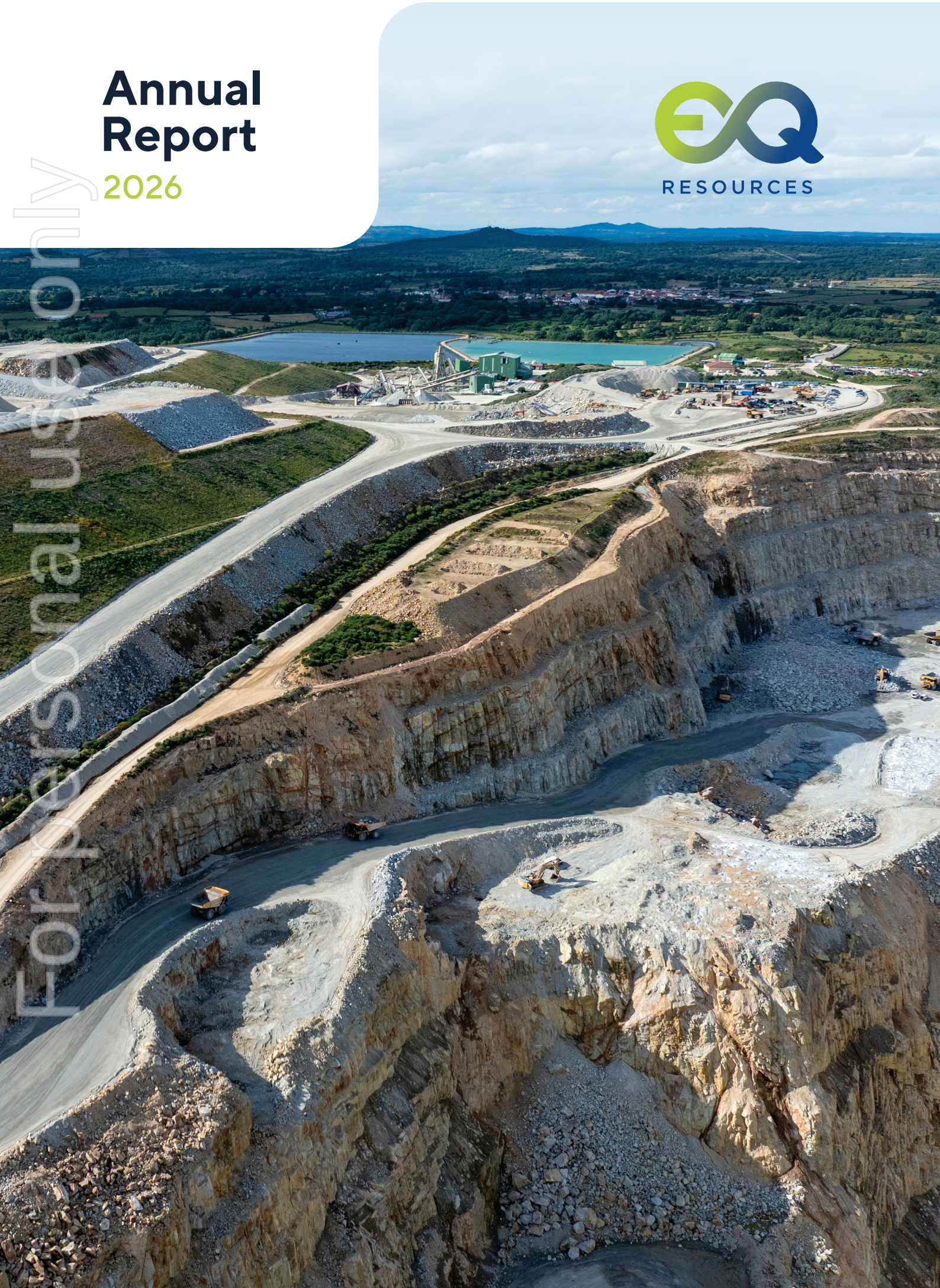
Annual Report

2026

RESOURCES



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Corporate Directory

Directors

Michael Nossal
Non-Executive Chair

Craig Bradshaw
Managing Director

Oliver Kleinhempel
Non-Executive Director

Zhui Pei Yeo
Non-executive Director

Stephen Weir
Non-Executive Director

Nicole Brook
Non-Executive Director

Constandinos (Taki) Dermedgoglou
Non-Executive Director

Company Secretary

Virna Trout

Registered Office

Level 7A, 410 Queen Street
Brisbane, 4000, QLD

T +61 (0)7 4094 3072
W www.eqresources.com.au
E info@eqresources.com.au

Principal Place of Business

6888 Mulligan Highway
Mount Carbine QLD 4871

Share Register

Automic Pty Ltd
Level 5, 126 Phillip Street,
Sydney NSW 2000

T +61 (0)2 9698 5414

Auditors

Nexia Melbourne Audit Pty Ltd
Level 35, 600 Bourke Street
Melbourne VIC 3000

T +61 (0)3 8613 8888
F +61 (0)3 8613 8800

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX)

ASX Code: EQR

ACN: 115 009 106
ABN: 77 115 009 106

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Non-Executive Chair's Address



Michael Nossal
Non-Executive Chair

I am pleased to present my first letter to you as Chair of EQ Resources Limited. I joined the Board on 31 March 2026, nine months into a financial year that tested the Company and all its stakeholders.

FY2026 began with some questions about the Company's liquidity and its ability to continue as a going concern. It finished with the balance sheet recapitalised, a record June quarter for revenue and operating cash flow, and an unmodified audit opinion, as Craig Bradshaw sets out in his Managing Director's letter. By the time I joined the Board, the turnaround was well underway and the Company's long-held potential was beginning to be realised. That is to the credit of the EQR team and of the Board that preceded me, led by Oliver Kleinhempel, who served as Chair through the hardest part of the year. There is, of course, still much to do to realise that potential fully. We are all conscious that the recapitalisation over the last two years came at a cost to existing shareholders, and the Board thanks those shareholders who supported the placements when the outlook was far from certain. It is now incumbent on us to continue turning that support into sustained value creation.

The most important part of that effort concerns the safety and wellbeing of our people. The Board is not satisfied with the safety outcomes during FY2026, although we acknowledge the considerable effort and investment made by management. We do consider that the audits and safety leadership changes now in train are the appropriate actions, and we will be monitoring the safety outcomes closely during FY2027 with a clear expectation of measurable improvement.

The market in which we operate has changed fundamentally since the start of FY2026. Tungsten is a critical mineral in the fullest sense: essential to industrial manufacturing, aerospace, energy and defence, with supply concentrated in a small number of countries. In a period of complicated geopolitics, Western governments are paying far more attention to the provenance and security of supply, while prices have risen well beyond anything in the Company's history. This places EQR in a position of rare strategic and commercial opportunity. As one of the few established tungsten producers outside China, with operating mines in Australia and Spain, EQR is already integrated into Western-aligned supply chains and continues to position itself to benefit from the strong price environment. The Board's responsibility is to ensure that disciplined, reliable execution converts this opportunity into sustained value.

Accordingly, we are aligned on the strategy to do this. First, deliver reliable production from Mt Carbine and Barruecopardo, with greater resilience to weather and operating disruptions. Second, grow the reserves and resources around each mine. Third, pursue regional exploration and growth, with Mt Carbine and Barruecopardo as the processing hubs for district-scale operations in their proven tungsten regions. Fourth, invest sensibly in production growth and a lower cost base, of which the Mt Carbine crushing expansion approved in June is a good example. Fifth, selectively increase EQR's participation in Western-aligned tungsten supply chains where this strengthens the Company's strategic position, market access and shareholder value.

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Non-Executive Chair's Address continued

The Board also believes that how we create value matters as much as the value we create. EQR's values are ones I am comfortable standing behind: *act safe and feel safe, tread lightly, lead with integrity, embrace difference, dig deep* and *buddy up*. The Board is aligned on ensuring that these values set the expectations for how we treat our people, our communities and the environment, and they will guide the Company into the next phase of its development.

Further to my appointment in March, Board renewal has continued. Stephen Layton stepped down on 31 July 2026 after more than eight years as a Director, a period that took in the redevelopment of Mt Carbine, the acquisition of Barruecopardo and the recapitalisation. I thank Stephen sincerely for his contribution, particularly noting the difficult times that his tenure included. We have since welcomed Nicole Brook and Taki Dermedgoglou as Non-Executive Directors. I am also pleased that Stephen Weir will continue as an independent Non-Executive Director and Chair of the Audit and Risk Committee. The Board now has a strong and diverse mix of skills and experience, well-suited to supporting the Company through our next phase of transformation.

Looking ahead, FY2027 offers an opportunity the Company has not had before: higher-grade ore accessible at both mines, a growth project in execution, a sound balance sheet and a price environment that rewards production. The Board's expectations are clear: a strong financial result that takes full advantage of the market environment; targeted growth, delivered safely and within our means; and systems, processes and governance that keep developing to the standard of an established mid-tier mining company, as we are determined that EQR is becoming.

Finally, a sincere thank you to our shareholders, because this year belongs to you more than any. You stayed with the Company through the hard times, and you are now starting to see the reward for that support. An enormous thank you to Craig, his leadership team and the dedicated employees at our two mines, without whose tremendous efforts, the outcome this year may have been quite different. My thanks also to my fellow Directors for their counsel, our communities, host governments, industry bodies, customers and all our stakeholders. I am confident that your efforts and patience will we well rewarded by the Company's bright outlook.



Michael Nossal
Non-Executive Chair
EQ Resources Ltd



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Managing Director's Address



Craig Bradshaw
Managing Director

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Dear Fellow Shareholders,

FY2026 was a defining year for EQ Resources – and, I will say plainly, a difficult one. We began the financial year confronting acute liquidity and solvency challenges that threatened the very continuity of the business. We end it recapitalised, profitable, cash generative and with the strongest balance sheet in the Company's history. Having stepped into the Managing Director role on 1 October 2025, in the midst of that most challenging period, I am proud of what our people achieved in the twelve months to 30 June 2026 – and clear-eyed about what we must do better.

Restoring the balance sheet

The first half of the year was dominated by the recapitalisation of the Company. Through a series of placements, we raised A$56.5 million in new equity to settle outstanding creditors, reduce debt and restore working capital, and settled a further A$25.8 million of debt through the issue of shares. We received A$23.5 million from the exercise of options associated with FY2025 raisings, and we refinanced €15 million of external debt in Spain with Traxys Europe S.A. over a three-year term at EURIBOR plus a margin of 5.5%.

The results of that work are evident throughout this report. The Company recorded a statutory net profit after tax of A$7.1 million (FY2025: loss of A$39.2 million) and EBITDA of A$50.6 million (FY2025: negative A$29.7 million). At 30 June 2026 we held A$28.2 million in cash (FY2025: A$1.9 million) and a net working capital surplus of A$16.2 million, against a restated deficit of A$96.8 million a year earlier. Most importantly, the financial statements in this report carry an unmodified audit opinion: the going concern qualification that attached to our previous accounts no longer applies. The liquidity and solvency challenges that defined the start of FY2026 are now well behind us.

That outcome was only possible because our shareholders backed the Company when it mattered most. The recapitalisation came at a real cost – shares on issue increased from 2.7 billion to 5.1 billion – and we do not take that support lightly. Our obligation now is to convert a repaired balance sheet into sustained returns.

Safety

I must be equally direct about safety: our performance this year was well short of acceptable, and it will be a core focus of management in FY2027. At Barruecopardo, the lost time injury frequency rate improved from 22.5 to 15.8, a step in the right direction but still too high. At Mt Carbine, the LTIFR deteriorated from 36.6 to 43 – a result that is simply not good enough, despite significant effort and investment from management during the year.

We have not waited for this report to act. Independent safety audits were completed at both operations during the second half, actions arising are well underway, and a new safety manager joins the Mt Carbine leadership team in the first quarter of FY2027. Structured training, toolbox engagement and comprehensive drug and alcohol testing continue across both sites. Nothing we mine is worth an injury, and the Board and I expect a step change in performance in the year ahead.

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Operations and weather

Group production for the year was 118,946 mtu of WO_3 (FY2025: 167,805 mtu), with Barruecopardo contributing 90,666 mtu and Mt Carbine 28,280 mtu. The shortfall against the prior year was overwhelmingly weather-driven, and the pattern was almost cruelly symmetrical across our two hemispheres.

At Mt Carbine, insufficient water leading into the end of the December 2025 quarter constrained processing, before cyclone-related weather systems through the wet season disrupted mining, blast cadence and production in the March 2026 quarter. At Barruecopardo, a 1-in-50-year rainfall event – the wettest start to a year in Salamanca in some five decades – flooded the southern pit and significantly curtailed production through the March and June 2026 quarters, forcing mining into lower-grade areas at a higher strip ratio.

These events have taught us a clear lesson, and we will not rely on the weather being kinder next year. In future years we will mitigate this risk by building ROM stockpiles ahead of the wet seasons at both operations, ensuring the processing plants can continue to run at capacity when pit access is restricted.

I am pleased to report that both operations exited the year strongly. At Mt Carbine, first access to the higher-grade Iolanthe vein was achieved in March 2026 following the removal of 1.6 million tonnes of overburden from the Southern Highwall, and June quarter production rose 176% to 13,050 mtu – the operation's best quarter in over two years. At Barruecopardo, the higher-grade southern ore body was re-accessed in the first week of July 2026 following an extensive dewatering effort. The June 2026 quarter delivered record group revenue of A$79 million and record operating cash flow, momentum we carry into FY2027.

A transformed tungsten market

Our recovery has coincided with an extraordinary shift in the tungsten market. The Fastmarkets APT benchmark rose from around US$350/mtu in March 2025 to approximately US$2,900/mtu by the end of June 2026, driven by Chinese export restrictions and surging strategic demand for secure, Western-sourced supply. As a leading tungsten producer in the Western world, with long-term offtake agreements at both operations, EQ Resources is exceptionally well placed to benefit – but only if we produce. That is why the operational discipline, weather resilience and safety improvement described above matter so much.

Investing in growth

With the balance sheet restored, we returned to growth in the second half. In June 2026 the Board approved the A$39 million Mt Carbine Expansion Project, which will double crushing capacity from approximately 1 Mtpa to 2 Mtpa and automate the crushing, screening, ore sorting and product handling circuits, with commissioning expected to commence in the March 2027 quarter. Resource drilling programs are underway at both operations – approximately 12,155 metres at Barruecopardo and 7,700 metres at Mt Carbine – supporting resource and reserve updates in late 2026, and a 12,000-metre program at Wolfram Camp commences in the second quarter of FY2027.

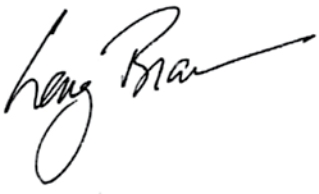
We also materially expanded our regional footprint, lifting our tenement holdings around Mt Carbine from 783 km^2 to 1,136 km^2, with a further 824 km^2 under application, through the acquisition of the Hodgkinson tenement package from Sunshine Metals and of Aus Critical Minerals and TTTP1, which brought with them the mining licence for Mt White. Together these transactions underpin our hub-and-spoke strategy, positioning Mt Carbine as the central processing hub of a district-scale tungsten province in Far North Queensland.

Outlook and thanks

FY2027 begins with the higher-grade zones open in both pits, a strengthened balance sheet, a A$39 million growth project in execution and a tungsten price environment unlike any in living memory. Our priorities are unambiguous: a step change in safety performance, weather-resilient operations underpinned by ROM stockpiling, delivery of the Mt Carbine Expansion Project, and continued growth in resources and reserves across both districts.

To our employees and contractors in Queensland and Salamanca, who worked through floods, cyclones and considerable uncertainty with resilience and professionalism – thank you. To my Board colleagues, thank you for your counsel through a demanding year. And to our shareholders, who stood by the Company through its most testing period, thank you for your patience and support. FY2026 asked a great deal of everyone associated with EQ Resources. I am confident the foundations laid this year will reward that faith.

Yours sincerely,



Craig Bradshaw
Managing Director

About EQ Resources Limited

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EQ Resources Limited (EQR or the Company) is building a connected Western tungsten platform, anchored by two producing mines in Australia and Spain and supported by long-term offtake, customer and strategic partner relationships.

Barruecopardo Mine is the largest tungsten mine in Europe, comprising an open pit and a modern processing plant that combines ore sorting and gravity separation. The Company holds eight adjacent exploration tenements supporting future growth. Concentrate from Barruecopardo is sold under long-term volume-based agreements referencing the Fastmarkets Tungsten APT 88.5% WO_3 Rotterdam CIF price for the month of shipment.

Mt Carbine, on the Mulligan Highway northwest of Cairns, was historically one of the world's major tungsten mines and has been progressively redeveloped - initially through the processing of historical stockpiles and now through open pit mining of the primary orebody. Ore is upgraded using two ore sorters ahead of a gravity circuit producing a tungsten concentrate for export. The Company holds significant exploration tenements in the region including Wolfram Camp and the mining licence for Mt White. Concentrate from Mt Carbine is sold under a long-term volume-based agreement referencing the Fastmarkets Tungsten APT 88.5% WO_3 Rotterdam CIF price for the month prior to shipment.



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Financial Review

Key Performance Indicators

Cash on hand

A$28.2m

(FY25: A$1.9 million)

EBITDA

A$50.6m

(FY25: negative A$9.5 million)

Net Assets

A$154m

(FY25: A$36.3 million)

Financial Review

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Financial Performance and Position

The Company reports a statutory net profit after tax of A$7.1 million for the year ended 30 June 2026, compared to a statutory net loss after tax of A$39.2 million as at 30 June 2025. EBITDA for the year was A$50.6 million, compared to a negative A$29.7 million in FY2025.

At 30 June 2026, the Company held A$28.2 million (FY2025: A$1.9 million) of cash on hand and had a net working capital surplus of A$16.2 million (FY2025: restated deficit of A$96.8 million).

Year ended	Measure	2026	2025	2024	2023	2022
Net profit / (loss) after tax	A$'000	**7,113**	(39,228)	(14,425)	(3,717)	(6,063)
Net assets	A$'000	**154,268**	36,287	44,330	16,305	14,317
Cash and cash equivalents	A$'000	**28,180**	1,874	3,490	5,336	1,723
Cash flows from operating activities	A$'000	**(5,595)**	(16,918)	(12,704)	(1,393)	(3,113)
EBITDA	A$'000	**50,576**	(9,513)	(5,169)	(829)	(4,478)
Share price at 30 June	A$	**0.290**	0.040	0.048	0.070	0.047
Basic earnings / (loss) per share	Cents	**0.18**	(1.70)	(0.13)	(0.26)	(0.45)

Funding

Primary focus during year was to recapitalise the Company and refinance external financing facilities. Key actions completed during the year were as follows:

- Raising A$56.5 million in the first half of the year to settle outstanding creditors, reduce debt and provide working capital to progress Company objectives.
- Settling A$25.8 million of debt with the issuance of shares in parallel to the capital raises performed in the first half of the year.
- Refinancing €15 million of external debt over a three-year period with an interest rate of EURIBOR plus a margin of 5.5% with Traxys Europe S.A.
- Receiving A$23.5 million from the exercise of options associated with FY2025 capital raising activity.

Shares on Issue

Due to the recapitalisation of the Company, issued capital increased to A$198.3 million (FY2025: A$93.5 million, with ordinary shares on issue increasing from 2,727,672,193 to 5,115,488,534).

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Review of Operations

Barruecopardo Mine (Spain)

Key Performance Indicators

15.8
LTIFR per million hours worked for the year (FY25: 22.5)

90,666 mtu
WO_3 in concentrate was produced (FY25: 119,023 mtu)

A$16.3m
of operating cash flow was generated during the year (FY25: A$1.7 million)

Operating and Financial Review continued

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The key performance metrics for the Barruecopardo Mine are tabulated below:

Barruecopardo Mine	UoM	2026	2025	% Change
Safety performance				
LTIFR	Freq.	15.8	22.5	31%
Operational performance				
Material blasted	t	9,208,641	7,040,148	31%
Total tonnes mined	t	8,603,184	7,016,943	23%
Ore mined	t	1,138,272	1,344,365	(15%)
Waste mined	t	7,464,912	5,672,578	32%
Strip ratio	W:O	6.6 : 1	4.2 : 1	(57%)
Crushing plant feed	t	1,674,956	1,445,453	16%
Ore sorter plant feed	t	635,722	455,102	40%
Sorter concentrate produced	t	121,651	86,575	41%
Gravity plant feed	t	925,279	904,599	2%
Gravity plant feed grade	%	0.19%	0.26%	(27%)
Recovery	%	55%	57%	(4%)
WO_3 produced	mtu	90,666	119,023	(24%)
WO_3 sold	mtu	89,087	116,586	(24%)
Financial performance				
Average realised price	US$/mtu	851	259	228%
Nominal cash cost of production	US$/mtu	357	229	(56%)

Health and Safety

Efforts continued to build a proactive safety culture with ongoing weekly training being delivered across the operation with ongoing alcohol and drug testing for persons entering site.

This included external training on several critical activities such as working at heights, hot works and the risk of respirable crystalline silica.

The Company also commissioned independent assessments of its safety culture, policies and procedures continuing its ISO 45001 (safety) and ISO 14001 (environment) certifications. An independent risk assessment was conducted in April 2026.

Mining

The mining team performed exceptionally well during the year despite the 1-in-50-year rain event during the March quarter. Material moved was significantly greater than FY2025 despite the challenges created by the event.

Unfortunately, due to the rain event, the team operated in a lower grade area of the pit than anticipated leading to a substantially higher strip ratio and a lower feed grade for the year.

The higher-grade ore body was re-accessed in the first week of July 2026.

Processing

Processing performance at Barruecopardo in FY2026 reflected the year's mining disruption, with output declining through the middle of the year before a partial recovery into year-end.

Across FY2026, the site crushed approximately 1.67 million tonnes of ore, sorted approximately 636,000 tonnes through its ore sorting circuit, and processed approximately 925,000 tonnes through the wet plant, producing 90,666 mtu of WO_3 in concentrate for the year at an average recovery of 55.3%.

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Resource and Reserve Growth Program

Barruecopardo advanced a significant resource definition drilling programme during the final quarter of FY2026, aimed at strengthening confidence in the existing geological model and testing the potential for resource growth at depth.

The initial programme comprises 36 diamond drill holes for a total of approximately 12,155 metres, concentrated primarily in the eastern area of the open pit. Of the 36 holes, 16 are infill holes designed to improve confidence in the existing geological model, while the remaining 20 are targeting the deeper parts of the deposit and northern and southern extensions to assess the potential for mineral resource expansion.

