

17th November 2022

DRILLING TARGETING NEW DISCOVERIES AND POTENTIAL WESTERN PIT EXPANSION

EQ Resources Limited is the 100% owner of the Mt Carbine Tungsten Mine near Cairns, Australia's only primary tungsten producer.

Highlights:

- Phase 2 2022 drilling campaign for 3,015m locked in with completion slated for end February '23, with a strong value-add focus on life of mine, area definition and orebody extension.
- Resource extension and Reserve conversion drilling with additional exploration covering:
 - o Completion of the Western Extension drill out, to confirm economics of the potential Phase III Pit Extension*
 - o Orientation determination of the high-grade zone found in Hole EQ026 of Phase 1 2022 drilling campaign** (i.e. 5.95m@0.94% WO₃)
 - o Drilling in the Iron Duke System will investigate the outcropping Ruby Vein and the newly discovered high-grade Crown Vein outcrops, located from soil anomalies***
- Upside potential exists to add several further years of open pit mining to the mine plan under the Bankable Feasibility Study Update.

* Details on Phase 3 Pit Extension see '[Mt Carbine Tungsten Project Update \(slide 23/24\)](#)' dated 21 September 2022

** See ASX announcement '[Further High-Grade Tungsten Intercepts in Near-Pit Drilling](#)' dated 20 May 2022

*** See '[Quarterly Activities and Cash Flow Report September 2022](#)' dated 31 October 2022

EQ Resources Limited ("EQR" or "the Company") is pleased to announce the awarding of a drilling contract to DDH1 Drilling Pty Ltd for the Phase 2 2022 drilling program with field works commencing at the end of November. This drilling campaign is primarily targeting the potential for the Phase III Pit Extension. The program will build on the Phase 1 2022 drilling in the Dyke West Zone (see ASX announcement '[Further High-Grade Tungsten Intercepts in Near-Pit Drilling](#)' dated 20 May 2022) and has 23 holes planned for 3,015m with the following targets (details see Appendix 1):

(1) Western Pit Extension (Phase III Pit) & In-Fill within Pit Shell (as per BFS Update)

Sixteen (16) holes will quantify if a 15 million tonne Western Pit Extension (blue shape in Figure 1 below), called the Phase III Pit, will be economically feasible. No drilling has been done near surface in this area and any new Resources discovered would add to the Company's existing Indicated Resources for Mt Carbine. Currently, the updated BFS (Pit Shell shown in green) highlighted 4.5 years of Open Pit Reserves and 10 years of Low Grade Stockpile Reserves for a total 14.5-year mine life.

