

EQ Resources Limited

Quarterly Activities Report

Quarter ended 30 September 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

- Open cut mining operations ramping up with regular blasts
- Record monthly tungsten concentrate production for July and new record for September 2023, with a 181% increase quarter-on-quarter

MT CARBINE EXPLORATION

- Exploration drilling was undertaken at the Ruby Vein (Part of the Iron Duke Formation) and in the eastern area of the Mt Carbine Deposit
- 36 Reverse Circulation (RC) holes were drilled for a total of 1,817m with all holes reaching 51m in depth

CORPORATE DEVELOPMENT & FUNDING

- EQR acquires leading European tungsten concentrate producer Saloro S.L.U., and secures \$25 million investment by Oaktree Capital Management*
- XRT ore sorter trials at Saloro's Barruecopardo mine hit targets showing strong operational results, in terms of throughput and metal recovery
- Investors holding convertible notes issued in September 2021 convert 100% of their notes into EQR ordinary shares
- EQR has been awarded the permit for resource exploration across the Wolfram Camp Mine, Bamford Hill Mine and surrounding exploration areas under the program for 'Recommercialisation of Abandoned Mines' by the Queensland Department of Resources

* As of the date of this report, the transaction remains subject to various closing conditions, incl. the approval of foreign direct investment agencies in Australia and Spain.

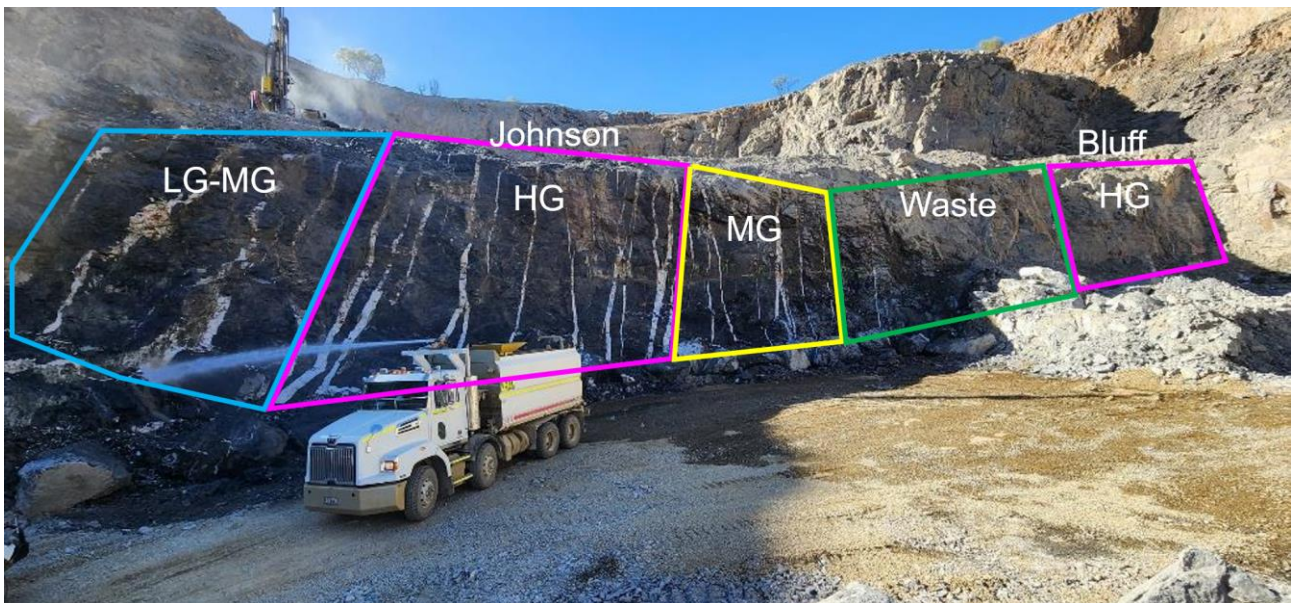
MT CARBINE OPERATIONS AND PRODUCTION

Mt Carbine		Q1 FY2024	Q4 FY2023	% change QoQ	FY2024 YTD
Material blasted	t	363,000	-	-	363,000
Material extracted	t	279,000	-	-	279,000
Ore Stockpiled	t	95,030	-	-	95,030
Ore Crushed	t	150,600	159,390	-6%	150,600
Ore Sorted	t	130,519	94,282	38%	130,519
Sorter Concentrate Produced	t	11,448	10,499	9%	11,448
Ore Gravity Processed	t	73,000	82,604	-12%	73,000
50% Equivalent WO ₃ Produced	t	422.6	150.5	181%	422.6



