

EQ Resources Limited Quarterly Activities Report Quarter ended 31 December 2023

EQ Resources Limited (EQR) is the 100% owner of the Mt Carbine Tungsten Mine near Cairns, Australia's leading primary producer of tungsten, a critical metal. Production recommenced in 2020 with dual product streams of tungsten concentrate and by-product high-quality specialised aggregate and road-making materials. Re-Opening and mining of the historical Andy White Open Pit commenced in June 2023.

HIGHLIGHTS

MT CARBINE OPERATIONS

- Strong quarter for the open pit operations with +50% material blasted and +82% material extracted from the pit from Q1 to Q2 FY2024.
- Decisive preparedness and agile response minimised Cyclone Jasper's impact, ensuring safety and rapid resumption of operations at Mt Carbine within 10 days amidst extreme weather conditions.

EQR EXPLORATION

- Drilling completed at Telephone Line Gold Prospect in Panama Hat, NSW, 220 Samples sent to ALS Laboratory in Brisbane with results expected in January 2024.

CORPORATE DEVELOPMENT & FUNDING

- Subsequent to quarter end, the acquisition of Saloro S.L.U. has been completed with a \$25 million investment by Oaktree in EQR, by subscribing to 278 million new ordinary shares at \$0.09, resulting in a 15% stake in the Company, and 78 million options with an exercise price of \$0.10.
- Production 'key performance indicators' at Saloro strongly improved since first collaborative work established between EQR and Saloro, with a further debottlenecking program well underway, including doubling of XRT sorting capacity within the first quarter 2024.

MT CARBINE OPERATIONS AND PRODUCTION

Proper preparation and a rapid response to Tropical Cyclone Jasper were critical in mitigating risks and limiting damage at the Mt Carbine site. Despite facing extreme winds, record rainfall, floods, and power outages, our pre-emptive measures and swift action kept cyclone-associated downtime to just 10 days. This quick recovery showcased our team's resilience and our operational robustness in the face of severe weather challenges. Although production targets were affected and continue to be due to road floods restricting access to site, new policies are being put into place and temporary staff accommodations are being organised to facilitate full working hours while keeping safety top of mind.

Mt Carbine		Q2 FY2024	Q1 FY2024	Change (%)
Material blasted	t	545,122	363,356	+ 50%
Material extracted	t	496,784	273,394	+ 82%
Ore	t	258,934	212,096	+ 22%
Waste	t	237,849	61,298	+ 288%
Ore Stockpiled	t	186,866	92,000	+ 103%
50% Equivalent WO3 Produced	t	368.3	422.6	- 13%

Note: 368 tonnes of 50% Equivalent Concentrate were produced during the quarter. Production was disrupted by 22 shifts in December, with 18 shifts lost due to Tropical Cyclone Jasper and 3 shifts lost due to scheduled shutdowns on the 25th of December (Christmas Day) and 1 shift on the 31st of December. The Company carried significant in-plant stockpiles which could only be processed after the New Year Eve.

OPEN CUT MINING

Open Cut Mining Operations are going strong, with a significant increase in the amount of material blasted and extracted from the Andy White Open Pit. The newly commissioned Hitachi EX1900 excavator along with the four Cat 775 Dump Trucks of 60 tonnes capacity each are yielding notable outcomes and will positively impact unit costs.



Hitachi 1900 (Left); CAT 775 Dump Truck being delivered (Right)

- 545,122 tonnes of material blasted by our Drill and Blast Contractor in Q2 FY 2024
- 496,784 tonnes total material extracted from the pit, 500,000 tonnes left to be extracted in Stage 1 pit before stripping waste for Stage 2, 180,000 tonnes of ore and 320,000 tonnes of waste.
- 186,866 tonnes of ore on stockpile as of beginning of January awaiting to be processed.

