



**RESOURCES**

*resourcing the new economy  
for a better tomorrow*



# **EQR Investor Presentation**

March 2021



# Disclaimer



## Competent Person's Statement

- The information in this presentation relating to Mineral Resource summary are extracted from the following report on the Company's website, [www.eqresources.com.au/](http://www.eqresources.com.au/): Mineral Resource & JORC 2012 Compliance Update dated 13 January 2014. The underground resource is under review as announced by the Company on 16 October 2020: "High-grade Structural Zones Extend for 1.2km". The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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- This document may contain forward-looking statements with respect to the financial condition, results of operations, and business strategy of the Company. These forward-looking statements are based on estimates, projections and assumptions made by the Company about circumstances and events that have not yet taken place. Although the Company believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results).
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- Forward-looking statements may be identified by words such as "aim", "anticipate", "assume", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "should", "will", or "would" or the negative of such terms or other similar expressions that are predictions of or otherwise indicate future events or trends. The forward-looking statements included in this document speak only as of the date of this document. The Company does not intend to update the forward-looking statements in this document in the future.

# Executive Summary & Value Proposition

Australia's only primary tungsten producer with near term vision of developing and exploring the Mt Carbine high-grade tungsten mine in Queensland



## Critical Minerals Security

Australia has a role to play:

- Critical Minerals Facilitation Office established in 2020, to develop domestic critical minerals potential
- #2 largest tungsten resource globally

Mt Carbine is Australia's only primary tungsten mine in operation

## Low-Cost Expansion

Minimal investment since acquisition of mining leases, take over of existing installations

XRT sorting operation will allow output expansion of 500%

Lowest specific capex and opex amongst peers

## First Class Infrastructure

Highway connecting to Cairns within two hours (Int'l airport, port facilities)

Nearby towns and regions allows local recruitment and sourcing

Previous operators developed mine site and underground decline (total replacement cost A\$30m+)

## By-Product Revenue

Tungsten operations generating waste rock streams for use as aggregates/road base for own quarry business

Quarry can operate based on tungsten waste rock from active operations or alternative historical stockpiles

## World Class Resource

47.3Mt @ 0.12-0.14% WO<sub>3</sub> and 12Mt @ 0.07% WO<sub>3</sub> (JORC 2012 resource)

Underground operation within two years

Upside potential through further drilling of West Dyke, Iron Duke and Petersen Lode, and collaboration across known tungsten belt in Far North Queensland

## Strong Tungsten Fundamentals

Classified by US, UK, EU, Japan, South Korea & India as critical for its economies

Geopolitical drive to reduce dependency on China (>80% of Global supply)

5-year APT price performance tracked between US\$170 & US\$345 with current pricing at US\$260 (COVID low at US\$200)

# Corporate Overview



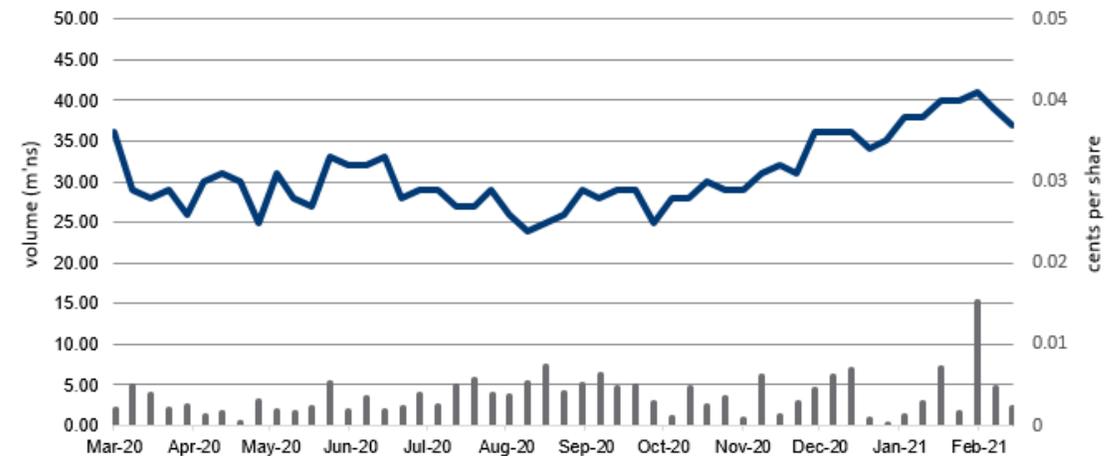
## Highlights

- Australia's only primary producer of tungsten
- High-grade resource
- Multiple revenue streams
- Low-cost expansion
- Experienced Board & Leadership Team