OPEN CUT MINING

Open Cut Mining Operations are now well underway, and our geology department continues to work closely with Golding our Mining Contractor to ensure best outcomes for both quantities and grade of ore. An ore grade colour coding system was introduced to ensure effective management of material at ROM 1.



Colour coding of the pit face before blast

- 13 blasts have been carried out this quarter for a total 363,000 tonnes of material blasted.
- 279,159 tonnes total material extracted from the pit during this quarter. Extraction increased significantly in August following the mobilisation of additional heavy equipment.
- 95,030 tonnes of ore on stockpile as of beginning of October ready to be processed.
- Ramp up to full production will continue during Q2 FY2024 with the target to reach 83,000 tonnes of ore and 150,000 tonnes of waste per month. On 1st November 2023 a Hitachi EX1900 excavator with a 11 m³ bucket will come online with an additional 4 x Cat 775 Trucks of 60 tonnes capacity each.



Excavation operations ongoing at the bottom of the pit (Left); Current stockpiles, sorted by grade from left to right: Blue 'low grade', Yellow 'medium grade', Pink 'high grade' (Right)

CRUSHING OPERATIONS

Transition from feeding Low-Grade Stockpile (LGS) to mostly exclusively open pit material.

Mobile jaw crusher added ahead of the crushing circuit to crush the -700mm ore delivered from the blasts in the open pit. This feed preparation step almost removed all oversize material through the plant.

The Crushing Plant processed 150,600 tonnes of open pit material and produced 113,000 tonnes of Sorter feed during the quarter.

New Sandvik mobile cone crusher was added to increase output and produce more feed to the Ore Sorter Plant and Gravity Plant on quarter end.

XRT SORTER

The Ore Sorter Plant processed 130,000 tonnes of ore and produced 11,448 tonnes of sorter concentrate with a record-breaking 48,000 tonnes processed in September alone.

Commissioning of the XRT Tomra Unit 3 finalised end of August, with newer programming and increased efficiencies, the plant is already seeing the benefits of the upgrade, with an increased run time from around 50% previous months to 74% in September and will continue to deliver next quarter.

GRAVITY PLANT

Significant improvement of key operational parameters:

- 181% increase of concentrate production from quarter-to-quarter with 422 tonnes of 50% WO_3 concentrate from 150.5 tonnes in Q4 FY2023.
- September record of monthly production at 202.8 tonnes of 50% WO_3 concentrate
- Daily production record of 11.1 tonnes during a 24-hour period

Primary driver behind this increase has been the introduction of open pit material to the processing circuit, delivering a substantially higher grade than the LGS. The feed through the Crushing Plant from the open pit averaged over 0.2%, in stark contrast to the 0.13% average from the LGS.

Operational efficiency has shown marked improvements, 82.4% runtime of this quarter as opposed to 75.5% in Q1 FY2023.

Sorter concentrate processed through the Gravity Plant this quarter increased to 13,000 tonnes, compared to 11,000 tonnes in Q4 FY2023 and 8,000 tonnes in Q3 FY2023.

Both the Gravity Plant and the Ore Sorter Plant are not only performing robustly but have also demonstrated their capability to handle an estimated additional 30% capacity.

The Phase 2 expansion is continuing across the site, particularly at the Gravity Plant. A new mineral jig has arrived on site and will be commissioned. Both mineral jigs will be working in parallel for increase production and increase run time. A second dewatering screen has been installed and will be complemented by a rolls crusher to double the milling capacity at the plant. With doubling of capacity underway, the plant will be able to have a minimal downtime and reduce all risk of bottlenecks at the plant.