Geotechnical logging is being undertaken alongside geological logging across the programme, to build a stronger understanding of rock mass conditions ahead of future mine design work.

Annual Mineral Resources Statement

Orebody	JORC Code Category	Mineral Resources as at 30 June 2026			Mineral Resources as at 30 June 2025[1]		
		Tonnes (Mt)	Grade (% WO_3)	WO_3 (mtu)	Tonnes (Mt)	Grade (% WO_3)	WO_3 (mtu)
In-Situ	Measured	6.85	0.177	1,214,272	10.05	0.191	1,920,400
	Indicated	9.52	0.177	1,682,554	10.46	0.174	1,820,000
	Inferred	3.85	0.259	997,546	3.86	0.259	999,300
	Subtotal	***20.22***	***0.193***	***3,894,372***	***24.37***	***0.195***	***4,739,700***

Annual Ore Reserves Statement

JORC Code Category	Ore Reserves as at 30 June 2026			Ore Reserves as at 30 June 2025		
	Tonnes (Mt)	WO_3 (%)	Contained WO_3 (mtu)	Tonnes (Mt)	WO_3 (%)	Contained WO_3 (mtu)
Open Cut - Proved	2.40	0.14	329,842	5.69	0.152	865,037
Open Cut - Probable	9.21	0.14	1,254,807	3.10	0.145	448,982
Open Cut - Total	**11.61**	**0.14**	**1,584,649**	**8.80**	**0.156**	**1,314,019**
Ore Stockpile - Proved	0.05	0.10	5,048	0.24	0.173	41,589
Ore Stockpile - Total	**0.05**	**0.10**	**5,048**	**0.24**	**0.173**	**41,589**
Open Cut & Ore Stockpile - Total	**11.66**	**0.14%**	**1,589,697**	**9.04**	**0.150%**	**1,355,608**
Marginal Stockpile - Proved	0.18	0.05	9,155			
Total Including Marginal Stockpile	**11.84**	**0.14**	**1,598,852**			
Scalping Stockpile - Proved	0.32	0.06	18,652			
Total Ore Reserve	**12.16**	**0.13**	**1,617,504**	**9.04**	**0.150**	**1,355,608**

Notes:

1 The Mineral Resource as at 30 June 2025 is as described in ASX Announcement 4 November 2024. The movement in the Barruecopardo Mineral Resource and Ore Reserve estimates between 30 June 2025 and 30 June 2026 is due to mining depletion only. There has been no material change to the Mineral Resource or Ore Reserve models, or to the assumptions and technical parameters underpinning the estimates, other than depletion arising from mining and processing during the period.

2 Totals may not add up due to rounding.

3 The tonnes depleted for the actual mining have been calculated by regular topographic surveys, to which density factors have been applied to derive tonnes. These density factors are the same as described in the report for the Resource Estimate as at 30th of June 2025.

4 The Ore Reserve is the economically mineable part of the Measured and Indicated Mineral Resource. It includes allowance for ore losses and dilution during mining extraction.

5 The Ore Reserve as at 30 June 2026 includes 0.5tonnes of proved stockpiles, which were not separately identified in the 30 June 2025 comparison. Stockpiles have been estimated by Saloro from topographical survey, and assigning grades derived from the operational grade control and production estimates.

6 The Company ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls at both a site level and at the corporate level. Mineral Resources and Ore Reserves are prepared and reported in accordance with the JORC Code 2012, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. The Mineral Resource and Ore Reserve statements included in the Annual Report were reviewed by the Competent Persons prior to inclusion.

Operating and Financial Review continued

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Competent Person's Statement - Barruecopardo Mine

Mineral Resources

The information in this report is extracted from the statement named "Barruecopardo Scheelite Mine - Annual Mineral Resource Statement June 2026" and has been prepared by Mr Jörg Pohl, Consultant to Saloro and Independent Resource Geologist. Mr Pohl has contributed to previous Resource estimates for Barruecopardo and has provided professional services to the operation over many years. Mr Pohl is a qualified Geologist (MSc Geology, Universität Freiburg i.Br., Germany), has over 25 years of experience, is a member of the European Federation of Geologists (EFG) and holds the title EurGeol (#1728). Mr Pohl has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012.

Mr Pohl has been working for Saloro during the last 6 years by providing consulting expertise in resource estimation, delivering resource and grade control block models. Mr Pohl has no material interest or entitlement, direct or indirect, in the securities of EQR or any associated companies.

Mr Pohl consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Ore Reserves

The information in this report is extracted from the statement named "Barruecopardo Scheelite Mine - Annual Ore Reserves Statement June 2026" and has been prepared by Mr Jesús María Montero González, Principal Mining Consultant and Director of Mining Sense Global SL. and reviewed by Mr Hugh Thompson.

Mr Montero is a qualified Mining Engineer (MSc Mining Eng., Universidad Politécnica de Madrid - Spain), has over 24 years of experience and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) FAusIMM 3111131. Mr Montero has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Hugh Thompson is a FAusIMM and CP (mining), with AusIMM membership # of 111 543.

Mr Montero and the Mining Sense Global SL team have been working for Saloro during the last 7 years by providing consulting expertise in mine design and mine schedule for medium and long term. Neither Mr Thompson, Mr Montero or Mining Sense Global SL has any material interest or entitlement, direct or indirect, in the securities of EQ Resources Limited or any associated companies.

Mr Montero and Mr Thompson consent to the inclusion in the release of the matters based on their information in the form and context in which it appears.



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Mt Carbine Operations (Australia)

Key Performance Indicators

43.0
LTIFR per million hours worked for the year (FY25: 36.6)

28,280 mtu
WO_3 in concentrate was produced (FY25: 48,782 mtu)

(A$14.1m)
net operating cash outflow (FY25: negative A$7.9 million)

Operating and Financial Review continued

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The key performance metrics for the Mt Carbine Mine are tabulated below:

Mt Carbine	UoM	2026	2025	% Change
Safety performance				
LTIFR	Freq.	43.0	36.6	(57%)
Operational performance				
Material blasted	t	2,834,951	1,441,502	97%
Total tonnes mined	t	2,770,009	2,240,652	24%
Ore mined	t	407,020	573,797	(29%)
Waste mined	t	2,362,989	1,666,855	42%
Strip ratio	W:O	5.8 : 1	2.9 : 1	(100%)
Crushing plant feed	t	565,141	756,318	(25%)
Ore sorter plant feed	t	366,199	462,105	(21%)
Sorter concentrate produced	t	29,528	36,117	(18%)
Gravity plant feed	t	226,771	238,031	(5%)
Gravity plant feed grade	%	0.17%	0.24%	(29%)
Recovery	%	77%	83%	(7%)
WO_3 produced	mtu	28,280	48,782	(42%)
WO_3 sold	mtu	28,588	50,040	(43%)
Financial performance				
Average realised price	US$/mtu	1,277	251	409%
Nominal cash cost of production	US$/mtu	1,013	412	(146%)

Health and Safety

Despite significant effort from management, the safety performance was disappointing at Mt Carbine.

Training and structured toolbox talks were increased across all teams, while ongoing alcohol and drug testing continued.

An independent safety audit was performed in the March 2026 quarter. Actions identified during the audit are well underway and with a new safety manager joining the Mt Carbine leadership team in Q1 FY2027, it is expected that the Company will see a step change in performance moving forward.

Mining

The primary objective of the mining team was to access the in-situ Iolanthe vein orebody by removing 1.6 million tonnes of overburden from the Southern Highwall and addressing a major geotechnical fault. Initial access to the Iolanthe vein occurred in March 2026, with further access progressing in accordance with the mine plan.

Investment in the team, equipment and maintenance practices is starting to show with material moved during the year up 24% and a blasting record of 2.8 Mt was achieved during the year.

As the team progresses into the Iolanthe vein the stripping ratio and head grade are expected to improve.

Processing

Processing performance at Mt Carbine in FY2026 reflected a year of plant reliability challenges balanced against a genuinely strong finish.

Significant efforts have focused on improving the availability of the processing plant with significant investment in capital spares and maintenance during the second half of FY2026.

Mt Carbine exits FY2026 with a clearer picture of its key plant reliability constraints and a program of engineering upgrades already underway, providing a solid foundation to convert FY2027's improved ore access into sustained processing performance.

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Expansion Project

In June 2026, the Board approved the A$39 million Mt Carbine Expansion Project with commissioning expected to commence in the March 2027 quarter. The Project is designed to increase Mt Carbine's crushing capacity, the operation's current processing bottleneck, from approximately 1 Mtpa to approximately 2 Mtpa, while automating and integrating the crushing, screening, ore sorting and product handling circuits into a single continuous flow.

The expanded capacity is expected to initially lift targeted production by 500 tonnes of WO_3 per annum through processing of the Low-Grade Stockpile (LGSP), with further upside available as Mt Carbine's resource-to-reserve conversion, Wolfram Camp exploration, Mt White and other regional sources progress.

FY2026 was a year of significant expansion for EQR's regional tungsten footprint around Mt Carbine, combining an active resource-definition drilling program at the existing mine with two material tenement acquisitions that materially extended the Company's district-scale position in Far North Queensland's tungsten basin.

Resource and Reserve Growth Program

The Company actively sought to increase its tenement holdings, progress the Wolfram Camp exploration opportunity and progressively secure prospective exploration landholdings within the Mt Carbine mine area.

Mt Carbine

At Mt Carbine, a drill program is underway targeting extensions to existing resources and reserve definitions across the Bluff, Dazzler, Iolanthe, Johnson, Ruby and Iron Duke ore zones. The program comprises 28 drill holes for approximately 7,700 metres, combining diamond drilling and reverse circulation (RC) grade control drilling, and is designed to improve geological confidence in currently planned resources, test extensions to known mineralisation, and support a planned resource and reserve update in late 2026. With only 23% of Mt Carbine's current resource converted to reserve, the program represents an important step in unlocking further mine life and production growth at the operation.



Wolfram Camp

Commencing in Q1FY2027, a significant drill program at Wolfram Camp is underway, comprising approximately 12,000 metres of combined diamond (7,000m) and RC (5,000m) drilling. A 3D Induced Polarisation geophysical survey is underway to refine drill targets and inform geological modelling.

In parallel, the Company is progressing the key regulatory and land access workstreams required to bring Wolfram Camp back into operation.

Mt Carbine District Landholdings

The Company has entered two separate transactions to increase its tenement footprint from 783 km^2 to 1,136 km^2 with a further 824 km^2 of exploration licences under application:

In June 2026, EQR entered a binding agreement with Sunshine Metals Limited to acquire a 100% interest in the Hodgkinson tenement package, comprising six granted Exploration Permits for Minerals covering approximately 365 km^2, directly adjacent to Mt Carbine.

In July 2026, EQR further expanded its regional footprint, completing the acquisition of Aus Critical Minerals Pty Ltd and TTTP1 Pty Ltd, adding approximately 353 km^2 of tungsten-focused tenure and applications in the Mareeba district. This acquisition included the mining lease for Mt White.

Together, these acquisitions materially strengthen EQR's regional exploration pipeline and support the Company's hub-and-spoke strategy, positioning Mt Carbine as the central processing hub within a broader, multi-generational regional tungsten basin.

Operating and Financial Review continued

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Annual Mineral Resources Statement

Orebody	JORC Code Category	Mineral Resources as at 30 June 2026			Mineral Resources as at 30 June 2025[1]		
		Tonnes (Mt)	Grade (% WO_3)	WO_3 (mtu)	Tonnes (Mt)	Grade (% WO_3)	WO_3 (mtu)
In-Situ	Indicated	17.34	0.280	4,935,823	18.06	0.30	5,405,901
	Inferred	10.64	0.300	3,201,048	10.68	0.30	3,217,311
	Subtotal	***28.00***	***0.290***	***8,136,871***	***28.74***	***0.30***	***8,623,212***
LGSP	Indicated	9.38	0.075	703,546	10.126	0.075	759,450
	Inferred	2.58	0.070	167,696	–	–	–
	Inferred	0.83	0.060	53,318	–	–	–
	Subtotal	***12.80***	***0.070***	***924,559***	***10.126***	***0.075***	***759,450***
	TOTAL	**40.80**	**0.220**	**9,061,430**	**38.87**	**0.23**	**9,382,662**

Annual Ore Reserves Statement

JORC Code Category	Ore Reserves as at 30 June 2026			Ore Reserves as at 30 June 2025		
	Tonnes (Mt)	WO_3 (%)	Contained WO_3 (mtu)	Tonnes (Mt)	WO_3 (%)	Contained WO_3 (mtu)
Open Cut - Proved	–	–	–	–	–	–
Open Cut - Probable	4.47	0.32%	1,417,202	5.21	0.28%	1,459,735
Open Cut - Total	**4.47**	**0.32%**	**1,417,202**	**5.21**	**0.28%**	**1,459,735**
LGSP - Proved	–	–	–	–	–	–
LGSP- Probable	9.38	0.08%	703,546	9.59	0.075%	719,030
LGSP - Total	**9.38**	**0.08%**	**703,546**	**9.59**	**0.075%**	**719,030**
All - Total	**13.85**	**0.15%**	**2,120,748**	**14.80**	**0.147%**	**2,178,765**

Notes:

1 The Mineral Resource as at 30 June 2025 is as described in last published full Mineral Resources Estimate conducted by Measured Group 15 May 2023. The movement in the Mt Carbine Mineral Resource and Ore Reserve estimates between 30 June 2025 and 30 June 2026 is due to mining depletion only. There has been no material change to the Mineral Resource or Ore Reserve models, or to the assumptions and technical parameters underpinning the estimates, other than depletion arising from mining and processing during the period.

2 Totals may not add up due to rounding.

3 The tonnes depleted for the actual mining have been calculated using block model depletion and regular topographic surveys, to which density factors have been applied to derive tonnes. These density factors are the same as described in the Ore Reserve report referenced in footnote 1.

4 The Ore Reserve is the economically mineable part of the Measured and Indicated Mineral Resource. It includes allowance for ore losses and dilution during mining extraction.

5 The Company ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls at both a site level and at the corporate level. Mineral Resources and Ore Reserves are prepared and reported in accordance with the JORC Code 2012, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. The Mineral Resource and Ore Reserve statements included in the Annual Report were reviewed by the Competent Persons prior to inclusion.

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Competent Person's Statement – Mt Carbine Mine

Mineral Resources

The information in this report relating to exploration results and resources is based on information compiled by Mr Michael Mills who is a member of the Australasian Institute of Mining and Metallurgy and is an employee of Xenith Consulting Pty Ltd.

Mr Mills is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."

Mr Mills consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Ore Reserves

The information in this report relating to Ore Reserves is based on information compiled by Mr Lee White who is a member of the Australasian Institute of Mining and Metallurgy and is a consultant to Xenith Consulting Pty Ltd.

Mr White is a qualified Mechanical and Mining Engineer and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."

Mr White consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Neither Mr Mills, Mr Whit or Xenith Consulting Pty Ltd L has any material interest or entitlement, direct or indirect, in the securities of EQ Resources Limited or any associated companies.



EQR Tenements

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EQR Tenement Interests

There has been changes in the Tenements list held by the Company and its controlled entities. The current tenement interests are disclosed below in accordance with ASX Listing Rule 5.3.3.

Location	Holding Entity	Beneficial Interest	Interest Acquired or Disposed	Area	Expiry date
Queensland, Australia					
ML 4867	Mt Carbine Quarries Pty Ltd	100%	N/A	358.5 ha	31/7/2041
ML 4919	Mt Carbine Quarries Pty Ltd	100%	N/A	7.891 ha	31/8/2041
EPM 14871	EQ Resources Limited	100%	N/A	5 sub-blocks	12/12/2025 (renewal Lodged)
EPM 14872	EQ Resources Limited	100%	N/A	11 sub-blocks	11/12/2025 (renewal Lodged)
EPM 28898	EQ Resources Limited	100%	17/6/2024	146 sub-blocks	16/6/2029
EPM 18171	EQ Resources (Exploration) Pty Ltd	100%	pending	20 sub-blocks	19/07/2026 (renewal Lodged)
EPM 19809	EQ Resources (Exploration) Pty Ltd	100%	pending	11 sub-blocks	15/10/2028
EPM 25139	EQ Resources (Exploration) Pty Ltd	100%	pending	3 sub-blocks	5/1/2029
EPM 27539	EQ Resources (Exploration) Pty Ltd	100%	pending	18 sub-blocks	1/6/2030
EPM 27574	EQ Resources (Exploration) Pty Ltd	100%	pending	4 sub-blocks	9/8/2030
EPM27575	EQ Resources (Exploration) Pty Ltd	100%	pending	9 sub-blocks	8/2/2031
EPM 29450	EQ Resources (Exploration) Pty Ltd	100%	Application Lodged 02/03/2026	15 sub-blocks	Priority Applicant
EPM 29453	EQ Resources (Exploration) Pty Ltd	100%	Application Lodged 02/03/2026	57 sub-blocks	Application progressing to grant
EPM 29530	EQ Resources (Exploration) Pty Ltd	100%	Application Lodged 01/06/2026	98 sub-blocks	Priority Applicant
EPM 29532	EQ Resources (Exploration) Pty Ltd	100%	Application Lodged 01/05/2026	16 sub-blocks	Third Priority
EPM 29623	EQ Resources (Exploration) Pty Ltd	100%	Application Lodged 01/07/2026	32 sub-blocks	Third Priority
EPM 28574	Aus Critical Minerals Pty Ltd	100%	15/5/2026	29 sub-blocks	1/4/2031
EPM 29422	Aus Critical Minerals Pty Ltd	100%	15/5/2026	29 sub-blocks	
EPM 28283	Aus Critical Minerals Pty Ltd	100%	15/5/2026	35 sub-blocks	6/3/2028
ML 20728	Aus Critical Minerals Pty Ltd	100%	15/7/2026	42 ha	30/6/2030
EPM 29377	Aus Critical Minerals Pty Ltd	100%	pending	13 sub-blocks	
EPM 29442	Aus Critical Minerals Pty Ltd	100%	pending	15 sub-blocks	
EPM 27628	TTTP1 Pty Ltd	100%	18/5/2026	21 sub-blocks	28/2/2031
EPM 27613	TTTP1 Pty Ltd	100%	18/5/2026	12 sub-blocks	28/2/2031
EPM 27798	TTTP1 Pty Ltd	100%	18/5/2026	23 sub-blocks	29/9/2031
EPM 29533	TTTP1 Pty Ltd	100%	Application - Competing - ranked in favour of EQR	83 sub-blocks	
EPM 29534	TTTP1 Pty Ltd	100%	Application - Competing - ranked second in faour of Iltani	31 sub-blocks	
EPM 29452	TTTP1 Pty Ltd	100%	Application - Competing - Ranked in favor of Ballymore.	30 sub-blocks	17/6/2029

ML = Mining Lease; **EPM** = Exploration Permit for Mineral (QLD); **EL** = Exploration License (NSW)

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Location	Holding Entity	Beneficial Interest	Interest Acquired	Area	Expiry date	Granting
Salamanca, Spain						
C.E. Barruecopardo, 6.432-10	Saloro, SLU	100%	18/1/2024	2,100 Ha	1/11/2041	20/11/2014
P.I. Saldeana 1a Fracción, 6.432-11	Saloro, SLU	100%	18/1/2024	29,300 Ha	13 Aug.*	13/8/2001
P.I. Saldeana 2a Fracción, 6.432-12	Saloro, SLU	100%	18/1/2024		13 Aug.*	13/8/2001
P.I. Milano, 6.432-20	Saloro, SLU	100%	18/1/2024	29,000 Ha	13 Aug.*	13/8/2011
P.I. Cortegana, 6.570	Saloro, SLU	100%	18/1/2024	16,700 Ha	14 Nov.*	14/11/2006
P.I. Almonaster, 6.572	Saloro, SLU	100%	18/1/2024	4,300 Ha	14 Nov.*	14/11/2006
P.I. Aracena, 6.649	Saloro, SLU	100%	18/1/2024	5,300 Ha	30 Oct.*	30/10/2008
P.I. Brincones, 6.834	Saloro, SLU	100%	18/1/2024	6,100 Ha	7 May*	7/5/2013

C.E. = Mining Lease; **P.I**. = Exploration Permit; * renewed annually.



Risk Management and Sustainability

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Sustainability

EQ Resources is committed to responsible resource development, aligning its values with sustainable operations to drive economic growth while protecting the environment.

EQR's ESG approach aligns with global sustainability standards, including ICMM, GRI, UN SDGs, and Australian Climate Related Financial Disclosures. The program focuses on key areas important to the business and stakeholders, with a commitment to ongoing development of both environmental and social initiatives.

EQR 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 & 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.

Material Business Risks

The Board is committed to the proactive identification, assessment, and management of risk across all areas of EQ Resources' business activities. The Company recognises risk management as a cornerstone of good corporate governance and fundamental to achieving both strategic and operational objectives. Effective risk oversight not only mitigates material exposures but also enhances decision-making, identifies opportunities, and underpins the preservation and creation of security holder value.

Management reports identified risks through regular operational reporting and, where necessary, through direct and timely communication to the Board. The Company does not currently maintain a dedicated internal audit function; however, oversight is supported through the Audit and Risk Committee, which has ongoing responsibility for monitoring risk management practices and financial compliance.

The Managing Director and CFO jointly attested that the Financial Statements are underpinned by a robust system of internal control, and that the Company's risk management, particularly as it relates to financial risk, has operated effectively throughout the year.

While the Company faces risks inherent to the resources sector – including economic, financial, and operational risks that may influence short-, medium-, or long-term outcomes – the Board does not consider EQ Resources to be materially exposed to environmental or social sustainability risks at this stage. Policies and procedures continue to be refined and updated to address emerging challenges and evolving regulatory expectations.

Through its governance framework and oversight processes, EQ Resources maintains a disciplined and structured approach to risk, ensuring resilience in operations while remaining focused on delivering sustainable growth and long-term value to its stakeholders.

Macroeconomic and Market Risks

As a participant in the global tungsten industry, EQ Resources is exposed to macroeconomic and market-related risks that can materially influence its performance. Tungsten pricing is subject to cyclical demand patterns across key end-use sectors such as construction, mining, aerospace, defence, and automotive manufacturing. These industries are sensitive to broader economic conditions, interest rate cycles, and geopolitical developments, which can drive volatility in demand for tungsten products.

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While ammonium paratungstate (APT) reached record prices in FY2026, the market remains susceptible to fluctuations in global industrial output, trade flows and geopolitical policy. In addition, the Company faces risks associated with supply chain dynamics, including shifts in export policies from dominant producers, currency exchange volatility, and the availability of financing for international trade. Such factors may affect the Company's realised pricing, sales volumes, and margins over the short and medium term.