## Board & Leadership Team

Oliver Kleinhempel	German	Non-executive Chairman
Stephen Layton	Australian	Non-executive Director
Zhui Pei Yeo	Singaporean	Non-executive Director
Kevin MacNeill	Canadian	Chief Executive Officer
Tony Bainbridge	Australian	Chief Geologist

	as per 01 March 2021
Share Price	A\$ 0.041
Issued Shares	1,110m
Market Capitalization	A\$ 45,51m
Cash at Bank (Dec 2020)	\$1,555
Shareholding:	
- Top 20	57.99%
- # of shareholders	1,467



# Board & Leadership

## Diverse and Experienced Board & Leadership Team



### Oliver Kleinhempel - Non-executive Chairman



- Appointed Non-executive Director 12 August 2019 and Chair on 24 April 2020
- Executive management experience in **project development, finance and commodity trading sectors**
- Corporate experience includes Outotec, Ferrostaal Group and CRONIMET
- Currently an executive director of CRONIMET Holding GmbH

### Stephen Layton - Non-executive Director



- Appointed Non-executive Director 14 November 2017
- +35 years' experience in **equity capital markets in UK and Australia**
- Experience in both principal and director roles with a depth of knowledge in capital raisings, ASX listings and corporate advisory matters
- Currently non-executive director of Mithril Resources Limited, and previously a non-executive director on New Age Exploration Limited (both ASX listed)

### Zhui Pei Yeo - Non-executive Director



- Appointed Non-executive Director 12 August 2019
- Has held executive, management and supervisory roles with a range of experience from **project planning to resource management**
- Has been working at a leading system integrator in the telecommunications industry in South-East Asia
- Currently an **executive director of a steel-product manufacturer**

### Kevin MacNeill - Chief Executive Officer



- Appointed Interim-CEO & Senior Technical Advisor in May 2019 and permanent CEO in January 2020
- +33-year career dedicated to developing and leading mining projects globally
- Expertise in **project development, mineral processing, specialty processing applications & mining waste processing**
- Held Executive appointments as President of Etruscan Diamonds (part of TSX-listed Etruscan Resources) & founded Specialized Metallurgical Projects Pty Ltd
- Currently Non-Executive director of Zimbabwe Lithium, a company developing the Kamativi Lithium Tailings Project

### Tony Bainbridge - Chief Geologist



- EQR's Chief Geologist, focusing on developing Mt Carbine's underground resource to define & extract 'King-Vein' style mineralisation
- Experience in tungsten projects in South Korea & Africa – including building, owning and managing a tungsten mining operation in South Korea
- Expertise include **tungsten, gold, resource definition, mine exploration, feasibility studies, mine development, mine production efficiencies, and day-to-day operations**
- Currently director of Asia Intercept Mining Ltd and AMB Exploration Pty Ltd

# Why Tungsten?

- Classified as a Critical / Strategic Metal in leading industrialised economies
- Australia - 2<sup>nd</sup> largest resources in the world
- 82% produced in China, Australia has potential to lead Non-Chinese supply base
- Pricing at recent highs, forecast to continue increasing
- EQR currently only primary producer

## Tungsten



### Top producers



### Top importers

Country	Import value
US	US\$84 million
Austria	US\$45 million
China	US\$27 million

Australia's tungsten resources are the **2nd largest** in the world, accounting for **12 per cent** of world economic demonstrated resources but Australia's current production levels are **negligible**.



## Australia is resource-rich with critical minerals



Global investors have the opportunity to reduce supply chain risks through investment in Australia.

### Concentrated market share of critical minerals

Source: USGS

Antimony	%	Cobalt	%	Graphite	%	Lithium	%	Niobium	%
1 China	71	1 DR Congo	64	1 China	68	1 Australia	60	1 Brazil	88
2 Russia	10	2 Cuba	4	2 Brazil	10	2 Chile	19	2 Canada	10
3 Tajikistan	10	3 Australia	3	3 Canada	4	3 China	9	3 Other	1

Rare earth elem.	%	Rhenium	%	Tungsten	%	Vanadium	%
1 China	71	1 Chile	55	1 China	82	1 China	55
2 Australia	12	2 Poland	19	2 Vietnam	7	2 Russia	25
3 United States	9	3 United States	17	3 Russia	3	3 South Africa	12

