

18 January 2024

EQR COMPLETES ACQUISITION OF SALORO S.L.U. AND \$25 MILLION PLACEMENT WITH OAKTREE

EQ Resources Limited is the 100% owner of the Mt Carbine Tungsten Mine near Cairns, Australia's leading primary tungsten producer. It has also acquired 100% of the Barruecopardo Tungsten Operation in Spain¹.

Highlights:

- EQR and Oaktree have satisfied all conditions precedent under all relevant agreements, and effectively closed the transaction, which included the acquisition of the leading European tungsten producer Saloro S.L.U. by EQR, and a \$25 million placement to Oaktree by EQR at 9c per share (significant premium to current share price).
- The transformational acquisition strengthens EQR's relevance in the global tungsten industry, with the Company becoming the largest independent tungsten concentrate producer outside of China.
- Oaktree's investment in EQR enhances the Company's shareholder register and capital market positioning, supporting the further expansion of both the Mt Carbine and Barruecopardo operations.
- Production 'key performance indicators' at Saloro strongly improved since first collaborative work established between EQR and Saloro, with a further debottlenecking program well underway, including doubling of XRT sorting capacity within the first quarter 2024.
- The Company agreed to streamline Saloro's key banking relationships and reduce third-party bank debt by EUR10 million, compared to EUR5 million as per the transaction agreements.

EQ Resources Limited ("EQR" or "the Company") is pleased to announce that the Company and funds managed by Oaktree Capital Management, L.P. ("Oaktree") have satisfied all conditions precedent under all relevant agreements, and effectively closed the transaction which included the acquisition of the leading European tungsten producer Saloro S.L.U. by EQR, and a \$25 million placement at 9c per share to Oaktree¹.

EQR's Chief Executive Officer, Mr Kevin MacNeill, commented: "We are extremely pleased that we could close this transaction, which provides EQR's shareholders an exposure to two geographically diverse tungsten operations across top-tier mining jurisdictions and a re-rating opportunity due to enhanced production scale and exploration upside within the exploration permits at Mt. Carbine and Barruecopardo. Both operations under a combined leadership and with complementary expertise will provide cost-saving as well as significant operational synergies."

¹ Refer to the Company's ASX announcement '[EQR Acquires Leading European Tungsten Producer, Saloro S.L.U., And Secures \\$25 Million Investment By Oaktree](#)' dated 10 August 2023.

Through the acquisition of Saloro, EQR adds the leading European tungsten producing mine to its project portfolio, which aligns with the Company's corporate strategy to become a substantial and globally leading supplier of responsibly produced tungsten, a mineral and metal categorised as highly strategic and critical by Governments of the leading industrialised economies.

Oaktree's investment in EQR enhances the Company's shareholder register and capital market positioning, supporting the further expansion of both, Mt Carbine and Barruecopardo, operations.

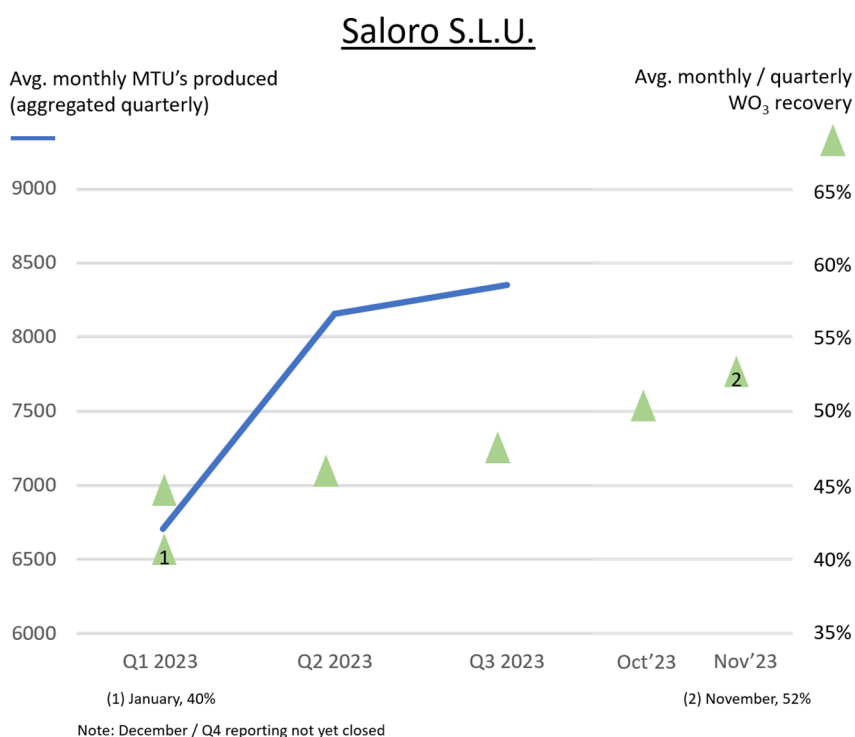
SALORO CONTINUOUSLY IMPROVED PRODUCTION PERFORMANCE THROUGHOUT 2023

Throughout final negotiations of the transaction and more intensively since the signing of relevant agreements in August 2023, experts from Saloro and EQR have jointly worked on a series of improvement programs and defined key priorities with regards to further operational initiatives to be implemented throughout 2024.

2024 key priorities at Saloro include the following:

- Installation of a second TOMRA XRT Sorter within January 2024;
- Flowsheet review and optimisation works for further improved metallurgical recovery (optimisation potential identified around jig feed preparation and operation, feed distribution to spirals circuit, hydrosizers and shaking tables);
- Pit mapping of alteration and fluid flow vectors to understand potential mineralisation extensions;
- Structural review of open pit (i.e., review of low angle structures and reflection of depth) and gaining a better understanding of the potential strike extent and repetition of jog structures.

"Our teams are strongly aligned with regards to the further improvements we can achieve throughout 2024. We have added senior mining and metallurgy competence to the management team in Spain and we have seen a continuous improvement throughout 2023. We truly believe in XRT sorting technology and found Barruecopardo being an optimum asset, we have accelerated the XRT capacity expansion with a second unit being commissioned in the coming weeks already", Mr MacNeill commented.



Average monthly production of tungsten (in MTU; 10kg WO₃ equivalent) significantly improved from 6,706 MTU/month in Q1 2023 to 8,350 MTU/month in Q3 2023 – **an increase of 25%** over that period.

Tungsten recovery in the operations improved as well, from 40% in January to 52% in November 2023 – **an increase of 30%** over that period.

The Company is confident that the ongoing work program could result in industry average recoveries of >65%.

Fig.1 - Selected Saloro Production KPI's 2023

SALORO STREAMLINED BANKING RELATIONSHIPS AND REDUCED DEBT BY EUR10 MILLION

Ahead of closing, Saloro had outstanding debts of approximately EUR35 million to three reputable third-party Spanish banks ("Saloro Bank Facilities"). At closing, the Company and Oaktree agreed to revised transaction terms and reduced banking partners from three to two. Consequently, Saloro repaid the relevant Saloro Bank Facilities of EUR10 million held with one of the Spanish banks. The initial terms of the transaction agreements included an obligation for the Company to repay EUR5 million of the Saloro Bank Facilities, utilising the subscription proceeds received from Oaktree. Given Saloro's cash position at closing, the Company committed a EUR10 million repayment instead, lowering Saloro's forecast interest expenses.

Released on authority of the Board by:
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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.

About Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$183 billion in assets under management as of September 30, 2023. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. The firm has over 1,200 employees and offices in 21 cities worldwide. For additional information, please visit Oaktree's website at <http://www.oaktreecapital.com/>.

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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