Currency risk also plays a role: as EQR invoices in U.S. dollars but reports in Australian dollars, fluctuations in the USD/AUD exchange rate materially affect revenue and cash flow.

Geopolitical tensions – particularly U.S.– China technology rivalries and stricter export licensing – add uncertainty to market access and policy continuity. EQR's broader strategy to diversify into non-Chinese markets and downstream integration (e.g., through the Elmet offtake or the US APT plant joint venture) helps mitigate exposure, but global economic conditions, trade policy shifts, and macroeconomic cycles remain material risks requiring ongoing management.

Mineral Resources and Ore Reserves

Mineral Resources and Ore Reserves are estimates of mineralisation that have reasonable prospects for eventual economic extraction in the future, as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Statements relating to EQR's Ore Reserves and Mineral Resources have been reported in accordance with the JORC Code and are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change and may be updated from time to time. This may result in alterations to mining plans or changes to the quality or quantity of EQR's Ore Reserves and Mineral Resources, which may, in turn, adversely affect EQR's operations.



Risk Management and Sustainability

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Mineral production involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. No assurance can be given that the anticipated tonnages or grade of minerals will be achieved during production or that the indicated level of recovery rates will be realised. Additionally, material price fluctuations, as well as increased production and operating costs or reduced recovery rates, may render any potential mineral Resources or Reserves containing relatively lower grades uneconomic or less economic than anticipated, and may ultimately result in a restatement of such Resource or Reserve. This in turn could impact the life of mine plan and therefore the value attributable to mineral inventory and/or the assessment of recoverable amount of EQR's assets and/or depreciation expense. Moreover, short term operating factors relating to such potential mineral Resources or Reserves, such as the need for sequential development of mineral bodies and the processing of new or different mineral types or grades, may cause a mining operation to be unprofitable in any particular period. In any of these events, a loss of revenue or profit may be caused due to the lower-than-expected production or ongoing unplanned capital expenditure in order to meet production targets, or the higher-than-expected operating costs.

EQR seeks to manage and minimise this risk through its existing risk management framework including an external audit process for its Mineral Resources and Ore Reserves.



Operational Risks

EQR's operations at Mt Carbine (Australia) and Barruecopardo Mine (Spain) are exposed to the full spectrum of risks inherent in mining and processing activities. These include potential interruptions from equipment breakdowns, difficulties in sourcing replacement parts, challenges in product separation and screening, and adverse weather impacts. Since the restart of open-pit mining at Mt Carbine in June 2023, the site has developed into a fully integrated mining operation. The leadership transition has instilled a strong, hands-on management culture focused on empowering teams, streamlining decision-making, and driving efficiency.

In Spain, Barruecopardo benefits from established European infrastructure – roads, ports, and utilities – that support efficient logistics and reduce supply chain risks. Nevertheless, both sites remain subject to uncertainties such as labour availability, industrial disputes, rising input costs (labour, consumables, spare parts, and energy), and potential IT or regulatory disruptions. Broader global events – such as pandemics, geopolitical instability, or significant policy changes – may also materially affect operations and supply chains. EQR mitigates these risks through proactive maintenance programs, investment in workforce training, and embedding resilience within its operational planning.

Environmental Risks

The Company's projects operate under stringent environmental obligations, with compliance central to maintaining licences to operate. Regulatory frameworks in both Australia and Spain require detailed reporting and performance against environmental criteria, creating the risk of financial or operational penalties if standards are not met or if requirements increase in scope. To manage these exposures, EQR has developed detailed environmental management plans under its risk framework and invests in continuous monitoring and reporting.

At Barruecopardo, Saloro holds ISO 14001:2015 certification, which provides a structured approach to environmental management and continuous improvement. This framework guides resource efficiency, waste reduction, performance tracking, and stakeholder engagement. At Mt Carbine, environmental controls continue to be embedded into the site's integrated systems, with a focus on reducing tailings, optimising water use, and monitoring biodiversity impacts. These measures provide resilience against regulatory change while reinforcing the Company's commitment to sustainable operations.

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Social Risks

Mining operations involve a wide network of stakeholders, including employees, contractors, local communities, government agencies, customers, and suppliers. Risks in this area include workplace safety incidents, community opposition, reputational damage, and claims arising from the Company's activities or those of its representatives. A failure to meet expectations in these areas could materially impact EQR's social licence to operate and its financial performance.

To mitigate these risks, EQR applies Board-approved stakeholder engagement policies and actively maintains open consultation channels at both Mt Carbine and Barruecopardo. The Company's operations are underpinned by robust safety frameworks: Mt Carbine applies an Integrated Management System aligned with ISO 9001:2015 to ensure health and safety outcomes, while Barruecopardo is certified under ISO 45001, the global standard for occupational health and safety management. These systems allow risks to be identified, assessed, and addressed in a systematic way, helping to reduce incidents and strengthen workforce and community trust.

Governance Risks

As an ASX-listed entity operating across multiple jurisdictions, EQR is required to adhere to rigorous governance, compliance, and reporting standards. Failure to maintain these standards, or material changes in regulatory requirements, could expose the Company to penalties, reputational harm, or additional costs.

EQR manages this exposure through a formal governance framework, including Board-approved policies on risk oversight, compliance, and corporate governance. These policies are reviewed regularly to ensure alignment with evolving requirements. Governance risks are also managed through the Audit and Risk Committee, which provides structured oversight of risk identification, financial integrity, and internal controls. Through these mechanisms, EQR aims to uphold transparency, accountability, and investor confidence in all jurisdictions in which it operates.

Risk Category	Key Exposures	Mitigation Measures
Operational	Equipment failures, supply chain disruptions, labour availability, rising costs, IT breakdowns	Preventive maintenance, workforce training, streamlined decision-making, infrastructure leverage
Environmental	Compliance with reporting obligations, potential regulatory changes, increased costs	Barruecopardo: ISO 14001 certification, Mt Carbine: EMS frameworks, site-specific monitoring and environmental plans
Social	Safety incidents, community opposition, reputational damage, stakeholder claims	Barruecopardo: ISO 45001 certification, Mt Carbine: IMS safety systems, stakeholder consultation, community engagement
Governance	ASX listing compliance, regulatory changes, corporate governance standards	Governance framework, Audit & Risk Committee oversight, policy reviews and updates
Macroeconomic	Tungsten price volatility, FX fluctuations, inflation, interest rates, geopolitical instability	Diversified customer base, long-term contracts, efficiency programs, operational flexibility
Mineral Resources & Reserves	Geological uncertainty, resource estimation errors, metallurgical variability	Resources and Reserves are reported in accordance with the JORC Code, independent verification, regular model updates, advanced ore sorting

Financial Report

The Directors of EQ Resources present their report on the consolidated entity (Group), consisting of EQ Resources and the entities it controlled at the end of, and during, the financial year ended 30 June 2026.

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Directors' Report

The Directors of EQ Resources Limited ("EQ Resources" or "the Company") present their report on the consolidated entity (Group), consisting of EQ Resources and the entities it controlled at the end of, and during, the financial year ended 30 June 2026.

Directors

The following persons were Directors of EQ Resources during the whole of the financial year and up to the date of this report unless otherwise stated:



MICHAEL NOSSAL
Independent Non-Executive Chair

Appointment: 31 March 2026 - present
MBA, BSc, FAusIMM, MAICD

Mr Nossal is an experienced mining industry professional with a strong background in strategy and business development across a broad range of commodities and geographies. He has held senior executive roles with Newcrest Mining Limited, MMG Limited and WMC Resources. Mr Nossal has extensive experience in corporate strategy, business development, governance and capital allocation.

Board Committees:
-

Listed company directorships held during the past three years:
IGO Limited (ASX: IGO) – Non-Executive Chair until December 2025.



CRAIG BRADSHAW
Managing Director

Appointment: 1 May 2025 - present
B.Bus; CPA; Grad Dip App Fin & Inv (SIA); FINSIA; MAusIMM

Mr Bradshaw is an experienced global tungsten industry executive and was formerly CEO of Masan High-Tech Materials, operator of the Nui Phao Tungsten Mine and Processing Complex in Vietnam, Managing Director of H.C. Starck Tungsten Powders GmbH and has held senior management roles with MMG Limited and Toll Holdings. Mr Bradshaw joined the Board on 1 May 2025 and was appointed Managing Director effective 1 October 2025.

Board Committees:
-

Listed company directorships held during the past three years:
None other than EQ Resources Limited.

Directors' Report continued



NICOLE BROOK
Independent Non-Executive Director

Appointment: 25 August 2026 - present
B.Eng. Mining Hons; MBA; AusIMM

Ms Brook was appointed Independent Non-Executive Director effective 25 August 2026. She is an accomplished mining industry professional with more than 30 years' experience across operational leadership, strategy, business development, project development and technical governance. She has held senior executive roles with Glencore and Xstrata Coal, with responsibility spanning operations, major projects, M&A and technical risk across complex mining businesses.

Board Committees:
-

Listed company directorships held during the past three years:
Whitehaven Coal Limited (ASX:WHC) - Non-Executive Director.
Silver Mines Limited (ASX:SVL) - Non-Executive Director.



OLIVER KLEINHEMPEL
Non-Executive Director

Appointment: 12 August 2019 - present
BBA, M.Sc. (Mining)

Appointed as Non-Executive Director on 12 August 2019, Mr Kleinhempel subsequently served as Chair of the Board until March 2026. He has held various executive management positions across project development, finance and commodity trading, with postings in Europe, the Middle East, South America and Asia Pacific. He has worked with Outotec, Ferrostaal Group and CRONIMET and brings extensive experience in project development, strategic financing and global commodity markets. He is currently also an Executive Director with CRONIMET.

Board Committees:
Audit and Risk Committee Member
Remuneration and Nomination Member

Listed company directorships held during the past three years:
None other than EQ Resources Limited.

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STEPHEN WEIR
Independent Non-Executive Director

Appointment: 19 January 2024 - present
B. Eng. Hons (Mech), Grad Dip Applied Finance SIA, GAICD

Mr Weir is the Chair of the Audit and Risk Committee and was Oaktree' nominee until 31 July 2026. He brings more than 25 years' experience in mining, finance and equity capital markets, with a background spanning senior corporate advisory, project financing and construction management roles. Mr Weir previously served as Managing Director at RFC Ambrian and held senior roles at Bankers Trust in Sydney and is currently a member of the Advisory Board of GBA Capital.

Board Committees:
Audit and Risk Committee Chair
Remuneration and Nomination Member

Listed company directorships held during the past three years:
Harena Resources Plc – Non-Executive Director (LSE: HREE)



STEPHEN LAYTON
Independent Non-Executive Director

Appointment: 14 November 2017 - 31 July 2026
MSIAA

Mr Layton has over 35 years' experience in equity capital marketed in the UK and Australia. He has held both principal and director roles throughout his career and has extensive experience in capital raisings, ASX listing and corporate advisory matters.

Board Committees:
Remuneration and Nomination Member

Listed company directorships held during the past three years:
Mithril Silver and Gold Limited (ASX: MTH);
Pursuit Minerals Limited (ASX:PUR).

Directors' Report continued



TAKI DERMEDGOGLOU
Non-Executive Director

Appointment: 26 August 2026 - present
BE (Mechanical) (Hons), CFA

Mr Dermedgoglou is the nominee of Wonongarra Pty Ltd, the investment vehicle wholly owned by Dr Andrew Forrest AO. He is an experienced resources and finance executive with significant expertise across capital markets, mergers and acquisitions and corporate finance. His career has included roles with Rio Tinto, BHP, Macquarie Capital and UBS, bringing deep experience across mining industry investment, strategy and finance.

Board Committees:
Audit and Risk Committee Member

Listed company directorships held during the past three years:
None other than EQ Resources Limited.



ZHUI PEI YEO
Independent Non-Executive Director

Appointment: 12 August 2019 - present
BEng (Electrical and Electronic Eng.) Hons.

Mr Yeo was appointed Non-Executive Director on 12 August 2019. He has held executive, management and supervisory roles and has a wide range of experience from project planning and resource management to commercial negotiations. He has worked at a leading system integrator in the telecommunications industry in South-East Asia and is currently also an executive director of a steel-product manufacturer.

Board Committees:
Remuneration and Nomination Committee Chair
Audit and Risk Committee Member

Listed company directorships held during the past three years:
None other than EQ Resources Limited.

Company Secretary

Melanie Leydin resigned 27 October 2025
Tony Di Pietro appointed 27 October 2025 and resigned 31 July 2026
Virna Trout appointed 23 July 2026

Mrs Trout is an experienced General Counsel and Company Secretary with more than 20 years' legal, corporate governance and commercial experience across listed and private companies in the mining industry, spanning various commodities and jurisdictions. With extensive experience in high-growth, asset-intensive international environments, Virna brings a deep understanding of stakeholder relationships, operating rhythms, value drivers and commercial transactions in the mining sector. Ms Trout commenced her in-house legal career with Mt Isa Mines and has since held senior roles with Perilya's operations in the Dominican Republic, Brisbane-based consultancy companies and, most recently, as Head of Legal / Company Secretary Asia Pacific and Western Region Sales Director for FLSmidth's Asia Pacific operations.

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Principal Activities

The principal activities of the consolidated entity for the year ended 30 June 2026 were the exploration, production and sale of tungsten.

Results

The net result of operations for the consolidated entity after applicable income tax expense was a profit of A$7.1 million (2025: loss of A$39.2 million). EBITDA for the consolidated entity was A$50.6 million (2025: negative A$9.5 million).

Dividends

No dividends were paid or proposed during the period (2025: nil).

Operating & Financial Review

Information on the operational and financial performance of the Group and its business strategies and prospects for future financial years is set out earlier in this Annual Report. The auditors have issued an unqualified opinion.

Corporate Structure

EQ Resources is a limited company that is incorporated and domiciled in Australia.

Significant Changes

Significant changes in the state of affairs of the Group for the financial year were as follows:

Funding

Primary focus during year was to recapitalise the Company and refinance external financing facilities. Key actions completed during the year were as follows:

- Raising A$56.5 million in the first half of the year to settle outstanding creditors, reduce debt and provide working capital to progress Company objectives.
- Settling A$25.8 million of debt with the issuance of shares in parallel to the capital raises performed in the first half of the year.
- Refinancing €15 million of external debt over a three-year period with an interest rate of EURIBOR plus a margin of 5.5% with Traxys Europe S.A.
- Receiving A$23.5 million of exercised options associated to capital raising activity in FY2025.

Shares on Issue

Due to the recapitalisation of the Company, issued capital increased to A$198.3 million (FY2025: A$93.5 million), with ordinary shares on issue increasing from 2,727,672,193 to 5,115,488,534.

Directors' Interests in Shares, Options and Performance Rights

Director	Shares Directly & Indirectly Held	Options Directly & Indirectly Held	Performance Rights Directly & Indirectly Held
Michael Nossal	1,000,000	9,000,000[1]	-
Oliver Kleinhempel	23,457,211	14,370,370	-
Craig Bradshaw	4,152,142	20,000,000	2,090,000
Nicole Brook	-	6,000,000[1]	-
Stephen Layton	59,744,059	9,000,000	-
Stephen Weir	8,820,105	6,000,000	-
Taki Demedgoglou	4,310,659	177,778	-
Zhui Pei Yeo	114,782,082	22,471,948	-

[1] Grant of options subject to Shareholder approval at AGM.

Meetings of Directors

During the financial year, 9 Board Meetings, 2 Audit & Risk Committee Meetings and 1 Remuneration & Nomination Committee Meeting were held.

Director	Meetings Eligible to Attend	Meetings Attended
Michael Nossal	3	3
Craig Bradshaw	9	9
Oliver Kleinhempel	9	9
Stephen Layton	9	9
Stephen Weir	9	8
Zhui Pei Yeo	9	8

The following table sets out the number of meetings of committees of Directors held during the financial year and the number of meetings attended by each Director (while they were a committee member):

	Remuneration & Nomination Committee		Audit & Risk Committee	
Director	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended
Michael Nossal	0	0	0	0
Craig Bradshaw	0	0	0	0
Oliver Kleinhempel	1	1	2	1
Stephen Layton	1	1	0	0
Stephen Weir	0	0	2	2
Zhui Pei Yeo	1	1	2	2

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Share Options and Performance Rights

During year ended 30 June 2026, the Group granted 67,000,000 Options and 6,270,000 Performance Rights to Key Management Personnel as remuneration. The Performance Rights reflected a 55% vesting outcome assessed in July 2026, subsequence to year end. A further 15,000,000 Options were granted, subject to shareholder approval at the AGM in November 2026.

As at the date of this report, there were 299,706,793 unissued ordinary shares under option of which 71,842,318 relate to options issued to Key Management Personnel.

There were 2,090,000 unissued ordinary shares under performance rights were granted to Key Management Personnel. Refer to the Remuneration Report for further details.

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Remuneration Report - Audited

This report for the year ended 30 June 2026 outlines the Group's remuneration arrangements per the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited in accordance with section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements of Key Management Personnel (KMP), who are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'Executive' includes the Managing Director, senior executives and general managers of the Group, whilst the term 'NED' refers to Non-Executive Directors only.

The Remuneration Report is set out under the following main headings:

(a) Policy Used to Determine the Nature and Amount of Remuneration
(b) Key Management Personnel
(c) Details of Remuneration
(d) Cash Bonuses
(e) Equity Instruments
(f) Options and Performance Rights Granted as Remuneration
(g) Equity Instruments Issued on Exercise of Remuneration Options or Rights
(h) Service Agreements
(i) EQ Resources' Financial Performance

(a) Policy Used to Determine the Nature and Amount of Remuneration

The objective of the Company's remuneration framework is to ensure that the reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

These criteria result in a framework that can provide a mix of fixed and variable remuneration and a blend of short and long-term incentives in line with the Company's financial resources.

Fees and payments to the Company's NED and Executives reflect the demands made on and the responsibilities of the directors and senior management. Such fees and payments are reviewed annually by the Board. The Company's NED and Executives are entitled to receive performance rights, options and/or shares under the Company's Equity Incentive Plan, approved by shareholders at the Extraordinary General Meeting held on 16 March 2026.

Fees for Non-executive Directors are not linked to the performance of the Group.

Use of Remuneration Consultants

The Group has not used any remuneration consultants during the year.

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(b) Key Management Personnel

The following persons were Key Management Personnel of the Group during the 2026 financial year:

	Position	Appointment	Resignation
Directors			
Michael Nossal	Independent Non-Executive Chair	31 March 2026	-
Oliver Kleinhempel	Non-Executive Director Non-Executive Chair Executive Chair Non-Executive Director	31 March 2026 1 October 2025 1 April 2025 12 August 2019	- 30 March 2026 30 September 2025 31 March 2025
Stephen Layton	Independent Non-Executive Director	14 November 2017	31 July 2026
Stephen Weir	Non-Executive Director	19 January 2024	-
Zhui Pei Yeo	Non-Executive Director	12 August 2019	-
Executives			
Craig Bradshaw	Managing Director Non-Executive Director	1 October 2025 1 May 2025	-
Jonathan Kort	Chief Financial Officer	1 June 2025	-
Virna Trout	General Counsel	9 March 2026	-

(c) Details of Remuneration

Directors are entitled to fees out of the funds of the Company, but the fees of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate fees for the Non-Executive Directors has been fixed at a maximum of A$400,000 per annum, which is apportioned among the Non-Executive Directors in the manner they determine. Directors are also entitled to be paid reasonable travel, accommodation, and other expenses incurred due to their attendance at Board Meetings and otherwise in executing their duties as Directors.

Details of the nature and amount of each element of the remuneration of each of the Key Management Personnel of the Company and the consolidated entity during the year ended 30 June 2026 are set out in the following table:

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FY2026	Short-term benefits					Post-employment benefits	Share-based payments			
	Salary & fees A$	Cash bonuses A$	Non-monetary benefits A$	Superannuation A$	Leave provisions A$		Shares A$	Performance rights and options[5] A$	Total A$	Performance based %
Directors										
M. Nossal[1]	23,901	-	-	2,868	-	-	-	-	26,769	0.0%
O. Kleinhempel[2]	99,000	-	-	-	-	-	-	1,236,000	1,335,000	0.0%
S. Layton[3]	57,000	-	-	-	-	-	-	1,236,000	1,293,000	0.0%
S. Weir	-	-	-	-	-	-	-	1,236,000	1,236,000	0.0%
Z.P. Yeo	57,000	-	-	-	-	-	-	1,236,000	1,293,000	0.0%
Executives										
C. Bradshaw [4]	318,615	-	-	30,000	14,786	-	-	3,807,108	4,170,509	91.3%
J. Kort	302,019	-	-	30,000	12,464	-	-	1,826,821	2,171,304	84.1%
V. Trout[5]	86,731	-	-	9,277	1,788			730,975	828,771	88.2%
Total KMP compensation	**944,266**	**-**	**-**	**72,145**	**29,038**	**-**	**-**	**11,308,904**	**12,354,353**	**91.5%**

[1] M. Nossal commenced as Independent Non-Executive Chair on 31 March 2026.

[2] O. Kleinhempel was Chair until 31 March 2026 when he transitioned to the role of Non-Executive Director

[3] S. Layton retired from the Board on 31 July 2026.

[4] C. Bradshaw appointed as Managing Director on 1 October 2025 following his appointment as Non-executive Director on 1 May 2025.

[5] V. Trout commenced as General Counsel on 9 March 2026

[6] Performance rights and options do not represent cash payments to Directors or Executives. The amounts disclosed represent the accounting value recognised for share-based payments in accordance with AASB 2 Share-based Payment. Performance rights and options may vest, lapse or, in the case of options, be exercised in future periods subject to the relevant vesting conditions and terms of issue.

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	Short-term benefits						Share-based payments			
FY2025	Salary & fees A$	Cash Bonuses A$	Non-monetary benefits A$	Superannuation A$	Leave provisions A$	Post-employment benefits A$	Shares A$	Performance rights and options A$	Total A$	Performance based %
Directors										
C. Bradshaw[1]	8,000	-	-	-	-	-	-	-	8,000	0.0%
O. Kleinhempel[2]	60,000	-	-	-	-	-	-	178,192	238,192	0.0%
S. Layton	48,000	-	-	-	-	-	-	66,822	114,822	0.0%
S. Weir	-	-	-	-	-	-	-	66,822	66,822	0.0%
Z.P. Yeo	48,000	-	-	-	-	-	-	66,822	114,822	0.0%
R Morrow[3]	48,000	-	-	-	-	-	-	66,822	114,822	0.0%
Executives										
K.B. MacNeill[4]	300,000	-	24,215	29,932	38,791	-	-	136,207	529,145	25.7%
A Mooney[5]	87,692	-	-	10,085	-	6,921	-	-	104,698	0.0%
J. Kort[6]	36,154	20,000	-	4,158	1,472	-	-	-	61,784	0.0%
Total KMP compensation	**635,846**	**20,000**	**24,215**	**44,175**	**40,263**	**6,921**	**-**	**581,687**	**1,353,107**	**43.0%**

[1] C. Bradshaw appointed as Non-Executive Director on 1 May 2025.