There's more to Australian Mining

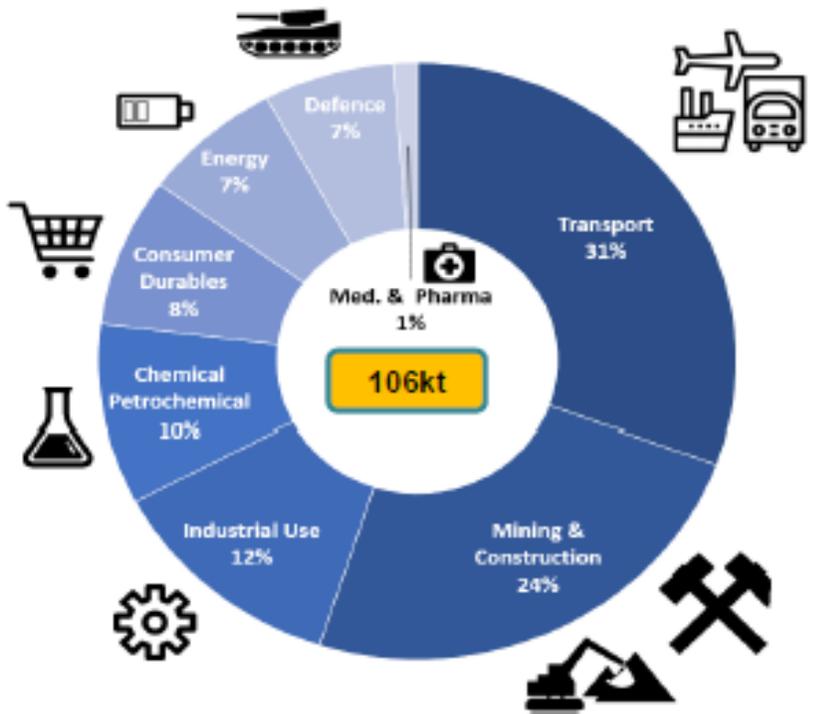
<b>Watershed QLD</b> <b>10</b> Tungsten Mining In development	<b>Molyhil NT</b> <b>11</b> Thor Mining In development	<b>Dolphin TAS</b> <b>12</b> King Island Scheelite In development	<b>Mt Carbine QLD</b> <b>13</b> Speciality Metals International In development
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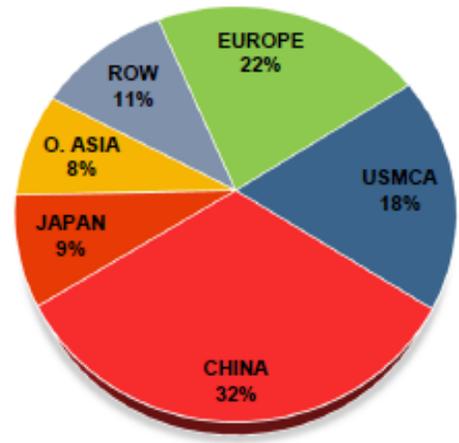
Cutting tools	Drilling	Welding	Rocket engines	Microwaves
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# Tungsten Industry Overview