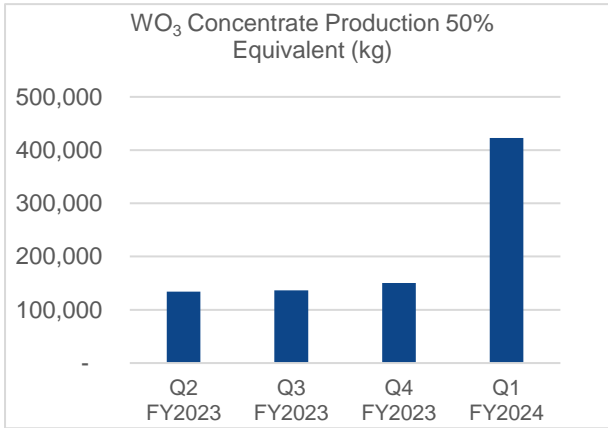


Figure 1: Gravity Plant Quarterly Concentrate Production

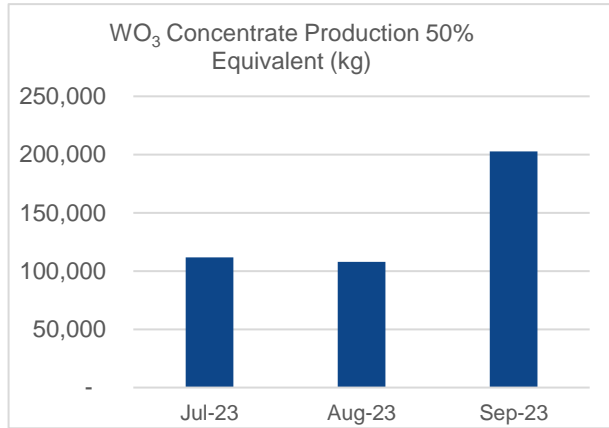


Figure 2: Gravity Plant Monthly Concentrate Production Q1 FY2024

QUARRY OPERATIONS

EQR remains committed to maintaining the integrity of its circular economy. The dedicated website for the Quarry is now online at the following link: <https://mtcarbinequarries.com.au>



Mt Carbine Quarrying
Sustainable Aggregates for a Better Tomorrow

Department of Transport and Main Roads Registered.

Independently tested to meet quality control specifications.

On-site Lab to ensure quality consistency

Sustainable & Environmentally Responsible

Customisable to meet specific needs

Road Base, Fill, Rock, Aggregates, Concrete & Cement, Manufactured Sand

<https://mtcarbinequarries.au/> +61 7 4094 3072 tbrown@eqresources.com.au

The Mt Carbine Quarries continues to supply a wide range of aggregates and concrete raw materials to regional contractors and project owners, such as the Mareeba Shire Council.

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 added a sustainability tab to 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 commitment to a safer work environment is illustrated by the 1,854 positive safety indicators logged this quarter. Thanks to enhanced workplace inspections by Area Foremen and Supervisors, site safety has been augmented, ensuring all areas meet and exceed industry standards, highlighting our dedication to continuous improvements.

During the upcoming quarter, EQR is prioritising its commitment to safety by scheduling its annual safety reset in line with the Queensland mining sector. This vital initiative emphasises reinforcing safety protocols, addressing any worker concerns, and fostering an environment where the well-being of every individual on the team remains at the forefront of our operations.

DIVERSITY AND PARTICIPATION STATISTICS

Value: Embrace Difference



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: [EQR Resources' Collaboration with Arteh: Advancing ESG Excellence in the mining industry.](#)

