

EQ Resources Limited

Quarterly Activities Report

Quarter ended 30th June 2024

EQ Resources Limited (EQR) is a leading tungsten mining company dedicated to sustainable mining and processing practices, with a focus on expanding its world-class tungsten assets at Mt Carbine in Far North Queensland (Australia) and at Saloro Mine, Barruecopardo, in Salamanca Province (Spain). The Company evaluates corporate and exploration opportunities within the new economy, leverages advanced minerals processing technologies and unexploited resources across multiple jurisdictions, to be a globally leading supplier of the critical mineral, tungsten.

HIGHLIGHTS

SALORO OPERATIONS

- Plant optimisation program ongoing, showing continuous increase in recovery
- Weekly production record in June 2024 with 50 tonnes of 50% WO₃ equivalent

MT CARBINE OPERATIONS

- Mt Carbine infill drilling reveals High-Grade zones in Stage II Pit
- Production records in June 2024, 24hrs, Weekly and Monthly

EQR EXPLORATION

- Wolfram Camp 5-year Exploration Permit granted in June 2024
- Mt Carbine's existing 430 meters underground decline re-opened for geotechnical assessment and preparation of underground exploration program

CORPORATE DEVELOPMENTS & FINANCE

- APT CIF Rotterdam prices increasing at US\$335-360 per mtu*
- QIC agreement to establish a 3-year A\$20m funding facility for Mt Carbine expansion
- Mt Carbine receives A\$2.17M R&D tax refund
- Successful placement of A\$9.5M to continue Mt Carbine expansion
- EQR executes definitive agreement to acquire Mt Carbine JV interest from Cronimet

* mtu = 10kg WO₃

EQR GROUP Q4 FY2024 - PRODUCTION SUMMARY

EQR Production Statistics		Mt Carbine		Saloro		Group	
		Q3 FY2024	Q4 FY2024	Q3 FY2024	Q4 FY2024	Q3 FY2024	Q4 FY2024
Waste	t	744,329	357,590	1,475,521	1,048,446	2,219,850	1,406,036
Ore	t	50,816	240,902	276,345	347,142	327,161	588,044
Total Tonnes Mined	t	795,145	598,492	1,751,866	1,395,588	2,547,011	1,994,080
Strip Ratio	W:O	14.6:1	1.5:1	6.1:1	3.0:1	6.8:1	2.4:1
Closing Ore Stock	t	41,612	68,374	284,521	307,535	326,133	375,909
Gravity Plant Feed	t	79,141	74,449	230,134	217,512	309,275	291,961
Gravity Plant Grade	%	0.520%	0.447%	0.219%	0.236%	0.296%	0.290%
WO₃ Produced*	mtu	20,270	17,954	23,118	23,234	43,388	41,188

*Note: The Company previously reported its concentrate production in 50% equivalent WO₃ wet weight for Mt Carbine, 65% WO₃ equivalent dry weight for Saloro, the Company will be reporting production in mtus moving forward (Metric Tonnes Unit, 1 mtu = 10kg WO₃).

MT CARBINE OPERATIONS

OPEN CUT MINING



Mt Carbine infill drilling reveals High Grade zones in Stage II Pit

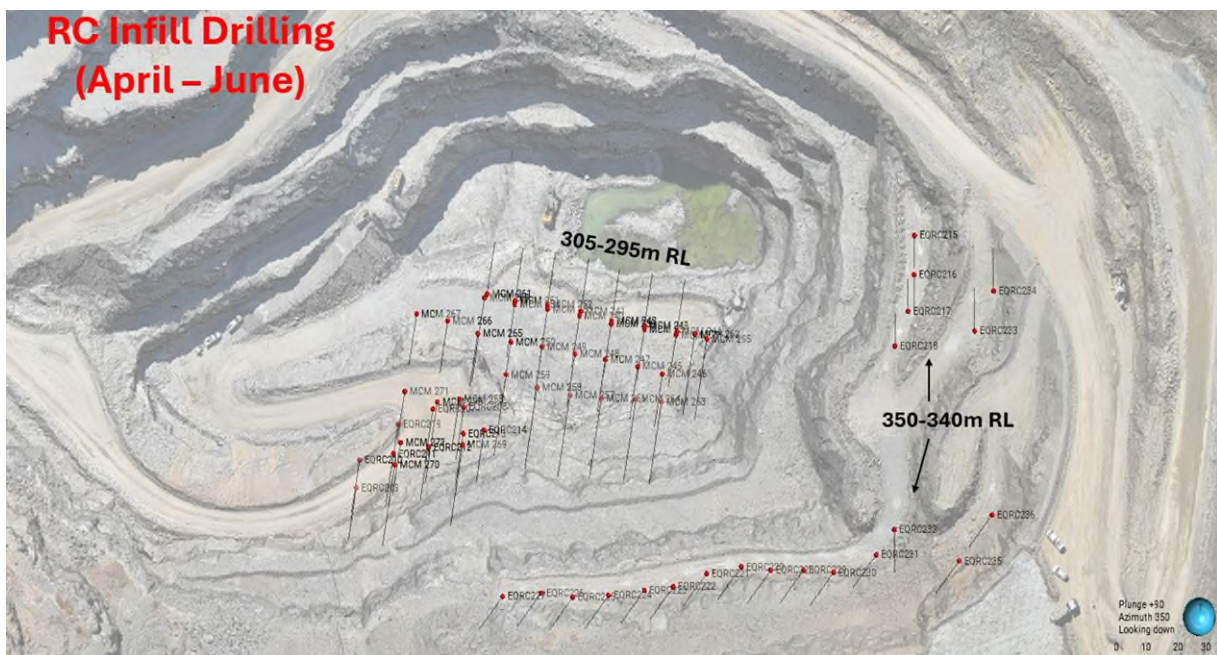
The Company has completed 66 infill reverse circulation drill holes to confirm the consistency of high-grade vein systems in Stage I & II Pit of the Mt Carbine project and to provide data for accurate grade control of upcoming pit blasts. The drilling was initially conducted on the Iolanthe and the Johnson Vein Systems at the 350-340m level, complementing the 2024 diamond drilling campaign. The drill rig was then moved to the 305-295m level on the pit floor to complete a standard 10m x 10m spaced pattern.