[2] O. Kleinhempel appointed as Executive Chair on 1 April 2025.

[3] R. Morrow resigned as Non-executive Director on 30 June 2025

[4] K. MacNeill transitioned from Chief Executive Officer to Chief Technical Officer on 1 April 2025 and ceased being a KMP at that date

[5] A. Mooney appointed as Chief Financial Officer on 21 October 2024 and resigned on 3 February 2025

[6] J. Kort appointed as Chief Financial Officer on 1 June 2025

(d) Cash Bonuses

No cash bonuses were paid during the reporting period.

(e) Equity Instruments

The Company rewards NED and Executives for their performance and aligns their remuneration with the creation of shareholder wealth by issuing shares, options or performance rights. Share-based compensation is at the discretion of the Board, and no individual has an unconditional contractual right to participate in any share-based plan or receive any guaranteed benefits.

(i) Shareholdings

The trading of shares issued pursuant to the Company's Equity Incentive Plan is subject to the Company's Securities Trading Policy. The following table provides the number of Shares held by the Key Management Personnel at the start and the end of FY26, as well as a reconciliation of the changes to them during that period.

	Balance at 1 July 2025	Granted as compensation	Exercise Options	Performance rights received	Other Changes	Balance at 30 June 2026	Balance held nominally
Directors							
M. Nossal	-	-	-	-	1,000,000	1,000,000	-
O. Kleinhempel	23,144,711	-	312,500	-	-	23,457,211	-
S. Layton	55,431,559	-	312,500	-	4,000,000	59,744,059	-
S. Weir	3,079,364	-	3,740,741	-	2,000,000	8,820,105	-
Z.P. Yeo	114,469,582	-	312,500	-	-	114,782,082	-
Executives							
C.R. Bradshaw	1,107,142	-	-	1,045,000	2,000,000	4,152,142	-
J. Kort[1]	-	-	5,000,000	1,045,000	-	6,045,000	-
V. Trout	-	-	-	-	-	-	-
	197,232,358	**-**	**9,678,241**	**2,090,000**	**9,000,000**	**218,000,599**	**-**

[1] During December 2025, a nominee of J. Kort acquired 2,000,000 shares through participation in the Company's Equity Raising Placement. The shares acquired were subsequently sold in April 2026.

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(ii) Equity Awards

The following table provides the number of Performance Rights/Options held by the Key Management Personnel at the start and the end of FY26, as well as a reconciliation of the changes to them during that period.

	Instrument	Balance 1 July 2025	Granted	Lapsed / Cancelled	Exercised	Balance 30 June 2026	Total vested and exercisable	Total unvested & exercisable
Directors								
M. Nossal[1]	Options	-	-	-	-	-	-	-
O. Kleinhempel	Options	8,682,870	6,000,000	-	(312,500)	14,370,370	14,370,370	-
S. Layton	Options	3,312,500	6,000,000	-	(312,500)	9,000,000	9,000,000	-
S. Weir	Options	3,740,741	6,000,000	-	(3,740,741)	6,000,000	6,000,000	-
Z.P. Yeo	Options	16,784,448	6,000,000	-	(312,500)	22,471,948	22,471,948	-
Executives								
C.R. Bradshaw	Options	-	20,000,000	-	-	20,000,000	20,000,000	-
C.R. Bradshaw	PR*	-	5,700,000	(2,565,000)	-	3,135,000	1,045,000	2,090,000
J. Kort	Options	-	15,000,000	-	(5,000,000)	10,000,000	-	10,000,000
J. Kort	PR*	-	5,700,000	(2,565,000)	-	3,135,000	1,045,000	2,090,000
V. Trout	Options	-	8,000,000	-	-	8,000,000	-	8,000,000
		32,520,559	**78,400,000**	**(5,130,000)**	**(9,678,241)**	**96,112,318**	**73,932,318**	**22,180,000**

PR* = Performance Rights

[1] Grant of 9,000,000 options subject to approval by Shareholders at AGM. Proposed conditions include an exercise price of A$0.40 with vesting in three equal tranches over a three-year period commencing July 2026.

During the year the Company granted 5,700,000 performance rights to both the Managing Director and Chief Financial Officer under the Equity Incentive Plan. The rights have a nil exercise price and are subject to performance service conditions. Upon satisfaction of the applicable vesting conditions each vested right converts into one ordinary share. The rights expire 30 September 2028.

The performance rights are subject to both market and non-market performance conditions and therefore may lapse without value if those conditions are not achieved. The Board consider the performance rights provide alignment between executive reward and shareholder outcomes through the Absolute TSR and Relative TSR hurdles bother with operational and safety performance measures.

Grant	Number	Fair Value at Grant Date[1]	Vesting Condition	Lapsed / Cancelled	Balance 30 Jun 26	Total vested and exercisable	Expiry Date
Unvested Performance Rights							
Tranche 1	2,280,000	A$809,400	FY26 TSR Assessment + Service Condition	-	2,280,000	760,000	30/09/2028
Tranche 2	2,280,000	A$808,602	FY26 TSR assessment + Service Condition	-	2,280,000	760,000	30/09/2028
Tranche 3	2,280,000	-	FY26 Production Target	(2,280,000)	-	-	30/09/2028
Tranche 4	2,280,000	-	FY26 LTIFR Target	(2,280,000)	-	-	30/09/2028
Tranche 5	2,280,000	A$607,050	Debt Refinancing milestone	(570,000)	1,710,000	570,000	31/03/2028
	11,400,000	**A$2,225,052**		**(5,130,000)**	**6,270,000**	**2,090,000**	

[1] Fair value is determined at grant date. Market conditions (Tranches 1–2, TSR Assessment) are valued via Monte Carlo simulation, which embeds vesting probability. Non-market conditions (Tranches 3–5) are valued at grant-date closing share price, with vesting probability instead reflected in the number of rights expected to vest, reassessed each reporting date.
Each tranche vests in equal one-third instalments on the performance determination date and on the first and second anniversaries of that date.

Directors' Report continued

(iii) Loans to Key Management Personnel

No loans have been made to Key Management Personnel of the consolidated Group, including their personally related entities during the reporting period.

(iv) Other Transactions and Balances

No transactions were entered into with Key Management Personnel during the financial year other than those disclosed in Note 14.

(v) Equity Awards Granted as Remuneration

The Company granted the following options to Key Management Personnel of the Group during the reporting period as part of their remuneration:

								Share-Based Payments	
	Instrument	No.	Grant date	Vesting date	Expiry date	FV per Equity Award at grant date	Total FV Equity Award	Forfeited	Expensed 2026 year
Directors									
O. Kleinhempel	Options	6,000,000	20/03/2026	20/03/2026	22/03/2029	0.2060	1,236,000	-	1,236,000
S. Layton	Options	6,000,000	20/03/2026	20/03/2026	22/03/2029	0.2060	1,236,000	-	1,236,000
S. Weir	Options	6,000,000	20/03/2026	20/03/2026	22/03/2029	0.2060	1,236,000	-	1,236,000
Z.P. Yeo	Options	6,000,000	20/03/2026	20/06/2026	22/03/2029	0.2060	1,236,000	-	1,236,000
Executives									
C.R. Bradshaw	Options	5,000,000	27/11/2025	27/11/2025	27/11/2028	0.0374	187,000	-	187,000
C.R. Bradshaw	Options	15,000,000	20/03/2026	20/03/2026	22/03/2029	0.2060	3,090,000	-	3,090,000
C.R. Bradshaw	PR -T1	1,140,000	16/03/2026	30/06/2026	30/09/2028	0.3600	410,400	-	184,912
C.R. Bradshaw	PR -T2	1,140,000	16/03/2026	30/06/2026	30/09/2028	0.3595	409,830	-	184,655
C.R. Bradshaw	PR -T3	1,140,000	16/03/2026	30/06/2026	30/09/2028	0.3600	-	-	-
C.R. Bradshaw	PR -T4	1,140,000	16/03/2026	30/06/2026	30/09/2028	0.3600	-	-	-
C.R. Bradshaw	PR -T5	1,140,000	16/03/2026	08/12/2025	31/03/2028	0.3600	307,800	-	160,541
J. Kort	Options	5,000,000	13/10/2025	13/10/2025	13/10/2028	0.0196	98,000	-	98,000
J. Kort	Options	4,000,000	11/03/2026	09/07/2026	09/01/2029	0.2573	1,029,200	-	960,587
J. Kort	Options	3,000,000	11/03/2026	09/07/2027	09/01/2029	0.2573	771,900	-	178,253
J. Kort	Options	3,000,000	11/03/2026	09/07/2028	09/01/2029	0.2573	771,900		101,590
J. Kort	PR -T1	1,140,000	09/04/2026	30/06/2026	30/09/2028	0.3500	399,000	-	170,813
J. Kort	PR -T2	1,140,000	09/04/2026	30/06/2026	30/09/2028	0.3498	398,772	-	170,715
J. Kort	PR -T3	1,140,000	09/04/2026	30/06/2026	30/09/2028	0.3500	-	-	-
J. Kort	PR -T4	1,140,000	09/04/2026	30/06/2026	30/09/2028	0.3500	-	-	-
J. Kort	PR -T5	1,140,000	09/04/2026	08/12/2025	31/03/2028	0.3500	299,250	-	146,864
V. Trout	Options	3,000,000	09/04/2026	01/07/2026	03/03/2029	0.1966	589,800	-	589,800
V. Trout	Options	2,500,000	09/04/2026	01/07/2027	03/03/2029	0.1966	491,500	-	91,059
V. Trout	Options	2,500,000	09/04/2026	01/07/2027	03/03/2029	0.1966	491,500	-	50,116
		78,400,000					**14,689,852**	**-**	**11,308,905**

PR = Performance Rights

T= Tranche

Each tranche vests in equal one-third instalments on the performance determination date and on the first and second anniversaries of that date.

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(g) Equity Instruments Issued on Exercise of Remuneration Options or Rights

9,678,241 instruments were issued during the 2026 financial year to Key Management Personnel as a result of options exercised that had previously been granted as remuneration.

Key Management Person	Number of Options Exercised	Shares Issued	Amount Paid per instrument
Directors			
M. Nossal	-	-	-
O. Kleinhempel	312,500	312,500	0.0650
S. Layton	312,500	312,500	0.0650
S. Weir	740,741	740,741	0.0675
S. Weir	3,000,000	3,000,000	0.0700
Z.P. Yeo	312,500	312,500	0.0650
Executives			
C. Bradshaw	-	-	-
J. Kort	5,000,000	5,000,000	0.0500
V. Trout	-	-	-
	9,678,241	**9,678,241**	

(h) Service Agreements

Remuneration and other terms of employment for the Key Management Personnel are formalised in Service/Appointment Agreements. All contracts may be terminated by either party with regards to the stipulated notice period, subject to any termination payments as detailed below.

Directors

M. Nossal

There is a written agreement with Mr Nossal dated 30 March 2026 in his role as Independent Non-executive Chair of the Company. This position continues until Mr Nossal ceases to hold office as director and may be terminated at any time by written notice of resignation.

C.R. Bradshaw

There is a written agreement with Mr Bradshaw dated 26 March 2025 in his role as Non-executive Director of the Company. An Executive Employment Agreement was entered into on 17 September 2025 following Mr Bradshaw's appointment as Managing Director. The Company or Mr Bradshaw may terminate the contract by giving three month's written notice.

O. Kleinhempel

There is a written agreement with Mr Kleinhempel dated 12 August 2019 in his role as Non-executive Director of the Company This position continues until Mr Kleinhempel ceases to hold office as director and may be terminated at any time by written notice of resignation. There was a subsequent agreement dated 1 April 2025 as Executive Chair, which expired on 30 September 2025.

S. Layton

There is a written agreement with Mr Layton dated 9 November 2017 in his role as Non-executive Director of the Company. This position continues until Mr Layton ceases to hold office as director and may be terminated at any time by written notice of resignation.

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S.R. Weir

There is a written agreement with Mr Weir, appointed Nominee Director for Oaktree Capital Management, L.P. ("Oaktree"). Mr Weir's compensation was covered by Oaktree during the 2026 financial year.

Z.P. Yeo

There is a written agreement with Mr Yeo dated 12 August 2019 in his role as Non-executive Director of the Company. This position continues until Mr Yeo ceases to hold office as director and may be terminated at any time by written notice of resignation.

Executives

J. Kort

There is a written agreement with Mr Kort dated 1 June 2025 in his role as Chief Financial Officer. The Company or Mr Kort may terminate the contract by giving three month's written notice.

V. Trout

There is a written agreement with Mrs Trout dated 7 March 2026 in her role as General Counsel & Company Secretary. The Company or Mrs Trout may terminate the contract by giving three month's written notice.

FY2027 Remuneration Structure

The Company's recent growth has increased the scope, complexity and accountability of its Executive leadership roles. As such, an independent consultant was engaged to benchmark current remuneration structures of similar sized ASX listed entities to inform the FY2027 Executive remuneration structure.

Executive remuneration to be structured as follows:

Fixed remuneration (FR)	Base salary, superannuation and other fixed benefits
Short Term Incentive (STI)	An annual cash incentive based on performance targets.
Long Term Incentive (LTI)	Performance rights linked to relative and absolute returns, with awards vesting after a three-year period.

All Executives will be subject to the following STI framework with the ability to achieve between 0% (performance below threshold measured) to 150% (performance greater than stretch measures) of the target:

Measure	Percentage	Indicative anchor
Safety (TRIFR/ critical control performance)	30%	Improvement vs FY2026 baseline; zero fatalities (threshold)
Group Production (t WO_3)	30%	Performance against production targets set by the Board.
Unit operating cost (US$/mtu)	15%	Performance against cost targets set by the Board.
ESG, people and culture	10%	Environmental compliance, community/ stakeholder outcomes, leadership and culture, talent development and succession capability.
Individual	15%	Role specific strategic initiatives.

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Following the benchmarking advice, the Board approved the following FY2027 remuneration packages for Executive KMPs:

Executive	Position	Base Salary	Superannuation	STI % of Base Salary	LTI % of Base Salary
Craig Bradshaw	Managing Director	A$750,000	A$ 32,500	70%	100%
Jonathan Kort	Chief Financial Officer	A$500,000	A$ 32,500	60%	75%
Virna Trout	General Counsel and Company Secretary	A$325,000	A$ 32,500	50%	60%

(i) EQ Resources' Financial Performance

EQ Resources' financial performance for the five year to 30 June 2026 is summarised below and the relationship between results and performance is discussed:

	Measure	2026	2025	2024	2023	2022
Net profit / (loss) after tax	A$m	7.1	(39.2)	(14.4)	(3.7)	(6.1)
Net assets	A$m	154.3	36.3	44.3	16.3	14.3
Cash and cash equivalents	A$m	28.2	1.9	3.5	5.3	1.7
Cash flows from operating activities	A$m	(5.6)	(16.9)	(12.7)	(1.4)	(3.1)
EBITDA	A$m	50.6	(9.5)	(5.2)	(0.8)	(4.5)
Share price at 30 June	A$	0.29	0.041	0.048	0.07	0.047
Basic earnings/(loss) per share	cents	0.18	(1.70)	(0.13)	(0.26)	(0.45)
Dividend paid	A$m	Nil	Nil	Nil	Nil	Nil

The profit for the consolidated Group for the financial year after tax amounted to A$7.1 million (2025: restated loss of A$39.2 million). This is the Group's first profitable year.

The Group has created value for shareholders through:

- Achieving the Group's first full year of profitability, with net profit after tax of A$7.1 million (2025: loss of A$39.2 million), supported by an improvement in Adjusted EBITDA to A$50.6 million (2025: loss of A$9.5 million);
- Strengthening the balance sheet through an institutional placement and related share issues raising approximately A$111.0 million in gross proceeds during the year;
- Converting approximately A$24.9 million of related-party and other debt to equity, reducing the Group's reliance on debt funding;
- Securing a €15.0 million offtake prepayment facility with Traxys for Saloro S.L.U., diversifying the Group's funding sources.

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Directors' Report (cont.)

Indemnification and Insurance of Officers and Auditors

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an Officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an Officer, including costs and expenses in successfully defending legal proceedings.

Insurance Premiums

During the financial period, the Company has paid premiums to insure each of the Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed, as such disclosure is prohibited under the terms of the insurance contract.

Audit and Non–Audit Services

During the financial year, the following fees for audit and non-audit services were paid or payable to Nexia Melbourne Audit Pty Ltd, Nexia Melbourne Pty Ltd and Deloitte Australia, Spain:

	2026 A$	2025 A$
Audit-related services		
Amounts paid or payable:		
- Nexia Melbourne Audit Pty Ltd	189,660	137,950
- Deloitte, Spain	249,008	224,424
Taxation services		
Amounts paid or payable:		
- Nexia Melbourne Pty Ltd	1,100	4,600
- Deloitte, Australia	40,000	-
- Deloitte, Spain	89,897	204,218
	569,665	571,192

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

On the advice of the Audit Committee, the Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit Committee has reviewed all non-audit services to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the non-audit services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

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Rounding Off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2026/183 and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is set out and located after the Director's Declaration and forms part of this report.

Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is displayed on the Company's website at https://www.eqresources.com.au/site/who-we-are/corporate-governance.

Signed this 30th day of September 2026 in accordance with a resolution of Directors.



Michael Nossal
Independent Non-Executive Chair

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

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	Note	30 June 2026 A$'000	30 June 2025 (*) A$'000
Revenue	4	**165,439**	66,050
Other income	4	**1,601**	3,430
Total revenue & other income		**167,040**	69,480
Administration expenses		**(7,015)**	(2,653)
Mining and operating costs		**(96,098)**	(69,899)
Employee benefits expense		**(4,759)**	(4,470)
Share based payments expense		**(17,233)**	(3,736)
Occupancy expense		**(5,437)**	(1,436)
Depreciation and amortisation expense	5	**(17,432)**	(12,037)
Interest and finance charges	5	**(6,466)**	(5,601)
Impairments expense	5	**-**	(5,820)
Change in fair value of financial assets & liabilities		**(1,701)**	(1,612)
Loss on disposal of fixed assets		**(866)**	(941)
Other expense		**(2,920)**	(503)
Total expenses		**(159,927)**	(108,708)
Profit (Loss) before income tax expense		**7,113**	(39,228)
Income tax expense	6	**-**	-
Profit (Loss) after income tax expense		**7,113**	(39,228)
Profit for the year attributable to:			
Owners of EQ Resources Limited		**7,113**	(39,228)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss, net of tax:			
Exchange differences on translation of foreign operations		**(5,843)**	3,164
Items that will not be reclassified subsequently to profit or loss, net of tax:			
Other comprehensive income/(loss)		**-**	-
Other comprehensive income/(loss) for the year		**(5,843)**	3,164
Total Comprehensive Profit / (Loss)		**1,270**	(36,064)
Attributable to Owners of EQ Resources Limited			
		Cents	Cents
Basic profit (loss) per share	13	**0.18**	(1.70)
Diluted profit (loss) per share	13	**0.17**	(1.70)

(*) *The comparative information has been reclassified to enhance comparability.*

The above *consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	30 June 2026 A$'000	30 June 2025 (*) A$'000
Current Assets			
Cash and cash equivalents	8(a)	**28,180**	1,874
Trade and other receivables	8(b)	**36,219**	7,304
Prepayments	8(b)	**4,895**	1,652
Financial assets	8(b)	**482**	728
Inventory	10(a)	**23,283**	19,522
Total current assets		**93,059**	31,080
Non-Current Assets			
Trade and other receivables	8(b)	**2,619**	1,738
Financial assets	8(b)	**983**	2,338
Inventory	10(a)	**23,662**	22,152
Property, plant and equipment	10(b)	**119,723**	114,272
Right-of-use assets	10(b)	**13,448**	16,384
Intangible asset	10(c)	**116**	88
Exploration and evaluation	10(d)	**1,825**	1,220
Total Non-Current Assets		**162,376**	158,192
Total Assets		**255,435**	189,272
Current Liabilities			
Trade and other payables	8(c)	**32,612**	58,486
Deferred Revenue	9	**11,227**	-
Employee benefits	10(e)	**2,028**	1,392
Lease liabilities	8(c)	**6,210**	5,873
Convertible notes	8(c)	**-**	2,779
Financial liabilities	8(c)	**10,804**	2,568
Contract liability – offtake	9(i)	**5,079**	13,143
Borrowings	8(c)	**8,914**	43,608
Total Current Liabilities		**76,874**	127,849
Non-Current Liabilities			
Employee benefits	10(e)	**305**	137
Other payables	8(c)	**-**	4,007
Lease liability	8(c)	**6,076**	8,506
Financial liabilities	8(c)	**-**	9,974
Provisions	10(e)	**2,320**	2,512
Borrowings	8(c)	**15,592**	-
Total Non-Current Liabilities		**24,293**	25,136
Total Liabilities		**101,167**	152,985
Net Assets		**154,268**	36,287
Equity			
Issued capital	11	**198,310**	93,487
Reserves	12	**19,763**	13,718
Accumulated losses	12	**(63,805)**	(70,918)
Total Equity		**154,268**	**36,287**

(*) Refer to *note 1(e) for details regarding to prior year restatement*

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 A$'000	2025 A$'000
Cash Flows from Operating Activities			
Proceeds from sales to customers		**125,258**	70,308
Proceeds from diesel fuel rebate		**1,183**	1,500
Proceeds from grants and subsidies		**4**	133
Proceeds from other sources		**-**	92
Payment to suppliers, production and employees		**(124,126)**	(85,936)
Interest paid		**(4,727)**	(3,042)
Interest received		**250**	27
Income taxes paid		**(2,931)**	**-**
R&D tax incentive (net of cost of preparation)		**(506)**	**-**
Net Cash Flows Used in Operating Activities	7	**(5,595)**	**(16,918)**
Cash Flows from Investing Activities			
Payments for the purchase of plant and equipment		**(8,457)**	(2,003)
Payments for other non-current assets		**(1,506)**	(7,908)
Payments for the capitalised exploration and evaluation expenditure		**(2,946)**	(278)
Payments for the purchase of other entities		**(1,664)**	(1,236)
Proceeds from the sale or disposal of plant and equipment		**-**	51
Payments for the purchase of tenements		**(5,281)**	(2)
Payments / proceeds for tenement security deposits		**(342)**	-
Other investing payments (contract buy-out)		**(3,239)**	-
Proceeds from disposal of tenements		**6**	-
Net Cash Flows Used in Investing Activities		**(23,429)**	**(11,376)**
Cash Flows from Financing Activities			
Proceeds from the issue of shares		**55,748**	25,705
Proceeds from the issue of convertible notes		**683**	3,000
Proceeds from the exercise of options		**23,188**	-
Payments for share / convertible note issue costs		**(4,572)**	(1,231)
Proceeds from short-term loan facilities (other related parties)		**-**	1,066
Payments for loans and borrowings	8 (c)(i)	**(53,042)**	(9,580)
Payments for lease liabilities		**(4,534)**	(3,513)
Proceeds from borrowing	8 (c)(i)	**24,506**	-
Proceeds from offtake prepayments		**13,674**	11,310
Net Cash Flows from Financing Activities		**55,651**	**26,757**
Net (decrease)/increase in cash held		**26,627**	(1,537)
Add opening cash brought forward		**1,874**	3,490
Effect of movement in exchange rates on cash held		**(321)**	(79)
Closing Cash Carried Forward		**28,180**	1,874

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Contributed equity A$'000	Accumulated profit/(losses) A$'000	Reserves A$'000	Total A$'000
At 1 July 2025		**93,487**	**(70,918)**	**13,718**	**36,287**
Profit / (Loss) for the year		-	7,113	-	**7,113**
Other comprehensive income:					
Foreign currency translation differences		-	-	(5,843)	**(5,843)**
Total comprehensive income for the period		**-**	**7,113**	**(5,843)**	**1,270**
Issue of share capital		110,956	-	-	**110,956**
Share issue costs		(6,133)	-	-	**(6,133)**
Share-based payments recognised in equity		-	-	11,888	**11,888**
Total transactions with owners in their capacity as owners		104,823	-	11,888	**116,711**
Balance at 30 June 2026		**198,310**	**(63,805)**	**19,763**	**154,268**
At 1 July 2024		**68,338**	**(17,388)**	**5,675**	**56,625**
Prior year reclassification	1(f)	-	(19,061)	-	**(19,061)**
Profit / (Loss) for the year		-	(39,228)	-	**(39,228)**
Other comprehensive income:					
Foreign currency translation differences		-	-	3,164	**3,164**
Total comprehensive loss for the period		**-**	**(39,228)**	**3,164**	**(36,064)**
Reclassification	1(e)	(4,759)	4,759	-	**-**
Issue of share capital		25,169	-	-	**25,169**
Share premium		6,112	-	-	**6,112**
Share issue costs		(1,373)	-	-	**(1,373)**
Share-based payments recognised in equity		-	-	4,879	**4,879**
Total transactions with owners in their capacity as owners		25,149	4,759	4,879	**34,787**
Balance at 30 June 2025		**93,487**	**(70,918)**	**13,718**	**36,287**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying note.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

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1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report pertains to the consolidated entity of EQ Resources Limited (Parent entity) and its subsidiaries (the "Company", "Group" or "EQR")

(b) Going Concern Basis for Preparation of Financial Statements

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. To ensure the Group can meet its working capital, sustaining capital and expansionary capital expenditure requirements in the ordinary course of business, the Group routinely monitors its available cash and liquidity.

