



RESOURCES

*resourcing the new economy
for a better tomorrow*



EQ RESOURCES LIMITED

Mt Carbine Bankable Feasibility Study

Webinar

December 2021

ASX : EQR



Disclaimer



Competent Person's Statement

- The information in this presentation relating to the outcomes of the Mt Carbine Bankable Feasibility Study - Webinar, made available through the Company's website www.eqresources.com.au/. The Company confirms that it is not aware of any new information that materially affects the information included in the corresponding market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

General Disclaimer

- The material contained in this document is a presentation of general information about the Company's activities current as at the date of this presentation. It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.
- This document may contain forward-looking statements with respect to the financial condition, results of operations, and business strategy of the Company. These forward-looking statements are based on estimates, projections and assumptions made by the Company about circumstances and events that have not yet taken place. Although the Company believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results).
- The Company makes no representation or warranty as to the accuracy of any forward-looking statements in this document and undue reliance should not be placed upon such statements.
- Forward-looking statements may be identified by words such as "aim", "anticipate", "assume", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "should", "will", or "would" or the negative of such terms or other similar expressions that are predictions of or otherwise indicate future events or trends. The forward-looking statements included in this document speak only as of the date of this document. The Company does not intend to update the forward-looking statements in this document in the future.

Corporate Snapshot



Value Proposition

- Australia's only primary producer of tungsten
- High-grade resource (expandable)
- Multiple revenue streams
- Low-cost expansion
- Experienced Board & Leadership Team

Board & Leadership Team

Oliver Kleinhempel	German	Non-executive Chairman
Stephen Layton	Australian	Non-executive Director
Zhui Pei Yeo	Singaporean	Non-executive Director
Richard Morrow	Australian	Non-executive Director
Kevin MacNeill	Canadian	Chief Executive Officer
Tony Bainbridge	Australian	Chief Geologist

	22 November 2021
Share Price	A\$ 0.057
Issued Shares	1,344m
Market Capitalization	A\$ 76,61m
Shareholding:	
- Top 20 holders	57.88%





Why EQ Resources

1 Australia's only primary producer of tungsten, a critical mineral

2 Strong Economics of Open Pit & LGS
– \$131M NPV₈ with 154% IRR

3 Genuine ESG vision and commitment

4 BFS only focusses on the open pit only 14.4% of the resources (excl LGS)

5 Scoping study for UG set for Q1 2022, expected to continue improvement of project economics

6 Potential to expand Open Pit with further drilling to be completed ahead of mining

Our Values & Culture



Act Safe. Feel Safe

Act safe at work. Care and respect each other.
Feel safe to be yourself.

Embrace Difference

Diversity of thinking, skills and background creates value and drives innovation.

Tread Lightly

Embed resource efficiency to minimise environmental footprint and deliver positive societal impact.

Dig Deep

Go one better. Strive to continuously learn and improve.
Challenge the status quo.

Buddy Up

Collaboration is key to realising shared value.

Lead with Integrity

Have courage to do the right thing. Be accountable.



Stakeholder ESG Sentiments

ESG Organisational Performance

Stakeholders were asked to rate whether the organisation was perceived to be leading or lagging across each of the 12 ESG themes. They were asked to do this for current state, as well as for where they felt the Organisation should be positioned / aiming to be.

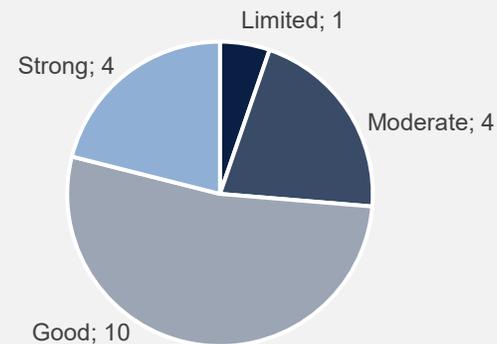
This information has been overlayed with the top 3 themes considered to be most material across the stakeholder groups.



Organisational Performance Scale

Lagging - Organisation is not investing in this category. Meets compliance obligation but nothing additional.

Leading - Substantial investment in this category. Significantly advanced compared to industry average



Respondent Understanding of ESG

When rating their own understanding of ESG, most stakeholders felt they had moderate to strong knowledge of what ESG is.



Mt Carbine Open-cut & Modernisation Project Overview



Australia's only primary tungsten producer is increasing production

Located 130 km north of the city of Cairns in Far North **Queensland, Australia**

Situated within the Far North **Queensland critical mineral province**

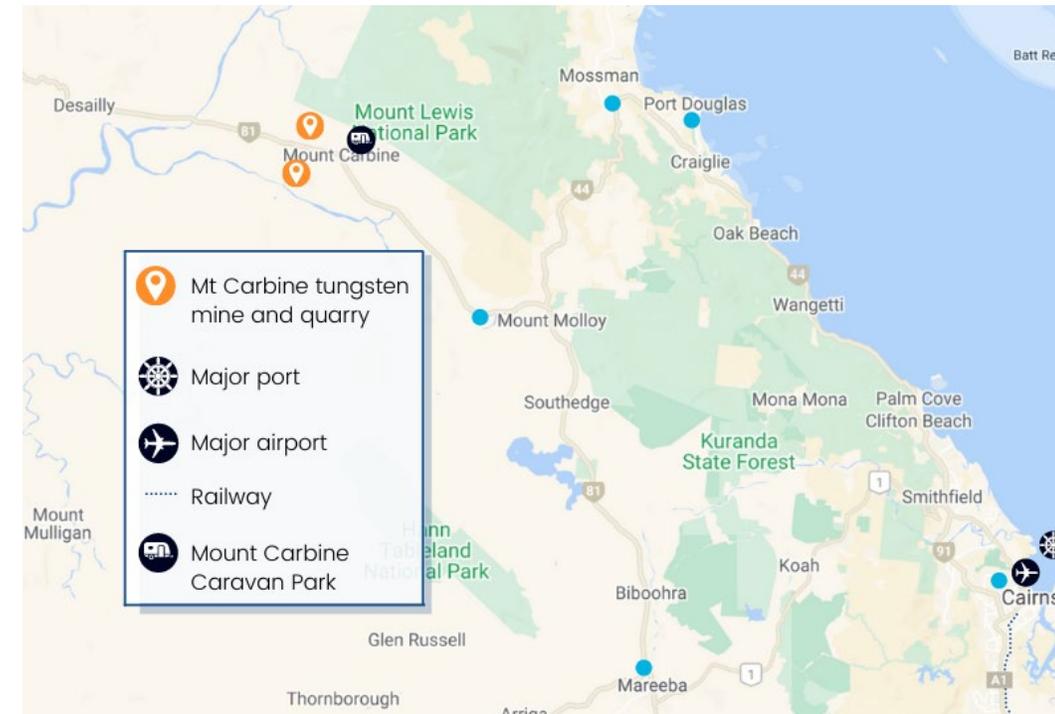
Operating tungsten mine and rock quarry resulting in **no mine waste**

Established mine-to-ship logistics chain to ensure the project remains scalable and reliable over its multi-decade life

Binding off-take agreement in place for tungsten product

Industry-leading BFS completed and currently advancing through final stages of **permitting & project funding**

Project Location Map



BFS Highlights

2,200tpa

Avg Tungsten production
To bring in line with large-scale tungsten producers

A\$155/mtu

Total cash cost (CIF)
Projected to be in the lowest cost quartile

12 years

Initial mine life
LGS & Open-cut project with industry-low cash costs

A\$430/mtu

Long-term price forecast
High product quality and strong critical mineral demand growth

A\$131m

Pre-tax NPV_{8, real}
Project value exceeds EQR's current market capitalisation

154%

Post-tax IRR
Outstanding returns for a low risk development asset

A\$21m

Capital cost
Low capital intensity to provide rapid payback period of 2.2 years

49%

EBITDA margin
Substantial cash margins to support sustainable growth

Refer to the ASX Release on 13 December 2021 for full Bankable Feasibility Study details.

