by Saloro to the Oaktree group (which is approximately EUR80,000,000) for EUR1. EQR has agreed guarantee all of the obligations of European Tungsten under the SPA.

Completion under the Share Purchase Agreement is conditional upon the satisfaction of certain conditions precedent, including the approval of foreign direct investment agencies in both Australia and Spain (“Conditions Precedent”), and shall occur on the fifteenth (15th) business day after the date on which the last Conditions Precedent is satisfied or waived (“Completion Date”).

The Transaction was conditional upon ASX confirming that ASX Listing Rules 11.1.3 did not apply to the Transaction and the Company obtaining shareholder approval in accordance with ASX Listing Rule 11.1.2, if required by ASX. ASX has determined that neither ASX Listing Rules 11.1.2 nor 11.1.3 will apply to the Transaction.

On the Completion Date, the Company shall issue 278 million Subscription Shares at an issue price of \$0.09 per share (representing a ~30% premium to the 15 days VWAP) and grant 78 million Options (with an exercise price of \$0.10 per share, exercisable during the period of 2 years following the Completion Date) to Oaktree’s nominee entity, OCM Luxembourg Tungsten Holdings S.À R.L. (“OCM”) pursuant to a subscription agreement (“Subscription Agreement”). EQR intends to issue the Subscription Shares and Options under its ASX Listing Rule 7.1 and 7.1A placement capacity.

Additionally, under the Subscription Agreement, the Subscription Shares, Options and the shares to be issued upon the exercise of the Options (“Option Shares”) will be subject to voluntary escrow for a period of twelve (12) months from the Completion Date. The parties have also agreed that for so long as OCM holds a shareholding of 10% or more in the Company, OCM shall be entitled to appoint a director to the Board of the Company (“Investor Director”). The Investor Director shall also be appointed as the chair of the Company’s Audit and Risk Committee and another representative of OCM shall be appointed as a member of the Audit and Risk Committee.

Saloro currently has outstanding debts of approximately EUR35,000,000 to various reputable third party Spanish banks (“Spanish Lenders”) (“Saloro Bank Facilities”). Note that a condition precedent to the Transaction is the extension of the terms of each of the Saloro Bank Facilities to a date no earlier than 18 months following the Completion Date. In order to secure the obligations of Saloro under the Saloro Bank Facilities, Oaktree procured Wells Fargo Bank N.A. (London Branch) (“Wells Fargo”) to issue certain guarantees and standby letters of credit in favour of the Spanish Lenders (“Letter of Credit”).

EQR and European Tungsten will enter into a counter indemnity agreement (“Counter Indemnity”) with various Oaktree entities (together, the “Beneficiaries”) to indemnify them in respect of certain liabilities that may arise in the event of any calls on the Letter of Credit, which may occur in the event of a default under the Saloro Bank Facilities. European Tungsten will also grant security over all of its shares in Saloro to the Beneficiaries as security for its obligations under the Counter-Indemnity.

Following Completion under the Share Purchase Agreement, in the event the Options granted to OCM are exercised, all of the proceeds shall be used to repay the Saloro Bank Facilities.

## ANNEXURE E – TERMS AND CONDITIONS OF SUBSCRIPTION OPTIONS

### (a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### (b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be AUD\$0.10 per share (Exercise Price)

### (c) Expiry Date

Each Option will expire at 5:00 pm (EST) two (2) years after the completion date of the Share Purchase Agreement (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

### (g) Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

### (h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

### (i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Change in exercise price**

Subject to paragraph (i), an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

Subject to the Lock-Up Period, the Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**(m) Quotation**

The Options will not be quoted on the ASX or any other financial market.

Your proxy voting instruction must be received by **03.00pm (AEDT) on Monday, 27 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

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#### BY EMAIL:

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