Tony Bainbridge, EQR’s Chief Geologist, highlighted the transformation in the ore body from a thinner network to substantial veins exceeding 50 cm at the 315-323m level, enhancing the understanding of the vein systems under UV light examination. The results from the RC drilling conducted at the 345m level showed significant zones with a tungsten grade of 0.21% WO₃, nearly double the expected grade according to the current modelling, with historical drilling indicating even higher grades below this level. Both the Johnson and Iolanthe Vein Systems show increasing width to the veins as they go deeper, and vein grades get stronger. The overall zone narrows slightly, which is expected from the modelling.

For more information, see: ASX Announcement dated 30th April 2024: [‘Mt Carbine infill drilling reveals High Grade zones in Stage II Pit’](#)



Level 295m confirms the thickening of the veins as seen on the cliff face looking into the Johnson Vein system.



RC drilling on level 350-340m and 305-295m levels in the Iolanthe and Johnson Vein Systems

Pit dewatering was completed last quarter after a strong wet season; the water level in the pit is now stable, with minimal rainfall over the previous quarter.



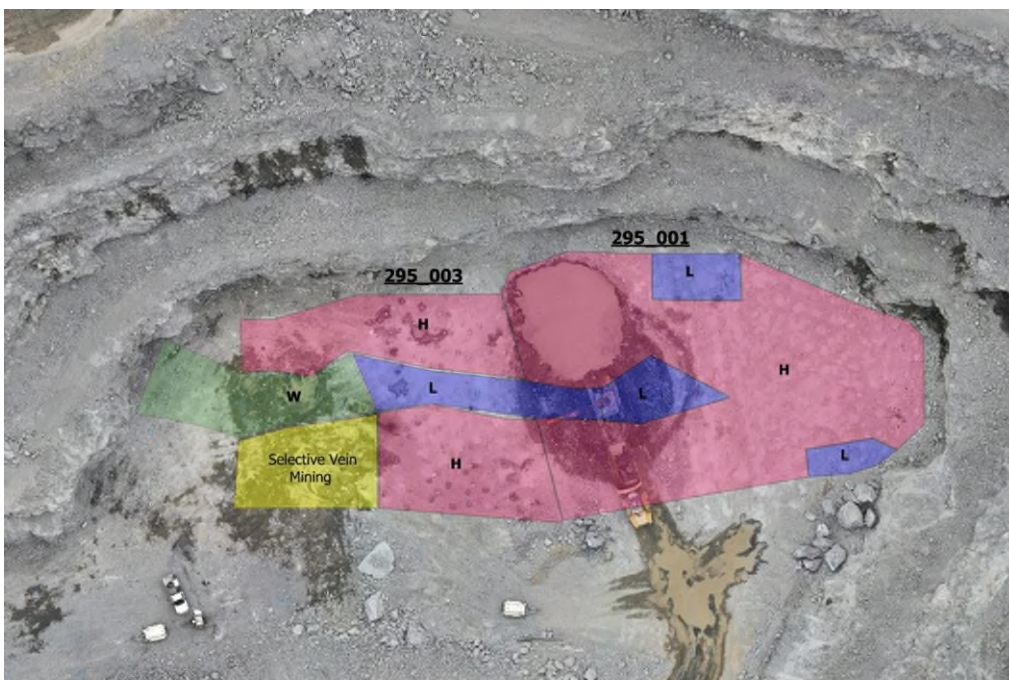
Bottom level of the pit: Left on 3rd April 2024; Right on 25th June 2024.

Following an internal review, our principal engineers and environmental consultants have approved an extension to the original Noise and Visual Bund design. The extension will see the Bund wrap further North around the open pit edge, allowing us to proactively seed and rehabilitate this area. The extension has more than doubled the amount of material required for construction. We will continue to utilise our waste material, and we are currently nearing 30% completion of this major capital project.

Throughout May, our mining contractor trialed a short night shift. Results showed an increase in overall productivity for the period, and we will consider implementing additional night shifts as we experience an increase in waste stripping requirements in line with our updated mine plan.

Mining within the Stage I Pit shell continued throughout the quarter; however, we are currently mining levels 305m and 295m, with the Stage II Pit well underway.

598,446 tonnes of total material were extracted from the pit throughout the quarter. 240,902 tonnes of ore, with over half being high-grade over 0.220% WO₃ and 357,543 tonnes of waste. A total of 1.4M tonnes of waste have been stripped since the re-opening of the Open Pit. At the end of June, 68,000 tonnes of ore were surveyed in the stockpile, with an estimated total of over 6,000 mtus.