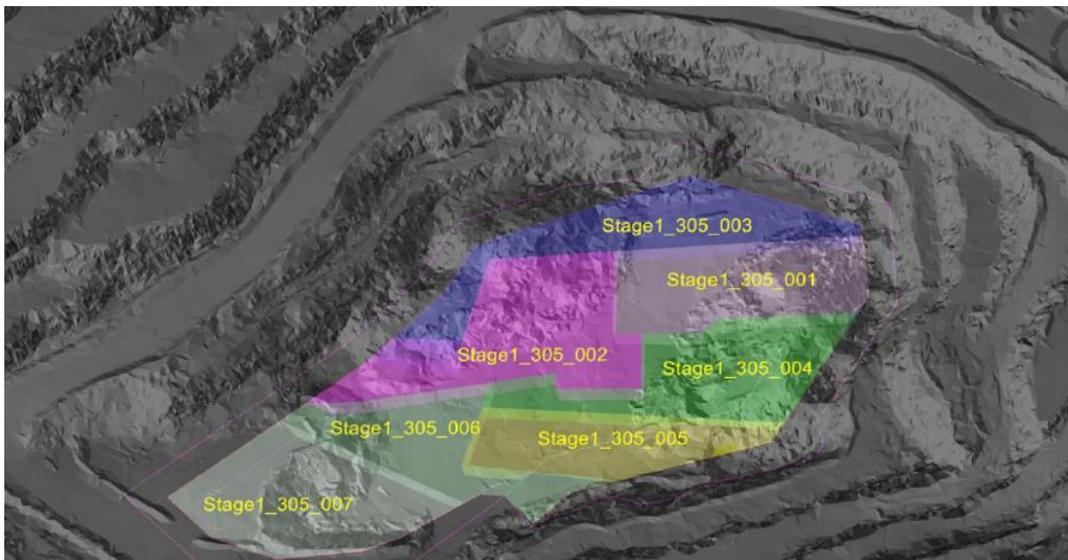
End of month Survey on ROM1 1st January 2024:



- **HG:** 33,341 tonnes
- **MG:** 103,387 tonnes
- **LG:** 50,138 tonnes
- **Total: 186,866 tonnes**

ROM volumes have grown by 93,930 tonnes Quarter on Quarter, mostly in Medium Grade ore as the higher grade has been directed to the crushing plant stockpiles as the ore selection has been changed, with the lower end of the High Grade categorised as Medium Grade (See table below).

TYPE	OLD GRADING (in % WO ₃)	NEW GRADING (in % WO ₃)
Waste/Paf	<0.05	<0.05
Low Grade	0.05 – 0.1	0.05 – 0.15
Medium Grade	0.1 – 0.2	0.15 – 0.3
High Grade	>0.2	>0.3



305m RL showing blast ore blocks, High grade (305-001 & 002: Pink); Medium Grade (305-005: yellow); Low grade 305-003: Blue) with remainder being waste. Table above outlines the tungsten grades of these zones.

Geologically, we see that Johnson veins in Stage 1 305-001 & 002 are consistent with the ore body modelling with the most variation being in the Bluff grade is lower than the model. Work is being undertaken to do a reconciliation in Q3 FY2024, when all RC holes assays have been returned from the laboratory.



Johnson veins showing up in the pit – looking at blast 305-002 wall. Individual veins grade look high by visual inspection with the entire face being 0.28% in this region.



Current stockpiles (Left); Excavation operations ongoing at the bottom of the pit (Right)

CRUSHING OPERATIONS

The Crushing Plant processed 122,839 tonnes of open pit material and produced 100,204 tonnes of Sorter feed and 22,635 tonnes of fine material during the quarter.

Currently processing only open pit material. Water availability was a constraint throughout October and November with crushing operations converted to run as a dry crushing plant from October until mid-December. After Cyclone Jasper, the dam has been filled completely and the crushing plant converted back to a wet crushing operation. Fixed and Mobile Plants working in tandem whenever possible, with the Jaw Crusher preparing feed ahead of the crushing plants to prevent the +170 mm oversize material through the plant that would be otherwise carted and stockpiled. With the wet season just around the corner, the dam walls will be raised in Q3 FY2024 to increase the capacity and have ample water to guarantee wet crushing operations moving forward.

XRT SORTER

The Ore Sorter Plant processed 89,488 tonnes of open pit ore and produced just over 9,000 tonnes of high-grade Sorter Concentrate for the Gravity Plant with 1,000 tonnes of sorter feed and 100 tonnes of Sorter Concentrate left on stockpiles as at 31st December 2023.

GRAVITY PLANT

The feed through the Gravity Plant benefited from the better grade from the Open Pit ore and continues to deliver better concentrate per tonnes through processing. The focus on improving the feed quality into the Gravity Plant showed good improvements with the biggest parts of the plant feed being either high grade sorter concentrate or 6mm fines with a significantly reduced reprocessing of historic tailings. Sorter concentrate processed through the Gravity Plant this quarter increased to 8,568 tonnes.

