

16 August 2024

MT CARBINE MINE TRANSITIONS TO OWNER-OPERATOR MINING

EQ Resources Ltd is a global tungsten producer with mining activities in Australia and Spain.

Highlights:

- Mt Carbine mine is transitioning from cost-plus to owner-operator mining during August 2024
- Key learnings from the incumbent contractor will be used going forward
- New and leased equipment already on site
- Privileged mine location means key staff have been retained

EQ Resources Limited (“EQR” or “the Company”) is pleased to announce that its Mt Carbine mine is transitioning to owner-operator mining. This change comes after 14 months of mining on a cost-plus basis to establish site-specific baseline costs and procedures. The owner-operator model will result in cost savings, operational control, and mining flexibility while upskilling EQR’s local workforce.

EQR executed a Mining Services Agreement (the “Contract”) with Golding Contractors Pty Ltd (“Golding”) as set out in the ASX announcement [‘EQR & Golding Execute Mining Contract for Mt Carbine’](#) dated 29 May 2023.

The Contract was split into two phases to ensure a detailed understanding of the schedule of costs from mining hard rock tungsten. This was done to help de-risk the Project and ensure scope delivery without having to build significant risk premiums into the Contract. Phase 1 was estimated to take 12-18 months on a cost-plus basis, after that, as outlined in the earlier release, the Parties intended to transition to a rise and run matrix rates on fleet composition and material type basis.

After 14 months of mining operations on a cost-plus basis, the decision to finalise the Phase 1 contract with Golding and transition to owner-operator mining reflects extensive planning and evaluation to determine the most effective operating model as EQR continues to grow and maximise the value of the Andy White orebody. The first 14 months of mining by Golding has established an expert framework and infrastructure for the mining operations, OH&S, and personnel development.

The Mt Carbine team is very fortunate to have the key management personnel, that have been running the mining and engineering departments, transition to become EQR employees. Along with securing continuity in leadership, Mt Carbine has also secured the majority of employees previously engaged by Golding and have brought them into the Mt Carbine operations team. This continuity in experience and understanding as well as supporting local employees is the key to the continued success of the mining operations.

As owner-operators, Mt Carbine is forecasting a reduction in operational costs by internalising the mining and moving operations to a 24h per day mining roster, from a current 12h per day. This increases tonnes moved monthly and reduces overall unit cost and provides earlier access to the higher grade vein packages as verified by the recent drilling campaign (see ASX announcement [‘High-Grade Drilling Results Confirm Main Mineralised Level At Mt Carbine’](#) dated 29 July 2024).

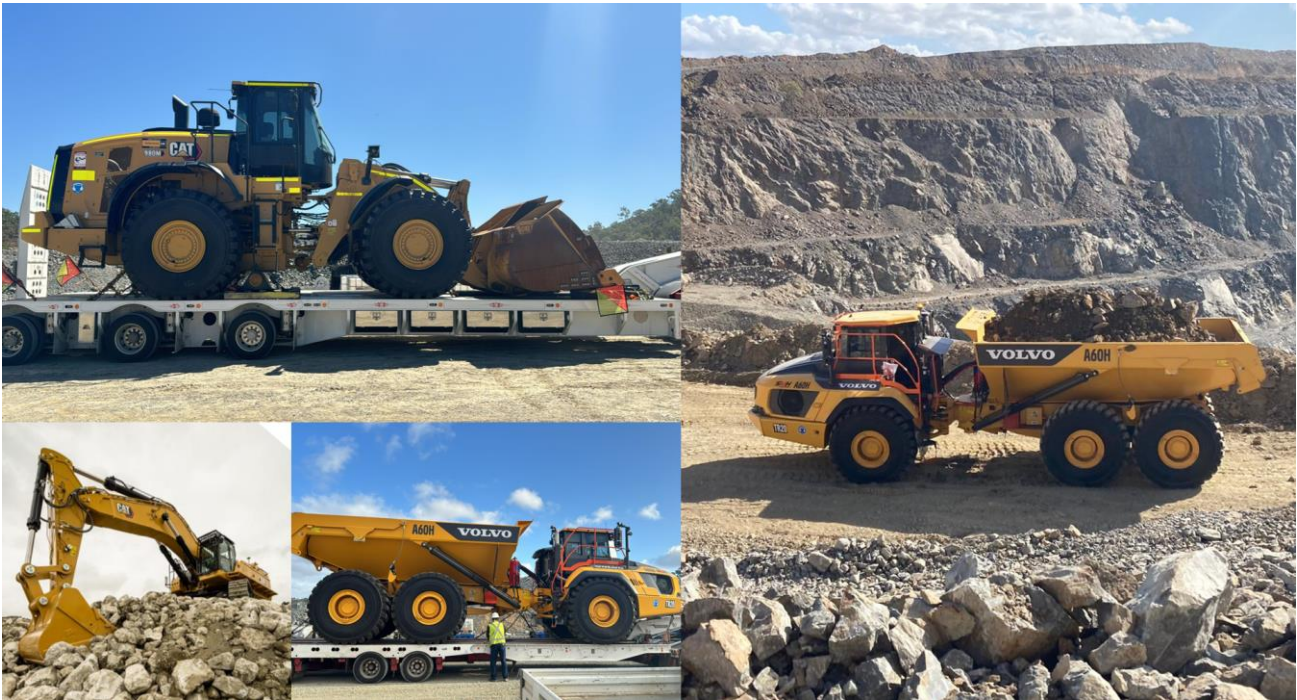


Figure 1: A comprehensive rollout plan is underway, with key machinery already delivered and additional equipment arriving as scheduled. New and leased equipment has been mobilised on-site, ensuring a smooth transition.

EQ Resources Chief Executive Officer, Mr Kevin MacNeill, thanked Golding for executing the first phase of the mining contract and assisting in the move to owner-operator mining. “Our teams have worked smoothly together over the past 14 months as we re-opened the Andy White open pit at Mt Carbine,” Mr MacNeill said. “Our existing staff and transferred staff have taken on board much of Golding’s mining expertise over that period, and we are thankful for Golding’s assistance in the transition to owner-operator mining.”

Released on authority of the Board by:

Kevin MacNeill
Chief Executive Officer

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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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