

2 December 2024

EQ RESOURCES REVISES FUNDING APPROACH FOR EXPANSION OF MT CARBINE MINE ELECTING TO DISCONTINUE QIC INTEREST-BEARING LOAN FACILITY

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

As previously announced on 8 May 2024, EQ Resources Limited (**EQR** or the **Company**) and Queensland Investment Corporation (**QIC**) had executed an agreement for the provision of a three-year interest-bearing funding facility, with QIC committing up to A\$20 million from the Queensland Critical Minerals and Battery Technology Fund (**QCMBTf**) (**Loan**). The QCMBTf fund primarily aims to enhance the mining and refining of critical minerals, as well as the development and production of battery technologies and advanced materials in Queensland.

As previously announced, subject to satisfaction of certain conditions precedent, EQR agreed to, amongst other things, a 10% interest rate per annum on the Loan facility; the issuance of 60 million options to be issued upon utilisation of Tranche A (“Tranche A Options”); and 40 million options to be issued upon utilisation of Tranche B (“Tranche B Options”). (See ASX Announcement titled, ‘[QIC approves A\\$20M funding for Mt Carbine Tungsten Mine expansion](#)’ dated 8 May 2024), outlining the original terms and conditions agreed between the parties. The Company and QIC agreed to a date for satisfaction of the conditions precedent (including issue of the Tranche A Options) initially on 28 June 2024, which was subsequently extended by agreement between QIC and the Company to 29 July 2024, 29 October 2024 and most recently to 29 November 2024 (**Agreed Date**). As of close of business 29 November 2024, the conditions precedent remained unsatisfied, and the Company has been in substantial discussions with QIC as to terms by which the date for satisfaction of the conditions precedent could be extended beyond the Agreed Date.

After careful consideration of the additional costs involved since the original agreement, proposed amendments to the commercial arrangements previously agreed upon and further conditions applicable to any potential extension, the Company has determined that accepting these changes is not in the best interests of shareholders and has consequently decided not to pursue an extension.

This decision has been made in light of recent positive offtake and convertible note arrangements executed with Elmet Technologies LLC and Square Resources Holding Pty Ltd (see ASX Announcements, dated [12 November 2024](#) and [29 November 2024](#)), respectively. The Company is also fielding third-party interest for additional offtake arrangements (with potential prepayment offers from large Western tungsten consumers) and further investment opportunities, given its recent strong trajectory of operational improvements at its Australian and Spanish operations, along with the recently announced planned acquisition of the Tungsten Metals Group.

Chief Executive Officer, Kevin MacNeill, said: “EQR has decided not to accept the revised terms of an extension of the loan facility with QIC. The Board and Management are confident, that this decision is in the best interest of shareholders and will not negatively impact our ability to deliver our growth projects at Mt Carbine which remain firmly in our short-term plans. Our expansion plans at Mt Carbine are advancing well, as evidenced by our recent record quarterly production rates following investments in operational improvements and equipment, setting us up well for expected higher ore grades from the March 2025 quarter.”

Released on authority of the Board by:

Kevin MacNeill
Chief Executive Officer

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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.

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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