Operational efficiency has shown marked improvements, 82.2% runtime this quarter (cyclone adjusted).

Doubling of Gravity Plant capacity is ongoing, whereas the focus during the quarter was on stabilisation of operations with the new incoming open pit ore. A new jig, additional shaking tables and a new dewatering screen will come online in the second half FY2024.

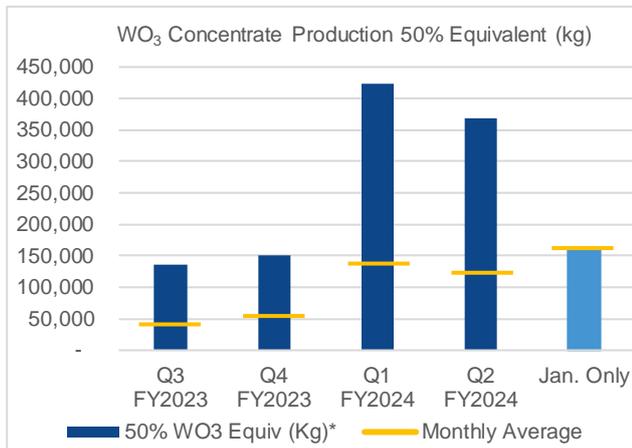


Figure 1: Gravity Plant Quarterly Concentrate Production

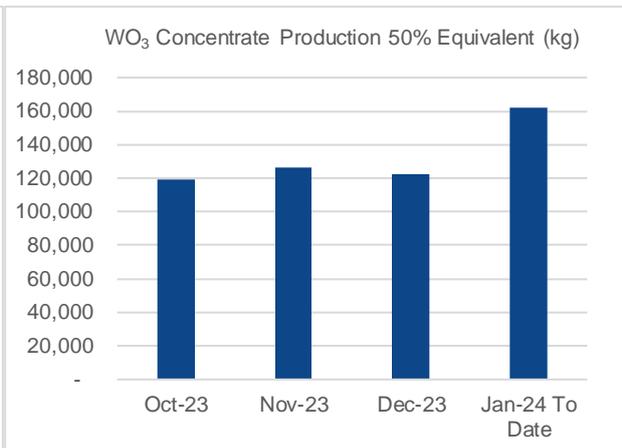


Figure 2: Gravity Plant Monthly Concentrate Production Q1 FY2024



Tropical Cyclone Jasper significantly affected operations at the Mt Carbine site mid-December with damaging winds, floods, power outages, disrupted logistics, causing 10 days of downtime.

QUARRY OPERATIONS

Following Cyclone Jasper, our quarry operations are expected to be instrumental in the region's recovery, supplying essential top-quality aggregate for the repair of flood-damaged roads and vital structural work. These efforts reflect the Company's continued commitment to a circular economy, repurposing by-products effectively for reconstruction needs and upholding our environmental and community support values. Between the cyclones, the road floods and the end of the year celebrations, there were a total of 11 days of missed production.

The Pormpuraaw local roads reseal in the Cape is continuing and to date has contributed \$137,2336 (excluding GST) to the Quarry's total revenues for this quarter. The total contract was valued at \$376,403.31 and was concluded during December 2023.

SUSTAINABILITY

See EQR's [Annual Report 2023 page 18 to 29](#) for a recent, in-depth sustainability review. EQR reports its safety and ESG development according to its core values outlined in its ESG Program Framework. See: [Sustainability Framework and Materiality Assessment](#).

EQR has a sustainability tab on its website that communicates the Company's ESG commitments and its ESG initiatives. See: [What We Care About](#) and [ESG Showcase](#).

HEALTH AND SAFETY STATISTICS

Value: Act Safe. Feel Safe



EQR's dedication to a safer workplace is evidenced by the recording of 2,045 positive safety indicators this quarter. The increase in workplace inspections conducted by Area Foremen and Supervisors has significantly improved site safety, ensuring that all areas not only meet but surpass industry standards. This underscores our commitment to ongoing advancements in safety.