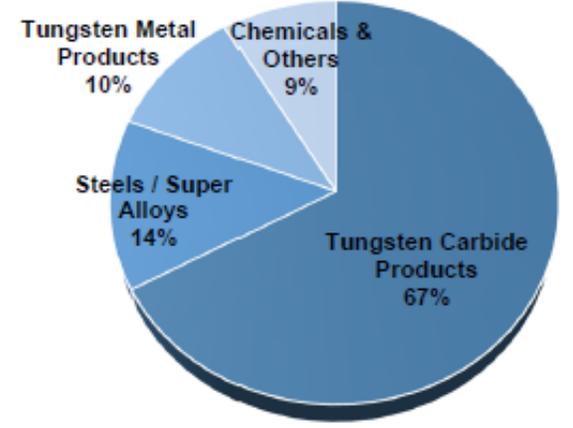
End-Use 2019



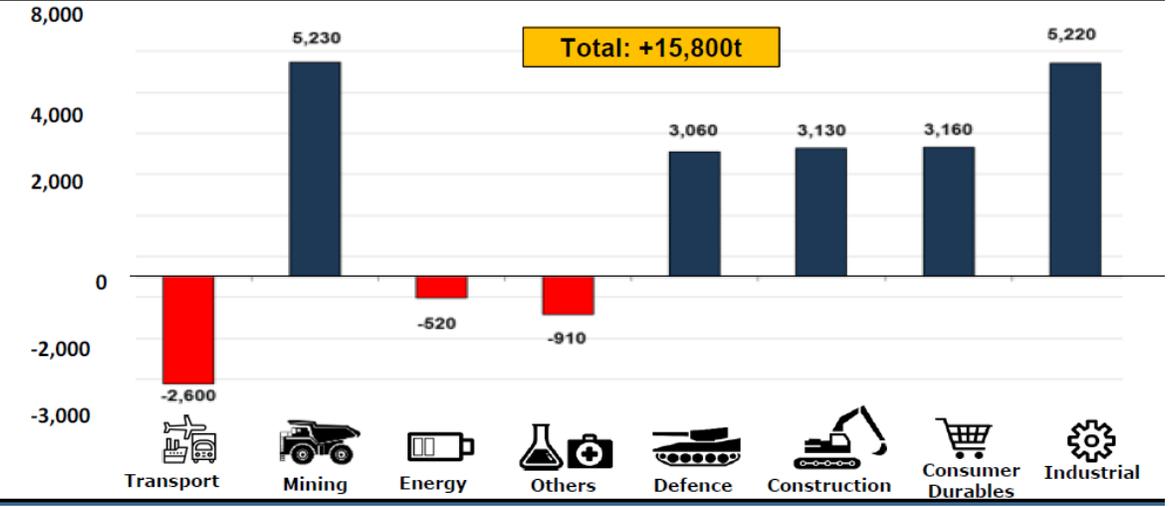
Regional Split End-Use 2019



First-Use derived from End-Use 2019



Growth Contributors until 2029



- Highest melting point of all elements except carbon
- Lowest expansion coefficient of all metals
- Hardest of all metals
- Superior heaviness among metals
- High thermal and electrical conductivity

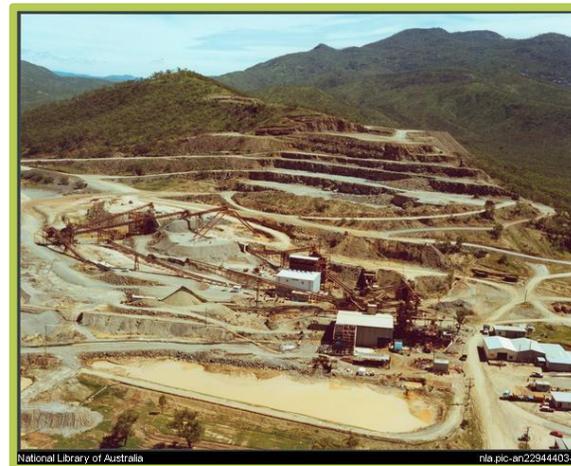
# Mt Carbine History & Location

## Historic mine site acquired by EQR...

- ✓ *Early operation from 1907 to end of WW1*
- ✓ *Mine restart in 1968 operating through until 1987*
- ✓ *Historic operations used photometric sorters, crushing & gravity separation*
- ✓ *Mining from 1968 onward was open cast mining with historic pit still visible today*

**...with infrastructure in place.**

- Power, water, roads & accommodation in place* ✓
- Existing 430m decline allowing cost- and time-efficient start of UG works* ✓
- International airport at Cairns & Townsville port for concentrate export* ✓



# Mt Carbine Site Overview



- 1 Office, Lab & Core Shed
- 2 Tailings Pond / Retreatment Plant
- 3 Quarry & OOSR Stock-pile
- 4 XRT Sorter
- 5 LG Ore Stock-pile
- 6 Exploration Targets

# Mt Carbine Operations

Australia's leading primary tungsten producer with significant upside potential



## Tungsten Operation



Production scale-up during 2020, concentrate sold across various jurisdictions

Potential for large scale project through expansion

Targeting restart of UG mine

Project is low on cost curve – benefit of surface stockpiles and sensor-based sorting technology

## Quarry Operation



Profitable quarry operation with strong operating history

Feedstock originating from ore sorter & gravity plant waste streams

Potential to expand operations to final product range

Benefit from infrastructure spend tailwinds post COVID

## Exploration



Opportunity to expand and grow the current resource of 47Mt @ 0,12-0,14% WO<sub>3</sub>

Mt Carbine - open to the North and at depth

Identified exploration targets on existing mining & explorations leases:

- Iron Duke
- Petersons Lode

## Tungsten Cluster

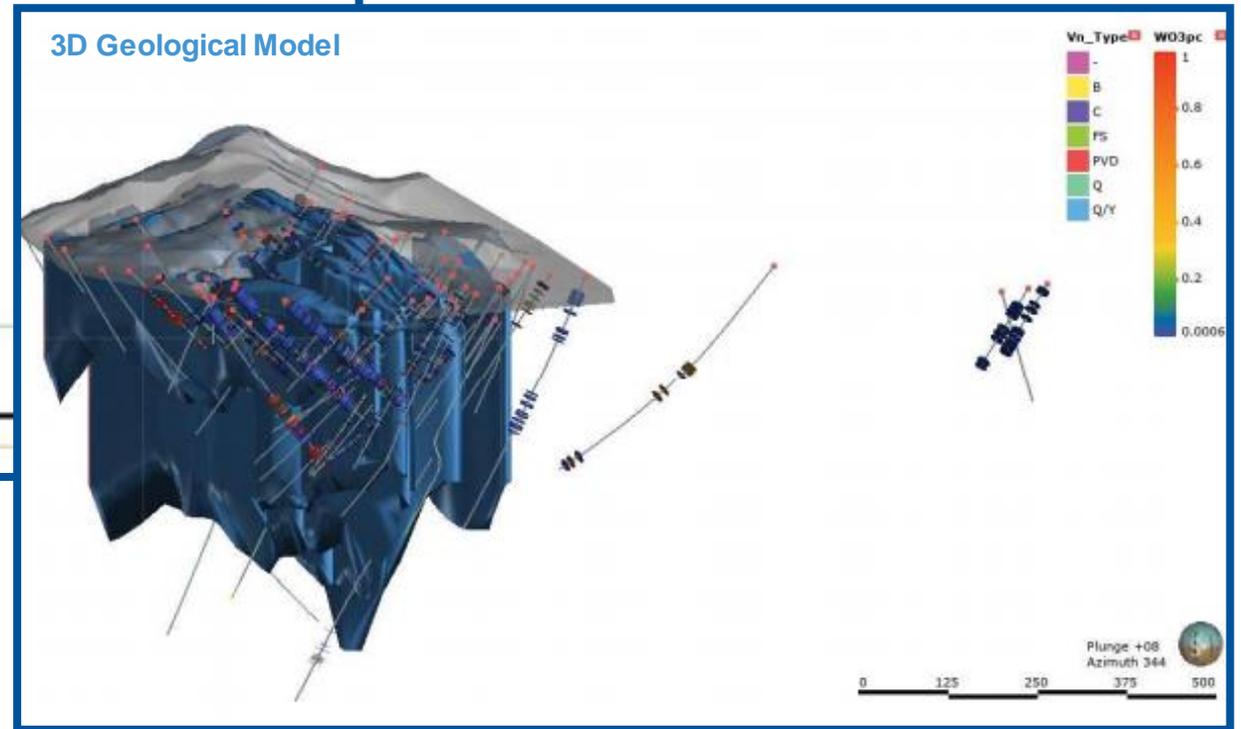
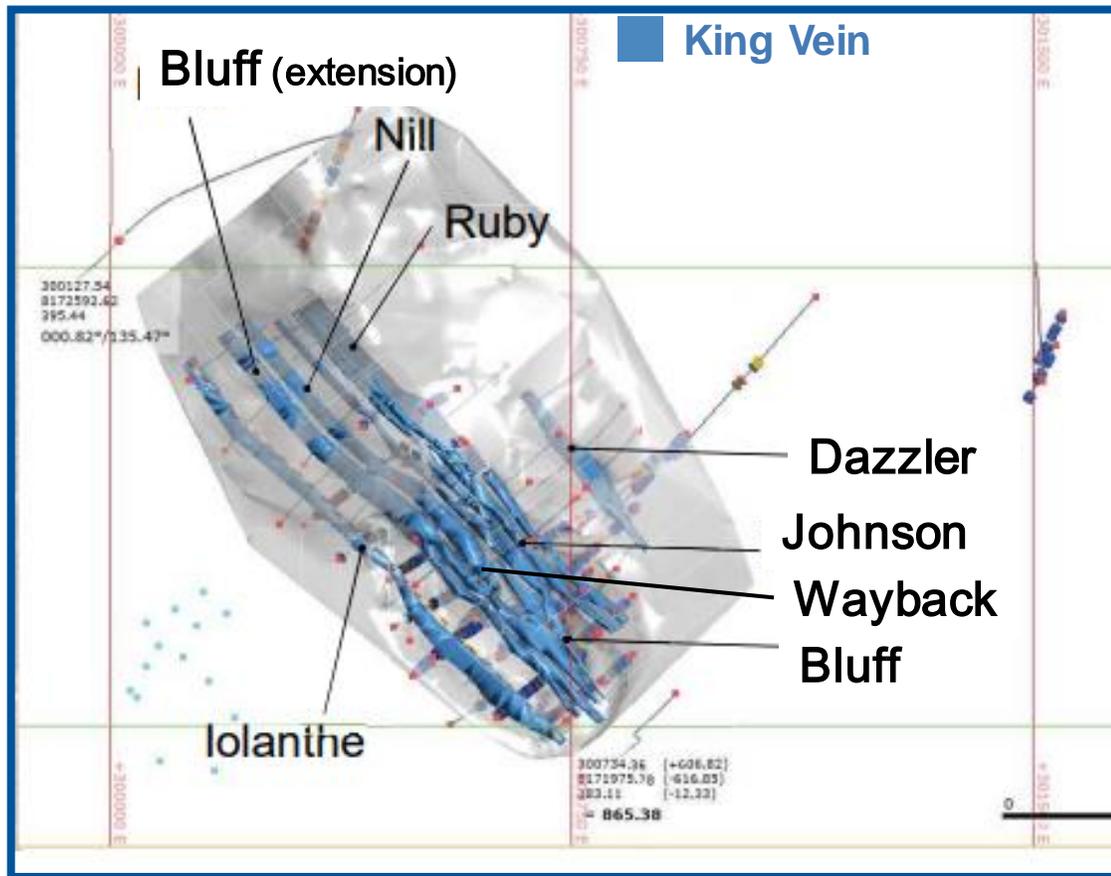