For the full year ended 30 June 2026, the consolidated entity incurred a total profit after tax of A$7.1 million (2025: restated loss of A$39.2 million) and had a positive net working capital position of A$16.2 million. Whilst cash flows from operations for the full year were a negative A$5.6 million, cash generated from operations in the second half of the financial year approximately over A$11.0 million.

In addition, the Group's external borrowings were refinanced during the year, reducing from A$43.6 million at 30 June 2025 to A$24.5 million at 30 June 2026, on a three-year term with Traxys Europe S.A., refer to Note 8(c)).

Cash on hand at 30 June 2026 was A$28.2 million.

(c) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with the requirements of the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report is presented in Australian currency. The consolidated entity operates on a for-profit basis.

(i) *Basis of measurement*

These financial statements have been prepared under the historical cost convention, except for investments which are measured at fair value.

(ii) *Compliance with IFRS*

The financial report of EQR complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(iii) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates and for management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Notes to the Consolidated Financial Statements continued

(iv) Rounding of amounts

The Company is an entity to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* applies. Accordingly, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Change in presentation of expenses

During the year, the Group revised the level of aggregation of certain expense line items presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Certain expenses that were presented separately in the prior year have been grouped into broader expense categories in the current year to provide a clearer and more concise presentation of the Group's financial performance.

Comparative information for the year ended 30 June 2025 has been reclassified to conform with the current year presentation. The changes relate only to the presentation and aggregation of expense line items and have no impact on total revenue and other income, total expenses, profit or loss, total comprehensive income, net assets or equity previously reported.

Further information regarding the nature of material expenses is provided in Note 5.

(e) Correction of prior year errors

The Company has restated the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Changes in Equity as at 30 June 2025 due to share based payments, a correction of A$4.8 million of options issued to third parties that related to cash consideration only, or as part of capital management or funding activities, these arrangements fall outside the scope of AASB 2 and are accounted for as equity transactions under AASB 132.

The error has been corrected by restatement of the affected financial statement line items for the prior period as follows:

Consolidated balance sheet (extract)	30 June 2025 (Previously stated)	SBP correction	30 June 2025 (*) Restated
	A$'000	A$'000	A$'000
Issued capital	98,246	(4,759)	93,487
Reserves	13,718	–	13,718
Accumulated losses	(75,677)	4,759	(70,918)
Total Equity	**36,287**	**–**	**36,287**

(f) Prior year reclassification

Management identified A$19.1 million requiring reclassification within opening equity, corrected retrospectively per AASB 108 to the 1 July 2024 accumulated losses balance:

- A$12.3 million: net FY2024 restatement (bargain purchase gain A$12.8 million, less depreciation restatement A$0.5 million), first identified in the FY2025 comparative period; and
- A$6.8 million: derecognition of retained losses on the 1 July 2024 MtCRM joint venture buyout from Cronimet.

Accumulated losses at 1 July 2024 are restated from A$(17.4 million) to A$(36.4 million).

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(g) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2026.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, whilst any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Joint Arrangements

The Group determines the classification of a joint arrangement, as either a joint operation or a joint venture, based on the Group's rights and obligations arising from the arrangement. For joint operations, the Group recognises its share of the assets, liabilities, revenue and expenses of the joint operation directly, rather than as an equity-accounted investment. Where the Group obtains an additional interest in a joint operation that constitutes a business, the Group applies AASB 3 to account for the incremental interest acquired. The requirement in AASB 3.42 to remeasure a previously held equity interest at fair value through profit or loss applies only to a business combination achieved in stages; it does not apply where the Group already jointly controlled the operation and subsequently obtains control (AASB 11.20-21).

Notes to the Consolidated Financial Statements continued

(h) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

(i) Property, Plant and Equipment

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, where applicable. Cost includes expenditure that is directly attributable to the acquisition or construction of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Economic life assets' depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Mining plant and equipment 3 - 10 years *
- Mine properties units-of-production
- Motor vehicles 4 years **
- Office equipment 3 - 5 years

* Except for life-of-mine assets which are depreciated on the units-of-production ("UoP") method. Depreciation is based on assessments of proven and probable reserves to be mined by the current production equipment.

** In some circumstances the useful life of motor vehicles such as trucks, concentrate haulage trailers or service vehicles may be estimated to be either lesser than or greater than four years, in which case those vehicles will be depreciated over their estimated useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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Deferred Stripping costs

Stripping costs are capitalised in "Property, plant and equipment" as a stripping activity asset when the stripping activity has future economic benefit by providing improved access to an identified ore body and when the costs associated with the activity can be measured reliably. Cost includes those that are directly attributable to performing the stripping activity that improves access to the identified component of the ore and an allocation of directly attributable overhead costs.

When the cost of stripping which has a future benefit, is not distinguishable from the cost of producing current inventories, the stripping cost is allocated to each of these activities based on a relevant production measure using a life-of-component strip ratio. The ratio divides the tonnage of waste mined for the component for the period either by the quantity of ore mined for the component or by the quantity of minerals contained in the ore mined for the component.

Subsequent to initial recognition, the stripping activity asset is carried at its cost less depreciation and impairment losses. The stripping activity asset is depreciated on a systematic basis, over the expected useful life of the identified component of the ore body. This best reflects the consumption of the economic benefits from the stripping activity. The UoP method of depreciation is applied.

Mine development expenditure

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured. No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, all subsequent development expenditure is capitalised and classified as assets under construction, provided commercial viability conditions continue to be satisfied and the previously recognised costs are amortised over the life of the area of interest, to which such costs relate, on a unit of production (UoP) basis.

(j) Intangible Assets

Intangible Assets Acquired Separately

Intangible assets acquired separately are initially measured at cost.

Intangible assets with finite useful lives are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the asset. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with any changes accounted for prospectively as changes in accounting estimates.

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. These assets are not amortised but are tested for impairment annually and whenever there is an indication that the asset may be impaired. The assessment of whether an intangible asset has an indefinite useful life is reviewed at the end of each reporting period.

Notes to the Consolidated Financial Statements continued

Initial payments for the acquisition of intangible mineral lease assets are capitalised and amortised over the term of the permit. The Group regularly reviews each area of interest to determine whether the carrying amount continues to be recoverable. Capitalised costs are carried forward only where recovery through the successful exploitation or sale of the relevant area of interest is considered probable. Where recovery of capitalised expenditure is no longer considered probable, the relevant carrying amount is recognised as an impairment loss.

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially measured at fair value at the acquisition date.

After initial recognition, intangible assets acquired in a business combination are accounted for on the same basis as intangible assets acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(k) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(l) Inventory

Inventory is valued at the lower of cost and net realisable value as per AASB 102 with the exception of the 7 million tonnes of stockpiled inventory which was recognised at fair value as part of the Mt Carbine Quarries Pty Ltd business combination recognised on 28 June 2019. This inventory will be consumed on a units-of-production basis. As at 30 June 2026, approximately 5.32 million tonnes remain (2025: 5.36 million tonnes remained).

The cost of partly processed and saleable products is generally the cost of production, including:

- labour costs, materials and contractor expenses which are directly attributable to the processing of quarry material or the production of tungsten concentrate;
- the depreciation of property, plant and equipment used in the processing of quarry material or the production of tungsten concentrate; and
- Production overheads.

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For processed inventories, costs are derived on an absorption costing basis, comprising costs of purchasing raw materials and costs of production, including attributable mining and processing overheads, having regard to normal operating capacity. Fixed production overheads are allocated to inventory based on normal operating capacity; any unallocated overheads arising from abnormally low production or plant idle time are recognised as an expense in the period in which they are incurred.

Inventory quantities are assessed primarily through surveys and assays.

(m) Trade and other receivables

Trade receivables are amounts due from customers for concentrate sold in the ordinary course of business. As they generally do not contain a significant financing component, they are recognised initially at the transaction price determined under AASB 15 and are subsequently measured at amortised cost, less a loss allowance for expected credit losses.

Trade receivables are due for settlement within terms consistent with the Group's offtake arrangements and are classified as current assets, consistent with the Group's operating cycle, unless collection is not expected within 12 months of the reporting date.

(n) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value on initial recognition, as appropriate.

Classification and subsequent measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification depends on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the asset.

- Trade receivables and other financial assets held to collect contractual cash flows that are solely payments of principal and interest are measured at amortised cost using the effective interest method, less any impairment.
- Financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are measured at FVOCI.
- Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL.

Notes to the Consolidated Financial Statements continued

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost, including trade receivables. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires the loss allowance to be measured at an amount equal to lifetime ECL from initial recognition of the receivable. Lifetime ECL are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors specific to the debtor and general economic conditions, including the concentration of revenue with a small number of offtake counterparties.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Group transfers the rights to receive the cash flows and either transfers substantially all the risks and rewards of ownership or neither transfers nor retains substantially all the risks and rewards but transfers' control. A financial liability is derecognised when the obligation is discharged, cancelled or expires.

(o) Borrowings

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the accounting policy for borrowing costs.

Borrowings are classified as current unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

(p) Employee Benefits

Short-term employee benefits

Liabilities recognised for salaries and wages, annual leave and any other short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled in respect of services provided by employees up to the reporting date. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Long term employee benefits

Liabilities recognised in respect of long service leave and any other long term employee benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary levels, historical employee turnover rates and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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(q) Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(r) Cash and Cash Equivalents

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at bank.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

(s) Revenue & Other Income

Revenue

Revenue from contracts with customers is measured at the transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when, or as, the Group satisfies a performance obligation by transferring control of a promised good or service to a customer.

Amounts received before the transfer of the related goods or services are recognised as contract liabilities. Revenue is subsequently recognised when, or as, the relevant performance obligation is satisfied. The timing of an advance payment does not, by itself, determine whether revenue is recognised at a point in time or over time.

Sale of Tungsten Concentrate and Related Freight and Logistics Services

Revenue from the sale of tungsten concentrate is generally recognised at the point in time at which control of the concentrate transfers to the customer. The Group determines that point by considering the relevant contractual terms and indicators of control, including the transfer of title and risk, physical possession, the Group's present right to payment, customer acceptance provisions and the applicable Incoterms.

Where control of the concentrate transfers before contracted freight, insurance or logistics activities have been completed, the Group assesses whether those activities constitute a distinct promised service to the customer. This assessment includes services performed by third-party carriers but arranged by the Group.

If the post-transfer service is distinct, the transaction price is allocated between the concentrate and the service based on their relative stand-alone selling prices. This represents an allocation of the existing bundled contract consideration and does not represent additional revenue, require a separate freight charge or require a separate invoice.

Revenue allocated to the concentrate is recognised when control of the concentrate transfers. Revenue allocated to a distinct freight or logistics service is recognised over time where the criteria for over-time recognition are met, generally over the transportation period using a measure of progress that faithfully depicts the Group's performance.

Notes to the Consolidated Financial Statements continued

Freight and logistics activities performed before control of the concentrate transfers, including DAP arrangements where the contractual terms establish that control passes at the named destination, do not constitute a separate performance obligation where they do not transfer a distinct service to the customer. The related costs are accounted for under the applicable Australian Accounting Standards, including AASB 102 *Inventories.*

Variable and Provisional Pricing

Sales consideration may vary as a result of benchmark commodity prices and contractual quotational periods, final weight, moisture and assay results, impurity adjustments, logistics and financing adjustments, or subsequent sales prices achieved with end customers.

At the date revenue is recognised, the Group estimates variable consideration in accordance with AASB 15 and includes it in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue will not occur when the uncertainty is resolved. Estimates are updated at each reporting date. Changes in the transaction price allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the estimate changes.

Once the Group has an unconditional right to consideration and recognises a receivable, the receivable is subsequently accounted for in accordance with AASB 9 Financial Instruments.

Principal and Agent Arrangements

Where another party is involved in marketing, selling or delivering the Group's products, the Group assesses whether it controls the specified goods or services before they are transferred to the customer. When the Group is principal, revenue is recognised on a gross basis and marketing commissions or similar fees are recognised as expenses. When the Group acts as agent, revenue is limited to the fee or commission to which the Group expects to be entitled.

In addition to the above, the following specific recognition criteria must also be met before revenue is recognised:

Other income

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Research and Development Refundable Tax Offset

The Research and Development (R&D) Refundable Tax Offset is recognised as other income when it is received as it relates to expenditure incurred in the past. That part of the R&D Tax Offset that relates to capitalised expenditure recognised in a prior period (if any) is offset against that capitalised expenditure.

Government Grants

Government grant(s) are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and that the grant will be received. If the conditions are met, the government grant is recognised in profit or loss on a systematic basis in line with its recognition of the expenses that the grant(s) are intended to compensate.

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(t) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such a tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest in the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Notes to the Consolidated Financial Statements continued

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, Plant and Equipment" policy (as outlined in the financial report for the annual reporting period).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other Expenses" in profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

(u) Taxes

(i) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at reporting date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

(ii) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(v) Foreign currency translation of Group entities

The functional currency of each entity in the Group is determined based on the primary economic environment in which that entity operates. The functional currency of Saloro S.L.U., which conducts the Group's tungsten mining operations in Spain, is the Euro (EUR). The functional currency of the Company and its other Australian subsidiaries is the Australian dollar (A$). The Group's presentation currency is the Australian dollar (A$).

On consolidation, the assets and liabilities of foreign operations that have a functional currency other than the Australian dollar are translated into Australian dollars at the rates of exchange prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly, in which case the exchange rates at the dates of the transactions are used. All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, a separate component of equity.

On disposal of a foreign operation, the cumulative amount of exchange differences relating to that foreign operation, accumulated in the foreign currency translation reserve, is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

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Notes to the Consolidated Financial Statements continued

(w) Currency

Both the functional and presentation currency is Australian dollars (A$).

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

(x) Investment in Subsidiaries

The parent entity's investment in its subsidiaries is accounted for under the cost method of accounting in the Company's financial statements included in Note 18.

(y) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of any tax effect, from the proceeds of the issue. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

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(z) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 20.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the good or services received, except where fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

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Notes to the Consolidated Financial Statements continued

(aa) New accounting standards and interpretations

The Group has adopted all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are mandatorily effective for the annual reporting period beginning 1 July 2025. The adoption of these standards did not have a material impact on the Group's financial statements.

Certain new accounting standards and amendments have been published that are not mandatory for the 30 June 2026 reporting period and have not been early adopted by the Group. These are set out below, together with the Group's assessment of their expected impact. The Group intends to adopt each standard from its effective date.

Standard	Nature of change	Effective date (periods beginning on/after)	First mandatory FY for the Group (30 June y/e)	Expected impact on the Group
AASB 18 Presentation and Disclosure in Financial Statements (replaces AASB 101)	Introduces defined categories (operating, investing, financing, income taxes, discontinued operations) for the statement of profit or loss, requires disclosure of management-defined performance measures, and enhances aggregation/disaggregation requirements.	1 January 2027	30 June 2028	Expected to have a material presentation impact. The Group has not yet completed its assessment. An implementation project should be scoped during FY2027 given the lead time required.
AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments (amends AASB 9 and AASB 7)	Clarifies assessment of contractual cash flow characteristics for classification purposes, clarifies derecognition of financial liabilities settled via electronic payment systems, and adds disclosures for equity investments at FVOCI and instruments with contingent features.	1 January 2026	30 June 2027	Not expected to have a material impact on the Group's financial statements.
AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 (amends AASB 1, 7, 9, 10, 107)	Minor clarifications, including lessee accounting for extinguishment of a lease liability (AASB 9) — relevant given the Group's right-of-use asset base — and de facto agent determination (AASB 10).	1 January 2026	30 June 2027	Not expected to have a material impact on the Group's financial statements.
AASB S2 - Climate-related Disclosures	Requires disclosure of climate-related risks and opportunities that could reasonably be expected to affect cash flows, access to finance or cost of capital. Covers governance, strategy, risk management, and metrics and targets, including scenario analysis and Scope 1, 2 and 3 emissions. Mandatory only for entities reporting under Chapter 2M of the Corporations Act 2001 that meet the Group thresholds.	1 July 2026 (Group 2 entities)	30 June 2027	Not expected to affect recognition or measurement in the financial statements. The Group is a Group 2 entity and will be required to make these disclosures in its sustainability report from FY2027.

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2. SIGNIFICANT ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Determination of ore reserves, mineral resources, and units-of-production method of depreciation and amortisation

The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves of December 2004 (the JORC code). Reserves determined in this way are used in the calculation of depreciation, amortisation and impairment charges/reversals, the assessment of mine lives and for estimating the timing of the payment of close down and restoration costs.

When a change in estimated recoverable tungsten (WO_3) contained in proved and probable ore reserves is made, the change in amortisation and depreciation is accounted for prospectively.

The Group applies the units-of-production method for depreciation and amortisation of its mine assets based on recoverable metal contained in ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves, resources and production capacity are the Group's history of converting resources to reserves and the relevant timeframes, the complexity of metallurgy, markets and future developments. When these factors change or become known in the future, such differences will impact pre-tax profit and the carrying value of assets.

(b) Income taxes

The Group is subject to income taxes in Australia and Spain where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Management has to exercise judgement with regards to deferred tax assets. Where the possibility exists that no future taxable income may flow against which these assets can be offset, the deferred tax assets are not recognised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. When different tax rates apply, deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the taxable profit or loss of the periods in which the temporary differences are expected to reverse.

Income tax returns in Spain are reviewed in detail by the relevant authorities on a regular basis with reference to the tax legislation in Spain.

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Notes to the Consolidated Financial Statements continued

(c) Impairment of non-financial assets

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to Note 10 for further detail regarding judgements made when assessing impairment of plant and equipment and deferred exploration and evaluation costs and determining their recoverable amount.

(d) Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 8(c) – Financial Liabilities; and

Note 19 – Financial Risk Management Objectives and Policies.

(e) Classification of share-based payment settlement as an equity transaction

During the period, the Group identified that options issued to third parties in connection with capital raising and funding arrangements had previously been accounted for as share-based payments within the scope of AASB 2. Management exercised judgement in reassessing these arrangements and concluded that, as the options were issued in connection with a capital raising or funding arrangement rather than as consideration for goods or services, they fall outside the scope of AASB 2 and are more appropriately accounted for as a cost of raising equity under AASB 132. This judgement resulted in the correction of a prior period error of A$4.8 million set out in note 1(e).

(f) Revenue recognition - principal versus agent and timing of control transfer

The Group exercises judgement in determining the point in time at which control of tungsten concentrate transfers to the customer, having regard to the relevant contractual terms and Incoterms, and in assessing whether freight and logistics services performed after control of the concentrate has transferred represent a distinct performance obligation to which a separate transaction price is allocated, or whether the Group acts as principal or agent in arranging those services. These assessments directly affect the timing and amount of revenue recognised in each reporting period. Refer to the revenue recognition accounting policy in Note 1(s).

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(g) Revenue recognition - offtake pricing (AASB 15)

Management applies judgement in determining the transaction price for certain offtake revenue under AASB 15, having identified a pricing period discrepancy on certain shipments during the year. Having regard to ongoing commercial discussions with the customer, revenue and trade receivables of A$8.9 million have been recognised at 30 June 2026, representing the amount considered highly probable not to be subject to significant reversal.

(h) Estimation of variable consideration - provisional pricing

Sales of tungsten concentrate are typically provisionally priced at the date of shipment, with the final price subject to adjustment based on final weight, moisture content, assay results and movements in benchmark commodity prices over an agreed quotational period. The Group estimates this variable consideration at each reporting date based on forward pricing curves and the most recent assay information available and includes it in the transaction price only to the extent that it is highly probable a significant reversal will not subsequently occur. Changes in these estimates between the date of initial revenue recognition and final settlement are recognised as an adjustment to revenue in the period the estimate changes.