Site Safety Reset 2023 (Left); Site Senior Executive, Mick Barry lead the reset (Right)

EQR prioritised its commitment to safety this quarter by hosting its annual safety reset in line with the Queensland mining sector. During 2 hours of complete site down-time, this vital initiative emphasised reinforcing safety protocols, addressed any worker concerns, and aided in fostering an environment where the well-being of every individual on the team remains at the forefront of the Company's operations.

Embracing our "Act Safe. Feel Safe" value, EQR has introduced two staff bus with routes from Mossman and Mareeba to Mt Carbine, prioritising employee safety and well-being. This initiative reduces commute-related risks and supports our sustainability goals by lessening individual car use. It is a direct investment in our employees' safety, aligning with our commitment to a secure and healthy work environment.



One of two staff busses parked in front of the Mareeba office.

DIVERSITY AND PARTICIPATION STATISTICS

Value: Embrace Difference



This quarter at the Mt Carbine site, we achieved notable progress in diversity and representation, marked by an increase in women and full-time Indigenous employees. Additionally, the rise in permanent, full-time staff and a decrease in monthly new hires signifies improved workforce stability. These developments align with our commitment to inclusivity and sustainable employment practices.

ENVIRONMENTAL STATISTICS

Value: Tread Lightly

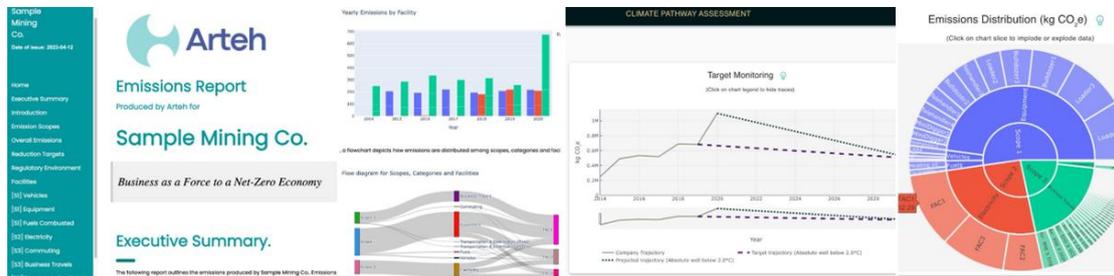


Figure 3: Example of ARTEH's performance dashboard.

As EQR works towards future reporting and net-zero readiness, developmental work with Arteh on an emissions tracking dashboard is ongoing with data collection and inputs underway. See: [EQ Resources' Collaboration with Arteh: Advancing ESG Excellence in the mining industry.](#)

LOCAL PROCUREMENT, PARTNERING & ENGAGEMENT STATISTICS

Value: Buddy Up



EQR is currently conducting an updated Stakeholder Sentiment Survey to further understand the environmental and social aspects that matter most to its stakeholders. Building on insights from the 2021 survey and guided by the Turner & Townsend JukesTodd ESG Categorisation framework, this initiative aims to align EQR's ESG program more closely with the evolving needs of its stakeholders. EQR remains dedicated to ongoing enhancement of its ESG policies and practices to reflect the company's growth and the aspirations of its stakeholders. If you would like to participate in this survey, please contact our ESG Team : [Link](#)

Stakeholder Sentiment Survey 2024



The Cyclone Jasper weather event tested site resilience but ultimately strengthened community bonds. Our sincere thanks go to the employees, neighbours, contractors, and suppliers who stood with us during this challenge. Our collaborative efforts played a key role in community support and recovery. The Company is grateful for the assistance from our partners and proud of the swift, united response that underscored the enduring value of teamwork.



EQR and Toddy's Machinery Maintenance buddy up with Telstra to power up the mobile network by providing a genset, fuel and electrical expertise.

SUSTAINABILITY STATISTICS

Value: Lead with Integrity



This quarter, EQR has significantly advanced in aligning with industry-leading sustainability practices. Following the International Council of Mining and Metals (ICMM) self-assessment facilitated by Turner Townsend Jukes Todd (TTJT), the Company has synthesised its findings into a clear, outward-facing document that delineates its adherence to the ICMM principles. This document includes pertinent links to its internal policies and plans that satisfy the performance criteria, alongside various initiatives that fulfill these benchmarks.

