

21 May 2024

SUCCESSFUL PLACEMENT OF A\$9.5M TO ACCELERATE MT CARBINE EXPANSION

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

Highlights:

- Firm commitments received to raise \$9.5M (before costs) via a well-supported share and options placement at an issue price of \$0.045 (4.5 cents) per share, along with 1-for-3 free attaching unlisted options, exercisable at \$0.0675 (6.75 cents) each (Placement).
- Oaktree Capital Management took 15% of the Placement to maintain its interest in EQR.
- Proceeds from the Placement will be used for working capital and fund owners' costs, unlocking Tranche A of the \$20 million QIC facility to double Mt Carbine plant capacity to 2 mtpa.
- Subject to shareholder approval, the Directors propose collectively contributing A\$230,000 to the Placement.
- Subject to shareholder approval, the Company will repay its \$1.8m loan to Director Zhui Pei Yeo on the same terms as the Placement.

EQ Resources Limited ("EQR" or "the Company") is pleased to announce the Company has received \$9.5 million of firm commitments in a well-supported placement of new fully paid ordinary shares (New Shares) and options (New Options) to institutional and sophisticated investors (Placement). Strong support was shown for the Placement from a broad range of high-quality institutional investors.

Issue price for the Placement of \$0.045 (4.5 cents) per share along with 1-for-3 free attaching unlisted New Options, exercisable at \$0.0675 (6.75 cents).

The Placement was conducted by Pac Partners Securities Pty Ltd (Lead Manager) and GBA Capital Holdings (Co-Manager).

Details of the Placement

211,111,111 million New Shares at an issue price of \$0.045 (4.5 cents) per share, along with 70,370,370 New Options, exercisable at \$0.0675 (6.75 cents), will be issued under the Placement to raise gross proceeds of \$9.5 million before costs.

New Shares and New Options will be issued utilising EQR's placement capacity under ASX Listing Rules 7.1 and 7.1A. The New Shares and New Options are expected to be issued on Wednesday, 29 May 2024.

As part of the Placement, the Directors have subscribed for 5,111,111 New Shares and 1,703,704 New Options (equivalent to \$230,000), subject to shareholder approval.

In addition, 39,304,733 New Shares and 13,101,577 New Options will be issued to Director Zhui Pei Yeo (or his nominee), plus withholding tax, as repayment of his \$1,798,570 director loan, subject to shareholder approval on the same terms as the Placement.

Use of Proceeds

Proceeds from the Placement will be used to fund working capital and fund owners' costs, to double Mt Carbine plant capacity to 2 mtpa. The Mt Carbine expansion will be primarily funded by Tranche A of the Queensland Investment Corporation's (QIC) 3-year funding facility for up to \$20 million from the Queensland Critical Minerals and Battery Technology Fund. To access the \$12 million Tranche A, several conditions precedent, including owners' costs, must be funded by the Company. (see ASX announcement [QIC Approves A\\$20M Funding for Mt Carbine Expansion](#) dated 8 May 2024)

Indicative Timetable

The settlement of the Placement is expected to occur on Tuesday, 28 May 2024 and allotment and normal trading of new shares on Wednesday, 29 May 2024.

Trading halt lifted, and shares recommence trading on ASX	Tuesday, 21 May 2024
Settlement of the Placement	Tuesday, 28 May 2024
Allotment and normal trading of New Shares under the Placement	Wednesday, 29 May 2024

The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable at any time before New Shares and New Options are issued, subject to regulatory requirements.

All New Shares and New Options issued under the Placement will rank equally with existing shares on issue. An Appendix 3B for the proposed issue of securities will follow this announcement.

The Extraordinary General Meeting is planned on or around 26 June 2024 to approve the issue of Placement shares to Directors.

EQR CEO Kevin MacNeill commented, "We are very pleased with the capital raise; we saw strong demand from many of our largest shareholders, including Oaktree Capital, who are maintaining their interest in EQR. With a rise in the price of tungsten, it was time to accelerate a planned expansion and evaluate the underground development through drilling in the near term. I want to thank PAC Partners for all their hard work and all the investors who have shown their support in this process".

Released on the 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.

Follow us:  