

02 June 2023

EQR COMPLETES SECOND DRAWDOWN FROM \$6M FEDERAL GRANT

EQ Resources Limited is the 100% owner of the Mt Carbine Tungsten Mine near Cairns.

Highlights:

- The Federal Government's Critical Minerals Accelerator Initiative (CMAI) delivers on \$6 million grant with EQR receiving its second drawdown of \$3.96 million.
- The CMAI co-investment will be utilised to drive Mt Carbine's Expansion Program progression through its timeline towards the re-opening of the Andy White Open Pit later this month.
- The grant recognises the strategic importance of EQR in building a resilient critical minerals industry in Australia, based on advanced processing technology and skilled-up labour.

EQ Resources Limited ("EQR" or "the Company") is pleased to announce that it has received the \$3.96 million second tranche payment from the Federal Government \$6 million grant under the Critical Mineral Accelerator Initiative (CMAI).

As a historically significant tungsten mine and currently Australia's only export source of primary tungsten, the co-investment received from the CMAI will be utilised to support implementation of the scope defined in the Company's recently updated Bankable Feasibility Study (see ASX announcement '[Strong BFS Update Delivers 47% Increase In NPV](#)' dated 22 May 2023) for a large-scale, sustainable source of the globally recognised critical mineral. This includes utilising historic mine waste and high-grade resources to be imminently mined from the recently revitalised Andy White Open Pit (refer to ASX Announcement '[43% Increase in Mt Carbine Ore Reserves From Western Pit](#)' dated 18 May 2023).

The \$3.96 million drawdown will contribute towards the further upgrade of the gravity plant and additional drilling. These efforts will encompass processing relatively low-grade ore currently stockpiled above ground and high-grade resources identified in the Andy White Open Pit, which is set to recommence mining later this month. Furthermore, this expansion and commencement of open-cut mining activities will position EQR as a significant employer within the local economy, with employee numbers expected to exceed 140.

Under the leadership of Hon Minister Madeleine King, Minister for Resources and Northern Australia, the CMAI funding was directed to Mt Carbine to support the development of critical minerals production, regional growth, job creation and development across Northern Australia (refer to Media Release of Hon Minister Madeleine King, dated 16 September 2022: [Government Support for Critical Minerals](#)).

The funding supports EQR's implementation of a Bankable Feasibility Study for rejuvenation of the century-old mine site, a near \$25 million capital investment program that is now substantially complete.

"Rebuilding of Mt Carbine is moving ahead efficiently," commented EQR Chief Executive Officer, Mr Kevin MacNeill. "The Andy White open pit preparation and rehabilitation has been completed to a stage where we now have grade control drilling rigs on the dry pit floor ahead of the first mining of primary ore since the 1980s."

"The CMAI grant funding has been of great support for injecting new life into this project, creating jobs for 90 employees and up to 50 contract workers with our mining partners Goldings. Many of our new and expanded workforce will be living in the surrounding communities, contributing to our neighbourhoods, and enjoying the Far North Queensland lifestyle," Mr MacNeill said.

"The place is buzzing with people and excitement. It's never been this busy," he said.

For previous related ASX announcements see:

[EQR Receives First Drawdown From \\$6M Federal Grant](#) dated 2 December 2022

[Government Funding for Mt Carbine Critical Minerals Program](#) dated 28 April 2022



Figure 1 & 2 - Tungsten concentrate bags ready to ship (right); Previous CMAI Office site tour to Mt Carbine showcased the successful acceleration of the Mt Carbine Tungsten Project towards recommencement of open pit mining (left).



Figure 3 - The dewatered Andy White Open Pit is undergoing final preparations before mining recommences later this month. Red Blocks indicate 1st Month mining areas.

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.

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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