Cluster potential - significant deposits defined in region

- **Watershed:** 2014 DFS by Vital Metals (2012 JORC)
- **Wolfram Camp:** 2015 Technical Report by Almonty Industries (NI 43-101)



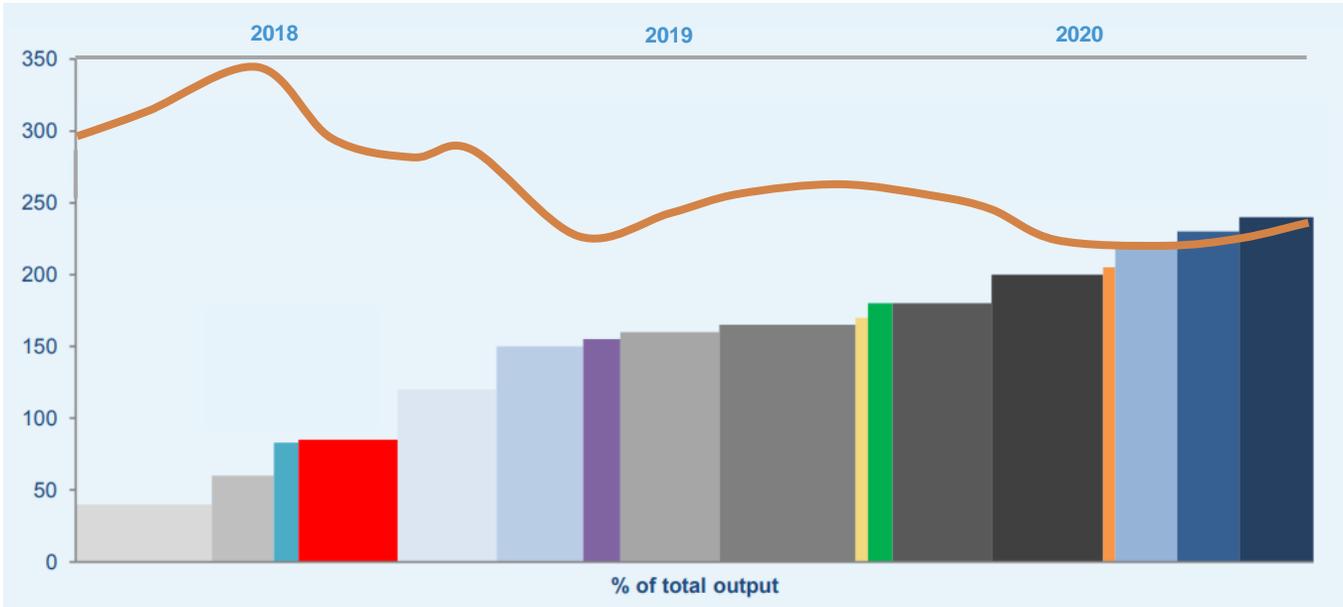
# Mt Carbine Underground – King Veins





# Peer Analysis

Industry Cash Cost vs Historic APT Price (in US\$)\*



We assume continuous by-product credits, supporting cost competitiveness at a targeted production cost below **US\$100/mtu**

Expanding upon existing infrastructure allows industry leading specific-capex (=US\$ investment per mtu reported capacity)