Pre-tax Cashflow Generation – UG Potential

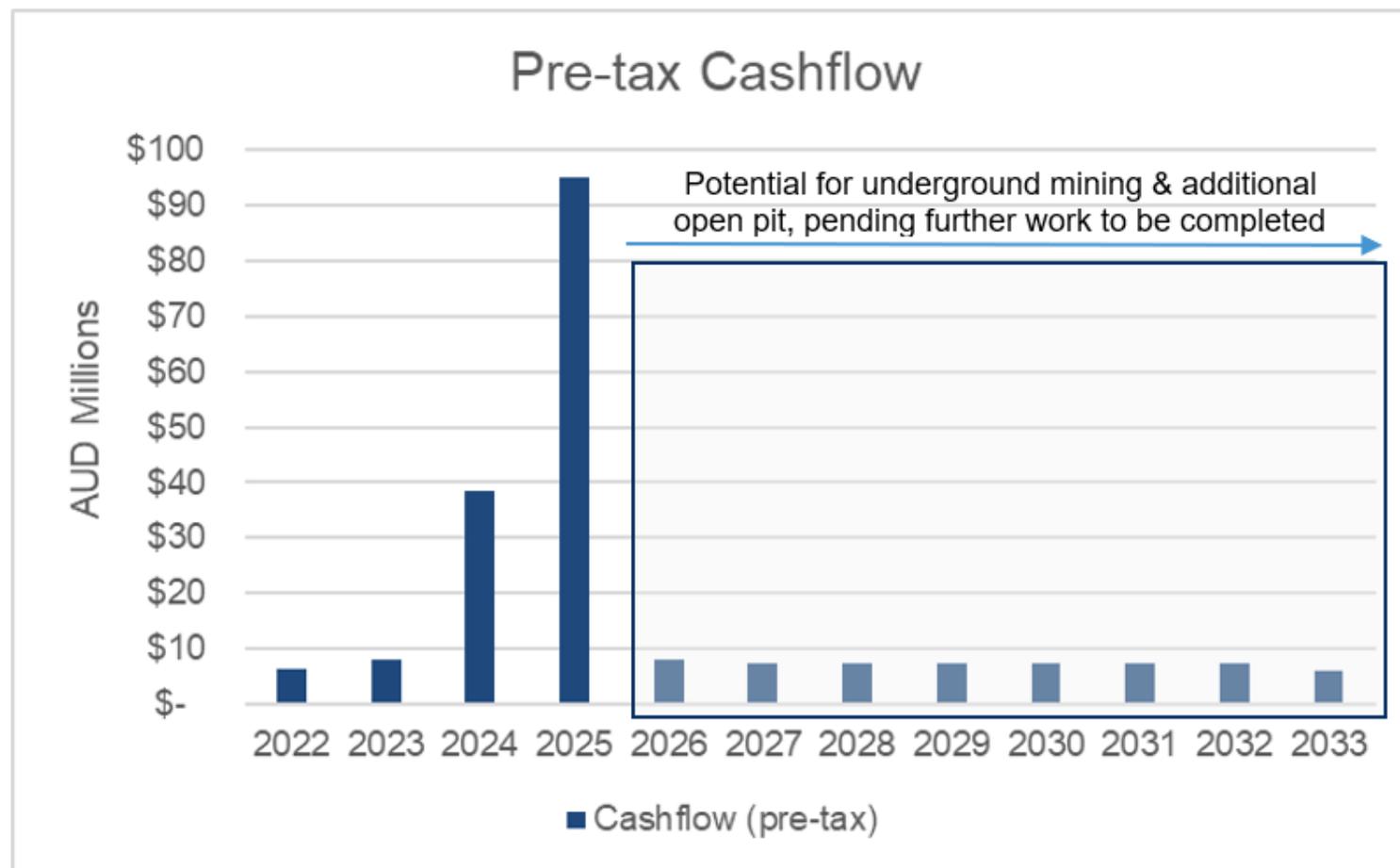


Open Pit currently defined is **+/-15% of resource**

Significant **underground potential** exists to drive economics for several more years

Scoping Study to be completed on UG resource potential to gain better understanding of economics and viability over and above internal work completed to date

Site infrastructure supports UG mining operation and capacities



Project Development Plan

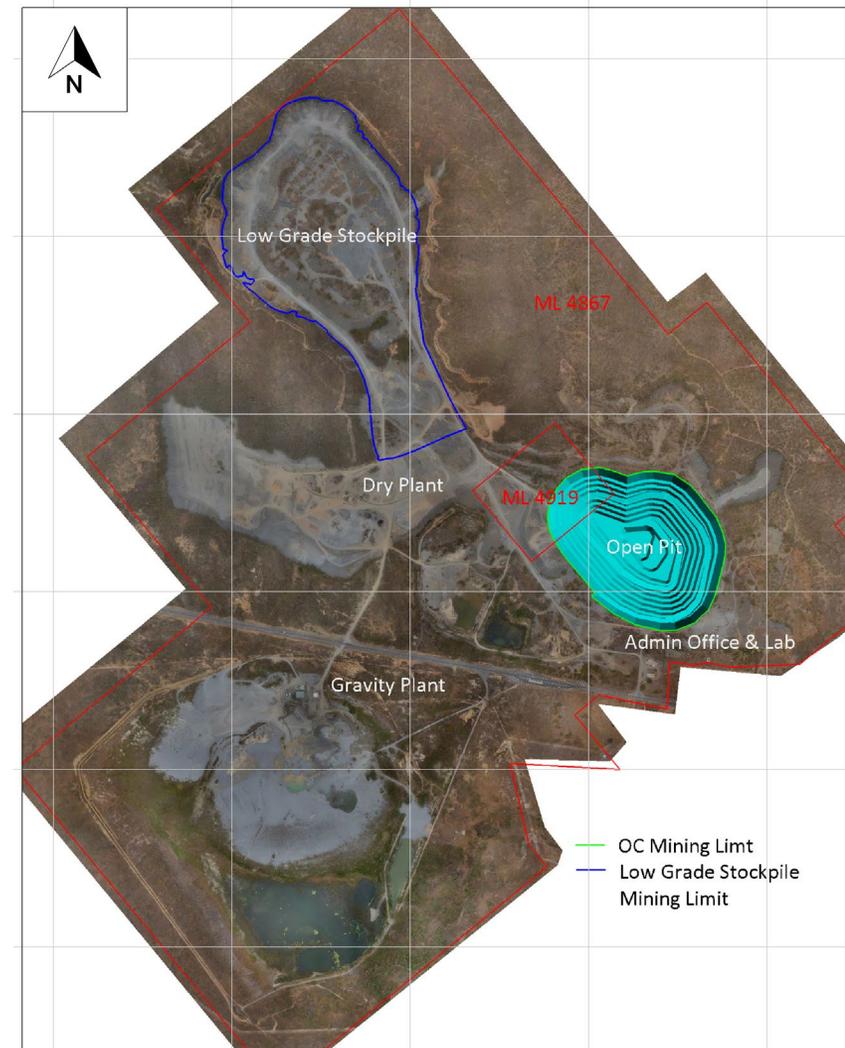
Development plan includes integration of open-cut and processing facility modernisation

