

8<sup>th</sup> May 2023

## **EQR GOLD TENEMENTS ATTRACT DRILLING BY FARM-IN PARTNER SOZO AS PART OF STAGE 2 EXPLORATION PROGRAM**

### **Highlights:**

- Sozo Resources has successfully completed Stage 1 Farm-In Conditions and has elected to proceed to Stage 2 Farm-In, providing Sozo the exclusive right to earn a 49% legal and beneficial interest in the Joint Venture Gold Property subject to conditions.
- Planned exploration activities include drilling beneath historic workings at the Telephone Line Prospect and exploring a newly identified gold in soil anomaly along strike from Telephone Line (Panama Hat Project).
  - o Historic rock chip samples at the Telephone Line Prospect returned high-grade gold, including sample PH0018 with 22.1g/t gold from ferruginous quartz vein mine spoils.
- At the Crow Mountain Project, the focus will be on drilling IP chargeability anomalies near the Peel Fault and the Princess Mine area.
  - o A recent rock chip sample CMRC025 at Crow Mountain returned 4.9g/t gold on the eastern margin of an IP chargeability anomaly.
  - o Further analysis of 23 drill pulps from the historic ICK001 drillhole has been submitted for a complete Rare Earth Element analysis.
- The achievement strengthens the partnership between EQR and Sozo and signifies their shared commitment to exploration and value creation in the NSW gold tenements.

EQR Resources Limited ("EQR" or "the Company") is pleased to announce that Sozo Resources Pty Ltd ("Sozo") has successfully satisfied the Stage 1 Farm-In expenditure requirements as per the Farm-In and Joint Venture Agreement outlined in ASX Announcement '[EQR Farms-Out NSW Projects To Focus On Mt Carbine Tungsten Mine](#)', dated 25<sup>th</sup> November 2021. This agreement relates to EQR's Panama Hat (EL8024) and Crow Mountain (EL6648) projects, which are located in New South Wales.

According to a letter received from Sozo dated 1 May 2023, Sozo confirmed the completion of Stage 1 Farm-In Conditions and have elected to proceed to Stage 2 Farm-In. This milestone grants Sozo the exclusive right to earn a 49% legal and beneficial interest in the Joint Venture Gold Property, subject to fulfilling the Stage 2 Farm-In Condition of \$750,000 exploration spend by 3 August 2024.

Historic rock chip samples at the Telephone Line Prospect (Panama Hat project) returned high-grade gold, including sample PH0018 with 22.1g/t gold from ferruginous quartz vein mine spoils.

Rock chip sample CMRC025 at Crow Mountain returned 4.9g/t gold on the eastern margin of an IP chargeability anomaly.

23 drill pulps from the historic ICK001 drillhole at Crow Mountain have been submitted for a complete Rare Earth Element analysis.

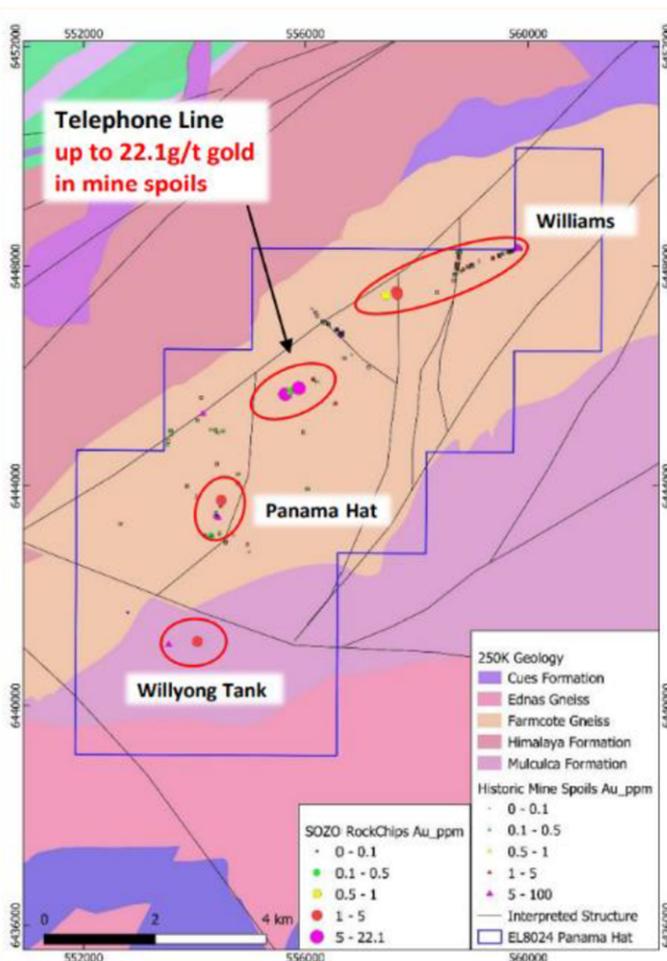
EQR CEO Mr Kevin MacNeill expressed his satisfaction with this development, stating, "We are pleased to see Sozo Resources progressing to Stage 2 of the Farm-In agreement. Their commitment to exploration aligns with our goal of maximising the potential of the Panama Hat and Crow Mountain projects. We believe these targeted exploration efforts hold great promise for the discovery of significant mineralisation."

EQR Chief Geologist Mr Tony Bainbridge commented, "The planned exploration activities, particularly drilling beneath historic gold workings at the Telephone Line Prospect and targeting IP chargeability anomalies at Crow Mountain, are strategically designed to unlock the geological potential of these projects. We look forward to the results of these exploration campaigns and the valuable insights they will provide."