(i) Deferred stripping - Mt Carbine

Management applies judgement in determining the reference strip ratio used to identify waste mined in excess of the expected ratio, which is capitalised as a stripping activity asset (IFRIC 20).

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Notes to the Consolidated Financial Statements continued

3. SEGMENT INFORMATION

(a) Description of segments

(i) Business segments

The consolidated entity (the "Group") operates solely in the tungsten mining, processing and mineral exploration industry.

(ii) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, being the Managing Director, is responsible for allocating resources and assessing the performance of the operating segments and has been identified as such based on the internal management reports reviewed by the CODM.

The CODM considers the business from a geographic and operational basis, being the location and nature of the Group's producing and development assets. The Group has determined that it has two reportable operating segments, as follows:

- Australia: include the Mt Carbine tungsten mining, retreatment and quarrying operations in Queensland, conducted through Mt Carbine Retreatment Pty Ltd and the Mt Carbine Retreatment joint operation (MtCRM), together with corporate head office costs, and exploration and other activities; and
- Spain: the Barruecopardo tungsten mining and concentrate production operations, conducted through Saloro S.L.U. and its immediate holding entity, European Tungsten Pty Ltd.

(b) Segment information

2026	Australia A$'000	Spain A$'000	Elimination A$'000	Consolidated A$'000
Sale Revenue	53,784	111,655	-	**165,439**
Interest income	3,267	-	(3,032)	**235**
Other income	1,366	-	-	**1,366**
Total segment revenue (i)	**58,417**	**111,655**	**(3,032)**	**167,040**
Segment result – Adjusted EBITDA (iii)	(1,443)	52,019	-	**50,576**
Segment assets (ii)	139,289	116,146	-	**255,435**
Segment liabilities (ii)	21,673	79,494	-	**101,167**
Other segment information				
Acquisitions of property, plant and equipment, and other non-current segment assets	21,056	13,880	-	**34,936**
Increase in exploration, evaluation and development costs	528	-	-	**528**

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2025	Australia A$'000	Spain A$'000	Elimination A$'000	Consolidated A$'000
Sale Revenue	19,363	46,687	-	**66,050**
Interest income	2,117	-	(2,085)	**32**
Other income	1,534	1,864	-	**3,398**
Total segment revenue (i)	**23,014**	**48,551**	**(2,085)**	**69,480**
Segment result – Adjusted EBITDA (iii)	(17,045)	7,532	-	**(9,513)**
Segment assets (ii)	92,552	96,720	-	**189,272**
Segment liabilities (ii)	60,271	92,714	-	**152,985**
Other segment information				
Acquisitions of property, plant and equipment, and other non-current segment assets	13,863	2,110	-	**15,973**
Increase in exploration, evaluation and development costs	362	-	-	**362**

(i) Segment revenue

The revenue from external parties reported to the CODM is measured in a manner consistent with that of the Consolidated Statement of Profit or Loss and Other Comprehensive income.

During the year, revenue attributable to the Australia segment is derived from the sale of tungsten concentrate produced at Mt Carbine to Cronimet Aisa Pte. Ltd., which took 100% of initial production under an offtake and prepayment arrangement.

During the year, revenue attributable to the Spain segment is derived from the sale of tungsten concentrate produced at Barruecopardo, sold under offtake and marketing arrangements with established refineries and trading houses.

During the year, sales revenue attributable to 4 major customers accounted for 97% of total revenue, with all other customers individually accounting for less than 10% of Group revenue.

(ii) Segment assets and liabilities

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset or liability.

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Notes to the Consolidated Financial Statements continued

(iii) EBITDA

Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation, adjusted for share-based payment expense, impairment charges or reversals, changes in the fair value of financial assets and liabilities, and gains or losses on disposal of fixed assets. Adjusted EBITDA is the measure reported to the Chief Operating Decision Maker for the purposes of assessing segment performance.

A reconciliation of EBITDA to operating profit before income tax is provided as follows:

	Australia A$'000	Spain A$'000	Elimination A$'000	Consolidated A$'000
30 June 2026				
Adjusted EBITDA	**(1,443)**	**52,019**	**-**	**50,576**
Interest income	3,267	-	(3,032)	235
Interest and finance charges	(2,449)	(7,049)	3,032	(6,466)
Depreciation and amortisation expense	(11,610)	(5,822)	-	(17,432)
Share-based payment expense	(13,663)	(3,570)		(17,233)
Change in fair value of financial assets & liabilities	(1,701)	-	-	(1,701)
Gain/ (loss) on disposal of fixed assets	(906)	40	-	(866)
Profit/ (Loss) before income tax expense	**(28,505)**	**35,618**	**-**	**7,113**
30 June 2025				
Adjusted EBITDA	**(17,045)**	**7,532**	**-**	**(9,513)**
Interest income	2,117	-	(2,085)	32
Interest and finance charges	(5,923)	(1,763)	2,085	(5,601)
Impairment expense	(5,820)	-	-	(5,820)
Depreciation and amortisation expense	(8,820)	(3,217)	-	(12,037)
Share-based payment expense	(3,736)	-		(3,736)
Change in fair value of financial assets & liabilities	(1,612)	-	-	(1,612)
Gain/(loss) on disposal of fixed assets	(941)	-	-	(941)
Profit/ (Loss) before income tax expense	**(41,780)**	**2,552**	**-**	**(39,228)**

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4. REVENUE AND OTHER INCOME

	2026 A$'000	2025 A$'000
Sales – Tungsten concentrate (i)	**164,387**	66,050
Sales – Quarry material	**1,052**	-
	165,439	66,050
Other income:		
Diesel fuel rebates	**1,158**	1,461
Debt forgiveness	**-**	1,691
Interest income	**235**	32
Other income	**208**	246
	1,601	3,430
Total revenue and other income	**167,040**	69,480

(i) Disaggregation of revenue

The table below disaggregates revenue by timing of recognition. Shipping and logistics revenue relates to shipments made on Cost, Insurance and Freight (CIF) terms only, recognised as a separate performance obligation over time. Freight and insurance on Delivered at Place (DAP) shipments are treated as a fulfilment activity (AASB 15.B65A), not a separate performance obligation.

	2026 A$'000	2025 A$'000
Sale of tungsten concentrate (recognised at a point in time)	**88,698**	51,544
Shipping and logistics services (recognised over time)	**76,845**	24,248
Revenue from contracts with customers	**165,543**	75,792
Provisional pricing adjustment (final true-up)	**(104)**	(9,742)
Total revenue	**165,439**	66,050

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Notes to the Consolidated Financial Statements continued

5. EXPENSES

Profit before income tax includes the following specific expenses:

	2026 A$'000	2025 A$'000
Interest and other finance charges		
Interest and finance charges	**6,074**	4,856
Borrowing costs	**392**	745
	6,466	5,601
Depreciation and amortisation expense		
Land & Buildings	**26**	658
Plant & Machinery	**8,012**	3,737
Office Equipment, Furniture & Fittings	**91**	100
Motor Vehicles	**53**	40
Mine Properties	**2,363**	511
Mine Development Assets	**1,484**	1,855
Right-of-use assets	**5,346**	5,130
Intangible assets	**57**	6
	17,432	12,037
Impairment expense		
Impairment expense	**-**	5,820

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6. INCOME TAX

	2026 A$'000	2025 A$'000
(a) Components of Tax Expense		
Current tax expense - Current year	**(11,839)**	(7,334)
Deferred tax expense - Current year	**7,898**	7,334
Deferred tax expense - Australian tax rate change to 30% (FY25: 25%)	**(3,478)**	-
Deferred tax expense - Deferred taxes not recognised	**7,115**	-
Under/ (over) provision in prior years	**304**	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit / (loss) before income tax	**7,113**	(39,228)
Prima facie income tax payable on profit before income tax at 30%	**2,134**	(9,807)
Tax effect of:		
Non-deductible fair value revaluation	**510**	-
Non-deductible share-based payments expense	**4,099**	-
Other non-deductible items	**1**	2,473
Deferred taxes not recognised	**7,116**	7,334
Impact of Australian tax rate change to 30% (FY25: 25%)	**(3,478)**	-
Impact of tax rates applicable outside of Australia	**(1,781)**	-
Under/(over) provision in prior years	**304**	-
Overseas operations:		
Depletion allowance	**(1,378)**	-
Other non-deductible items	**7**	-
Deferred taxes not recognised	**(9,816)**	-
Tax revenue losses not recognised	**2,282**	-
Income tax expense / (benefit)	**-**	-
(c) Current Tax		
Opening balance	**-**	-
Current year movement	**-**	-
Tax payments	**(3,410)**	-
Current tax liabilities / (assets)	**(3,410)**	-

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Notes to the Consolidated Financial Statements continued

	2026 A$'000	2025 A$'000
(d) Unrecognised deferred tax assets		
Deferred tax assets		
Provision for employee entitlements	**700**	563
Lease liabilities	**3,575**	7
Accruals	**91**	30
Unrealised foreign exchange	**261**	-
Section 40-880 deductions	**677**	549
Legal fees (cost base) and other	**227**	-
Debt deduction denial - Thin Cap	**40**	-
Australian tax revenue losses	**28,129**	19,853
Spain tax revenue losses	**17,133**	14,852
	50,833	35,854
Deferred tax liabilities		
Deferred stripping	**(3,665)**	-
Right of use asset	**(2,056)**	(473)
Property, plant and equipment	**(192)**	(160)
Exploration and evaluation	**(3,278)**	(2,976)
	(9,191)	(3,609)
Net deferred tax assets	**41,642**	32,245

An income tax receivable of A$3.4 million (FY25: Nil) has been recognised in relation to income tax payable in Spain in relation to the operations of Saloro SLU, the tax rate applicable to EQR in Spain is 25%. This represents a refund of income tax instalments that were paid during the period but are not required due to income tax losses in Spain being available to offset the income tax liability.

The income tax rate applicable to EQR in Australia for the 30 June 2026 income year is 30% (2025: 25%).

Deferred tax assets have not been recognised in respect of tax losses as they may not be used to offset taxable profits elsewhere in the Group and there is insufficient evidence to support recoverability in the near future. The Group has total Australian revenue tax losses at 30 June 2026 of A$93.8 million (2025: A$79.4 million). A future income tax benefit which may arise from Australian tax losses of A$28.1 million will only be obtained if:

- The parent and the subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The parent and the subsidiaries continue to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect the Parent and the Subsidiaries in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.

No franking credits are available for subsequent years.

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7. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2026 A$'000	2025 A$'000
Profit / (loss) after income tax expense	**7,113**	(39,228)
Depreciation and amortisation expense	**17,432**	12,037
Impairments expense	**-**	5,820
Share based payments expense	**17,233**	3,736
Net foreign exchange loss / (gain)	**1,678**	(180)
Change in fair value of financial assets & liabilities	**1,701**	1,612
Loss on disposal of fixed assets	**866**	941
Non-cash finance costs (accretion / amortised borrowing costs)	**1,740**	(8,643)
Operating profit before working capital movements	**47,763**	(23,905)
(Increase)/ Decrease in trade and other receivables	**(37,824)**	9,178
Increase in other receivables (non-current)	**(881)**	(489)
Increase in prepayments	**(3,243)**	(996)
Increase in inventories	**(5,271)**	(16,370)
(Decrease)/ Increase in trade and other payables	**(6,751)**	14,428
Increase in provisions	**612**	1,236
Net movement in working capital	**(53,358)**	6,987
Net cash used in operating activities	**(5,595)**	(16,918)

8. FINANCIAL ASSETS AND LIABILITIES

Financial assets

	Note	2026 A$'000	2025 A$'000
Cash and cash equivalents	**8(a)**	28,180	1,874
Trade and other receivables	**8(b)**	43,733	10,694
Financial assets	**8(b)**	1,465	3,066
		73,378	**15,634**

Financial liabilities

	Note	2026 A$'000	2025 A$'000
Trade and other payables	8(c)	32,612	62,493
Lease liabilities	8(c)	12,286	14,379
Convertible notes	8(c)	-	2,779
Financial liabilities	8(c)	10,804	12,542
Borrowings	8(c)	24,506	43,608
		80,208	**135,801**

Notes to the Consolidated Financial Statements continued

(a) Cash and cash equivalents

	2026 A$'000	2025 A$'000
Cash at bank and on hand	**28,180**	1,874
	28,180	**1,874**

(b) Trade and other receivables

	2026 A$'000			2025 A$'000		
	Current	Non-Current	Total	Current	Non-Current	Total
Trade receivables (i)	**29,429**	**-**	**29,429**	3,865	-	3,865
Other receivables (i)	**6,790**	**2,619**	**9,409**	3,439	1,738	5,177
Financial assets (ii)	**482**	**983**	**1,465**	728	2,338	3,066
	36,701	**3,602**	**40,303**	8,032	4,076	12,108
Prepayment	**4,895**	**-**	**4,895**	1,652	-	1,652
	41,596	**3,602**	**45,198**	9,684	4,076	13,760

(i) Trade receivables

As at 30 June 2026, no trade receivables or other receivables were past due or impaired (30 June 2025: nil). It is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

(ii) Financial assets

	2026 A$'000			2025 A$'000		
	Current	Non-Current	Total	Current	Non-Current	Total
Shares in listed companies - Critical Resources Limited (ASX: CRR) [1]		**1**	**1**	-	1	1
Capitalised borrowing costs [2]	**130**	**105**	**235**	40	234	274
Unexpired interest[2]	**220**	**-**	**220**	556	878	1,434
Deferred acquisition costs [3]	**132**	**877**	**1,009**	132	1,225	1,357
	482	**983**	**1,465**	728	2,338	3,066

[1] Equity instruments are measured at fair value as at reporting date with all changes recognised as other comprehensive income / (loss) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

[2] The capitalised borrowing costs represent those costs directly attributable to securing the Royalty Funding Package with Regal Resources Royalties Fund and will be amortised over the period in which the first stage royalty of A$10 million will be repaid.

The unexpired interest component will be recognised over the life of mine in line with each of the scheduled periodic repayments to Regal Resources Royalties Fund. A discounted cash flow method using a discount rate of 5.455% was used to capture the net present value of the revenues for the life of mine as determined in the May 2023 Update of the BFS.

[3] Deferred acquisition costs represent those costs directly attributable to the acquisition of leading European tungsten producer, Saloro S.L.U. from global investment manager, Oaktree along with those attributable to the acquisition of Cronimet's 50% joint venture interest in the Mt Carbine Tungsten Operation. These costs will be amortised over life of mine.

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(c) Financial liabilities

	2026 A$'000			2025 A$'000		
	Current	**Non-Current**	**Total**	**Current**	**Non-Current**	**Total**
Trade payables	**19,386**	**-**	**19,386**	56,035	-	56,035
Other payables	**2,011**	**-**	**2,011**	-	4,007	4,007
Accrued expenses	**11,215**	**-**	**11,215**	2,451	-	2,451
Total trade and other payables	**32,612**	**-**	**32,612**	**58,486**	**4,007**	**62,493**
Convertible notes	**-**	**-**	**-**	2,779	-	2,779
Financial liabilities	**10,804**	**-**	**10,804**	2,568	9,974	12,542
Borrowings (i)	**8,914**	**15,592**	**24,506**	43,608	-	43,608
Total interest-bearing liabilities	**19,718**	**15,592**	**35,310**	**48,955**	**9,974**	**58,929**
Lease liabilities (ii)	**6,210**	**6,076**	**12,286**	5,873	8,506	14,379
Total payables	**58,540**	**21,668**	**80,208**	**113,314**	**22,487**	**135,801**

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Notes to the Consolidated Financial Statements continued

(i) Borrowings

	2026 A$'000	2025 A$'000
Current		
Unsecured borrowing at amortised cost		
Loan from related parties	-	8,736
		8,736
Secured borrowing at amortised cost		
Bank loans	-	35,804
Bank loans – undrawn	-	(932)
	-	34,872
Traxys commercial prepayment facility (Saloro S.L.U)		
Current portion	**8,914**	-
	8,914	-
Non-Current		
Traxys commercial prepayment facility (Saloro S.L.U)		
Non-current portion	**15,592**	-
	15,592	-
Total	**24,506**	43,608

During the year, the Group repaid and extinguished all outstanding secured and unsecured borrowing facilities, including the four Oaktree Capital Management L.P. bank loans and the OCM Luxembourg Tungsten Holdings S.à.r.l. short-term borrowing (settled via the 22 May 2025 share placement, EGM-approved 19 July 2025).

In February 2026, Saloro S.L.U. ("Saloro"), together with EQ Resources Limited and European Tungsten Pty Ltd as co-obligors, entered a €15 million commercial prepayment facility with Traxys Europe S.A. ("Traxys"), alongside a linked tungsten concentrate offtake agreement and a subordination agreement with key terms listed below:

- Interest: EURIBOR (1 month) plus 5.5% margin;
- Term: 36 months from financial close; final discharge date 18 February 2029;
- Repayment: monthly principal instalments, commencing from the month-end falling six months after financial close (August 2026);
- Settlement mechanism: product deliveries under the linked offtake agreement may be applied against monthly amounts due, capped at €500,000 plus accrued interest per month; any shortfall must be settled in cash; and
- Subordination: Traxys ranks as senior creditor to intra-group and other subordinated lenders under the subordination agreement.

The Traxys commercial prepayment facility is classified as a financial liability under AASB 132 (rather than a contract liability under AASB 15), reflecting its defined maturity, market interest rate and mandatory repayment terms. It is initially recognised at fair value, net of the €225,000 formalisation fee, and subsequently measured at amortised cost using the effective interest method. Management has assessed that the commodity-linked settlement feature (repayment via product deliveries) does not constitute a separable embedded derivative under AASB 9, as it affects only the method of settlement rather than the amount owed. Refer to Note 2- Significant Accounting Judgements, Estimates and Assumptions for further detail.

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(ii) Lease liabilities

Movements in the Group's lease liabilities during the year are as follows:

Right-of-use assets	2026 A$'000	2025 A$'000
Balance at 1 July	**16,384**	3,451
Additions:		
- Plant & equipment	**-**	7,873
- Heavy & light vehicles	**588**	7,787
- Office	**529**	-
Other movement and reclassification	**1,293**	2,403
Depreciation charge for the year	**(5,346)**	(5,130)
Balance at 30 June	**13,448**	16,384
Lease Liability - Maturity Analysis		
Less than 1 year	**6,210**	5,873
1 to 5 years	**6,076**	5,478
5+ years	**-**	3,028
	12,286	14,379
Amounts Recognised in profit or loss		
Interest on lease liabilities	**1,535**	951
Expenses relating to short-term leases	**-**	-
	1,535	951
Amounts recognised in the statement of cash flows	**1,535**	**951**

The Company entered a lease buy-back arrangement for existing leased assets. No cash consideration was exchanged. The transaction did not meet the criteria for a sale under AASB 15 and was therefore accounted for as a financing arrangement under AASB 16. The key terms were:

- The existing lease was replaced with a new lease.
- A 3-month payment reprieve was granted under the new lease.
- The asset was not derecognised and continues to be recognised on the balance sheet.
- A financial liability was recognised equal to the present value of the future lease payments under the new lease.
- Lease payments are accounted for as repayments of the financial liability, with interest expense recognised under AASB 9.

The loss on disposal has been disclosed as a loss on lease modification in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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Notes to the Consolidated Financial Statements continued

9. CONTRACT LIABILITIES

	2026 A$'000			2025 A$'000		
	Current	Non-Current	Total	Current	Non-Current	Total
Deferred Revenue (i)	**11,227**	**-**	**11,227**	-	-	-
Contract liability- offtake (ii)	**5,079**	**-**	**5,079**	13,143	-	13,143
Total contract liabilities	**16,306**	**-**	**16,306**	**13,143**	**-**	**13,143**

(i) Deferred Revenue

Deferred revenue comprises advances received from customers under offtake and supply arrangements, recognised as a contract liability until the related tungsten concentrate is delivered and control transfers.

(ii) Contract Liability – Offtake

	2026 A$'000	2025 A$'000
Contract Liability – Offtake		
Balance at the beginning of the year	**13,143**	4,906
Offtake secured during the year	**-**	3,220
Offtake repaid during the year	**(7,653)**	-
50% recognition upon JV acquisition	**-**	4,906
Unrealised foreign exchange (gain) / loss	**(411)**	111
	5,079	**13,143**

The initial offtake advance is denominated in USD and the Offtake Advance Agreement between Cronimet Asia Pte Ltd and Mt Carbine Retreatment Pty Ltd governs the terms and repayment of this advance.

During the year, the Group drew down and fully repaid a further offtake prepayment facility of US$2,108,802 from the Company's offtake partner, Cronimet Asia Pte Ltd, under the Supply & Purchase Agreement between Cronimet Asia Pte Ltd and EQ Resources Limited. This advance was denominated in USD and was repaid in full on 9 June 2026, with no balance outstanding at 30 June 2026.

The contract liability arrangements for the Offtake Advance are secured as follows:

- general security deed from Mt Carbine Retreatment Pty Ltd over its present and subsequent acquired assets;
- general security deed from Cronimet Australia Pty Ltd over all its present and subsequent acquired assets; and
- mortgage from Mt Carbine Quarries Pty Ltd over mining leases ML4867 and ML4919. This mortgage also includes an interest over "Featherweight Property", which is all other property of Mt Carbine Quarries Pty Ltd other than the mining leases. The mortgage is limited recourse in that it is limited to the value of the mining leases.