LOCAL PROCUREMENT, PARTNERING & ENGAGEMENT STATISTICS

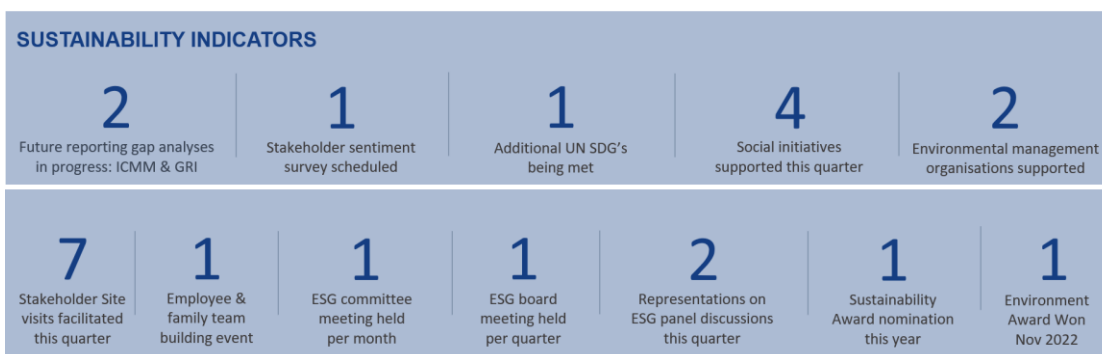
Value: Buddy Up



EQR is currently planning 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.

SUSTAINABILITY STATISTICS

Value: Lead with Integrity



EQR have commenced a review of industry best practice sustainability reporting standards to identify which metrics and reporting framework will be most appropriate to our operations. Utilising the International Council of Mining and Metals (ICMM) self-assessment of conformance, EQR have commenced a gap assessment to identify where we currently meet the ICMM best practice principals and where we can further develop our ESG program. We are also looking at future alignment and reporting against GRI (Global Reporting Index) general disclosures, as well as the GRI Mining Standards which are expected to be released in Q4 this year. The purpose of this exercise is to proactively close gaps in EQR's sustainability data collection. This will ensure we remain transparent and industry-leading with our outward messaging and put EQR in a favourable position for potential future mandatory sustainability reporting requirements.

CORPORATE DEVELOPMENT AND FUNDING

EQR ACQUIRES SALORO AND SECURES \$25 MILLION INVESTMENT BY OAKTREE

EQR has entered into binding terms to acquire European tungsten producer Saloro S.L.U. from Oaktree, positioning EQR as a leading global supplier of sustainable critical minerals and the largest tungsten concentrate producer in the Western World. This acquisition expands EQR's portfolio and aligns with their strategy to become a leader on the tungsten market. Oaktree supports this transaction with a \$25 million investment in EQR. This deal offers EQR shareholders increased production scale, exposure to two major tungsten operations, and potential growth within the exploration permits at Mt. Carbine and Barruecopardo. Both sites, with established customer bases spanning Asia, Europe, and North America, expect to realize operational cost savings and synergies. Saloro is recognized by the EU as a provider of Critical Raw Minerals and operates the historic Barruecopardo mine in Salamanca, Spain. Having restarted the mine in 2019 following a 40-year hiatus, its monthly production is now around 140 tonnes of high-grade tungsten concentrate. As part of the project due diligence work, EQR's experts have defined key priorities with regards to further operational improvement initiatives to be implemented.



Saloro's Barruecopardo mine in Spain, with the processing plant on the left and crushing and screening circuit on the right.

(See ASX Announcement '[EQR Acquires Leading European tungsten Producer, Saloro S.L.U., and secures \\$25 Million investment by Oaktree](#)' dated 10th August 2023).

BARRUECOPARDO XRT ORE SORTER TRIALS



The initial tests of the Ore sorter at Barruecopardo have been promising, achieving a notable 10.2-times upgrade with an 85% recovery rate in the 8,957t trial. With further optimization, recoveries are projected to surpass 90%. The geology of the mine mirrors that of EQR's Mt Carbine Tungsten Mine, both being high-grade sheeted vein systems. The unique coarse nature of the scheelite at Barruecopardo has enabled the implementation and commissioning of the TOMRA XRT Ore Sorter in August 2023. Upon successful commissioning, Saloro aims to purchase more XRT Ore Sorters to expand its processing capacity. This move will result in cost savings since only around a third of the present ore volume will be processed, albeit at a higher grade. This, in turn, will boost recoveries in the processing plant as the input grade elevates. EQR's experience from the Mt Carbine operation will be pivotal for the Barruecopardo ore body, and a specialized

team has been set up to ensure effective knowledge transfer.