This milestone achievement further solidifies the partnership between EQR and Sozo Resources, reflecting their shared commitment to advancing exploration and unlocking the value of the NSW gold tenements. EQR will continue to provide updates on the progress of Sozo as it moves into Stage 2 and beyond.

An update on the properties are as follows:

**EL8024 Panama Hat**



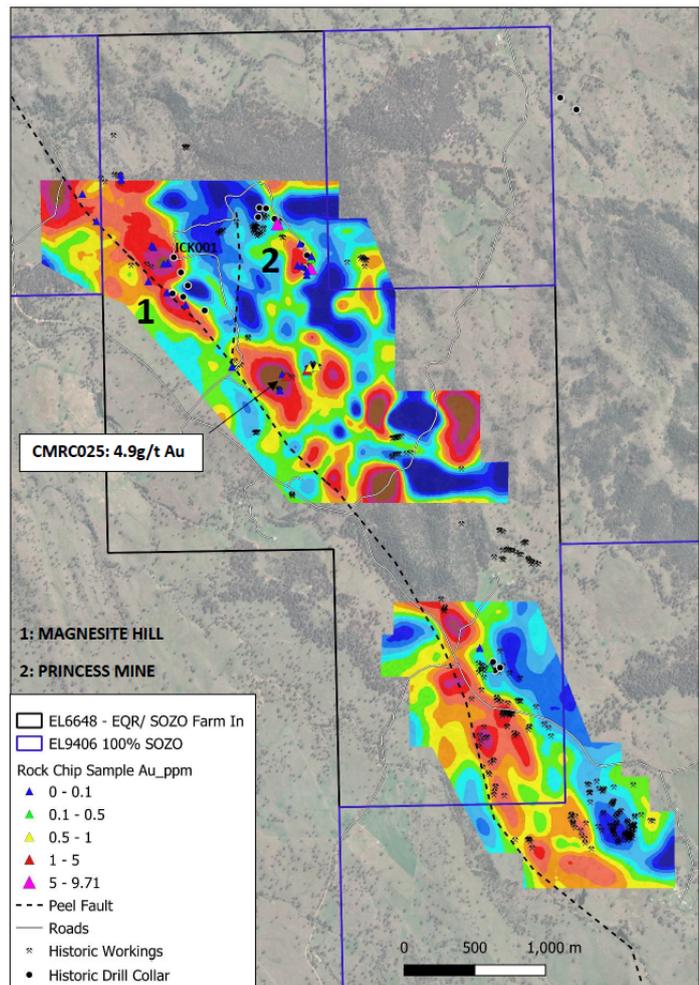
Exploration focused on the Telephone Line Prospect, where historic artisanal mine workings lie within a structural corridor of over 300m in length. Previous Sozo rock chip samples from these workings have returned high grade gold as evidenced in sample PH0018, which contains 22.1g/t gold from ferruginous quartz vein mine spoils.

The corridor was targeted with detailed geological mapping and soil samples. The mapping shows the target corridor is associated with a sub vertical shear zone trending to the north-east, while gold bearing structures, commonly associated with quartz veins, are located orthogonal and dip steeply back to the south west. 277 soil samples (-2mm fraction) were also collected at a combination of 50m x 50m and 25m x 25m centres. As expected, a subtle gold response was detected across the historic workings, however, a stronger gold response has been located distal to the workings. Further soil sampling is currently underway to validate this distal gold anomaly.

## EL6648 Crow Mountain

A further 20 rock chip samples were taken across the project area, predominantly targeting surface expressions of historic Induced Polarization (IP) Chargeability anomalies. Of note is rock chip sample CMRC025 which returned 4.9g/t gold on the eastern margin of an IP chargeability anomaly and approximately 1000m south-east of the Magnesite Hill gold discovery. CMRC025 is located in the Woolowin Group cherts and thereby provides strong support for a drillhole testing an IP target east of the Peel Fault.

In addition to the grab sampling, 23 drill pulps from the historic ICK001 drillhole were selected and have been submitted for a complete Rare Earth Element analysis.



### Released on authority of the Board by:

**Kevin MacNeill**  
Chief Executive Officer

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### About the Company

EQ Resources Limited is an ASX-listed company transforming its world-class tungsten assets at Mt Carbine in North Queensland; leveraging advanced technology, historical stockpiles and unexploited resource with the aim of being the pre-eminent tungsten producer in Australia. The Company also holds gold exploration licences in New South Wales. The Company aims to create shareholder value through the exploration and development of its current portfolio whilst continuing to evaluate corporate and exploration opportunities within the new economy and critical minerals sector.

### Competent Person's Statements

EQ Resources' exploration and resource work is being managed by Mr. Tony Bainbridge, AusIMM. Mr. Bainbridge is engaged as a contractor by the Company and is not "independent" within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Bainbridge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in JORC Code 2012.

The technical information contained in this announcement relating exploration results are based on, and fairly represents, information compiled by Mr. Bainbridge. Mr. Bainbridge has verified and approved the data disclosed in this release, including the sampling, analytical and test data underlying the information.

#### *Forward-looking Statements*

This announcement may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this announcement include risks associated with planned production, including the ability of the Company to achieve its targeted production outline due to regulatory, technical or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates. Neither the Australian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Australian Securities Exchange) accepts responsibility for the adequacy or accuracy of this announcement.

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