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10. NON-FINANCIAL ASSETS AND LIABILITIES

(a) Inventories

	2026 A$'000	2025 A$'000
Current		
Finished goods	**4,094**	825
Work-in-progress	**13,430**	14,279
Raw materials	**10**	541
Workshop inventory	**5,749**	3,877
	23,283	19,522
Non-current		
Finished goods	**3,330**	2,320
Raw materials[1]	**20,332**	19,832
	23,662	22,152
	46,945	41,674

[1] Raw material incorporate the fair value of the estimated 7 million tonnes of stockpiled inventory acquired as part of the acquisition of Mt Carbine Quarries Pty Ltd on 28 June 2019, less the work-in-progress and finished goods inventory which have been created from this stockpiled material since acquisition. This inventory will be consumed on a unit of operation basis. As at 30 June 2026, approximately 5.32 million tonnes remaining (2025: 5.36 million tonnes remaining)

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(b) Property Plant and equipment

Property Plant and equipment

	Asset Under Construction	Land & Buildings	Plant & Machinery	Office Equipment, Furniture & Fittings	Motor Vehicles	Mine Properties	Mine Development Assets	Deferred Waste
	A'$000	A'$000	A'$000	A'$000	A'$000	A'$000	A'$000	A'$000
Cost at 1 July 2025	-	17,578	83,027	936	365	25,438	14,179	-
Additions	8,326	62	2,867	141	455	9,698	19	12,218
Disposals	(2,624)	-	(2,874)	-	-	(1,695)	-	-
Net reclassifications / adjustments (10 (d))	492	(182)	7,515	731	207	(3,455)	(95)	-
Cost at 30 June 2026	**6,194**	**17,458**	**90,535**	**1,808**	**1,027**	**29,986**	**14,103**	**12,218**
Accumulated depreciation at 1 July 2025	-	(3,825)	(17,743)	(703)	(253)	(1,230)	(3,497)	-
Depreciation expense	-	(26)	(8,012)	(91)	(53)	(2,363)	(1,484)	-
Eliminated on disposal / reclassification	-	66	(100)	(18)	(225)	(14,049)	-	-
Accumulated depreciation at 30 June 2026	**-**	**(3,785)**	**(25,855)**	**(812)**	**(531)**	**(17,642)**	**(4,981)**	**-**
Net book value at 30 June 2026	**6,194**	**13,673**	**64,680**	**996**	**496**	**12,344**	**9,122**	**12,218**
Cost at 1 July 2024	-	15,848	85,218	799	417	11,209	15,232	-
Additions	-	19	2,449	58	166	13,281	152	-
Disposals	-	-	(2,727)	-	-	-	-	-
Net reclassifications / adjustments	-	1,711	(1,913)	79	(218)	948	(1,205)	-
Cost at 30 June 2025	**-**	**17,578**	**83,027**	**936**	**365**	**25,438**	**14,179**	**-**
Accumulated depreciation at 1 July 2024	-	(2,852)	(13,415)	(510)	(273)	(405)	(1,642)	-
Depreciation expense	-	(658)	(3,737)	(100)	(40)	(511)	(1,855)	-
Eliminated on disposal / reclassification	-	(315)	(591)	(93)	60	(314)	-	-
Accumulated depreciation at 30 June 2025	**-**	**(3,825)**	**(17,743)**	**(703)**	**(253)**	**(1,230)**	**(3,497)**	**-**
Net book value at 30 June 2025	**-**	**13,753**	**65,284**	**233**	**112**	**24,208**	**10,682**	**-**

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Right-of-use assets

	Motor Vehicles A$'$000	Plant & Processing A$'$000	Heavy Earthmoving A$'$000	Office / Building A$'$000	Total A$'$000
Cost at 1 July 2025	4,343	9,037	11,551	-	24,931
Additions	608	-	(20)	529	1,117
Disposals	-	-	-	-	-
Net reclassifications / adjustments	(3,186)	2,546	(1,716)	-	(2,356)
Cost at 30 June 2026	**1,765**	**11,583**	**9,815**	**529**	**23,692**
Accumulated depreciation at 1 July 2025	(2,030)	(1,732)	(4,785)	-	(8,547)
Depreciation expense	(286)	(1,874)	(3,177)	(9)	(5,346)
Eliminated on derecognition / reclassification	1,896	37	1,716	-	3,649
Accumulated amortisation and impairment at 30 June 2026	**(420)**	**(3,569)**	**(6,246)**	**(9)**	**(10,244)**
Net book value at 30 June 2026	**1,345**	**8,014**	**3,569**	**520**	**13,448**
Cost at 1 July 2024	2,344	1,164	2,190	-	5,698
Additions	213	7,873	7,574	-	15,660
Disposals	-	-	(82)	-	(82)
Net reclassifications / adjustments	1,786	-	1,869	-	3,655
Cost at 30 June 2025	**4,343**	**9,037**	**11,551**	**-**	**24,931**
Accumulated depreciation at 1 July 2024	(806)	(131)	(1,310)	-	(2,247)
Depreciation expense	(154)	(2,288)	(2,688)	-	(5,130)
Eliminated on disposal / reclassification	(1,070)	687	(787)	-	(1,170)
Accumulated depreciation at 30 June 2025	**(2,030)**	**(1,732)**	**(4,785)**	**-**	**(8,547)**
Net book value at 30 June 2025	**2,313**	**7,305**	**6,766**	**-**	**16,384**

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(c) Intangible assets

	Software A$'000	Water Licence A$'000	Total A$'000
Cost at 1 July 2025	89	-	89
Additions	20	32	52
Disposals	-	-	-
Net reclassifications / adjustments	-	-	-
Cost at 30 June 2026	**109**	**32**	**141**
Accumulated depreciation at 1 July 2025	(1)	-	(1)
Depreciation expense	(57)	-	(57)
Impairment / reclassification	33	-	33
Accumulated amortisation and impairment at 30 June 2026	**(25)**	**-**	**(25)**
Net book value at 30 June 2026	**84**	**32**	**116**
Cost at 1 July 2024	37	-	37
Additions	52	-	52
Disposals	-	-	-
Net reclassifications / adjustments	-	-	-
Cost at 30 June 2025	**89**	**-**	**89**
Accumulated depreciation at 1 July 2024	-	-	-
Depreciation expense	(6)	-	(6)
Impairment / reclassification	5	-	5
Accumulated amortisation and impairment at 30 June 2025	**(1)**	**-**	**(1)**
Net book value at 30 June 2025	**88**	**-**	**88**

(d) Exploration and evaluation

	30 June 2026 A$'000	30 June 2025 A$'000
Carrying amount at 1 July	**1,220**	1,332
Addition	**510**	209
Impairment	**-**	(321)
Transfer from Mine Development (10 (b))	**95**	-
At 30 June	**1,825**	1,220

Comparative amounts for the year ended 30 June 2025 have been reclassified to separately present exploration and evaluation assets (AASB 6, held at cost and not amortised) from mine development assets (AASB 116, amortised on a units-of-production basis), which were previously presented together under a single "Deferred Exploration and Evaluation" heading. The reclassification reflects assets that had, in substance, entered production and commenced units-of-production amortisation in prior periods but had not previously been separately disclosed. Effective 1 January 2026, the Mt Carbine Underground Project of A$95 thousand was also reclassified from mine development to exploration and evaluation.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, concerning the relevant area of interest, is not charged until a mining operation has commenced.

The Directors reassess the carrying value of the Group's tenements at each year end, should there be any indication of impairment.

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Notes to the Consolidated Financial Statements continued

(e) Provision

	2026 A$'000			2025 A$'000		
	Current	**Non-Current**	**Total**	**Current**	**Non-Current**	**Total**
Employee benefits	**2,028**	**305**	**2,333**	1,392	137	1,529
Provisions	**-**	**2,320**	**2,320**	-	2,512	2,512
	2,028	**2,625**	**4,653**	1,392	2,649	4,041

Movements in employees benefits and provisions

	Employee benefit A$'000	Provisions A$'000
2026		
Carrying amount at start of year	1,529	2,513
additional provision charged to profit or loss	1,059	-
amount used during the year	(255)	(193)
	2,333	**2,320**
Current	2,028	-
Non-current	305	2,320
Total	**2,333**	**2,320**

11. CONTRIBUTED EQUITY

(a) Share Capital

	2026 Shares	2025 Shares	2026 A$'000	2025 A$'000
Ordinary shares - fully paid (c)	**5,115,488,534**	2,600,348,536	198,310	82,028
Ordinary shares - fully paid under escrow	**-**	127,323,657	-	11,459
	5,115,488,534	**2,727,672,193**	**198,310**	**93,487**

(b) Movements in Ordinary Share Capital

Date		Number of shares	A$'000
1 July 2025	Opening balance	2,727,672,193	93,487
	Institutional placement	1,364,531,321	56,248
	Institutional option exercised	316,867,771	26,940
	Related party	527,465,112	20,238
	Contractor services settled in shares	1,415,110	52
	Debt to equity conversion	131,868,132	4,615
	KMP options exercised	9,250,000	752
	Employee options exercised	36,418,895	2,111

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Share issue costs	-	(6,133)
30 June 2026	**5,115,488,534**	**198,310**

Terms and Conditions of Contributed Equity

(c) **Ordinary Shares**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Option holders have no voting rights until the options are exercised.

Movements in Equity Awards

The following table illustrates share-based payments, the number and weighted average exercise prices (WAEP) of, and movements in, equity awards during the year:

Options	Number	WAEP	A$'000
Balance at 1 July 2025	481,841,177	0.073	9,514
Granted during the year:			
Recognised as share-based payments expense	122,875,000	0.123	15,110
Recognised as share issue costs	113,840,060	0.020	2,265
Equity Portion Reversal – Convertible Notes	-	-	(1,125)
Exercised	(370,597,770)	(0.017)	(6,434)
Expired/Lapsed	(48,251,674)	(0.017)	(783)
Balance at 30 June 2026	**299,706,793**	**0.064**	**18,547**

Performance Rights	Number	A$'000
Balance at 1 July 2025	-	-
Granted	23,290,000	4,513
Exercised	-	-
Expired	-	-
Balance at 30 June 2026	**23,290,000**	**4,513**

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Notes to the Consolidated Financial Statements continued

The following table illustrates equity awards that have vested and are exercisable at year end:

	Number outstanding	Number vested and exercisable	Exercise price	Expiry Date	Remaining Contractual Life (Years)
Options					
Issue EQRAM	1,590,000	1,590,000	0.1000	03/07/2026	0.01
Issue EQRAP	52,351,615	52,351,615	0.0675	29/05/2027	0.91
Issue EQRAQ	73,708,209	73,708,209	0.0675	29/05/2027	0.91
Issue EQRAS	39,730,000	39,730,000	0.0700	29/11/2027	1.42
Issue EQRAT	10,451,969	10,451,969	0.0675	29/05/2027	0.91
Issue EQRAV	4,000,000	4,000,000	0.0512	03/11/2028	2.35
Issue EQRAX	5,000,000	5,000,000	0.0500	27/11/2028	2.41
Issue EQRAY	8,000,000	-	0.0350	03/03/2029	2.68
Issue EQRAZZ	39,000,000	39,000,000	0.1500	22/03/2029	2.73
Issue EQROP1	22,425,000	-	0.1500	09/01/2029	2.53
Issue EQROP2	21,425,000	-	0.1500	09/01/2029	2.53
Issue EQROP3	21,425,000	-	0.1500	09/01/2029	2.53
Issue EQROP4	600,000	-	0.1500	09/01/2029	2.53
Performance Rights					
Issue EQRPR01	23,290,000	-	-	30/09/2028	3.25
Outstanding at 30 June 2026	**322,996,793**	**225,831,793**			

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12. RESERVES AND ACCUMULATED LOSS

(a) Reserves

	2026 A$'000	2025 A$'000
Share-based payments reserves		
Balance at beginning of year	**10,554**	5,675
Share-based payments expense	**17,233**	3,736
Less: amounts not recognised directly in the Group's share-based payment reserve	**(5,345)**	1,143
	22,442	10,554
Foreign currency translation reserve		
Balance at beginning of year	**3,164**	-
Movement during the year	**(5,843)**	3,164
	(2,679)	3,164
Total reserves as at 30 June	**19,763**	13,718

(b) Accumulated loss

	2026 A$'000	2025 A$'000
Balance at beginning of year	**(70,918)**	(17,388)
Reclassification (Note 1(f))		(19,061)
Correction prior year (Note 1(e))	**-**	4,759
Profit / (loss) for the year	**7,113**	(39,228)
Balance at end of year	**(63,805)**	(70,918)

13. EARNINGS PER SHARE

	2026 A$'000	2025 A$'000
Profit/(Loss) after income tax attributable to the owners of the Company used in calculating basic and diluted earnings per share	**7,113**	(39,228)
	Number	**Number**
Weighted average number of ordinary shares on issue used in the calculation of basic earnings/ (loss) per share	**3,909,800,143**	2,313,669,320
Weighted average number of ordinary shares used in calculating diluted earnings per share. Note options outstanding at the reporting date have not been brought to account as they are anti-dilutive.	**4,203,453,003**	2,656,746,092
	Cents	**Cents**
Basic earnings/(loss) per share (cents)	**0.18**	(1.70)
Diluted earnings/(loss) per share (cents)	**0.17**	(1.70)

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14. KEY MANAGEMENT PERSONNEL DISCLOSURE

(a) Directors

The following persons were Directors of EQ Resources Limited during the financial year:

Board Member	Position	Date
Michael Nossal	Independent Non-Executive Chair	31 March 2026 - present
Craig Bradshaw	Managing Director Non-Executive Director	1 October 2025 - present 1 July 2025 - present
Oliver Kleinhempel	Non-Executive Chair Executive Chair Non-Executive Director	1 October 2025 – 31 March 2026 1 April 2025 – 30 September 2025 12 August 2019 – present
Stephen Layton	Independent Non-Executive Director	14 November 2017 – 31 July 2026
Stephen Weir	Independent Non-Executive Director Non-Executive Director	1 August 2026 - present 19 January 2024 – 31 July 2026
Zhui Pei Yeo	Independent Non-Executive Director	12 August 2019 - present

(b) Other key management personnel

Detailed remuneration disclosures are provided in the remuneration report.

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

- Jonathan Kort - Chief Financial Officer
- Virna Trout - General Counsel & Company Secretary

(c) Compensation

	2026 A$'000	2025 A$'000
Short-term employee benefits	**442**	552
Post-employment benefits	**-**	7
Share based payments	**2,558**	136
	3,000	695

(d) Equity instrument disclosure,

(i) Securities provided as remuneration and shares issued on the exercise of such securities

Details of securities granted as remuneration and shares issued on the exercise of these securities, together with terms and conditions of the options and share rights detailed in the Remuneration Report and Share-based payment Note 20.

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(ii) Long term incentives

The numbers of securities issued as long term incentives (LTIs) granted by the Company under the Executives' Option Plan (EOP) and Share Rights Plan (SRP) held during the year by other key management personnel of the Company, including their personally related parties, are set out below.

Name		Balance at start of the year	Granted as Compensation	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable	Unvested
Jonathan Kort	**2026**	**-**	**20,700,000**	**5,000,000**	**-**	**15,700,000**	**-**	**15,700,000**
	2025	-	-	-	-	-	-	-
Virna Trout [1]	**2026**	**-**	**8,000,000**	**-**	**-**	**8,000,000**	**-**	**8,000,000**
	2025	-	-	-	-	-	-	-

[1] Options are held directly by Mineri Holdings Pty Ltd <The Trout Family A/C>, the registered holder.

15. AUDITOR'S REMUNERATION

	2026 A$'000	2025 A$'000
Audit-related services		
Amounts paid or payable:		
- Nexia Melbourne Audit Pty Ltd	**190**	138
- Deloitte, Spain	**249**	224
Taxation services		
Amounts paid or payable:		
- Nexia Melbourne Pty Ltd	**1**	5
- Deloitte, Australia	**40**	-
- Deloitte, Spain	**90**	204
	570	571

16. CONTINGENT ASSETS

Offtake pricing

As disclosed in Note 2(g), the Group has recognised A$8.9 million of additional consideration arising from a pricing period discrepancy with an offtake customer. A further A$8.9 million has not been recognised.

The Directors consider recovery of this further amount probable. It remains subject to ongoing commercial discussions, and there is no certainty over the amount or timing of receipt.

17. CONTINGENT LIABILITIES

The Group has provided guarantees totalling A$1.5 million in respect of mining exploration tenements and environmental bonds. These guarantees in respect of mining and exploration tenements are secured against deposits with the relevant State Department of Mines. The Company does not expect to incur any material liability in respect of the guarantees.

18. COMMITMENTS

Exploration Licence Expenditure Requirements

Queensland

The Queensland Government has approved a number of changes to Exploration Permits under the Natural Resources and Other Legislation Amendment Act 2019 (known as NROLA Act). This Act commenced in May 2020, resulting in a change from an expenditure-based approach upon which a company's compliance with its licence conditions will be assessed on an outcomes-based approach.

Capital Commitments

At 30 June, the Group had the following capital commitments contracted for, but not recognised as liabilities, payable as follows:

	2026 A$'000	2025 A$'000
Within one year - Mt Carbine operation	**23,403**	-
Within one year – Barruecopardo operation	**2,632**	-
Total capital commitments	**26,035**	**-**

These commitments relate principally to plant, crushing and screening infrastructure, and mine development works together with information technology systems for the Group.

19. INVESTMENT IN SUBSIDIARIES

EQ Resources Limited and its subsidiaries are located and incorporated in Australia except for Saloro, wholly owned by European Tungsten Pty Ltd, which is domiciled in Spain.

	Equity Interest		Cost of Parent Entity's Investment	
Parent Entity EQ Resources Limited	2026 %	2025 %	2026 $	2025 $
Controlled Entities				
Mt Carbine Mining Pty Ltd	100	100	2	2
Mt Carbine Retreatment Pty Ltd	100	100	200	200
European Tungsten Pty Ltd	100	100	1	1
Mt Carbine Quarrying Operations Pty Ltd	100	100	100	100
Mt Carbine Quarries Pty Limited	100	100	8,130,000	8,130,000
EQ Resources Exploration Pty Ltd (ii)	100	100	10	10
Mt Carbine Retreatment Management Pty Ltd	100	100	50	50
EQ Resources (Roadhouse Operations) Pty Ltd (i)	100	-	1	-
Saloro S.L.U.	100	100	2	2

(i) EQ Resources (Roadhouse Operations) Pty Ltd was incorporated during the year ended 30 June 2026 as a wholly-owned subsidiary of EQ Resources Limited and accordingly has no 2025 comparative equity interest or cost of investment.

(ii) Formerly Icon Resources Africa Pty Ltd. The company changed its name on 22 June 2026

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20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks arising from the Group's operations comprise market, liquidity and credit risk. These risks arise in the ordinary course of business, and the Group manages its exposure to them in accordance with the Group's risk management strategy. The objective of the strategy is to support the delivery of the Group's financial targets while protecting its future financial security.

The Company's principal financial instruments comprise cash, short term deposits and available for sale investments.

(a) Price Risk

The Group is not exposed to equity securities price risk.

(b) Liquidity Risk

The Group's liquidity risk arises from the possibility that it may be unable to settle or meet its obligations as they fall due. It is managed by maintaining sufficient cash reserves and marketable securities and by continuously monitoring budgeted and actual cash flows. The maturity profile of the Group's financial liabilities based on the undiscounted contractual amounts is as follows:

Contracted Maturities for Payables	Total	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
2026					
Trade and other payables	32,612	32,612	-	-	-
Lease liabilities	12,286	6,210	4,477	1,599	-
Borrowings	24,506	8,914	15,592	-	-
Financial liabilities	10,804	10,804	-	-	-
Total	**80,208**	**58,540**	**20,069**	**1,599**	**-**
2025					
Trade and other payables	62,493	58,486	4,007	-	-
Lease liabilities	14,379	5,873	5,478	3,028	-
Borrowings	43,608	43,608	-	-	-
Convertible notes	2,779	2,779	-	-	-
Expected future interest payments					
Convertible notes	338	338	-	-	-
Lease liabilities	1,754	1,061	533	160	-
Borrowings	558	558	-	-	-
Total	**125,909**	**112,703**	**10,018**	**3,188**	**-**

Refer to Note 1 for commentary on going concern assumptions.

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

(c) Fair Value of Financial Instruments

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements continued

Consolidated – 2026

	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Total A$'000
Total assets				
Deferred acquisition costs	1,009	-	-	1,009
Capitalised borrowing costs	235	-	-	235
Shares held in listed entities	1	-	-	1
Unexpired Interest	-	220	-	220
	1,245	**220**	**-**	**1,465**
Total liabilities				
Deferred interest	-	239	-	239
Financial liability	-	10,564	-	10,564
	-	**10,803**	**-**	**10,803**

Consolidated – 2025

	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Total A$'000
Total assets		-	-	
Deferred acquisition costs	1,357	-	-	1,357
Capitalised borrowing costs	274	-	-	274
Shares held in listed entities	-	-	-	-
Unexpired Interest	-	1,435	-	1,435
	1,631	**1,435**	**-**	**3,066**
Total liabilities				
Deferred interest	-	422	-	422
Financial liability	-	12,121	-	12,121
	-	**12,543**	**-**	**12,543**

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

The following table shows the valuation techniques used in measuring fair values for financial instruments in the Statement of Financial Position:

Type	Valuation technique
Equity securities	Quoted market share price.
Deferred Costs	Actual costs incurred.
Other financial assets & liabilities*	*Discounted cash flows*: the valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.**

* Other financial assets include unexpired interest.

Other financial liabilities include deferred interest and financial liabilities.

(d) Commodity Price Risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and mining development of mineral commodities. If commodity prices fall, the market for companies exploring and/or mining for these commodities is affected. The Company does not currently hedge its exposures.

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(e) Fair Values

For financial assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. The Company has no financial assets, including derivative financial assets and liabilities, where the carrying amount exceeds the net fair values on the reporting date. The Company's receivables at the reporting date comprise of GST input tax credits refundable by the Australian Taxation Office and other receivables. The balance (if any) of receivables comprises prepayments (if any). The credit risk on the Company's financial assets, which has been recognised on the Statement of Financial Position, is generally the carrying amount.

(f) Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and maintain an optimum capital structure to reduce the cost of capital. Consistently with others in the industry, the consolidated entity monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the Statement of Financial Position plus net debt. The gearing ratio as at 30 June 2026 was 5.3% (2025: 61%).

The increase in the ratio is predominately due to the Company financing its capital growth initiatives for the Mt Carbine Tungsten Project via debt rather than equity.

To maintain or adjust the capital structure, the consolidated entity may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity continues to evaluate corporate and exploration opportunities within the new economy and critical minerals sector.

The consolidated entity is subject to certain financing arrangements and covenants, and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report. The consolidated entity is not subject to externally imposed capital requirements.

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21. SHARE BASED PAYMENTS

At 30 June 2026 the consolidated entity had the following share-based payment arrangements.

(a) Equity-settled share options

The Group operates an equity-settled share option program designed to attract, retain and incentivise eligible key management personnel by aligning their interests with those of shareholders and supporting long-term performance objectives.

Under the program, participants are granted options over ordinary shares. Each vested option entitles the holder to acquire one ordinary share in the Company upon payment of the applicable exercise price. Options do not carry voting or dividend rights prior to exercise and are settled through the physical delivery of shares.

The options are subject to vesting conditions determined by the Board. During the reporting period, vesting was contingent upon a service condition, requiring participants to remain employed by the Group throughout the vesting period. Options that do not satisfy the applicable vesting conditions, or that are not exercised within the specified exercise period, lapse in accordance with the terms of the plan.

The fair value of employee options is measured at grant date and recognised as an expense over the vesting period with a corresponding increase in equity. For options granted to non-employee service providers, where the fair value of services received cannot be measured reliably, the transaction is measured by reference to the fair value of the equity instruments granted in accordance with AASB 2.