Level 295 Ore segregation before excavation by the geology department, 295m RL second to last level in Stage I Pit

CRUSHING OPERATIONS

215,000 tonnes of tungsten-bearing ore were crushed in Q4 FY2024, just a couple of thousand tonnes short of last quarter's record.

The head feed grade in the crushing plant ranged from 0.15% to 0.18% WO₃ in April - May, climbing over 0.24% WO₃ in June with a blend of 51% high-grade, 12% medium-grade, and 32% low-grade ore from the pit and 5% material from the Low-Grade Stockpile (LGSP). This relatively low-grade feed mix from Stage I Pit is going to improve in the months ahead, i.e. once entering Stage 2 Pit. For comparison, the average LOM grade as per the Mt Carbine Ore Reserves is expected at 0.28% WO₃ - significantly higher in grade compared to the average ore grade mined during the quarter.

The Terex Finlay 893 Scalper was commissioned mid-April and will provide an extra 75mm feed from the LGSP for the crushing plant, which will be going through the ore sorter plant, and -6mm fines that will be fed directly to the gravity plant for additional metal units.



The 893 Terex Finlay Scalper on commissioning day in April

The operations are planned to undergo significant transformational changes in the upcoming financial year, with the processing plants doubling their throughput. Most of the major equipment, ancillary structure, and supporting equipment from Sandvik have been received on site.

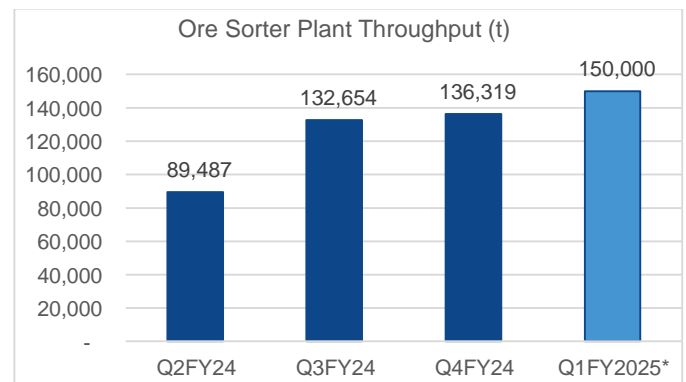
For more information, see: [ASX Announcement dated 20th March 2024: 'Mt Carbine receives additional equipment for doubling of throughput capacity'](#)

In the meantime, the current Sandvik plant screen has seen its traditional springs replaced by rubber shock absorbers for significantly increased reliability and runtime.

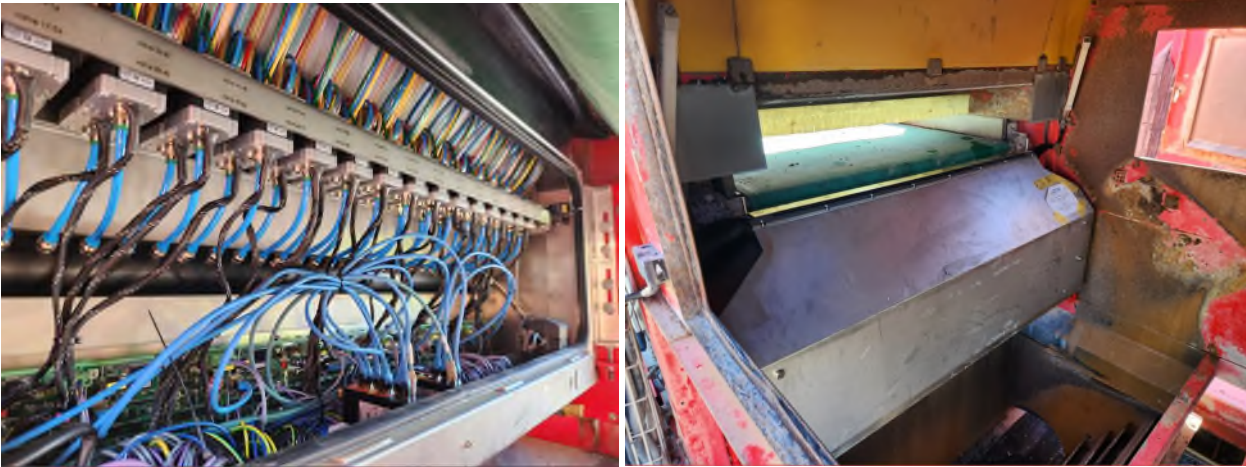
XRT ORE SORTER

136,319 tonnes of ore were sorted in Q4 FY2024, and 11,300 tonnes of high-grade sorter product were produced. Thanks to this pre-selection and rejecting ~90% of tungsten barren rocks, the operations save a tremendous amount of energy required to crush the 40mm rocks into 6mm fines.

The new ejection system at Tomra XRT Ore Sorter #2 was commissioned in mid-June, resulting in a 25% increase in sorter concentrate production. Tomra XRT Ore Sorter #3 is planned to be upgraded in the coming quarter.



