

10th January 2022

UPGRADED POWER LINE COMMISSIONED, LEADING TO RECORD PRODUCTION

EQ Resources Limited is the 100% owner of the Mt Carbine Tungsten Mine near Cairns, Australia's only primary tungsten producer.

Queensland Tungsten producer EQ Resources ("EQR" or "the Company") is pleased to announce that the commissioning of the upgraded power line at the Mt Carbine site has been completed. The upgrade has allowed the XRT Sorter to operate on a 24-hour basis and led the Company to achieve a new monthly production record of tungsten concentrate from its rejuvenated Mt Carbine mine, 130 km north-west of Cairns. A successful debottlenecking strategy and Early Works investment targeting the crushing, screening and XRT sorting capacity contributed to the production of a record >40 tonnes of 50% WO₃ concentrate in December 2021, showing the positive impact of the continuous improvements at Mt Carbine.

EQR and its Joint Venture ("JV") partner, global metals group Cronimet, began re-commissioning the historical processing plant in 2020, with a further significant investment to upgrade the processing capacity at Mt Carbine early in 2021 as part of the staged development plan for the site. The JV has also integrated advanced Tomra XRT ore-sorting technology into the crushing and screening flowsheet with the dual target of producing a WO₃ concentrate and creating a barren green aggregate by-product stream from waste rock from the ore-sorting process. Extensive field-based test work was conducted throughout 2021, with a tenfold upgrade in the low-grade ore achieved consistently over production trials.

Upgrade works on the power line at site (See ASX announcement '[Early Works Funding Secured For Mt Carbine Expansion, Well Ahead of BFS Release](#)' as announced on September 13th, 2021) were supplemented with further investment in modern earth moving equipment, followed by additional high-volume screening gear from Sandvik and larger-size conveying systems for expanded production volumes. The completed power upgrade will allow 24/7 operation of all major processing circuits being the crushing, screening, XRT sorting and gravity separation plant. Installation of various component upgrades are also ongoing and directly contributing to the increased production rates seen in December 2021.



Fig.1 – Extended power line dedicated for increased XRT Sorter production.



EQR's Chief Executive Officer, Mr Kevin MacNeill, commented, "Mt Carbine is ramping up production into a firm market for tungsten concentrates and a strong, stable price for the major end product APT, currently around US\$325/MTU, compared with US\$230/MTU a year ago."

"We are expanding our production and expanding our team at Mt Carbine as we create a sustainable mine for the future. We are delivering concentrates for the global market and re-purposed waste rock as by-product aggregates for the local market."

"With the Early Works being completed in the coming weeks, we see ourselves right on target with the production upgrade towards +/-90 tonnes of concentrate per month."

Fig.2 – Selected Early Works upgrades, covering a spirals circuit (top left), a vertical shaft impact crusher (top right) and an additional XRT Sorter (bottom).

Released on authority of the Board by:

Kevin MacNeill
Chief Executive Officer

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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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