The following table details the movements in share options outstanding during the year.

	2026 Number	2026 WAEP	2025 Number	2025 WAEP
Outstanding at the beginning of the year	89,400,000	0.0236	16,100,000	0.0299
Granted	122,875,000	0.1989	79,300,000	0.0223
Forfeited/cancelled	-	-	(6,000,000)	0.0223
Exercised	(52,480,000)	0.0238	-	-
Expired	-	-	-	-
Outstanding at year end	**159,795,000**	**0.1583**	**89,400,000**	**0.0236**
Exercisable at year end	**85,320,000**	**0.1071**	**73,300,000**	**0.0239**

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2026 was $0.2125 (2025: Nil).

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Share options outstanding at the end of the year have the following expiry dates and exercise dates

Grant date	Expiry Date	Exercise price	Share options 30 June 2026	Share options 30 June 2025
03 Jul 2023	03/07/2026	0.1000	2,190,000	16,100,000
29 Nov 2024	29/11/2027	0.0700	17,000,000	20,000,000
20 Dec 2024	20/12/2027	0.0700	22,730,000	53,300,000
27 Nov 2025	13/10/2028	0.0500	5,000,000	-
05 Mar 2026	09/01/2029	0.1500	2,700,000	-
06 Mar 2026	09/01/2029	0.1500	1,200,000	-
09 Mar 2026	09/01/2029	0.1500	9,450,000	-
10 Mar 2026	09/01/2029	0.1500	1,200,000	-
11 Mar 2026	09/01/2029	0.1500	12,100,000	-
12 Mar 2026	09/01/2029	0.1500	600,000	-
13 Mar 2026	09/01/2029	0.1500	600,000	-
14 Mar 2026	09/01/2029	0.1500	600,000	-
15 Mar 2026	09/01/2029	0.1500	600,000	-
19 Mar 2026	09/01/2029	0.1500	900,000	-
20 Mar 2026	09/01/2029	0.1500	40,500,000	-
22 Mar 2026	09/01/2029	0.1500	600,000	-
24 Mar 2026	09/01/2029	0.1500	600,000	-
27 Mar 2026	09/01/2029	0.1500	600,000	-
31 Mar 2026	09/01/2029	0.1500	600,000	-
06 Apr 2026	09/01/2029	0.1500	6,000,000	-
07 Apr 2026	09/01/2029	0.1500	1,500,000	-
09 Apr 2026	03/03/2029	0.0350	8,000,000	-
15 Apr 2026	09/01/2029	0.1500	1,500,000	-
22 Apr 2026	09/01/2029	0.1500	750,000	-
26 Apr 2026	09/01/2029	0.1500	7,500,000	-
28 Apr 2026	09/01/2029	0.1500	3,000,000	-
29 Apr 2026	09/01/2029	0.1500	6,000,000	-
30 Apr 2026	09/01/2029	0.1500	1,500,000	-
07 May 2026	09/01/2029	0.1500	3,000,000	-
08 May 2026	09/01/2029	0.1500	225,000	-
10 May 2026	09/01/2029	0.1500	300,000	-
21 May 2026	09/01/2029	0.1500	750,000	-
Total			**159,795,000**	**89,400,000**
Weighted average remaining contractual life of options outstanding at end of period			**1.87**	**2.20**

The assessed fair value at grant date of options granted during the year ended 30 June 2026 was $0.1987 per option (2025: $0.0223). The fair value at grant date is independently determined using the Black-Scholes Model.

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Notes to the Consolidated Financial Statements continued

The following weighted-average assumptions were used in determining the grant-date fair value of equity-settled share options granted during the year:

	Share options 30 June 2026	Share options 30 June 2025
Value of underlying stock (weighted average)	0.2848	0.0550
Exercise price (weighted average)	0.1549	0.0700
Expected volatility (weighted average)	85.032%	67.227%
Term (weighted average)	2.98	3.00
Option price (weighted average fair value)	0.1987	0.0223
Expected dividend yield (weighted average fair value)	-	-
Risk Free interest rate (based on government bonds (weighted average fair value)	4.606%	3.910%

(b) Equity-settled performance rights

The Group operates an equity-settled performance right scheme under which participants may be granted performance rights for no consideration. Each vested performance right entitles the holder to receive one ordinary share in the Company, subject to the satisfaction of specified service and/or performance conditions. Performance conditions may include market-based or non-market-based measures determined by the Board. Performance rights do not carry voting or dividend rights prior to vesting and settlement.

The following table details the number and movements in performance rights issued as employment incentives to Key Management Personnel during the year.

	2026 Number	2026 Fair Value	2025 Number	2025 Fair Value
Outstanding at the beginning of the year	-		-	-
Granted	11,400,000	2,225,052	-	-
Lapsed/cancelled	(5,130,000)	(151,763)	-	-
Exercised	-		-	-
Expired	-		-	-
Outstanding at year end	**6,270,000**	**2,073,289**	**-**	**-**
Exercisable at year end	**2,090,000**	**691,097**	**-**	**-**

Performance rights are granted for nil consideration. The performance rights granted during the year had a weighted average grant date fair value of A$0.1952 per right (2025: nil), determined using a combination of Monte Carlo simulation (market conditions) and grant-date share price (non-market conditions) as set out in the Remuneration Report.

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(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

2026	FV at Grant Date A$'000	Expensed in prior years A$'000	Expensed Lapsed / Forfeited A$'000	Expensed Options / Performance Rights A$'000
Options issued to key management personnel	12,465	-	-	10,290
Performance rights issued to key management personnel	2,225	-	-	1,018
Options issued to employees & consultants	12,343	179	-	4,854
Performance rights issued to employees & consultants	2,289	-	-	1,019
Contractor services settled in shares	52	-	-	52
Total share-based payments	**29,374**	**179**	**-**	**17,233**

2025	FV at Grant Date A$'000	Expensed in prior years A$'000	Expensed Lapsed / Forfeited A$'000	Expensed Options / Performance Rights A$'000
Options issued to key management personnel	654	30	-	582
Options issued to employees & consultants	1,443	458	-	863
Contractor services settled in shares	33	-	-	33
Options/shares not recorded in the ESS register[1]	n/a	-	-	2,258
Total share-based payments	**2,130**	**488**	**-**	**3,736**

[1] Fair value at grant date for this item is not separately tracked in the employee share scheme register; the amount above reflects the expense recognised

Each option provides the right for the option holder to be issued one fully paid share in the Company upon payment of the exercise price of each option once vesting conditions have been met.

Historical volatility has been used to determine expected share price volatility as it is assumed that this indicates future trends, which may not eventuate.

For service provider options, the value of the service rendered was unable to be measured reliably, and therefore, the value was measured by reference to the fair value of the options issued.

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Notes to the Consolidated Financial Statements continued

22. PARENT ENTITY INFORMATION

The following information relates to the parent entity, EQ Resources Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	2026 A$'000	2025 (*) A$'000
ASSETS		
Current assets	**180,524**	89,406
Non-current assets	**41,971**	35,727
TOTAL ASSETS	**222,495**	125,133
LIABILITIES		
Current liabilities	**2,496**	14,303
Non-current liabilities	**33,777**	17,799
TOTAL LIABILITIES	**36,273**	32,102
NET ASSETS	**186,222**	93,031
EQUITY		
Issued capital	**198,310**	93,487
Reserves	**22,443**	10,554
Accumulated gains / (losses)	**(34,531)**	(11,009)
TOTAL EQUITY	**186,222**	93,032
FINANCIAL PERFORMANCE		
Profit (loss) for the year	**(23,521)**	(9,898)
Other comprehensive income/(loss) for the year	**-**	(1)
Total comprehensive profit/(loss)	**(23,521)**	(9,899)

(*) Refer to *note 1(e) for details regarding to prior year restatement*

Contingent Liabilities

As at 30 June 2026 and 30 June 2025 the Company had no contingent liabilities other than those disclosed in Note 16.

Contractual Commitments

In addition to the contractual commitments outlined in the Significant Changes and Subsequent Events section of the Directors Report, no other material contractual commitments were entered into during the period.

Guarantees Entered into by Parent Entity

As at 30 June 2026, the Group has not provided any financial guarantees.

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23. RELATED PARTY DISCLOSURES

(a) Directors and specified executives

Disclosures relating to Directors and specified executives are set out in Note 14.

(b) Transactions with other related parties:

Transactions between other related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the reporting period the Company entered the following transaction:

Short-term borrowings via the advanced upfront Subscription Security payment of A$8.7 million from OCM Luxembourg Tungsten Holdings S.a.r.l. (Oaktree) prior to the issue of the Subscription Securities as part of the share placement on 22 May 2025. The loan is non-interest bearing unless the Company fails to satisfy the Subscription Approval by 31 August 2025, interest will accrue at a rate of 10% per year accruing daily.

At the EGM held on 19 July 2025 shareholders approved the issue of 249,585,714 shares in full satisfaction of the short-term borrowings.

Subsequent to year end, Oaktree ceased to be a related party of the Group: on 17 July 2026, funds managed by Oaktree Capital Management, L.P. sold their entire EQR shareholding (862,131,779 shares and 35,555,556 options, approximately 16.8% of issued capital) to Wonongarra Pty Ltd, an investment vehicle wholly owned by Dr Andrew Forrest AO. Refer to Note 23 for details.

(c) Receivable from and payable to related parties

There were no trade receivables nor trade payables to related parties at the current and previous reporting date other than those disclosed in the Remuneration Report.

(d) Loans to/from related parties

No loans to or from related parties were entered into during the reporting period.

(e) Parent entity

EQ Resources Limited is the ultimate parent entity within the Group.

(f) Subsidiaries

Interests in subsidiaries are set out in Note 18.

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Notes to the Consolidated Financial Statements continued

24. SUBSEQUENT EVENTS

There have been no material events after 30 June 2026 that have not previously been reported other than:

- On 14 September 2026, the Company entered a binding framework agreement to acquire a 10% interest in a new US tungsten processing JV with The Elmet Group (70%) and Blue Moon Metals Inc. (20%) to restart, own and operate the 4,000 tpa Springer ammonium paratungstate (APT) plant in Nevada, USA. "EQR Signs Binding Agreement For US APT Plant JV"

- On 10 July 2026, the Company increased its Mt Carbine Exploration Tenure by 45% by completing the acquisition of Aus Critical Minerals Pty Ltd and TTTP1 Pty Ltd, "EQR to Increase Mt Carbine Exploration Tenure by 45%"

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Consolidated Entity Disclosure Statement

Entity Name	Entity Type	Body corporates		Tax residency
		Place formed / incorporated	% of share capital held	
EQ Resources Limited	Body Corporate	Australia	N/A	Australia
Mt Carbine Mining Pty Ltd	Body Corporate	Australia	100%	Australia
Mt Carbine Retreatment Pty Ltd	Body Corporate	Australia	100%	Australia
European Tungsten Pty Ltd	Body Corporate	Australia	100%	Australia
Mt Carbine Quarrying Operations Pty Ltd	Body Corporate	Australia	100%	Australia
Mt Carbine Quarries Pty Ltd	Body Corporate	Australia	100%	Australia
EQ Resources Exploration (QLD) Pty Ltd (i)	Body Corporate	Australia	100%	Australia
Mt Carbine Retreatment Management Pty Ltd	Body Corporate	Australia	100%	Australia
EQ Resources (Roadhouse Operations) Pty Ltd (ACN 698 258 043)	Body Corporate	Australia	100%	Australia
Saloro S.L.U.	Body Corporate	Spain	100%	Spain

EQ Resources (Roadhouse Operations) Pty Ltd was incorporated during the year ended 30 June 2026 as a wholly-owned subsidiary of EQ Resources Limited.

(i) Formerly Icon Resources Africa Pty Ltd. The company changed its name on 22 June 2026.

Basis of preparation

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

- Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

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Consolidated Entity Disclosure Statement continued

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Branches (permanent establishments)

Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations. Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.

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Directors' Declaration

The Directors of the Company declare that:

1. the attached financial statements and notes:

   a) comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   b) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and

   c) give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

2. the directors have been given the declaration required by s.295A of the *Corporations Act* 2001 by the Chief Financial Officer declaring that:

   a) the financial records of the company for the financial year have been properly maintained in accordance with s.286 of the Corporations Act 2001;

   b) the Financial Statements and notes for the financial year comply with Accounting Standards; and

   c) the Financial Statements and notes for the financial year give a true and fair view;

3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

4. the Consolidated Entity Disclosure Statement on Page 103 is true and correct.

This declaration is made in accordance with the resolution of the Board of Directors pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board



Craig Bradshaw
Managing Director
30 September 2026

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Auditor's Independence Declaration

Nexia Melbourne Audit Pty Ltd
Level 16, 600 Bourke Street
Melbourne VIC 3000
E: info@nexiamelbourne.com.au
P: +61 3 8613 8888
F: +61 3 8613 8800
nexia.com.au

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of EQ Resources Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there has been:

a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia Melbourne Audit Pty Ltd
Melbourne

Ben Bester
Director

Dated this 30th day of September 2026

Advisory. Tax. Audit.

Registered Audit Company 291969

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Independent Auditor's Report

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Nexia Melbourne Audit Pty Ltd
Level 16, 600 Bourke Street
Melbourne VIC 3000
E: info@nexiamelbourne.com.au
P: +61 3 8613 8888
F: +61 3 8613 8800
nexia.com.au

Independent Auditor's Report to the Members of EQ Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EQ Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as of 30 June 2026 and of its performance for the year then ended; and

ii) complying with Australian Accounting Standards and *the Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Registered Audit Company 291969

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Independent Auditor's Report continued

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Key audit matter	How our audit addressed the key audit matter
Carrying value of Deferred exploration and evaluation expenditure ***Refer to Note 10(d), 1(h)*** The Group holds significant exploration and evaluation assets on 30 June 2026, which are material to the financial report. As a result, the capitalised exploration and evaluation expenditure needed to be assessed for impairment indicators in accordance with *AASB 6 Exploration and Evaluation of Mineral Resources and* therefore considered a key audit matter.	Our procedures include, amongst others: • Obtained schedules of the areas of interest held by the Group and assessed whether the rights to tenure remain current at the balance date. • Considered whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed. • Reviewed the Group's capitalisation of exploration expenditure in the current year and ensured that it is consistent with the criteria as stated under AASB 6. This included discussions with management, reviewed Group exploration budgets, ASX announcements and directors' minutes. • Reviewed and considered whether any facts or circumstances existed that suggest impairment was required. • Assessed the adequacy of the related disclosures in Note to the financial report.
Carrying value of Mine Development Assets ***Refer to Note 10(b), 1(i)*** Mine development assets were a key audit matter due to the significance of the balance and the judgement involved in determining whether expenditure meets the criteria for capitalisation under AASB 116 Property, Plant and Equipment, including the appropriate classification and subsequent measurement of these costs. Judgement is also required in assessing the carrying value of these assets and whether indicators of impairment exist.	Our procedures include, amongst others: • assessing the accounting treatment and capitalisation of mine development costs against the applicable accounting requirements; • testing, on a sample basis, capitalised expenditure to supporting documentation; • evaluating the nature of costs capitalised and their allocation to the relevant mine development assets; • assessing indicators of impairment and the recoverability of the carrying amount, where applicable; and • assessing the adequacy of the related financial statement disclosures.
Revenue recognition ***Refer to Note 4, 1(s), 2(g), 2(h)*** Revenue recognition was considered a key audit matter due to the significance of revenue to the financial report and the audit effort required to assess whether revenue was recognised in the appropriate period and in accordance with the Group's accounting policies.	Our audit procedures included, amongst others: • obtaining an understanding of the Group's processes and relevant controls over revenue recognition; • assessing the Group's revenue recognition accounting policies against the requirements of the applicable Australian Accounting Standards; • on a sample basis, agreeing revenue transactions to supporting documentation, including sales agreements, invoices, delivery or shipping

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Key audit matter	How our audit addressed the key audit matter
The determination of revenue may involve judgement in relation to the timing of recognition, contractual terms, quantities delivered and the applicable sales price, including any provisional pricing or other adjustments where relevant. Accordingly, there is a risk that revenue may be recognised in an incorrect amount or reporting period.	documentation and relevant settlement information; • assessing whether revenue was recognised in the appropriate reporting period by testing transactions recorded around year end; • where applicable, assessing the reasonableness of relevant pricing adjustments by reference to contractual terms and supporting market information; • performing analytical procedures over revenue and investigating significant or unusual movements and transactions; and • assessing the adequacy of the related disclosures in the financial report.
Stripping costs ***Refer to Note 10(b), 1(i)*** The accounting for stripping costs was a key audit matter due to the significance of the balance and the judgement involved in determining the appropriate allocation of costs between inventory and the stripping activity asset. Management judgement is also required in assessing the future economic benefits associated with capitalised stripping costs.	Our audit procedures included, amongst others: • assessing the accounting treatment of stripping costs against the applicable accounting requirements; • testing, on a sample basis, stripping costs to supporting documentation; • evaluating management's allocation of costs between inventory and the stripping activity asset; • assessing key assumptions supporting the capitalisation and recoverability of stripping costs; and • assessing the adequacy of the related financial statement disclosures.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report on in this regard.

Independent Auditor's Report continued

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 41 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of EQ Resources Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia Melbourne Audit Pty Ltd
Melbourne

Ben Bester
Director

Dated this 30th day of September 2026

Shareholder Information

Registered Office
Suite 7A, 410 Queen Street
Brisbane QLD 4000, Australia

Company Secretary
Mrs Virna Trout

Shareholder Enquiries
Shareholder information in relation to shareholding or share transfer can be obtained by contacting the Company's share registry:
Automic Registry Services
GPO Box 5193
Sydney NSW 2001

Telephone: 1300 288 664 (local), +61 (0)2 9698 5414 (international)
Website: www.automicgroup.com.au
Please provide your Security-holder Reference Number (SRN) or Holder Identification Number (HIN) for all correspondence to the share registry.

Change of Address
Changes to your address can be updated online at https://www.automicgroup.com.au or by obtaining a Change of Address Form from the Company's share registry. CHESS-sponsored investors must change their address details through their broker.

Annual General Meeting

The Annual General Meeting will be held virtually via webinar conferencing facility on Wednesday 25 November 2026 at 3.30 pm (AEST). The time and other details relating to the meeting will be provided in the Notice of Meeting, which will be sent to all shareholders and released to the ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is 7 October 2026, being 35 business days before the AGM. Any nominations must be received in writing at the Company's Registered Office no later than 5.00 pm (AEST) on 7 October 2026.

The Company notes that the deadline for the nominations for the position of Director is separate from voting on Director elections. In due course, details of the Directors to be elected will be provided in the Company's Notice of Annual General Meeting.

Corporate Governance Statement
The Company's 2026 Corporate Governance Statement, once released to the ASX, will be available on the Company's website at https://www.eqresources.com.au

Annual Report Mailing List
All shareholders are entitled to receive the Annual Report. In addition, shareholders may nominate not to receive an Annual Report by advising the share registry in writing, by fax, or by email, quoting their SRN/HIN.

Securities Exchange Listing

EQ Resources shares are listed on the Australian Securities Exchange and trade under the ASX code EQR. The securities of the Company are traded on the ASX under CHESS (Clearing House Electronic Sub-Register System). The Company's securities are not traded on any other stock exchange.

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ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is based upon data as at 31 August 2026. The closing price of the EQR's ordinary shares on that ASX on this date was $0.425. At this time there was no on-market buy-back of the Company's securities.

Distribution of Equity Securities

Analysis of numbers of ordinary shareholders by size of holding.

	Ordinary Shares		Options over Ordinary Shares	
	Number of Holders	Number Issued	Number of Holders	Number Issued
1 – 1,000	126	19,051	4	337
1,001 – 5,000	1048	3,012,831	-	-
5,001 – 10,000	653	5,300,804	-	-
10,001 – 100,000	2055	82,838,242	28	1,400,183
100,001 – and over	1063	5,065,471,439	113	290,325,232
Total	**4945**	**5,156,642,367**	**145**	**291,725,752**
Holdings less than a marketable parcel	**129**	**22,312**		

Substantial Option Holders

Substantial option holders in the Company are set out below:

Substantial Option Holders	Holding	% of Total Options Issued
Wonongarra Pty Ltd	35,555,556	11.86%

Substantial Holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

Substantial Shareholders	Number Held	Percentage
Wonongarra Pty Ltd	862,131,779	16.80%
Cronimet Australia Pty Ltd	259,191,789	5.03%

Shareholder Information continued

Equity Security Holders

Twenty largest quoted equity security holders.

Position & Holder Name	Holding	% Holdings
CITICORP NOMINEES PTY LIMITED	1,833,411,007	35.55%
BNP PARIBAS NOMINEES PTY LTD	879,343,325	17.05%
HSBC CUSTODY NOMINEES	354,000,601	6.86%
J P MORGAN NOMINEES AUSTRALIA	149,853,099	2.91%
CRONIMET ASIA PTE LTD	131,868,132	2.56%
CRONIMET AUSTRALIA PTY LTD	127,323,657	2.47%
ZHUI PEI YEO	114,782,082	2.23%
MERRILL LYNCH (AUSTRALIA)	57,306,187	1.11%
ARCHER PACIFIC HOLDING	55,000,000	1.07%
WARBONT NOMINEES PTY LTD	54,869,730	1.06%
BODIE INVESTMENTS PTY LTD	52,068,441	1.01%
TA SECURITIES HOLDINGS BERHAD	42,114,071	0.82%
HONWAI PTY LTD	31,839,565	0.62%
CODE NOMINEES PTY LTD	31,705,449	0.61%
HEMMINGWAY UNITED INVESTMENT	31,088,236	0.60%
BAGLORA PTY LTD	28,101,000	0.54%
EMERALD STREET PTY LTD	26,500,000	0.51%
OLIVER KLEINHEMPEL	22,507,211	0.44%
BNP PARIBAS NOMS PTY LTD	21,797,449	0.42%
THIRTY SIXTH VILMAR PTY LTD	19,296,428	0.37%
Total: Top 20 Holders of Ordinary Fully Paid Shares	**4,064,775,670**	**78.83%**
Total issued capital	**5,156,642,367**	**100.00%**

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Unquoted Securities

There are no voting rights attached to the unquoted options.

There are no other classes of equity securities.

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Forward Looking Statements

Some statements contained within this report relate to the future and are forward looking statements. Such statements may include, but are not limited to, statements with regard to intention, capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside EQ Resources Limited’s control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements and intentions which speak only as at the date of the presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, EQ Resources does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements contained in this presentation, whether as a result of any change in EQ Resources’ expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

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