Concurrently, EQR's gap analysis conducted by TTJT has considered the metrics the Company currently gathers for Global Reporting Index (GRI) compliance and pinpointed the additional data needed. This has led to a review of environmental areas where the Company's data collection will be augmented, as it develops comprehensive environmental management plans.

Looking ahead, the Company will coordinate with other EQR members to define the general disclosure prerequisites, aiming to compile a complete set of GRI disclosures in the 2024 annual report. This initiative will strategically exclude metrics that do not pertain to EQR, ensuring our reporting is tailored and relevant. Through these actions, EQR is not only bolstering transparency but also positioning itself at the forefront of potential mandatory sustainability reporting standards.

CORPORATE DEVELOPMENT AND FUNDING

EQR COMPLETES ACQUISITION OF SALORO S.L.U. AND \$25 MILLION PLACEMENT WITH OAKTREE'

EQR and Oaktree have satisfied all conditions precedent under all relevant agreements, and effectively closed the transaction, subsequent to the Quarter's end, which included the acquisition of the leading European tungsten producer Saloro S.L.U. by EQR, and a \$25 million placement to Oaktree by EQR at 9c per share, resulting in a 15% stake in the Company.

The transformational acquisition strengthens EQR's relevance in the global tungsten industry, with the Company becoming the largest independent tungsten concentrate producer outside of China. Oaktree's investment in EQR enhances the Company's shareholder register and capital market positioning, supporting the further expansion of both the Mt Carbine and Barruecopardo operations.

Production 'key performance indicators' at Saloro strongly improved since first collaborative work established between EQR and Saloro, with a further debottlenecking program well underway, including doubling of XRT sorting capacity within the first quarter 2024. Initial efforts focused on improving the jigging plant, with ongoing enhancements in the spirals and shaking table sections leading to significantly better metal recoveries. Another key area of production expansion involves XRT ore sorting. Saloro's Barruecopardo Mine, with its coarse scheelite, is well-suited for this technique. Following successful trials and results from the first TOMRA XRT Ore Sorter introduced in August, Saloro and EQR have purchased a second unit, that has arrived in December. This addition aims to positively impact costs, utility consumption, and overall metal recovery at the Barruecopardo operation

The Company agreed to streamline Saloro's key banking relationships and reduce third-party bank debt by EUR10 million, compared to EUR5 million as per the transaction agreements.

ASX announcement 18th January 2024, '[EQR Completes acquisition of Saloro S.L.U. and \\$25 Million placement with Oaktree](#)'

EXPLORATION ACTIVITIES

MINERAL RESOURCES ESTIMATE

No change to the resources / reserves of the company has occurred in the current quarter with the following tables outlining as follows:

Table 1 – Mt Carbine Mineral Resources Estimate as of April 2023

Orebody	Resource Classification	Tonnes (Mt)	Grade (%WO ₃)	WO ₃ (mtu)
Low-Grade Stockpile	Indicated	10.126	0.075	759,450
	Indicated	2.75	0.07	178,517
	Inferred	0.83	0.06	53,789
	Subtotal	13.71	0.07	991,756
In-Situ	Indicated	18.06	0.30	5,405,901
	Inferred	10.68	0.30	3,217,311
	Subtotal	28.74	0.30	8,623,212
All	Total	42.45		9,614,968

Notes:

- Total Estimates are rounded to reflect confidence and resource categorisation
- Classification of Mineral Resources incorporates the terms and definitions from the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012) published by the Joint Ore Reserve Committee (JORC)
- No uppercut was applied to individual assays for this resource; lower cuts of 0.05% & 0.08% WO₃ were applied to the resource and reported as Low Grade Insitu and In Situ respectively. These cuts are where mineralisation forms distinct vein zones.
- Drilling used in this methodology was all diamond drilling with 1/2 core sent according to geological intervals to ALS for XRF-15b analysis
- Resource estimation was completed using the Kriging Variable Orientation Estimation Methodology
- Indicated spacing is approximately 30 x 30m inferred is approximately 60 x 60m.
- The deposit is sheeted vein system with subparallel zones of quartz tungsten mineralisation that extends for >1.2km in length and remains open to the west and north. At depth the South Wall Fault cuts the Iolanthe to Johnson's veins but the Iron Duke zones remain open to depth.

