

6th March 2023

EQR SECURES ENVIRONMENTAL AUTHORITY TO RESUME OPEN PIT MINING AT MT CARBINE

EQ Resources Limited is the 100% owner of the Mt Carbine Tungsten Mine near Cairns, Australia's only primary tungsten producer.

Highlights:

- Environmental Authority (EA) received to revitalise and start mining from the Andy White Open Pit, scheduled for June 2023.
- First primary ore from the current pit floor is expected higher grade compared to the Mineral Resource at 0.32% WO₃, and a fivefold increase from currently processed low-grade stockpile material at 0.075% WO₃.
- Upgraded gravity circuit designed for a fivefold increase in tungsten concentrate production.
- EQR is poised to become a major tungsten producer, helping to fill the value chain in the western markets as China and Russia control ~87% of global output.

Following recent drilling successes (see ASX announcement [‘Iron Duke Discovery and Potential Pit Extension’](#) dated 13 February 2023, and ASX announcement [‘Drilling Confirms High-Grade Mineralised System in Western Extension’](#) dated 27 February 2023), EQ Resources Limited (“EQR” or “the Company”) is pleased to announce that it received positive confirmation from the Department of Environment (“DES”) on the amendment of the Environmental Authority (EPML00956913) to mine the Andy White Open Pit.

EA Amendment Work

Over the past year the Company has engaged Cairns firm Natural Resource Assessments (NRA) Pty Ltd to complete several component studies as well as coordinate the design and upgrade of existing infrastructure to meet world-class standards. The work included an updated hydrogeological study based on new shallow and deep monitoring water wells, flora & fauna studies, dust & noise assessments, the development of a blast management plan and an updated stakeholder engagement program (based on a detailed review of heritage sites around Mt Carbine). Strategic engineering consulting firm ATC Williams Pty Ltd out of Brisbane, recognised leader in tailings and water management, updated water balances and designed the upgrade of the Mt Carbine water dam.

EQR's Chief Executive Officer, Mr Kevin MacNeill, commented: “We are very pleased with the outcome of the study works and having engaged with recognised environmental experts. This will set ourselves the guidelines to implement highest industry standards. Our advisors have their boots on the ground and their regional expertise around Far-North Queensland was invaluable. The work was closely coordinated with DES since a very early engagement back in 2021, we made sure that our work aligns with their requirements at all times.”

EQR sets itself the vision to be a leader of sustainably produced critical minerals, this path has been consistently followed since the reactivation of the Mt Carbine Mine. Recent achievements and the continuous proactive engagement with communities, Government and other stakeholder groups has been recognised with the '2022 AMEC Environmental Award' (see media release '[EQR Wins 2022 AMEC Environment Award](#)' dated 13 December 2022).



Fig. 1 (right) - Mt Carbine water dam, detailed ecological studies conducted as part of EA Amendment process

Plant Upgrade for Open Pit Ore Processing

Early-stage site preparation and continuous improvements around the Mt Carbine Processing Plant are part of the fully funded and low capital cost Bankable Feasibility Study budget of \$21.4m. Construction work continues over the coming months with an extremely short payback period of 1.5 years from the time the Open Pit mining commences.

The capital program around the Gravity Plant has been underway to improve recoveries and increase availability in both the Gravity Plant and the existing Crushing Circuit in order to handle a 5-times increase in the ore feed grade expected. An additional four-compartment jig will duplicate the existing jig as well as 8 additional shaking tables being part of the upgraded gravity circuit. The XRT Sorter feed handling and crushing system has been upgraded as well as the electrical system around the entire site.

The new Sandvik Crushing Plant is currently being manufactured in Sandvik's workshop. The new Sandvik Plant will provide expanded crushing capacity in the frontend of the process flowsheet. Nevertheless, as commissioning of the Sandvik Plant is scheduled for later in the year, the Open Pit Ore will start to be processed using the existing Crushing Circuit (part of previous Early Works Program) supplemented with a portable jaw crusher.

"Glad to see our plants and operational teams well geared to receive first primary ore from the Andy White pit which starts ramp-up in June," Mr MacNeill said. "The gravity circuit already today performs at design capacity as defined in our bankable study, with our two Tomra XRT ore sorters forming a vital part in the new-age processing circuit at Mt Carbine."

"The Company has made substantial investment in recruiting locally and training a workforce to deliver on the production uplift. When in full operation, Mt Carbine is expected to employ and contract more than 150 people from nearby Mt Molloy and surrounding communities as far south as Mareeba."

"We are delighted to be building Mt Carbine into a responsible mine of the future and becoming a major tungsten producer, helping to fill the value chain in the western markets as China and Russia currently control ~87% of global output." Mr MacNeill said.

Released on authority of the Board by:
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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. Mr. Bainbridge has consented to the inclusion in this release of the matters based on his compiled information in the form and context in which it appears in this announcement.

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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