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RESOURCES

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22 May 2025

EQR ANNOUNCES SIGNIFICANT EQUITY RAISE AND SHARE PURCHASE PLAN

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

HIGHLIGHTS:

- EQR has received firm commitments to raise $18.8M (before costs) via a share placement with an issue price of $0.035 (3.5 cents) per share **(Placement).**
- The Company has received commitment from a loan provider to convert the outstanding loan amount plus interest into equity at the Placement raising price, totalling $1.2M (**Loan Conversion**).
- As part of the Placement, EQR's largest shareholder, funds managed by Oaktree Capital Management L.P. (**Oaktree**), will participate, having committed to contributing $8.735M, subject to obtaining approval from the Foreign Investment Review Board and shareholder approval at an Extraordinary General Meeting.
- Demonstrating broad appeal, the Placement attracted significant interest from a range of institutional and sophisticated investors, encompassing both new and established investors from domestic and international markets.
- EQR will enable eligible shareholders the opportunity to acquire new shares on the same terms as the Placement via a Share Purchase Plan (**SPP**) to raise up to an additional $3M.
- Proceeds from the Placement and SPP will be used to fund capital projects, pay down debt funding, and for working capital.

EQ Resources Limited ("EQR" or "the Company") is pleased to announce the Company has received firm commitments for $18.8M of new capital from a well-supported placement of 537.3 million new fully paid ordinary shares (**New Shares**). Strong support was shown for the Placement from a broad range of existing and new institutional and sophisticated investors.

The Placement was conducted by joint lead managers, PAC Partners Securities Pty Ltd and STK Markets Pty Ltd (**Lead Managers**). In addition to their lead manager fees the Company has agreed to issue the Lead Managers one broker option for every eight New Shares issued under the Placement, excluding funds contributed by Oaktree and Chairman's List investors, exercisable at $0.0675 (6.75 cents) and expiring 29 May 2027 (**Lead Manager Options**). The material terms of the

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Lead Manager Options are provided in Appendix 1. The Lead Manager Options are to be split evenly between the Lead Managers.

Details of the Placement

The Company will issue 537.3 million New Shares at an issue price of $0.035 (3.5 cents) per share under the Placement to raise gross proceeds of $18.8M before costs. The 15-day VWAP price of the Company's shares used to calculate the issue price was $0.043. The issue price represents a 18% discount to the 15-day VWAP.

A total of 287.7 million New Shares and 28,087,501 Lead Manager Options will be issued utilising EQR's current placement capacity with an approximate issue date of Tuesday, 27 May 2025. This issue does not include any New Shares to be issued to Oaktree. The Lead Manager Options and 87.7 million of the New Shares are to be issued utilising EQR's placement capacity under ASX Listing Rule 7.1 and 200.0 million of the New Shares are to be issued utilising EQR's placement capacity under ASX Listing Rule 7.1A. Both the New Shares and the Lead Manager Options are expected to be issued by Tuesday, 27 May 2025.

Loan Conversion

A loan provider has also agreed to convert the outstanding loan amount and interest into equity at the Placement raising price. A total of 34.3 million shares will be issued to extinguish the $1.2M outstanding amount. The New Shares are to be issued utilising EQR's placement capacity under ASX Listing Rule 7.1 and are expected to be issued by Tuesday, 27 May 2025.

Oaktree Shares

Oaktree is set to request approval from the Foreign Investment Review Board (**FIRB**) for its additional investment in EQR. Given that Oaktree holds a significant interest in EQR (exceeding 10% of the Company's issued ordinary share capital) and maintains a nominee director on the EQR Board, the issuance of the New Shares is contingent upon shareholder approval to be sought at an Extraordinary General Meeting (**EGM**) scheduled for late June 2025. Further details regarding the EGM will be communicated in due course. Oaktree's financial contribution to the Placement will be made to the Company immediately subsequent to receiving shareholder approval.