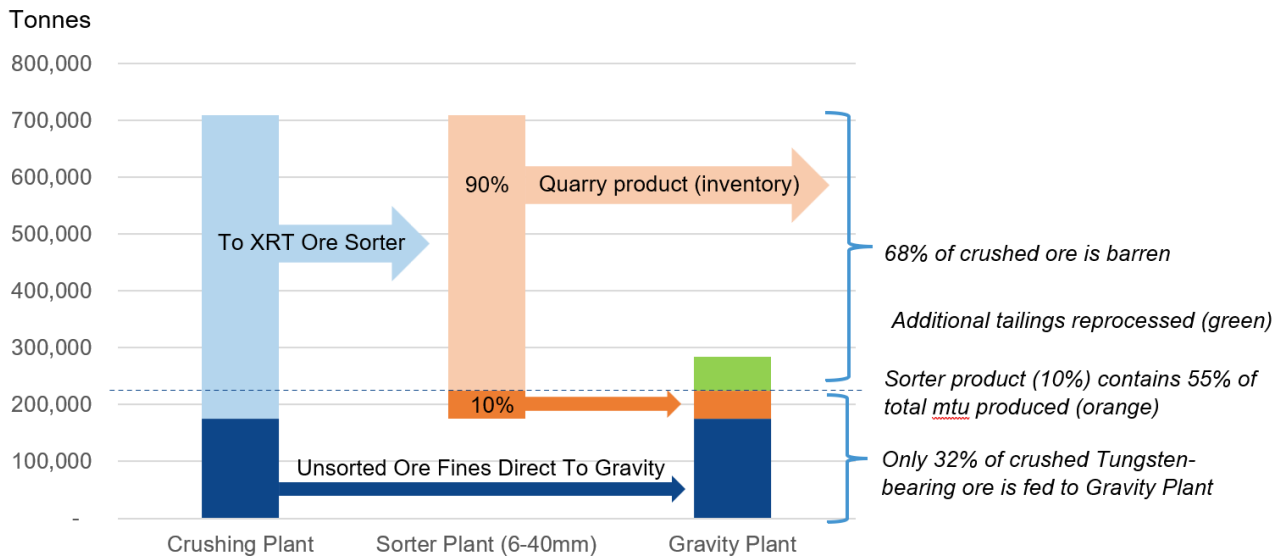
* Q1FY2025 Forecast, includes Jul-24 50,000 tonnes



Inside TOMRA Ore Sorter #2 showing the valve bank (left) and the end of the conveyor belt where the material gets ejected (right)

Sorter strategy proves correct

EQR's mine selection strategy is based on mining highly sortable ore. At Mt Carbine, ore sorting has allowed EQR to concentrate 488,000 tonnes of crushed ore at the sortable size of 6-40mm into 50,000 tonnes of high-grade ore containing 95% of the mtus. High-Grade ore which is then fed into the Gravity Plant, saving the Company the unnecessary further crushing of 90% of the ore in that size fraction that is actually barren. The Queensland Critical Minerals and Battery Technology Fund has agreed to establish a A\$20 million 3-year loan facility, including Tranche 1 of A\$12m to double crushing capacity at Mt Carbine to 2mtpa.



GRAVITY PLANT

The Mt Carbine operations hit new production records with over 211 tonnes of 50% equivalent WO₃ concentrate (wet weight) in June 2024, a record of 70.4 tonnes of concentrate in a 7-day production period, and a daily record of 13.6 tonnes of concentrate in a 24h period in June.

The 16% improvement compared to the previous weekly production record at Mt Carbine from September 2023 came based on higher grade ore delivered from the open pit and the respective upgrade to Tomra XRT Ore Sorter #2, yielding higher throughput and subsequent increase of the gravity plant feed grade.

The plant has had very stable operations and excellent availability of 93% through the quarter.

The grade in the plant was at 0.45% WO₃ on average for the quarter, climbing from 0.34% WO₃ in April to an average of 0.62% WO₃ in June.

The plant has received a second motor control centre, necessary for doubling plant capacity. A secondary mineral jig has been installed in line with the main mineral jig for additional recovery. It is already delivering promising results, with a recovery of 88.4% for June, a 10% increase from previous months.

QUARRY OPERATIONS

The quarry continues to actively tender for local road/bridge reconstruction projects within the region; however, none of these tenders have been awarded yet. The continued delays in tender awarding have impacted sales for the second quarter of 2024. EQR is confident that sales will increase throughout the next six months as much of the road reconstruction work due to ex-Tropical Cyclone Jasper has yet to be completed.

All quarry materials originate from process waste and only minimal cost required to prepare final products for customer delivery. While margins are high, the total addressable market is limited due to competing logistic costs to customer sites.

SALORO OPERATIONS

OPEN CUT MINING

During the second quarter of the calendar year, mining operations focused on the southern Phase 5 of the Project, aiming to align mine production with plant requirements and manage existing mineral stockpiles generated in previous months.

Toward the end of July, work is set to begin in Phase 6 of the Project, specifically in the northern area at level 730m.



Surface blast during the Phase 6 Works

Work commenced on an updated JORC Ore Reserves report in Q2 FY2024, which will be presented in Q1 FY2025.

In previous studies, the open pit mine has shown a potential LOM of 10 years. Future exploration efforts, including infill and deep drilling, scheduled to begin in the third quarter of the calendar year, aim to convert inferred and indicated resources into measured ones and continue resource confirmation work at depth.

Significant efforts were made during these last 2 quarters to complete the installation of slope irrigation and dust suppression systems. The goals are twofold: first, to maintain dust-free work areas and improve the quality of vegetation on the slopes, and second, to reduce the volume of water stored in the ponds to ensure they have capacity during the rainy season.



Irrigation and Evaporation System at the Barruecopardo Mine



Barruecopardo Open Pit end of June 2024

CRUSHING AND XRT ORE SORTER OPERATIONS

The feed optimisation work at the jaw crushing and ROM feeding pad has resulted in up to a 30% increase in primary crusher throughput.