Phase 1 focuses on minimal capital expenditure, incremental improvements to increase the mine's productivity and profitability focusing solely on the mining and processing of the Low Grade Stockpile

Phase 2 focuses on the commencement of open pit mining. The crushing and screening plant and processing plant will be upgraded to further reduce operating costs and improve the tungsten recovery from the open pit high grade ore

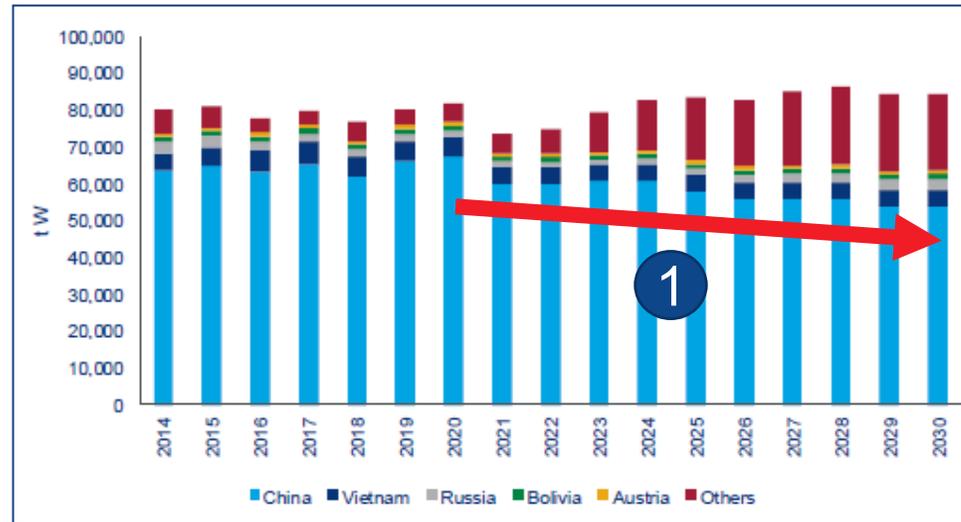
Phase 3 (focus of future study) shall investigate commencement of underground mining activities at Mt Carbine to allow the continuation of mining once the open pit resource is exhausted.

Simplified location plan for the Project

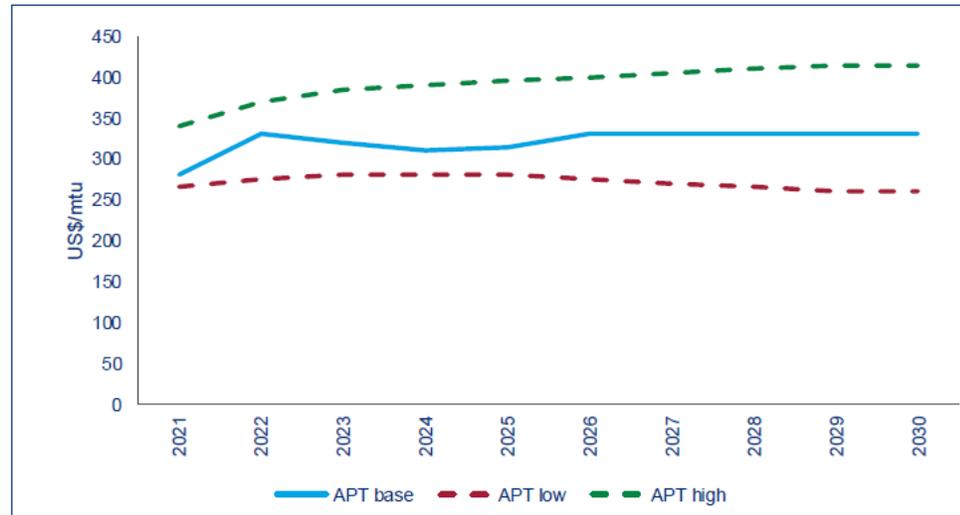
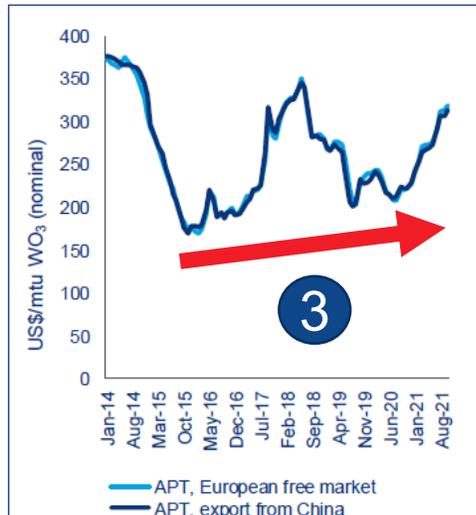


Market Analysis

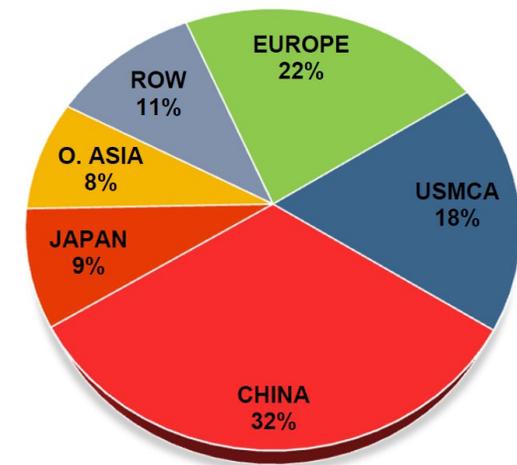
- Unique properties, difficult to substitute
- Steady demand growth of 1.5% CAGR projected (2021-2030)
- High supply concentration (5 mines account for 23% of global output)
- EQR investigating value-add product



- 1 China mine output declining
- 2 20kt W of new supply needed
- 3 Solid floor pricing