(See ASX Announcement '[XRT Sorter Trials at Barruecopardo Mine Hit Targets](#)' dated 19 September 2023).

WOLFRAM CAMP MINE EXPLORATION PERMIT

EQR has been selected as the favoured tenderer for resource exploration at the historic Wolfram Camp mine site to determine the feasibility of re-commissioning. This aligns with the Queensland Government's plan to invest \$245 million in the Critical Minerals Strategy, emphasizing the re-commercialization of old mines for economic growth and a sustainable future. The permit encompasses a 477km² RA442 license area, which includes the Wolfram Camp mine and Bamford Hill advanced exploration target. There's about 5 million tonnes of Low Grade Stockpile and Tailings available for evaluation. Over the next year, EQR aims for a comprehensive regional review, which includes drilling over 10,000 meters in the next 3 years and collecting 4,000 soil samples. An XRT Sorter trial will also be undertaken to evaluate its compatibility with the existing Mt Carbine processes. This initiative supports EQR's growth strategy, located 60 km from Mt Carbine, will further solidify the region's role as a critical mineral hub.

(See ASX Announcement '[EQR Awarded Permit For Historic Wolfram Camp Mine](#)' dated 27 July 2023).

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

Exploration drilling was undertaken at the Ruby Vein (Part of the Iron Duke Formation) and in the eastern area of the Mt Carbine Deposit. A total of 36 Reverse Circulation (RC) holes were drilled for a total of 1,817m with all holes reaching 51m in depth. This scout drilling was done on essentially 25m centres to determine any surface vein locations.

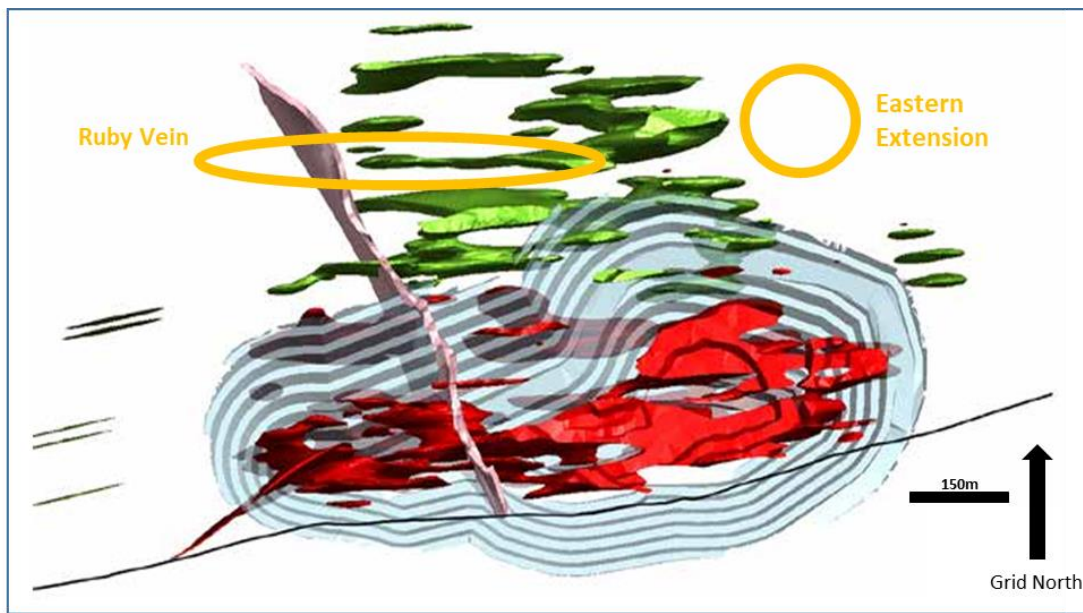


Figure 4 - Model of the Open Pit with Ruby Vein and Eastern Extension

The Ruby vein was observed to be intersected in all drill holes and has now been demonstrated to continue for 450 meters strike. The Ruby zone reaches a maximum width of 3 meters with multiple narrow zones (10-50cm) of visible tungsten mineralization (wolframite & scheelite). In the Eastern exploration work no substantial veins were encountered and it is postulated the eastern extension is offset further to the northwest of this test drilling. Assaying of the RC chips will be completed next quarter in Q2 FY2024.