ORE RESERVES

Table 2 – Mt Carbine Ore Reserves as of 15th May 2023

Reserve Category	ROM Tonnes (mt)	WO ₃ (%)	Contained WO ₃ (mtu)
Open Cut - Proven	-	-	-
Open Cut - Probable	5.93	0.28%	1,660,400
Open Cut – Total	5.93	0.28%	1,660,400
LGS - Proven	-	-	-
LGS - Probable	9.77	0.075%	732,750
LGS - Total	9.77	0.075%	732,750

EXPLORATION TENEMENTS

Drilling completed at Telephone Line Gold Prospect

EQR has completed a 511m drilling program at the Telephone Line Prospect in Panama Hat, under a joint venture with Sozo Resources Pty Ltd. The program aimed to explore gold-bearing structures and included 7 Reverse Circulation and 7 Air Core holes. A total of 220 samples were sent to ALS Laboratory in Brisbane, with results expected in January 2024.

EL8024 Panama Hat, near Broken Hill, encompasses the historic Huonville Goldfield. It features multiple targets, including high-grade gold-bearing sulphidic quartz veins, with four main gold targets identified: Williams, Panama Hat, Willyong Tank, and Telephone Line. These areas show promising gold and silver values in historical samples, with little to no prior systematic exploration or drilling.

EQR's CEO, Kevin MacNeill, expressed enthusiasm for the drilling phase and the potential of the Broken Hill district for modern exploration.

ASX Announcement 21th December 2023, [‘Drilling completed at Telephone Line Gold Prospect’](#)

TENEMENT INTERESTS

In accordance with ASX Listing Rule 5.3.3, the following table is submitted with respect to tenements held by the Company and its controlled entities:

Location	Holding Entity	Beneficial Interest	Interest Acquired / Farm-in or Disposed / Farm-out	Area	Expiry Date
Queensland, Australia		31 Dec 2022	31 Dec 2022		
ML 4867	Mt Carbine Quarries Pty Ltd	100%	-	358.5 ha	31/07/2041
ML 4919	Mt Carbine Quarries Pty Ltd	100%	-	7.891 ha	31/08/2041
EPM 14871	Company	100%	-	10 sub-blocks	12/12/2025
EPM 14872	Company	100%	-	21 sub-blocks	11/12/2025
EPM 27394	Company	100%	-	4 sub-blocks	01/06/2025
New South Wales, Australia					
EL 6648	Company	100%	-	4 Units	19/10/2026 ¹⁾
EL 8024	Company	100%	-	19 Units	29/11/2024 ¹⁾
ML = Mining Lease; EPM = Exploration Permit for Minerals (Qld); EL = Exploration Licence (NSW)					
¹⁾ Sozo farm-in arrangement.					

No farm-in or farm-out agreements were entered into during the period.

FINANCIAL PERFORMANCE

EQR's cash balance as at 31 December 2023 was \$0.740 million (compared with \$3.749 million for the quarter ended 30 September 2023), representing a net decrease of \$3.009 million for the quarter. This balance was boosted by the cash inflows from the Oaktree subscription in January 2024.

Cash receipts from customers totalled \$3.399 million (compared with \$3.529 million in September 2023 quarter) representing a stable quarter for tungsten concentrate production following a threefold increase from the June 2023 quarter. It shall also be noted that December operations saw a total of 11 days downtime mainly due to weather. Respective stockpiles could not be processed until after the New Years Eve.

The increase in production costs to \$3.055 million this quarter (compared with \$2.416 million in September quarter) is in line with the announced ramp-up production activities with this quarter encompassing open cut mining outflows for the full 3-months. The Company continues its investment of \$1.310 million on property, plant and equipment with an additional \$0.254 million being expended on capitalised exploration and evaluation activities.

The cash flows from financing activities were generated from the exercise of various options for \$0.300 million and the issuance of \$0.750 million convertible notes. The Company continues to maintain a strong focus on cost control across its operating and corporate activities as the ramp-up production continues generating the targeted cash flows.

CORPORATE

CHANGES IN EQR BOARD & LEADERSHIP TEAM

There have been no changes in the EQR Board and leadership team during this quarter, however Stephen Weir has been appointed on the 19th of January 2024 to the board as a non-executive director as Oaktree Capital Management nominee director. This appointment sees Mr. Weir also taking the role of chair of the audit and risk committee. Mr. Weir brings a wealth of experience as a former CEO of Magnetite Mines Ltd and has a diverse background in mining, industrial services, energy, and infrastructure. His extensive career includes senior roles in corporate advisory at RFC Ambrian, project finance at Bankers Trust, general management at Brambles, and construction management at John Holland Engineering. Additionally, he is a Senior Adviser and Advisory Board Member with GBA Capital and a member of the Australian Institute of Company Directors.