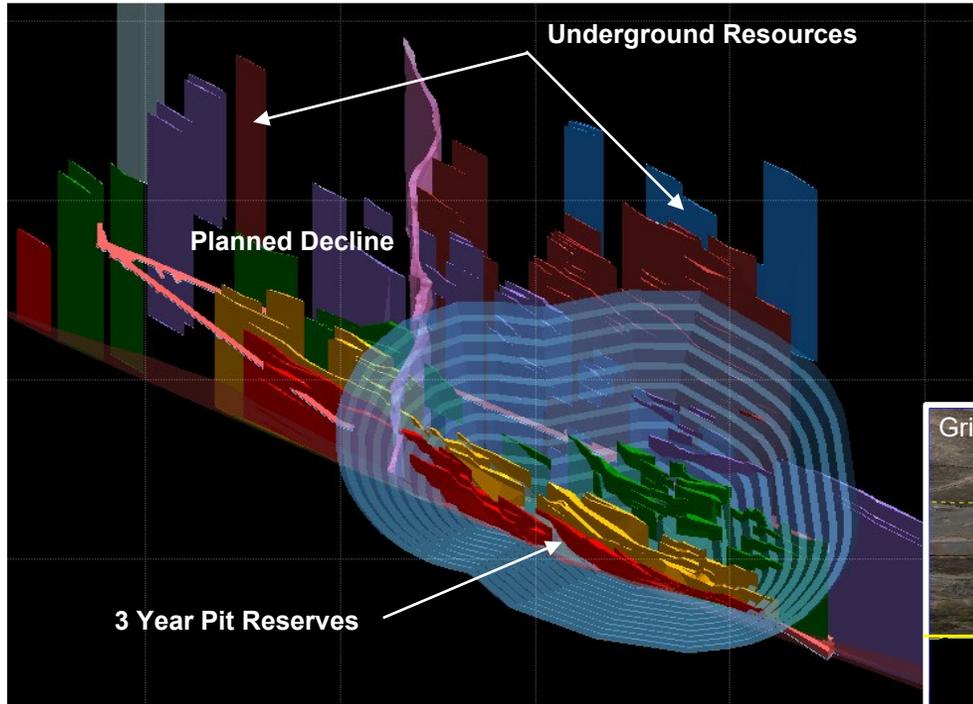


End Use by Region (2019)



Source: ITIA (2019); Roskill – ‘The data and information provided by Roskill should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Roskill in writing. To the fullest extent permitted by law, Roskill accepts no responsibility for your use of this data and information’.

Geology and Resources



Perspective View showing

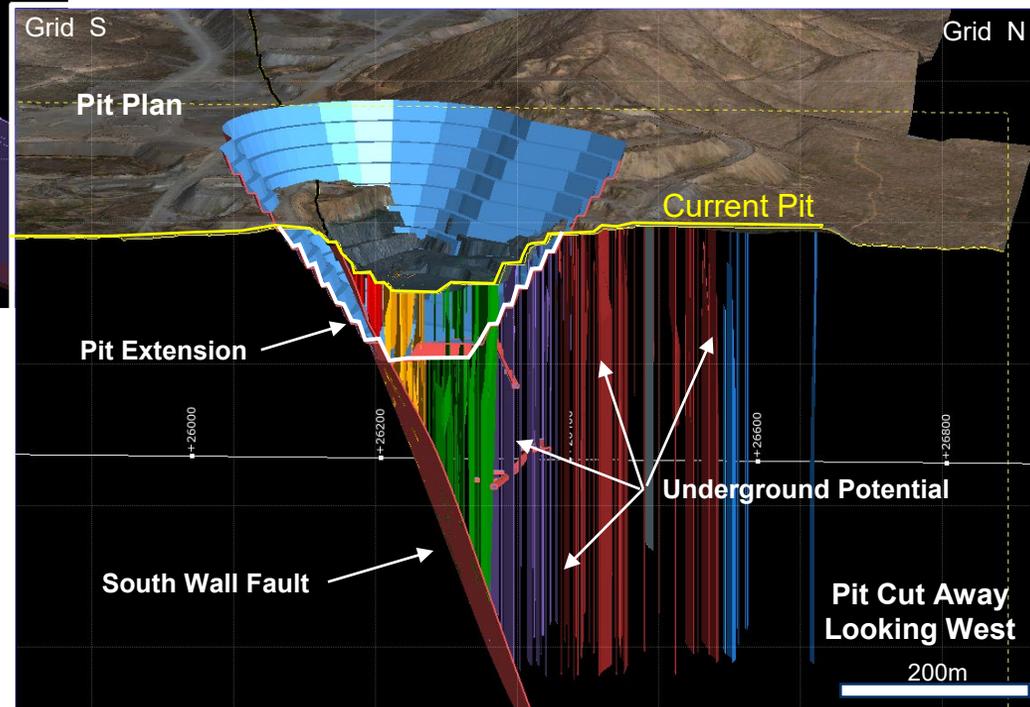
- Planned Open Cut Extension
- Color Coded Ore Zones in the pit
- Highlights additional resources outside planned pit, a lot of this ore will be accessed from existing decline

Phase 1 and 2 (under Bankable Feasibility Study)

- Low grade stockpile – 10.1Mt@0.075%
- Preferred Pit - 15Mt Pit Extension contains 1.1Mt@0.83%WO₃
- 14.4% of known in-situ resources

Phase 3 (planned Scoping Study)

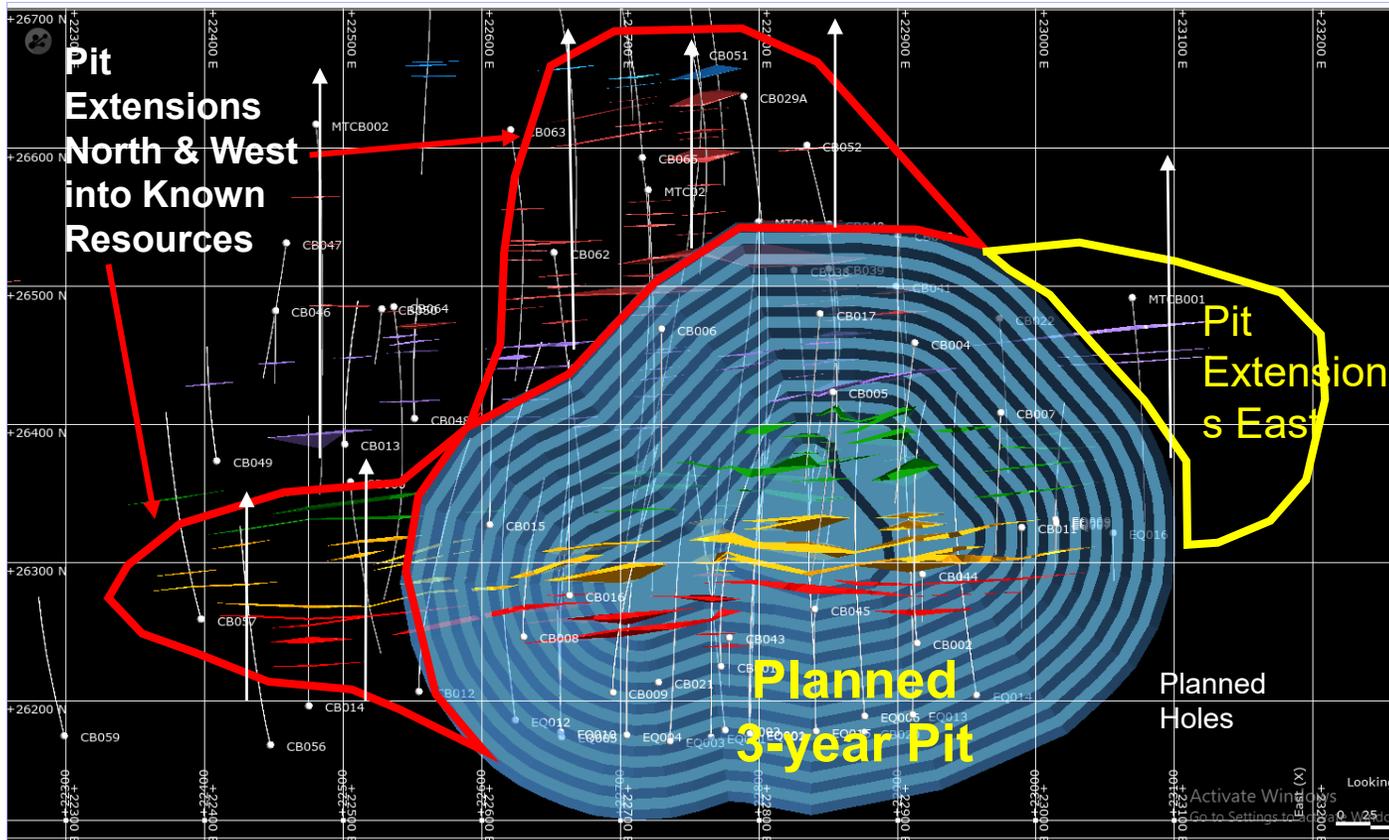
- Long Life Underground Mine
- 85.6% of known resources