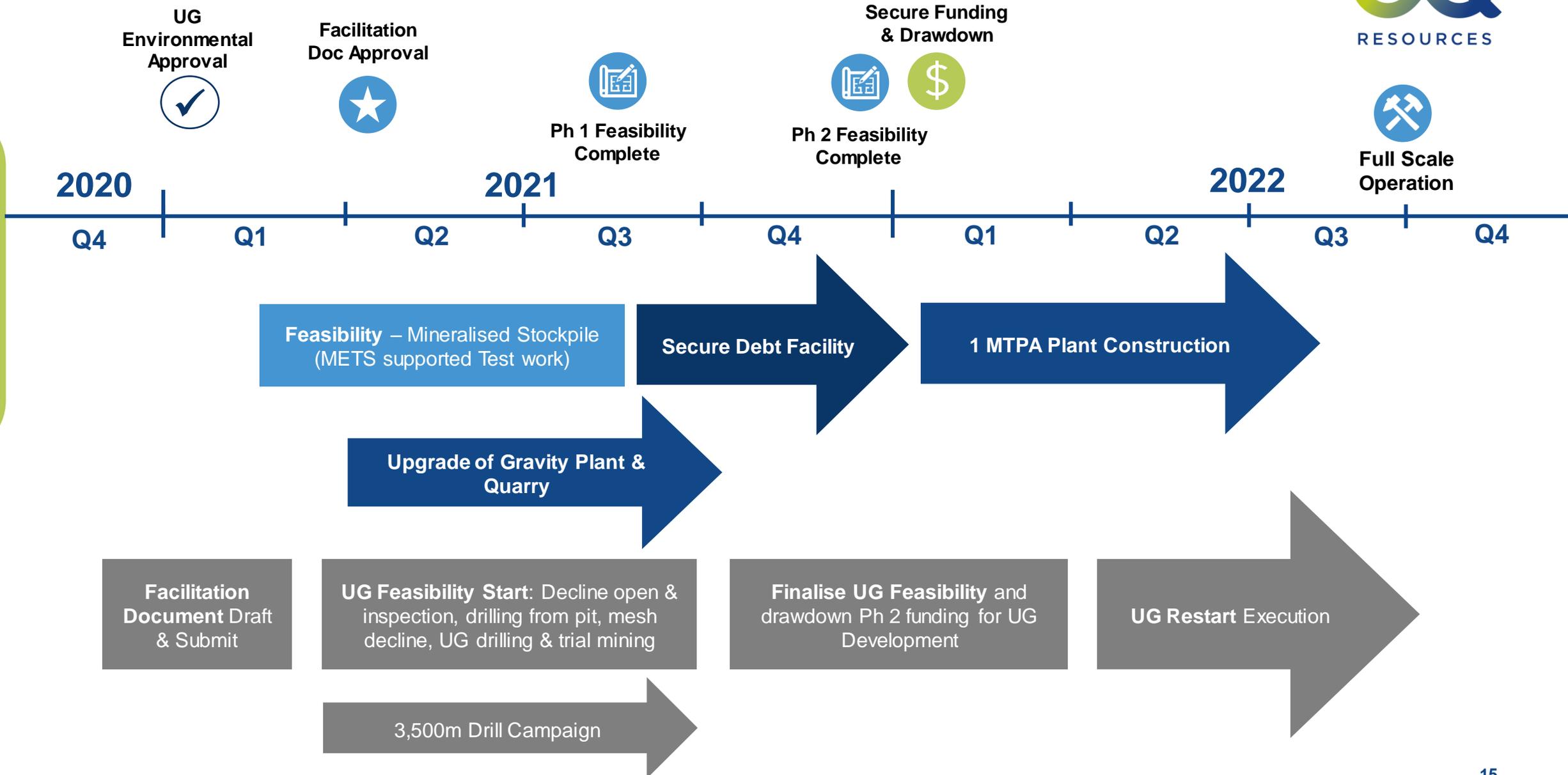
Reported Cash Cost & Specific CAPEX of Selected Non-Chinese Producers (in US\$)\*\*



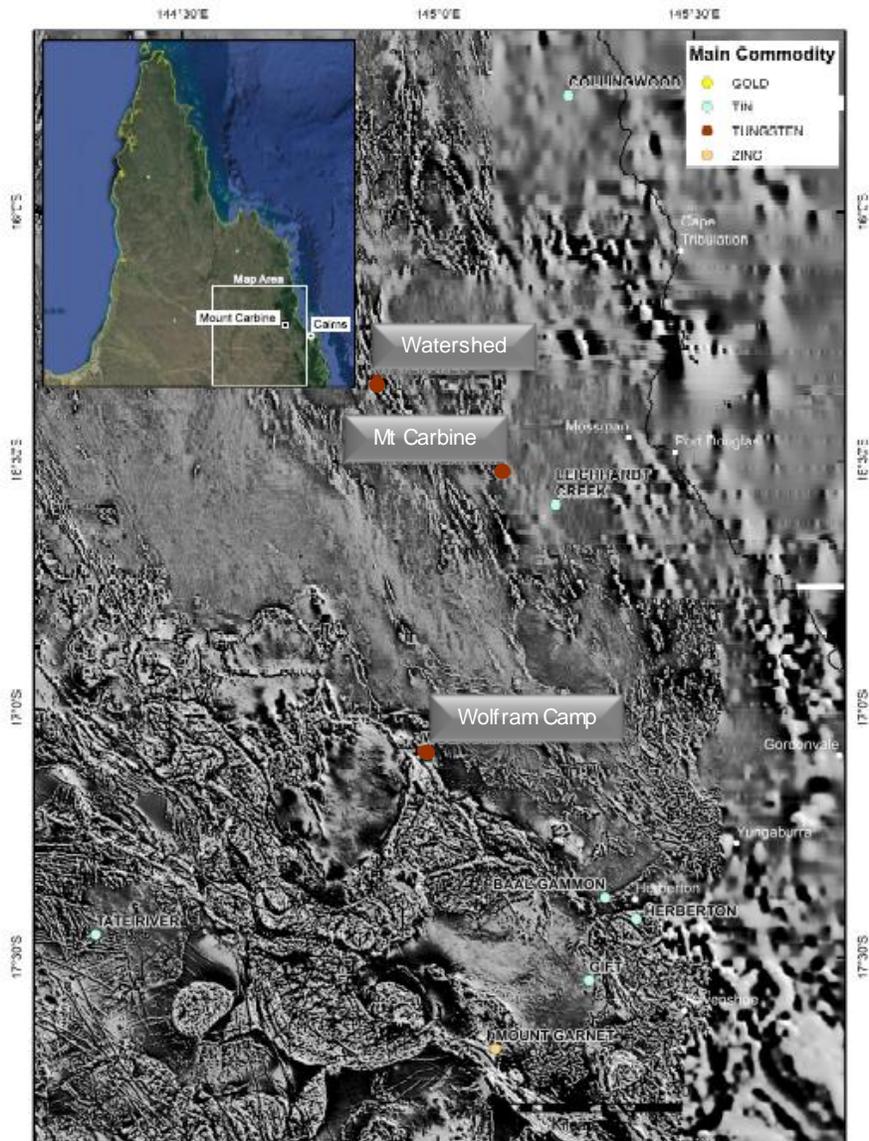
\*Source: Argus (2019), Company internal