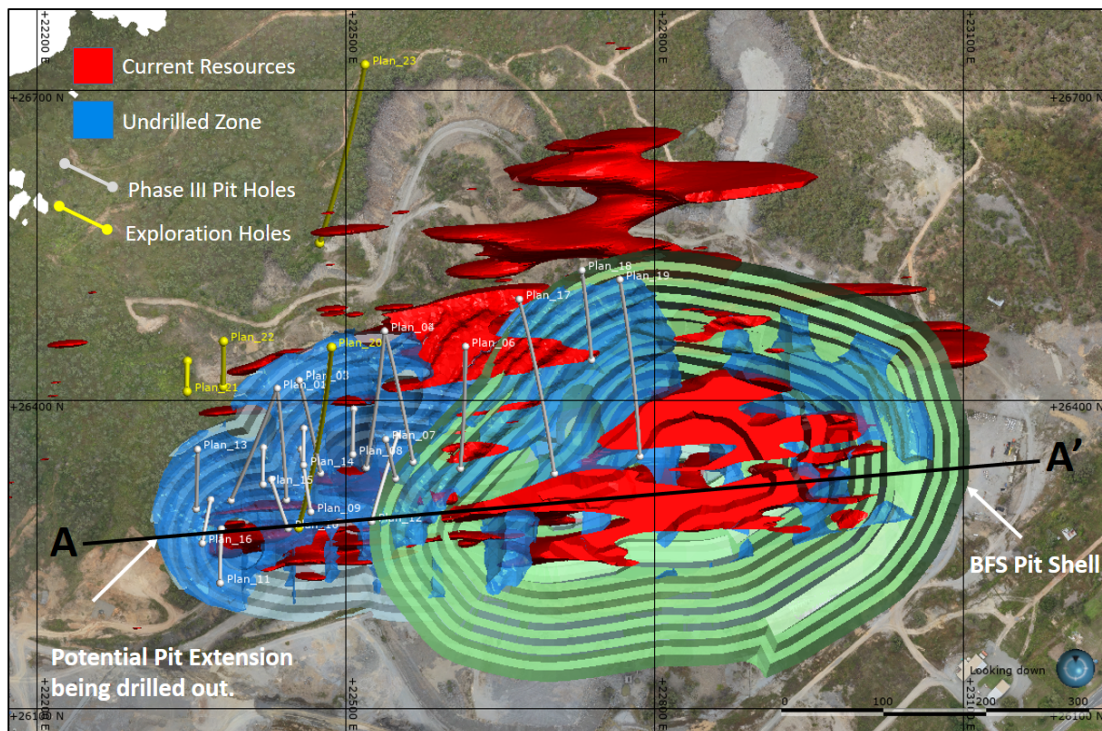


Fig. 1 - Blue is the undrilled area within the Phase III Pit Expansion as well as the Pit Shell as per the BFS Update (highlighted in green)

(2) Resource drilling / Exploration for new discoveries

A single deep hole planned to investigate the orientation of the high-grade zone located in Hole EQ026, (i.e. 5.95m@0.94% WO₃). It is thought, this high-grade zone plunges westward and has potential to add significantly to the future underground assessment.

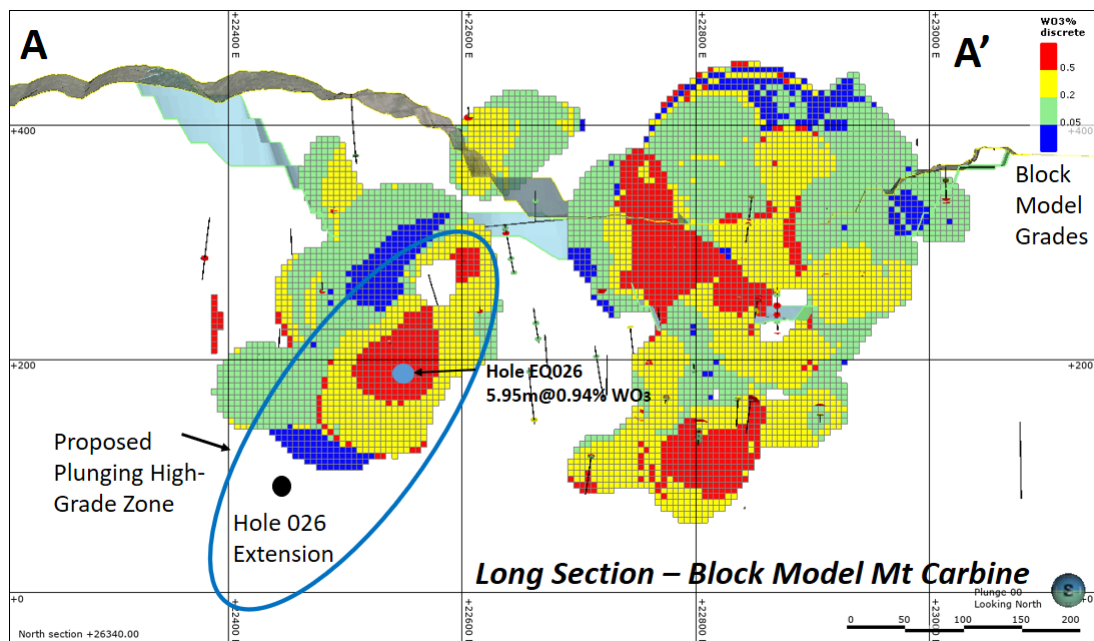


Fig. 2 - Long section showing block model with postulated plunging western high-grade zone

Two holes targeting the surface expression of the historical named Ruby Vein, which is in the southern part of the Iron Duke Zone. The Iron Duke System is a large system immediately north of Mt Carbine Open Pit that

has three known individual vein packages including Ruby/Dazzler, Talis & Crown Vein Packages. Given close proximity to the open pit, any resources found in the Ruby Vein would encourage continued pit expansion.

A single exploratory hole into the Crown Zone is planned. High-grade tungsten in soil results in this area identified outcropping scheelite vein structures that represent the surface expression of the Crown system. This system is the northern extension of the Iron Duke Zone and has excellent results at depth (>150m depth).

The locating of these well mineralised outcrops are considered significant exploration success.