Cut-Away Section through the Planned Pit shows

- Existing & new pit extension
- Bounding South Wall Fault
- Ore is open to the West & North and to Depth
- Pit extends on low side not touching the high wall

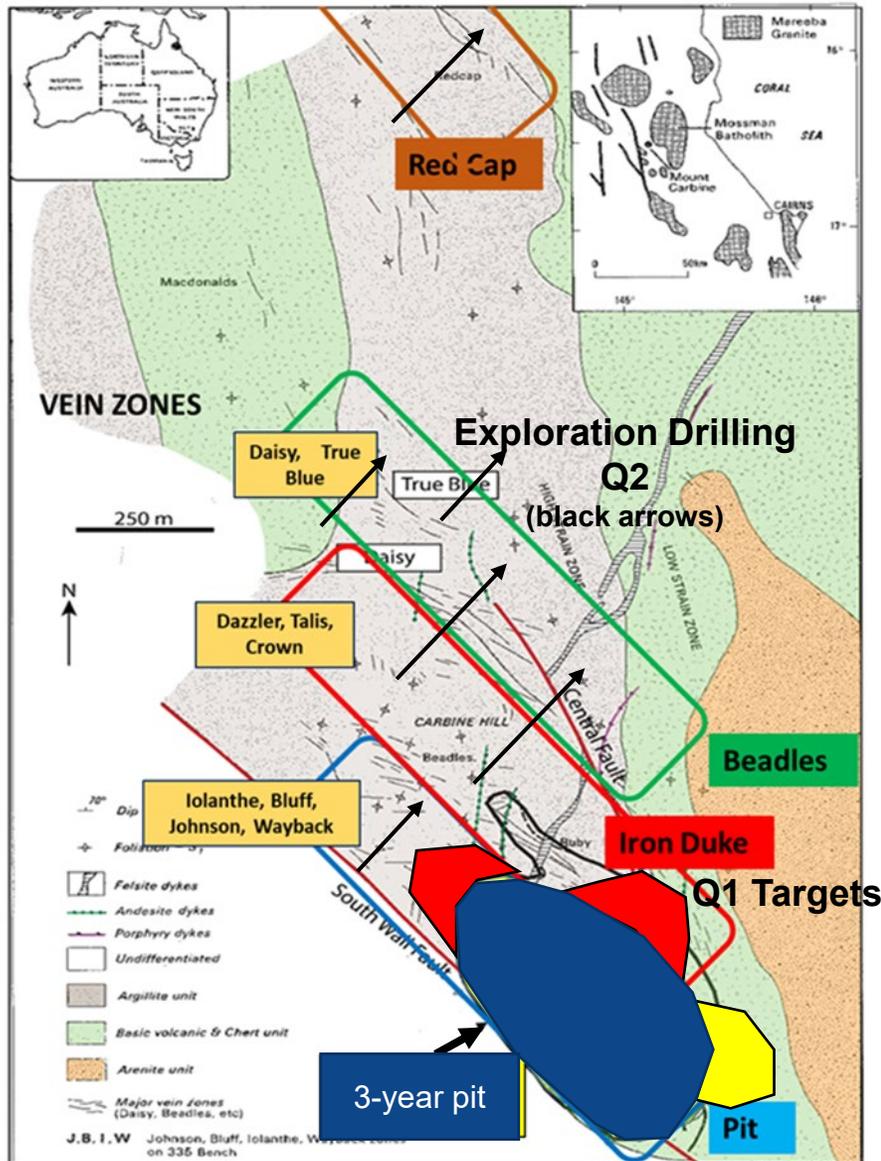
Q1 - Near Term Confirmation Drilling



Adding Shallow Open Cut Ore

- Known Shallow Resources
- Eastern Exploration Work
- Continue Pit Extensions to Depth