Share Purchase Plan

Eligible EQR shareholders, being those shareholders who had a registered address in those jurisdictions determined by the Company as eligible jurisdictions and are on the Company's register as at 7.00pm (AEST) on 21 May 2025 **(Record Date**), will be invited to subscribe for up to a maximum of $30,000 of ordinary shares per eligible shareholder at the Placement Price of $0.035, free of any brokerage or transaction costs. It is intended that the SPP will raise up to $3M and it is not underwritten. EQR retains the right to accept oversubscriptions or to scale back applications at its absolute discretion.

Further details of the SPP will be set out in the SPP Offer Booklet, which will be released to ASX and made available to eligible shareholders on or around Wednesday, 28 May 2025.

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Use of Proceeds

Proceeds from the Placement and SPP will be used to fund capital projects primarily related to plant expansion, and optimisation works at both the Mt Carbine mine in Australia and the Barruecopardo mine in Spain, reducing debt financing and to provide working capital to strengthen the Company's balance sheet.

Indicative Timetable

Record date for the SPP	Wednesday, 21 May 2025
Voluntary suspension lifted and shares recommence trading on ASX	Thursday, 22 May 2025
Announcement of the SPP	Thursday, 22 May 2025
Settlement of the Placement	Monday, 26 May 2025
Allotment and normal trading of New Shares under the Placement and Loan Conversion and Lead Manager Options	Tuesday, 27 May 2025
Despatch of SPP offer letter to Eligible Shareholders and Opening Date	Wednesday, 28 May 2025
Closing Date of SPP	Tuesday, 10 June 2025
Announcement of results of SPP	Friday, 13 June 2025
Issue of Shares and quotation of Shares under the Share Purchase Plan	Tuesday, 17 June 2025

The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable, subject to regulatory requirements.

All shares issued under the Placement, Loan Conversion, and SPP will rank equally with existing ordinary shares from their date of issue. The Appendix 3B's for the proposed issue of securities will follow this announcement.

EQR Executive Chairman, Oliver Kleinhempel, commented: "We are pleased that we successfully closed this placement in a critical time of development at both our flagship operations. We also encourage our shareholders to take the opportunity to participate in the SPP on the same terms as institutional and sophisticated investors who participated in the placement. It is an unprecedented time in the global tungsten market with wide ranging trade restrictions and barriers, already leading to a shortage of available material in Western markets and creating significant price pressure. As a leading Western producer of tungsten concentrate we want to take maximum advantage of these developments and thus require a further acceleration of our expansion initiatives, while supporting the balance sheet with a significant reduction of our debt exposure."

Released on authority of the Board by:
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About the Company

EQ Resources Limited is a leading global 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. The Company 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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Appendix 1

TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

The Lead Manger Options (Options) entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.

(b) An Optionholder shall be entitled to attend any meeting of the members of EQR, but is not entitled to vote at any meeting of the members of EQR unless they are, in addition to being an Optionholder, a member of EQR.

(c) The Options will expire at 5:00 pm (AEST) on 29 May 2027 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) The amount payable upon exercise of each Option will be AUD$0.0675 (**Exercise Price**).

(e) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000,000 must be exercised on each occasion.

(f) An Optionholder may exercise their Options by lodging with EQR, before the Expiry Date:

(i) a written notice of exercise of Options specifying the number of Options being exercised; and

(ii) an electronic funds transfer for the Exercise Price in respect of the number of Options being exercised,

(Exercise Notice).

(g) An Exercise Notice is only effective when EQR has received the full amount of the Exercise Price in cleared funds.

(h) Within five Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, EQR shall:

(i) allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice;

(ii) record the Optionholder as the holder of those Shares in its register of members; and

(iii) deliver holding statements in respect of those Shares to the Optionholder.

(i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.

(j) The Options are not transferable.

(k) The Options do not entitle the Optionholder to any dividend or distribution rights or any rights on liquidation or winding up EQR.

(l) EQR will not apply for quotation of the Options on ASX.

(m) EQR will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within three Business Days after the date of allotment of those Shares.

(n) If at any time the issued capital of EQR is reconstructed, all rights of an Optionholder will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(o) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, EQR will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(p) In the event EQR proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(q) In the event EQR proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exerciseable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

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