Figure 5 - Completed drillholes over Ruby Vein prospect.



Figure 6 - Completed drillholes from the Iron Duke area/ Eastern Extension

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⁾
<i>ML = Mining Lease; EPM = Exploration Permit for Minerals (Qld); EL = Exploration Licence (NSW)</i>					
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 30 September 2023 was \$3.749 million (compared with \$5.336 million for the quarter ended 30 June 2023), representing a net decrease of \$1.587 million for the quarter.

Cash receipts from customers totalled \$3.529 million (compared with \$1.076 million in the previous quarter) representing about threefold increase from previous quarter mainly due to a record production of Tungsten concentrate and 50% share of its sales from the unincorporated joint venture in this quarter.

The increase in production costs to \$2.146 million is in line with the announced ramp-up production activities in the quarter to generate the increased sales revenue.

The Company continues its investment of \$1.994 million on property, plant and equipment with an additional \$1.334 million being expended on capitalised exploration and evaluation activities.

The cash flows from financing activities were improved with proceeds from exercise of various options for \$2.196 million in this quarter.

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.

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 30 September 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 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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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")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,529	3,529
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(203)	(203)
(c) production	(2,146)	(2,146)
(d) staff costs	(1,566)	(1,566)
(e) administration and corporate costs	(535)	(535)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	(22)	(22)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other		
- Diesel Fuel Tax Credits	104	104
1.9 Net cash from / (used in) operating activities	(832)	(832)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1,994)	(1,994)
(d) exploration & evaluation	(1,334)	(1,334)
(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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(210)	(210)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3,538)	(3,538)

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	-	-
3.3	Proceeds from exercise of options	2,196	2,196
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7)	(7)
3.5	Proceeds from Borrowings - Other Working Capital Loans (unincorporated joint venture)	675	675
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other -Lease Repayments	(71)	(71)
3.10	Net cash from / (used in) financing activities	2,793	2,793

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,336	5,336
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(832)	(832)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,538)	(3,538)

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 (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,793	2,793
4.5	Effect of movement in exchange rates on cash held	(10)	(10)
4.6	Cash and cash equivalents at end of period	3,749	3,749

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	3,749	5,336
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)	3,749	5,336

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	116
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	-	-
7.4 Total financing facilities	1,500	1,500
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.		
7.2 Unsecured Loan at an interest rate of 8.00% p.a. to be settled by July 2024.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(832)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,334)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,166)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,749
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,749
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.7
<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?	
Answer: The Company is expecting further positive quarter-on-quarter improvement of its net operating cashflows, driven by a further increase of production output, i.e. coming from the open pit mining operations started just ahead of this quarter. As part of the ramp-up, higher-grade feed is available for concentrate production. It shall also be noted that the Company initiated a large Capex Expansion Program (as outlined in the Bankable Feasibility Study) with all expenses associated with the open-cut mining operations capitalised as deferred evaluation expenditure in the current quarter. The Company anticipates that this level of expenditure on capitalised exploration and evaluation will decrease from its current level next quarter.	

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?

Answer: The Company has binding agreements in place for a share subscription by Oaktree Capital as part of the Saloro acquisition. Upon closing, the Company will raise \$25 million through issuance of new ordinary shares to Oaktree Capital.

Nevertheless, the Company already started to support the Saloro operations with manpower (incurring labour and travelling expenses). The Company will furthermore be required to pay all deal expenses related to the Saloro acquisition. Relevant costs might be absorbed by the Company's corporate development budget, or otherwise the Company will secure bridge financing and secure cash in other forms, in order to complete the Saloro acquisition as soon as possible.

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: While production ramp-up in this quarter has been slower than projected with the Bankable Feasibility Study, the start of the open pit mining along with further implementation of the Mt Carbine Capex program and related improvements show positive results on the production output and the Company expects production to meet 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 October 2023

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*

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

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.