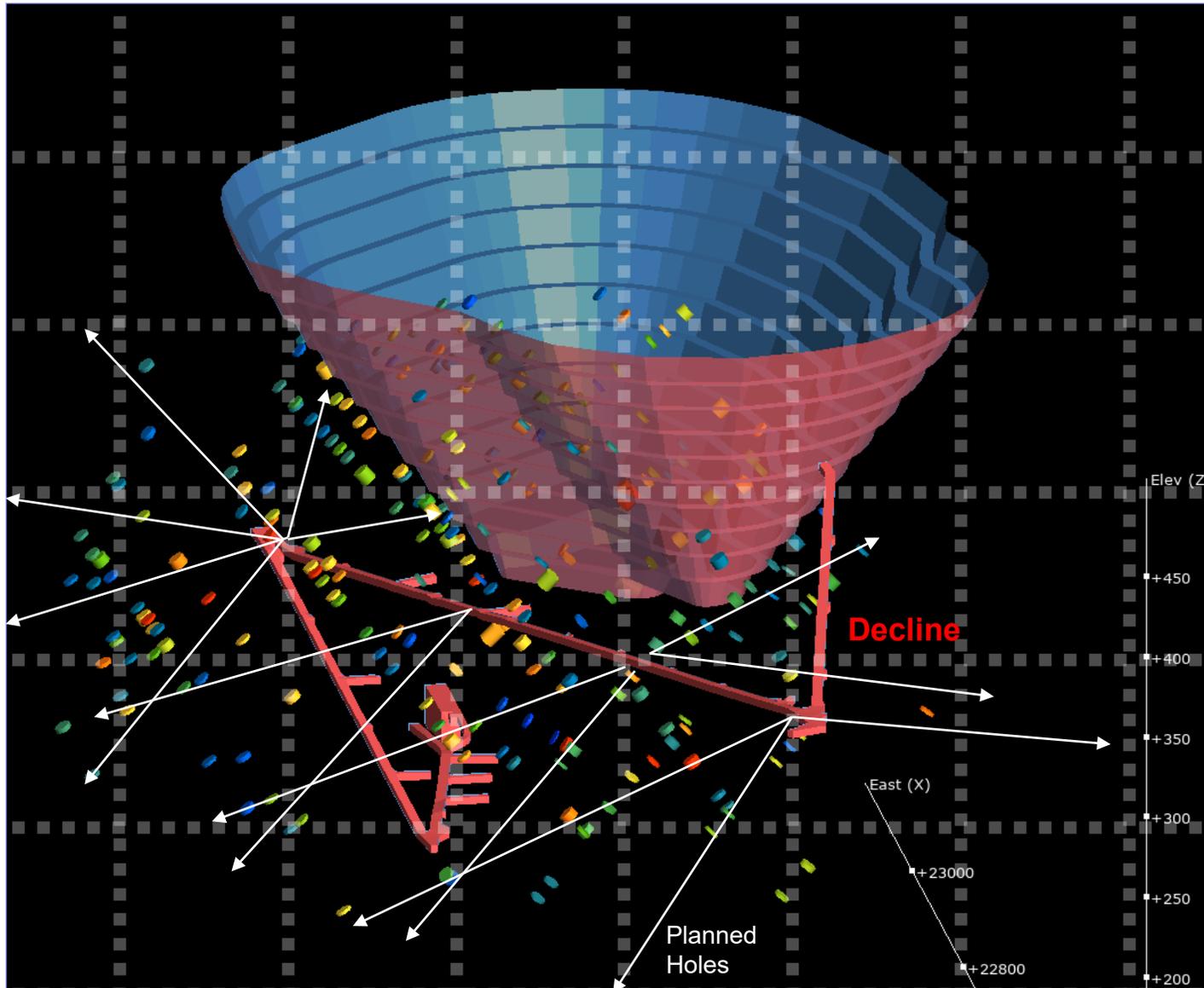
Q2 – Regional Extension Vein Drilling



Locating New Mt Carbine Sheeted Systems

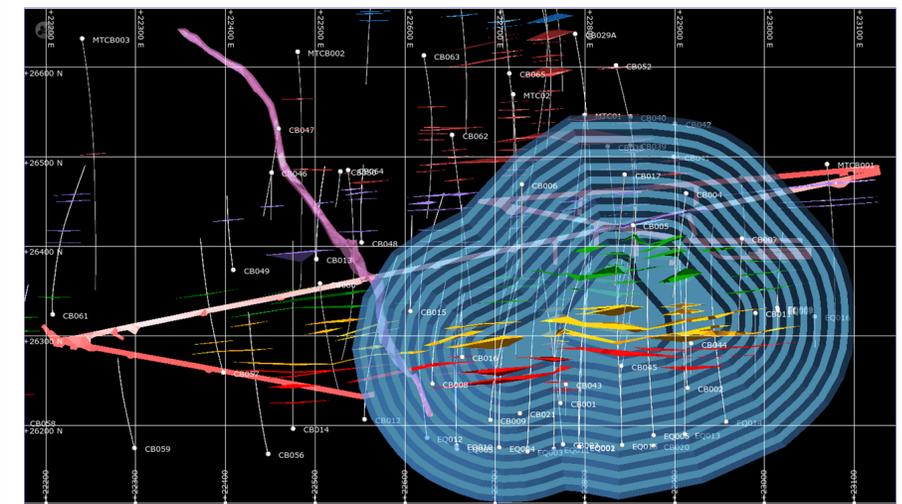
- Target other key vein packages similar to Mt Carbine
- Integrated Geophysics & Soils
- Complete Plot-Logic Multi-frequency Scan Program
- Extend Structural Mapping

Q3 - Underground Drill Program



Defining + 10 Yrs of Reserves

- Mining of high-grade zones from UG decline
- More than 10 ore zones on each level
- Low-cost extraction using long hole mine methods
- Resources indicate >10 years mining of High-Grade ore.



Geology and Resources



- Measured Group prepared the Independent Resource Statement released on 23 September 2021
- **BFS open pit shell design to include ~14.4% of the known resources**
- Detailed Drilling allowed high grade zones to be linked

Classification	Tonnes (million)	Grade (% WO ₃)	WO ₃ (mtu)
Low Grade Stockpile			
Indicated	12.00	0.075	900,000
In-Situ Hard Rock Resources			
Indicated	2.40	0.74	1,776,000
Inferred	6.81	0.59	4,017,900
Sub-Total	9.21	0.63	5,793,900
Total Mt Carbine Mineral Resource			
	21.21		6,693,900

1. Total estimates are rounded to reflect confidence and resource categorisation.
2. 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)
3. No upper cut was applied to individual assays for this resource, a lower cut of 0.25% WO₃ was applied

Completed

Stage 1 – Define Resources for Open Cut Mine

- Detailed Drilling allowed high grade zones to be linked, around the Andy White pit
- Independent Resource Statement released on 23 September 2021
- **First open pit design to include 14.4% of the known resources**

2022 Workplan

Stage 2 – Drill & Expand

- Drill out further shallow open cut resources
- **Convert 6Mt@0.59%WO₃ Inferred to Indicated**; So far conversion has increased tonnes & grade
- **Drill Exploration Targets - Dazzler & Daisy**

Mine Plan

Mine plan is designed extract ore from the open-cut pit extension and low grade ore stockpile

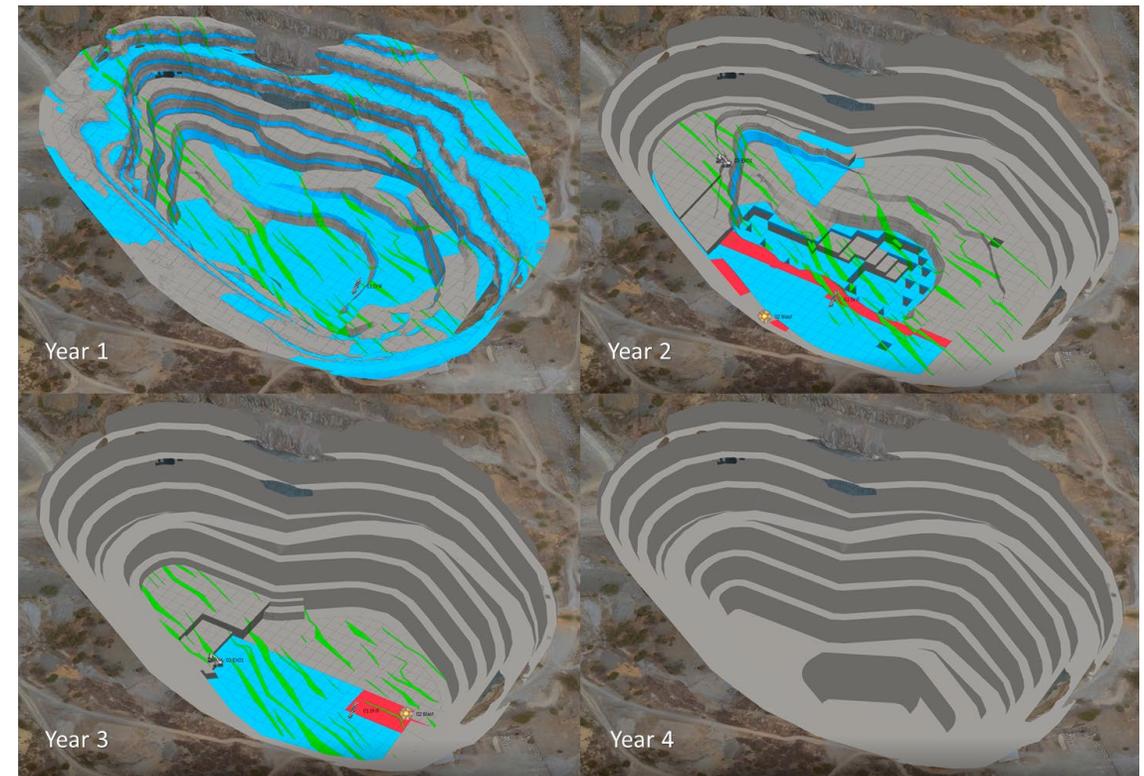
BFS mine plan is designed to deliver a **constant feed of 1,000,000tpa of ore to the ROM for a 12 year mine life**