Trials changing the sorter feed from a 20/8mm sizing to a 40/8mm sizing have resulted in a 40% increase in mtu, mainly due to higher throughput rates possible at larger rock sizing. However, corresponding changes to the sorter circuit have been postponed to the second half of the calendar year for further downstream optimisation.

GRAVITY PLANT

As part of the ongoing recovery improvement program targeting the processing plant, the jig distribution system has been replaced with a distributor featuring nine outlets to feed each jig chamber independently and more uniformly. The spiral circuit has been upgraded with new coarse and fine hydrocyclones, achieving 85% efficiency in size classification. The decommissioning of the hydrosizer and adding a clarometer have relieved the thickener.

The most significant impact on the circuit has come from the new high-frequency screen for the shaking table feed. The classified shaking table feed has positively impacted the circuit's performance. Further improvements around the flotation circuit are being worked on and are expected to further lift recovery at the final product circuit (cleaner shaking tables).

SUSTAINABILITY

EQR's website has a sustainability tab that communicates the Company's ESG commitments and ongoing initiatives. See [What We Care About](#) and [ESG Showcase](#). EQR reports its safety and ESG development according to its core values outlined in its ESG Program Framework, which is available here: [Sustainability Framework and Materiality Assessment](#).

The data interpretation of the 2024 Stakeholder Sentiment Survey for Mt Carbine Mine has been completed. Mt Carbine will now update its ESG initiatives (and strategy, if necessary) to reflect the evolving needs and aspirations of its stakeholders.

EQR remains committed to enhancing its ESG policies and practices to reflect the Company's growth and stakeholder expectations across the Saloro and Mt Carbine mines.

During Q4 FY2024, Saloro implemented 32 safety enhancements, conducted 85 annual health checks, and provided health and safety training to 49 team members. Additionally, over 230 individuals participated in Saloro's public excursions throughout the quarter.

In June 2024, Mt Carbine contracted a third-party company to conduct thorough dust, noise, and fume monitoring on its personnel. Nine employees received low-voltage rescue and CPR training, and positive safety indicators increased.

EXPLORATION ACTIVITIES

Wolfram Camp & Bamford Hill

The Exploration Permit for Wolfram Camp EPM 28898 was granted to EQR on June 17, 2024, for a five-year term. The geology team is currently planning a geological mapping campaign to identify alteration zones and structural geology, a soil sampling campaign, and detailed Lidar Ortho Mosaic, Magnetics, and Radiometric surveying for upcoming months.

Mt Carbine underground decline uncovered

Uncovering the underground portal of the existing 430-meter decline is a significant milestone in EQR's exploration efforts for underground potential. The next step will be to conduct geotechnical surveys.



The existing portal to the 430m decline re-opened mid-July 2024, with Anthony Bainbridge, Chief Geologist, for scale.

MINERAL RESOURCES ESTIMATE

Barruecopardo Mineral Resources Estimates as of November 2023.

Orebody	Resource Classification	Tonnes (Mt)	Grade (% WO ₃)	WO ₃ (mtu)
In-Situ	Measured	10.05	0.19	1,920,400
	Indicated	10.46	0.17	1,820,000
	Inferred	3.86	0.26	999,300
	Total	24.37	0.20	4,739,700

- Resource has been calculated using Normal Krigging Modelling
- Variogram used a search engine of 75m strike x 75m depth x 10m width with a 85° dip to the south west.
- No upper cut was used across the database.
- A lower cut of 0.05% was determined as being a sensible lower cut based on economics
- Assays were composited by weighted averages on 5m intervals to group together the narrow high grade zones into more consistent lenses for modelling.

No change to the Mt Carbine resources/reserves has occurred in the quarter, with the following tables outlining as follows:

Mt Carbine Mineral Resources Estimate as of April 2023

Orebody	Resource Classification	Tonnes (Mt)	Grade (% WO ₃)	WO ₃ (mtu)
Low-Grade Stockpile	Indicated	10.13	0.08	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:

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 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.
4. Drilling used in this methodology was all diamond drilling with 1/2 core sent according to geological intervals to ALS for XRF-15b analysis
5. Resource estimation was completed using the Kriging Variable Orientation Estimation Methodology
6. Indicated spacing is approximately 30 x 30m inferred is approximately 60 x 60m.
7. 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

Work commenced on an updated JORC Ore Reserves report for Saloro in Q2 FY2024, which will be presented in Q1 FY2025.

Mt Carbine Ore Reserves as of 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
LGSP - Proven	-	-	-
LGSP - Probable	9.77	0.075%	732,750
LGSP - Total	9.77	0.075%	732,750

TENEMENT INTERESTS

Tenements held by the Company and its controlled entities in accordance with ASX Listing Rule 5.3.3.

Location	Holding Entity	Beneficial Interest	Interest Acquired or Disposed	Area	Expiry date
Queensland, Australia					
ML 4867	Mt Carbine Quarries Pty Ltd	100%	NA	358.5 ha	31/07/2041
ML 4919	Mt Carbine Quarries Pty Ltd	100%	NA	7.891 ha	31/08/2041
EPM 14871	EQ Resources Limited	100%	NA	10 sub-blocks	12/12/2025
EPM 14872	EQ Resources Limited	100%	NA	21 sub-blocks	11/12/2025
EPM 27394	EQ Resources Limited	100%	NA	4 sub-blocks	1/06/2025
EPM 28898	EQ Resources Limited	100%	17/06/2024	147 sub-blocks	17/06/2029
New South Wales, Australia					
EL 6648	EQ Resources Limited	100%	NA	4 Units	19/10/2026 ¹⁾
EL 8024	EQ Resources Limited	100%	NA	19 Units	29/11/2024 ¹⁾
ML = Mining Lease; EPM = Exploration Permit for Mineral (Qld); EL = Exploration License (NSW)					
1) Sozo Farm-in arrangement.					

