

15 August 2025

SALORO US\$7.5 MILLION ROYALTY COMPLETED WITH SUPPLEMENTARY CRONIMET DEBT TO EQUITY SWAP

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

Highlights:

- Definitive transaction documents with Oaktree for a US\$7.5 million royalty funding package have been executed.
- The funds were received on completion of the definitive transaction documents supporting ongoing and essential capital projects at Saloro alongside bolstering EQ Resources working capital.
- Mt Carbine Offtake customer, Cronimet Asia Pte Ltd, has agreed to convert US\$3 million of its initial offtake prepayment to equity at a conversion rate of A\$0.035 per conversion share improving future cashflows as the required offset against future sales is reduced.

Following our announcement on 29 July 2025, EQ Resources Limited (**EQR** or the **Company**) is pleased to announce that Saloro S.L.U (Saloro), a 100%-owned subsidiary of EQR, has executed the definitive transaction documents with funds managed by Oaktree Capital Management, L.P. ("**Oaktree**") for a US\$7.5 million royalty-based funding package. The funds were received on finalisation of the definitive transaction documents.

In consideration for an initial payment of US\$7.5 million to EQR, EQR will grant Oaktree a 2.5% royalty. This royalty will be calculated on the basis of gross proceeds received by Saloro from the sale of tungsten concentrate from its Barruecopardo Project in the Salamanca Province, Spain.

Proceeds from the royalty funding will be used to fund ongoing and essential capital projects at Saloro, alongside bolstering working capital to strengthen the group's balance sheet.

In addition, EQR is pleased to announce that Cronimet Asia Pte Ltd has executed an agreement (on the terms set out in Annexure 2) to convert US\$3 million of the initial offtake prepayment provided to Mt Carbine operations to equity at a conversion rate of A\$0.035 per conversion share. This commitment by the Cronimet Group demonstrates its ongoing commitment and support for the Company as both shareholder and customer.

Please refer to Annexure 1 for further details on the royalty transaction documents and Annexure 2 for further details on the debt to equity conversion agreement below.

Chief Financial Officer, Mr Jono Kort, commented: "We are pleased to be securing further support from our largest shareholder Oaktree and the Cronimet Group. The royalty provides us the ability to finalise the improvement projects at the Barruecopardo operation that are delivering significantly improved metal recoveries in a high price environment. The Cronimet Group' initial offtake prepayment supported the Company initiate the Mt Carbine development project. The decision to convert US\$3 million to equity confirms Cronimet's

confidence in our value proposition and strategy through the alignment with other shareholders. It furthermore supports our cashflow as the required offset against sales is reduced.”

Released on authority of the Board by:

Oliver Kleinhempel
Executive Chairman

Further Enquiries:

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

About the Company

EQ Resources Limited is a leading global 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. The Company 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.

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Annexure 1: Key terms and conditions of the royalty transaction documents

1.	Parties	Saloro S.L.U (as ' Payer ') An affiliate of funds managed by Oaktree Capital Management, L.P. (as ' Payee ') EQ Resources Limited (EQR) and European Tungsten Pty Ltd (ETP) (a 100%-owned EQR company and sole shareholder of Saloro S.L.U) (as ' Guarantor ')
2.	Project	The Barruecopardo tungsten mine, Salamanca Province, Spain.
3.	Product	Mineral elements and compounds, under or upon the surface or sub-surface of the Barruecopardo mining area, containing tungsten.
4.	Royalty	2.5% of gross proceeds received by Payer from the sale of tungsten concentrate.
5.	Upfront Payment	US\$7.5 million, payable within five business days after the Commencement Date (being the date upon which all of the Conditions Precedent have been satisfied or waived).
6.	Buy-Back Option	On or prior to the 5th anniversary of the Commencement Date the Payer may issue a notice in writing (Buy-back Notice) to the Payee that it wishes to buy-back a minimum of 25% of future royalty obligations by making a pro rata percentage repayment of the Upfront Payment within 30 business days. This right may be exercised multiple times by the Payer with the percentage being calculated by reference to the original royalty.
7.	Security	The following security is to be granted in favour of the Payee to guarantee the Payer's payment obligations: <ul style="list-style-type: none"> security granted over EQR's shares in ETP, with such security being subordinated behind any existing security; and existing security over ETP's shares in Payer is expanded to cover payment defaults under the Royalty agreement (Security)
8.	Transferability	The Payee shall be entitled to transfer rights and obligations in relation to the Royalty at any time to any third party.
9.	Conditions Precedent	Conditions usual for a transaction of this nature.
10.	Conditions Subsequent to Upfront Payment:	<ol style="list-style-type: none"> EQR obtaining any and all shareholder approvals required by the ASX Listing Rules (including but not limited to approvals required under ASX Listing Rule 10.1 for grant of the Security) or, in lieu of such approvals, EQR having obtained a waiver from ASX negating the need for those approvals. Executed debt equity conversion deed between Mt Carbine Retreatment Pty Ltd, Cronimet Asia Pte Ltd and EQR is fully effective. (together the Conditions Subsequent). If the Conditions Subsequent are not fulfilled by 31 December 2025, the Payer must repay the Upfront Payment within five business days.

Annexure 2: Key terms and conditions of the debt to equity agreement

1.	Parties	Cronimet Asia Pte Ltd (as ' Investor ') EQ Resources Limited (EQR) Mt Carbine Retreatment Pty Ltd (MCR)
2.	Debt conversion shares	Debt conversion shares at a deemed issue price of A\$0.035 per conversion share to the value of US\$3 million.
3.	Conditions Precedent	<ol style="list-style-type: none"> 1. Payment of outstanding debts incurred from the Mt Carbine Joint Venture Interest Transfer Agreement; and 2. EQR obtaining any shareholder approvals required by the ASX Listing Rules; and 3. Entry into an agreement granting the Investor the right to nominate a director, which right shall continue for as long as the Investor or its affiliated parties hold at least 5% of the voting rights in EQR.