\*\*Non-Chinese Producers/Developers: Almonty Industries, King Island Scheelite, Masan Resources, Ormonde/Saloro, Tungsten Mining, W Resources (information sourced from company presentations and public announcements)

# Development Timeline



# Regional Tungsten Cluster



## Significant tungsten mineralisation in the region

The Mt Carbine deposit is situated in proximity to two other significant scale tungsten deposits; Geological potential to form a tungsten cluster in Far-North Queensland:

### *Tungsten Mining NL*

**Watershed:** 2014 DFS by Vital Metals (2012 JORC): Ore Reserves of 21Mt @ 0.15% WO<sub>3</sub>, Mineral Resources of 49Mt @ 0.14% WO<sub>3</sub>, Exploration Potential of 49-80Mt @ 0.1-0.19% WO<sub>3</sub>]

### *Almonty Industries (former ML holder)*

**Wolfram Camp:** 2015 Technical Report by Almonty Industries (NI 43-101): Ore Reserves of 375kt @ 0.22% WO<sub>3</sub>, Mineral Resources of 2.3Mt @ 0.29% WO<sub>3</sub>

# Strong JV Partnership



**CRONIMET**



RESOURCES



**CRONIMET** is a multi-national, privately owned business which has 103 branches, subsidiaries & representations at 72 locations on 6 continents with over 5,400 employees worldwide.

## The business has 3 business units focusing on:

1. Metals Recycling
2. Trade & sales of primary and secondary raw materials
3. Production of ferroalloys and metal powders

CRONIMET maintains long-term, mutually beneficial relationships with clients and partners, leveraging its global network of operations.

[www.cronimet.de/en/](http://www.cronimet.de/en/)

## Mt Carbine Retreatment Management Joint Venture (unincorporated)

- 50% CRONIMET Australia / 50% Mt Carbine Retreatment (*EQR 100% Subsidiary*).
- JV relates to surface stockpiles, 12Mt Low Grade Stockpile & 2Mt Tailings Stockpile – excludes UG.
- CRONIMET provided off-take funding securing right of product off-take at fair market value.
- Sharing of operational management & funding responsibility on pro-rata basis.
- CRONIMET introduction of sensor-based sorting plant to site.

# Our Values



## ***Act Safe. Feel Safe***

Act safe at work. Care and respect each other.  
Feel safe to be yourself.

## ***Embrace Difference***

Diversity of thinking, skills and background creates value and drives innovation.

## ***Tread Lightly***

Embed resource efficiency to minimise environmental footprint and deliver positive societal impact.

## ***Dig Deep***

Go one better. Strive to continuously learn and improve.  
Challenge the status quo.

## ***Buddy Up***

Collaboration is key to realising shared value.

## ***Lead with Integrity***

Have courage to do the right thing. Be accountable.



# ESG Implementation

## Resource Efficient

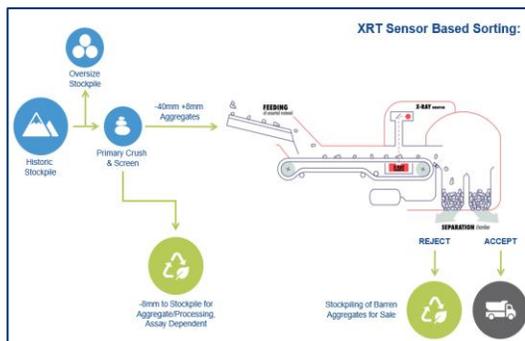
...extract from **secondary sources**  
 ... integrate **advanced technologies**  
 to increase **resource, cost and energy efficiencies**

## Buddy up

...**collaboration** is key to  
 realising shared value

## Tread Lightly

...minimise **environmental footprint**



\* EQR formerly known as 'Speciality Metals International'

# Mt Carbine Highlights





**THANK YOU**

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