Location	Holding Entity	Beneficial Interest	Interest Acquired	Area	Expiry date
Salamanca, Spain					
C.E. Barruecopardo, 6.432-10	Saloro, SLU	100%	18/01/2024	2,100 Ha	1/11/2041
P.I. Saldeana 1 ^a Fracción, 6.432-11	Saloro, SLU	100%	18/01/2024	29,300 Ha	13 Aug.*
P.I. Saldeana 2 ^a Fracción, 6.432-12	Saloro, SLU	100%	18/01/2024		13 Aug.*
P.I. Milano, 6.432-20	Saloro, SLU	100%	18/01/2024	29,000 Ha	13 Aug.*
P.I. Cortegana, 6.570	Saloro, SLU	100%	18/01/2024	16,700 Ha	14 Nov.*
P.I. Almonaster, 6.572	Saloro, SLU	100%	18/01/2024	4,300 Ha	14 Nov.*
P.I. Aracena, 6.649	Saloro, SLU	100%	18/01/2024	5,300 Ha	30 Oct.*
P.I. Brincones, 6.834	Saloro, SLU	100%	18/01/2024	6,100 Ha	7 May*
C.E. = Mining Lease; *P.I. = Exploration Permit which is renewed annually.					

CORPORATE

A\$20M funding facility from QIC for Mt Carbine Mine expansion

The Company and Queensland Investment Corporation ("QIC") have entered into an agreement to establish a three-year funding facility. QIC will provide up to A\$20 million from the Queensland Critical Minerals and Battery Technology Fund ("QCMETF"). The fund's main goal is to support the mining and refining of essential minerals and the development and production of battery technologies and advanced materials in Queensland.

The 3-year loan facility will accelerate the Company's 2 mtpa processing capacity expansion plan ongoing at the Mt Carbine Tungsten Mine with A\$12M in Tranche 1. Tranche 2 of A\$8M will enable the Company to push forward with the initial phase of the 2024 drilling program aiming defined underground targets and to integrate these findings into a comprehensive underground feasibility study. The underground resource, which has been minimally explored, is accessible via a 1980s decline that has been reopened after the quarter end and presents higher grades and significant potential for resource expansion. This funding is contingent on meeting standard prerequisites, including project completion tests.

ASX Announcement dated 8th May 2024: ['QIC approves A\\$20M funding for Mt Carbine Tungsten Mine expansion'](#)

Research and Development tax refund

The Company received a cash refund of \$2.17 million, in May 2024, following the submission and approval of its Research and Development (R&D) Tax Refund application for the 2023 financial year. This refund has been granted in recognition of various eligible R&D activities conducted during the year at EQR's Mt Carbine Mine. These activities underscore our dedication to operational enhancement and innovation and include:

- Studies aimed at reducing equipment wear, and experimenting with new operational conditions, especially concerning fluid velocity
- Trial to improve the feed preparation process for the ore sorter plant, resulting in enhanced recovery rates and improved product grade from the sorter.
- Preparatory work for expanding capacity, including tests on high-capacity and energy-efficient equipment.

See ASX Announcement dated 10th May 2024: ['Mt Carbine Receives A\\$2.17M R&D Tax Refund'](#)

Successful placement of A\$9.5M to continue Mt Carbine expansion

The Company completed a A\$9.5 million placement of new fully paid ordinary shares (New Shares) and options (New Options) to institutional and sophisticated investors (Placement). A broad range of high-quality institutional investors showed strong support for the placement. The issue price for the Placement was A\$0.045 (4.5 cents) per share with 1-for-3 free attaching unlisted New Options, exercisable at A\$0.0675 (6.75 cents). The Placement was conducted by Pac Partners Securities Pty Ltd (Lead Manager) and GBA Capital Holdings (Co-Manager). Funds managed by Oaktree Capital Management L.P. (Oaktree) retained 15% of the Placement to ensure its continued interest in EQR.

On 29 May 2024, 205,940,008 million New Shares were issued at an issue price of \$0.045 (4.5 cents) per share, along with 68,646,669 New Options, exercisable at A\$0.0675 (6.75 cents) expiring on 29 May 2027. A further 20,000,000 New Options were issued to brokers on the same terms as the Placement Options. Directors subscribed for 5,111,111 New Shares and 1,703,704 New Options (equivalent to A\$230,000).

The Company has agreed to issue 39,304,733 New Shares and 13,101,577 New Options to Director Zhui Pei Yeo (or his nominee), plus withholding tax, as repayment of his A\$1,798,570 loan to the Company.

See ASX Announcement dated 21st May 2024: ['Successful placement of A\\$9.5M to accelerate Mt Carbine Expansion'](#)

EQR executes definitive agreement to acquire Mt Carbine JV interest from Cronimet

On 21 May 2024, the Company executed the definitive agreement related to the Joint Venture Interest Transfer (Agreement) with CRONIMET Asia Pte Ltd (CR Asia) and CRONIMET Australia Pty Ltd (CR Australia) for the acquisition of CR Australia's 50% joint venture interest in the Mt Carbine Retreatment Joint Venture (JV).