RELATED PARTY PAYMENTS

In line with its obligations under ASX Listing Rule 5.3.5, the Company has advised in the Appendix 5B for the period ended 31 December 2023, that the only payments to related parties of the Company pertain to payments to Directors and Senior Executives for salaries, fees and consultancy including expense reimbursements.

Released on authority of the Board by:
Kevin MacNeill
Chief Executive Officer

Further Enquiries:
Peter Taylor
Investor Relations
0412 036 231
peter@nwrcommunications.com.au

About the Company

EQ Resources Limited is a leading tungsten mining company dedicated to sustainable mining and processing practices. The Company is listed on the Australian Securities Exchange, with a focus on expanding its world-class tungsten assets at Mt Carbine in North Queensland (Australia) and at Barruecopardo in the Salamanca Province (Spain). The Company leverages advanced minerals processing technology and unexploited resources across multiple jurisdictions, with the aim of being a globally leading supplier of the critical mineral, tungsten. While the Company also holds gold exploration licences in New South Wales (Australia), it aims to create shareholder value through the exploration and development of its current project portfolio whilst continuing to evaluate corporate and exploration opportunities within the new economy and critical minerals sector globally.

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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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EQ RESOURCES LIMITED

ABN

77 115 009 106

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,399	6,928
1.2 Payments for		
(a) exploration & evaluation	(1)	(1)
(b) development	(186)	(389)
(c) production	(3,053)	(5,199)
(d) staff costs	(1,569)	(3,135)
(e) administration and corporate costs	(444)	(979)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	9
1.5 Interest and other costs of finance paid	(285)	(307)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other		
- Diesel Fuel Tax Credits	154	258
- CMAI Grant	600	600
1.9 Net cash from / (used in) operating activities	(1,383)	(2,215)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(449)	(449)
(b) tenements	-	-
(c) property, plant and equipment	(1,312)	(3,306)
(d) exploration & evaluation	(254)	(1,588)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	3	3
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(614)	(824)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(50)	(50)
2.6	Net cash from / (used in) investing activities	(2,676)	(6,214)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	750	750
3.3	Proceeds from exercise of options	300	2,496
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(65)	(72)
3.5	Proceeds from Borrowings - Other Working Capital Loans (unincorporated joint venture)	362	1,037
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other -External Financing/ Lease Repayments	(284)	(355)
3.10	Net cash from / (used in) financing activities	1,063	3,856

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,749	5,336
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,383)	(2,215)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,676)	(6,214)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,063	3,856
4.5	Effect of movement in exchange rates on cash held	(13)	(23)
4.6	Cash and cash equivalents at end of period	740	740

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	740	3,749
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	740	3,749

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Payments to Directors and Senior Executives for salaries (including superannuation), fees, consultancy, and expense reimbursements.</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Shareholder Loan	1,500	1,500
7.3	Convertibles Notes	750	750
7.4	Total financing facilities	2,250	2,250
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>7.2 Unsecured Loan at an interest rate of 8.00% p.a to be settled by July 2024.</p> <p>7.3 Unsecured 2-Year Convertible Notes with a Coupon Rate of 9.00% p.a. payable in shares or cash at the election of the Note Holders.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,385)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(254)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,639)
8.4	Cash and cash equivalents at quarter end (item 4.6)	740
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	740
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.5
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer: The Company is expected positive quarter-on-quarter improvement of its operating cash flows, following the acquisition of Saloro S.L.U. in January 2024 and further increases in production output from its flagship Mt Carbine Tungsten Mine as it enters its second quarter of open-cut production.</p>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer: Refer ASX Announcement "EQR Completes Acquisition of Saloro S.L.U. & \$25m Placement with Oaktree dated 18 January 2024.</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: With the Group now encompassing both the Saloro and Mt Carbine Tunsten Mines the Company is confident that it will be able to continue its operations and to meet its business objectives, through continued operational improvements at both mines resulting in production output meeting target levels within the coming months.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.