Mine plan is supported by the **Ore Resource of 21.2Mt** (to be extracted from Measured and Indicated Mineral Resources)

Low grade ore stockpile



Open-cut pit extension stage plans



Processing

Processing improvements identified through operational performance analysis

Existing **dry and wet processing** facilities **currently in operations**

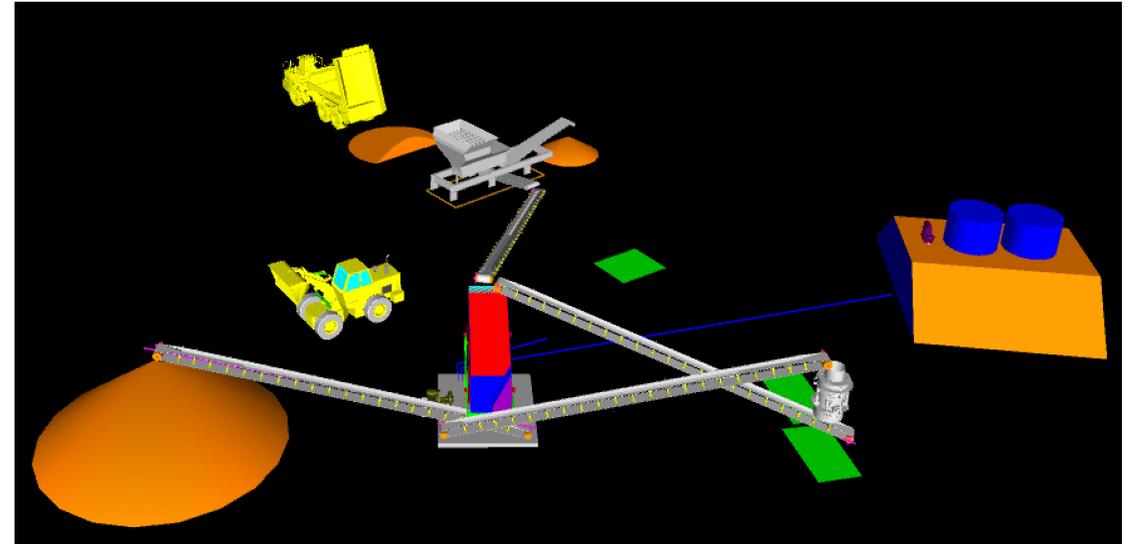
Processing facilities are designed for **steady-state production of 1,000,000tpa**

Production to reach steady-state within the **first 2 months of operations**

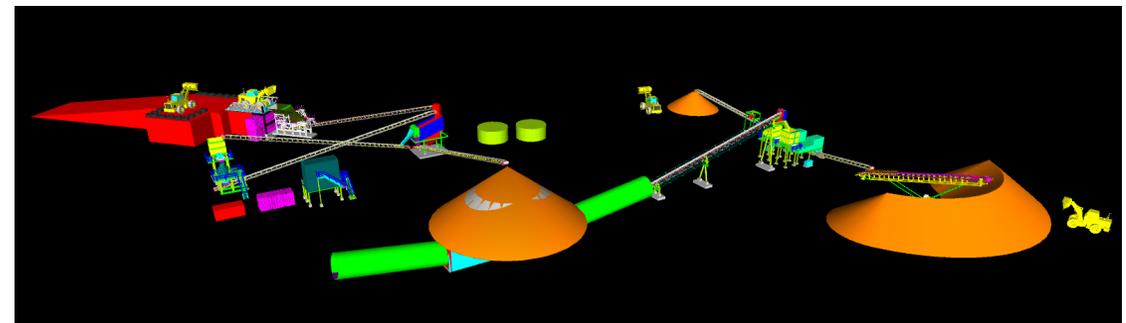
Production process has an estimated **overall Tungsten recovery of 79.5%**, including for both the crushing/screening/sorting and wet concentrator plant

The tungsten concentrate produced at site is loaded into bulk bags, sealed and **sold ex-gate** at Mt Carbine

Phase 1 Crushing and Screening Circuit



Phase 2 Crushing and Screening and Sorting Circuit



Infrastructure

Mt Carbine is currently operating and is well serviced with existing on-site infrastructure

The site infrastructure strategy for the project is to utilise as much as possible the **existing site infrastructure** and only construct new infrastructure if required to support new or upgraded facilities

As the overall changes to the footprint and capacity of the mining and associated crushing, screening, XRT sorting and processing **infrastructure is minimal**