The Agreement formalises the binding Heads of Agreement (HoA) entered into in October 2023, which was subject to financial and legal due diligence by the parties (see ASX announcement dated 18 October 2023: [‘Strategic Partner Cronimet Joins EQR Register, As EQR Acquires JV Interest From Cronimet’](#)).

In 2019, EQR, through its wholly owned subsidiary Mt Carbine Retreatment Pty Ltd (“MCR”), and CR Asia, through its wholly owned subsidiary CR Australia, embarked on a Joint Venture to reprocess the historic Mt Carbine tailings and low-grade ore stockpiles, known as the Mt Carbine Tungsten Operation.

Under this arrangement, CR Australia and MCR each held a 50% interest in the JV. As part of that JV arrangement, CR Asia prepaid an initial US\$3.5 million, subsequently increased by an additional US\$3 million (currently US\$6.5 million), for a long-term offtake agreement for 25,000 tonnes of tungsten concentrate from the Mt Carbine Tungsten Operation (Offtake Agreement). CR Australia loaned US\$2.2 million in working capital into the JV and a further US\$3.2 million for equipment leases, including one XRT Ore Sorter and various material handling equipment. EQR will assume 100% of these liabilities under the Agreement.

With the successful operation of the processing plant and the expansion of operations to include the Andy White Open Pit, EQR and CR Australia have agreed to a streamlined JV structure with EQR purchasing CR Australia's 50% interest in the JV subject to conditions precedent.

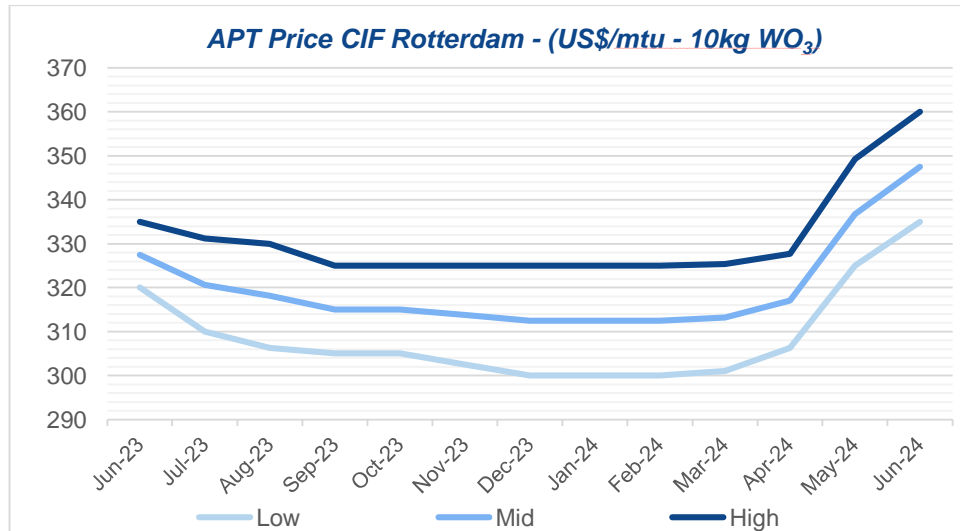
The parties agreed on the following consideration for the transfer of the JV interest:

- EQR to issue new ordinary shares at A\$0.09 per share to CR Asia (or its nominee), equal to a total of US\$ 7.5 million; EQR assumes all obligations under the Offtake Agreement;
- EQR assumes all assets and liabilities of the Joint Venture; and
- CRONIMET and EQR enter into a marketing agreement under which CRONIMET will receive a net 1% marketing fee for marketing Saloro production over five years.

Share consideration of 127,323,657 new ordinary shares were issued under escrow, at A\$0.09 per share, to CR Australia on the 29th July 2024. See ASX Announcement dated 21st May 2024: [‘EQR executes definitive agreement to acquire Mt Carbine JV interest from Cronimet’](#)

FINANCE

TUNGSTEN APT PRICE UPDATE



APT CIF Rotterdam prices are increasing at US\$335-360 per mtu at the end of June, reaching a two-year high as demand is increasing and supply is tightening.

QUARTERLY CASH FLOW REPORT

Cash flows from operating activities

Mt Carbine cash receipts from operations were A\$3,036,000 (50% JV interest) in line with the prior period despite a 11% reduction in production mtu due to a 16% reduction in grade. Saloro cash receipts were A\$8,294,000, up from A\$7,088,000 in the prior period, with production up 0.5%. The most significant effect on cash receipts was earlier cash receipts from Saloro customers and an 11% increase in the tungsten price over the period.

Mt Carbine concentrate production for July is up 14% compared to the June quarter average due to improved throughput and static grades.

Production payments at Mt Carbine were largely in line with the prior period with a A\$1m reduction at Saloro due in part to slower payments. Staff payments at Saloro were up A\$602,000 compared to the prior quarter and included annual bonus payments for staff.

Other cash receipts included A\$2.15 million from the Company's R&D Tax Refund application for the 2023 financial year.

Cash flows from investing activities

The Company invested A\$3,021,000 at Mt Carbine, using mine waste to raise the noise & visual bund which is a requirement under the Mt Carbine mining lease. A further A\$1,014,000 was paid to acquire plant and equipment, including a front end loader and other heavy vehicles to support additional material handling and replace hired vehicles.

Cash flows from financing activities

The Company completed a A\$9.5 million placement of new fully paid ordinary shares and options to institutional and sophisticated investors as outlined above. Proceeds are currently A\$9.27 million, with A\$230,000 for the director's placement participation to be added after approval at the Extraordinary General Meeting on the 29th July 2024. The issue price for the placement was A\$0.045 per share with 1-for-3 free attaching unlisted New Options, exercisable at A\$0.0675.

Cash and financing facilities

The Company held cash of A\$3,483,000, up from A\$1,972,000 at the end of the last quarter. Spanish loan facilities remained relatively static in Euros.

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 in resource estimates. Neither the Australian Securities Exchange nor its Regulation Services Provider (as that term is defined in the 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 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	11,330	28,417
1.2	Payments for		
	(a) exploration & evaluation	-	(3)
	(b) development	(51)	(502)
	(c) production	(10,878)	(27,653)
	(d) staff costs	(3,707)	(11,253)
	(e) administration and corporate costs	(817)	(2,544)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	58
1.5	Interest and other costs of finance paid	(550)	(1,061)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	- Diesel Fuel Tax Credits	205	750
	- Long dated Saloro creditors settled upon acquisition	-	(1,749)
	- R & D Tax Refund	2,153	2,153
	- CMAI Grant	-	600
	- Spanish Grant	51	51
	- Traineeship Subsidies	-	9
	- Other	-	-
1.9	Net cash from / (used in) operating activities	(2,257)	(12,727)

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 (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(51)	(2,199)
(b) tenements	-	-
(c) property, plant and equipment	(1,175)	(5,969)
(d) exploration & evaluation (if capitalised)	(141)	(1,880)
(e) investments	-	-
(f) other non-current assets	(3,100)	(6,688)
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	6	9
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	(325)	(2,124)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	(50)
2.6 Net cash from / (used in) investing activities	(4,786)	(18,901)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	9,270	34,270
3.2 Proceeds from issue of convertible debt securities	-	750
3.3 Proceeds from exercise of options	-	2,496
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(318)	(431)
3.5 Proceeds from Borrowings		
- Factoring	260	260
- Other Working Capital Loans (unincorporated joint venture)	445	1,932
3.6 Repayment of borrowings	(500)	(16,548)
3.7 Transaction costs related to loans and borrowings	(384)	(384)
3.8 Dividends paid	-	-

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 (12 months) \$A'000
3.9	Other		
	- Lease Repayments	(170)	(787)
3.10	Net cash from / (used in) financing activities	8,603	21,558

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,972	13,639
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,257)	(12,727)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,786)	(18,901)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,603	21,558
4.5	Effect of movement in exchange rates on cash held	(49)	(86)
4.6	Cash and cash equivalents at end of period	3,483	3,483

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	3,483	1,972
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Term Deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,483	1,972

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

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	96
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Payments to Directors and Senior Executives for salaries (including superannuation), fees, consultancy, and expense reimbursements.

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
- Banco Santander ¹	32,279	31,860
- Caixabank ²	8,070	7,913
7.2 Cronimet Offtake Advance Facility	4,906	4,906
7.3 Cronimet Working Capital Facility	1,212	1,212
7.4 Shareholder Loan	1,500	1,500
7.5 Convertibles Notes	750	750
7.6 Total financing facilities	48,717	48,142
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.		
<p>7.1 Spanish Loan Facilities:</p> <p>¹ Secured Loan Facilities at interest rates between 4.92% - 5.00% (Oaktree LC support until July 2025).</p> <p>² Secured Loan Facility at an interest rate of 5.42% (Oaktree LC support until July 2025).</p> <p>7.2 Secured Loan no interest loan to be repaid from free cash flows, over life of mine.</p> <p>7.3 Unsecured Loan at an interest rate of SOFR + 3.00% p.a.</p> <p>7.4 Unsecured Loan at an interest rate of 8.00% p.a. to be settled by July 2024.</p> <p>7.5 Unsecured 2-Year Convertible Notes with a Coupon Rate of 9.00% p.a. payable in shares or cash at the election of the Note Holders.</p>		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,257)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(141)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,398)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,483
8.5 Unused finance facilities available at quarter end (item 7.5)	576
8.6 Total available funding (item 8.4 + item 8.5)	4,059
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?	
EQR expects to improve its net operating cash flows (adjusted for one offs such as R&D Refunds) going forward. The purchase of Cronimet's joint venture interests for shares and debt will help in this regard. Recovery improvements have been realised at Saloro during the quarter, with further improvements expected. The doubling of processing capacity at Mt Carbine will also improve net operating cash flows.	
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?	
EQR has entered into an agreement to establish a three-year \$20m funding facility with Queensland Investment Corporation ("QIC"). Tranche A, A\$12m, will finance the doubling of processing capacity at the Mt Carbine Tungsten Mine in late 2024. Tranche B, A\$8m, will finance the initial phase of the underground drilling program and integrate these findings into a comprehensive underground feasibility study. Furthermore, EQR is in discussions with strategic partners, including existing customers aiming to secure long-term supply against offtake prepayment, for the Company to tap funding resources when required. The Company has also applied for grant funding at various Government programs aiming the critical minerals sector.	
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?	
EQR, which now encompasses both the Saloro and Mt Carbine Tungsten Mines, is confident that, with the financing mentioned in 2 above, it will be able to continue its operations and meet its business objectives through continued operational improvements at both mines resulting in increased production in coming months. The focus will be on improving recoveries at Saloro and increasing throughput at Mt Carbine.	
<i>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.</i>	

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 July 2024

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 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.