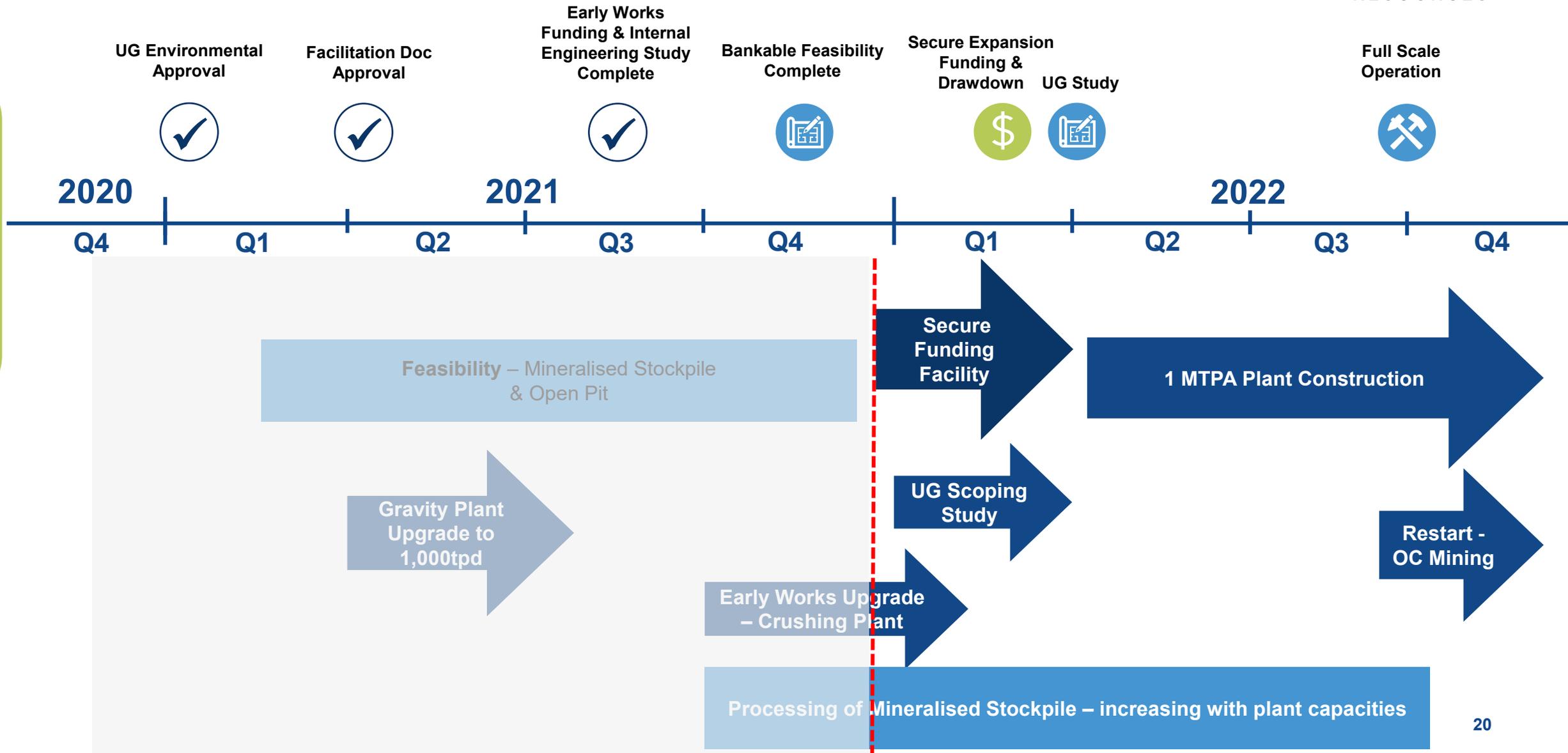
Non-process site infrastructure will include high voltage power supply and reticulation upgrades, workshop and warehouse upgrades and existing site offices will be refurbished to improve general amenities

Existing Infrastructure



Development Timeline

Phased approach for early cash flow



Strategic, Social and Economic Benefits

A critical minerals project of national significance

- Embracing the concept of the **Circular Economy**, using **innovation** to identify suitable ore for treatment and the use of 'by-products' to supply road base and aggregate materials to build local roads and construction projects
- Partnership with local **indigenous community and ongoing engagement**
- The project will make an important contribution through **employment, economic infrastructure** and **\$425m in export revenue**
- The project will employ approximately **70 direct full-time employees** and create significantly more jobs through the regional supply chain and direct contractor engagement



Compelling Economics

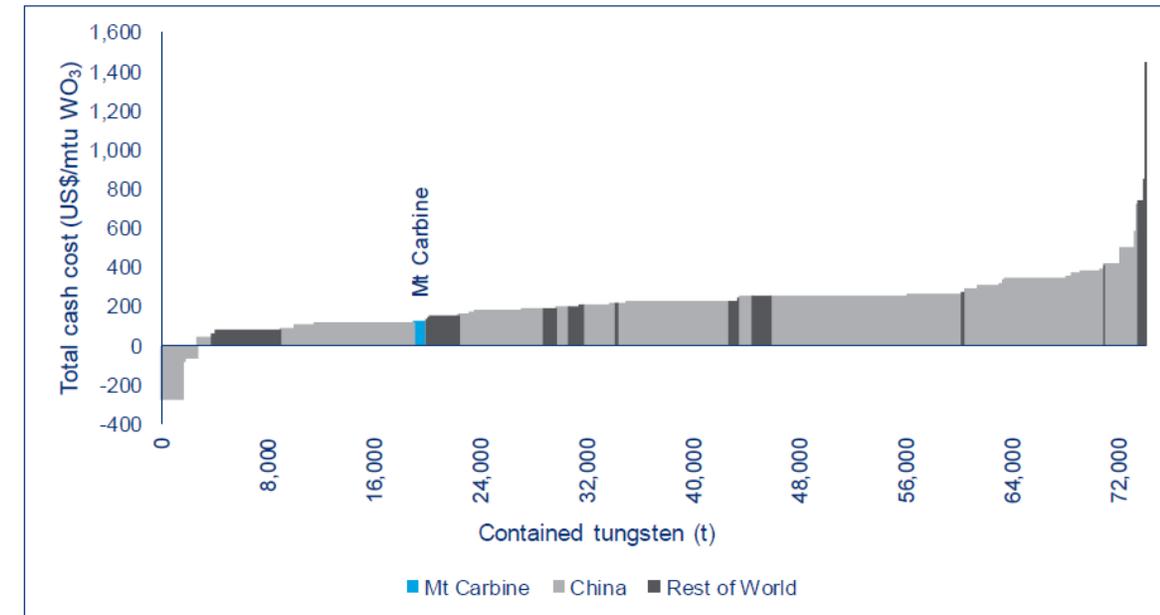


BFS¹ confirms high margins, low capital intensity & operating cost and speed to market

Summary of BFS Results

Parameter	Unit	BFS
Production Rate (LoM Avg)	mtu	2,200
Life of Mine	years	12
Total Cash Cost (FCA)	A\$/mtu	159
Capital Cost	A\$m	21
Pre-tax NPV _{8, real}	A\$m	131
NPV / Capex Ratio	x	5.2
Post-tax IRR	%	154%
EBITDA Margin (LoM)	%	49
Payback Period	years	2.25

Global tungsten Cash Cost Curve (US\$/mtu)



Source: Wood Mackenzie, Mt Carbine costs provided by EQ Resources

Notes:

- The BFS has been prepared to a -20% to +20% level of accuracy. The production target and financial information in this table must be read in conjunction with the cautionary statement in this ASX Release.
- AUD:USD exchange rate of 0.73 has been used for currency conversions.

1. Refer to the ASX Release on 13 December 2021 for full Bankable Feasibility Study details.

Priorities of Coming 12-Months



- Phase 1 completed and increase production to 70 to 90tpm tungsten concentrate, becoming profitable
- Financial Close for Phase 2 Expansion (BFS scope)
- Drill Mt Carbine exploration targets and increase open pit optimization tonnage, drill inferred resource to indicated
- Further enhancing HSE standard at site, extending training program for employees
- Amendment to environmental licence to start mining open pit
- Further promote "green aggregate" products to reduce environmental footprint of regional construction sector

Site Contact:

Kevin MacNeill
Chief Executive Officer

E: kmacneill@eqresources.com.au

Investor Relations:

Peter Taylor
NWR Communications
T: +61 412 036 231

E: peter@nwrcommunications.com.au

Registered Office:

Level 4, 100 Albert Road
South Melbourne, VIC 3205
Australia

E: info@eqresources.com.au

Mt Carbine Office:

6888 Mulligan Highway,
Mt Carbine Qld 4871
PO Box 1496, Mareeba Qld 4880

www.eqresources.com.au

Follow us on  