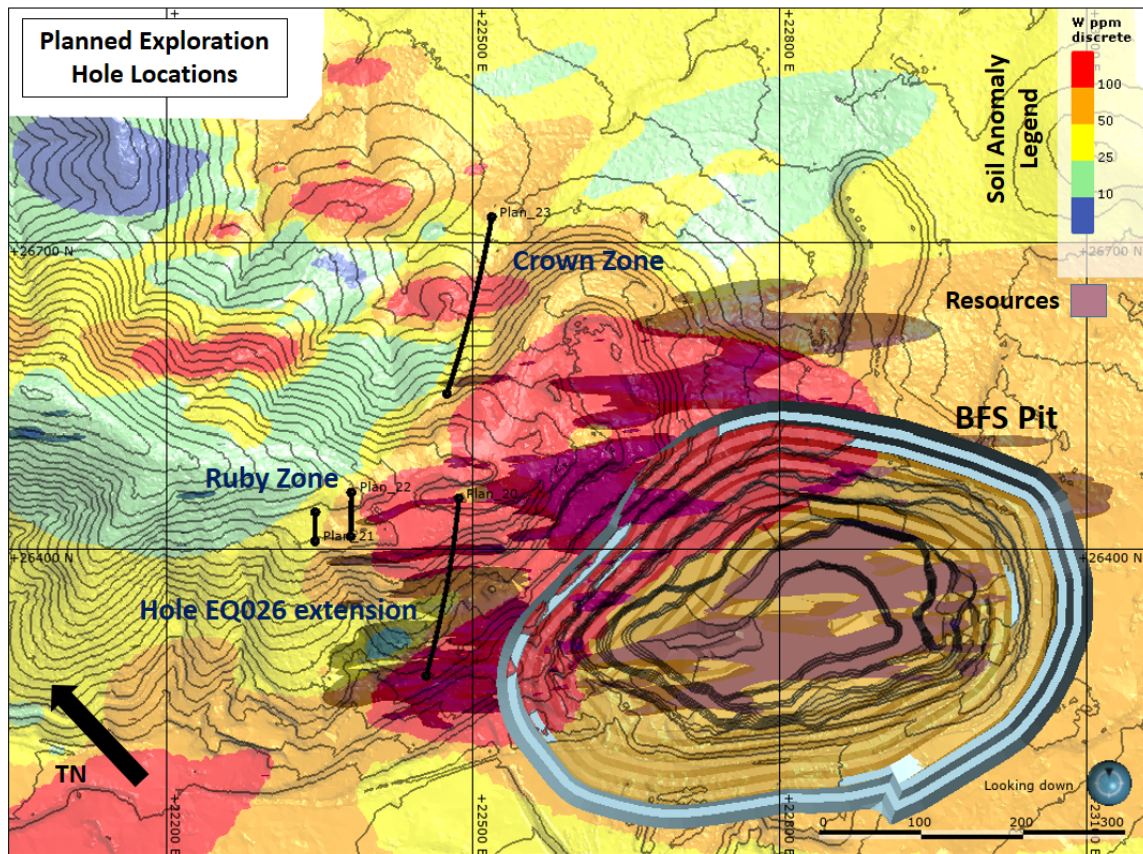


Fig. 3 - Location of the four exploration holes overlaid on soil results and known Resources

EQR's Chief Executive Officer, Mr Kevin MacNeill, commented: "We were excited that we intersected a high-grade zone of mineralisation of 5.95m@0.94% WO₃ on our last section going west of the Andy White pit. This shows the high-grade potentially repeats itself along strike and knowing that our geophysics highlights this extension, it is a very encouraging sign. This mineralisation going west offers potentially significant financial upside so this drilling will not only increase Resources but project NPV. Just when we thought the veins were narrowing and losing some intensity away from the main orebody, this extension has presented to our benefit."

"In addition to the Western Extension drilling, the Ruby veins set to be drilled at surface have had some strong intercepts at depth, bringing this to surface in the northern exposures of the Iron Duke will be very positive. Drilling will also target some high potential soil anomaly areas identified in recent exploration programs. All of the upcoming drilling has a strong value-add focus on life of mine, area definition and orebody extension."

Released on authority of the Board by:

Kevin MacNeill
Chief Executive Officer

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About the Company

EQ Resources Limited is an ASX-listed company transforming its world-class tungsten assets at Mt Carbine in North Queensland; leveraging advanced technology, historical stockpiles and unexploited resource with the aim of being the pre-eminent tungsten producer in Australia. The Company also holds gold exploration licences in New South Wales. The Company aims to create shareholder value through the exploration and development of its current portfolio whilst continuing to evaluate corporate and exploration opportunities within the new economy and critical minerals sector.

Competent Person's Statements

EQ Resources' exploration and resource work is being managed by Mr. Tony Bainbridge, AusIMM. Mr. Bainbridge is engaged as a contractor by the Company and is not "independent" within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Bainbridge 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 JORC Code 2012. The technical information contained in this announcement relating exploration results are based on, and fairly represents, information compiled by Mr. Bainbridge.

Forward-looking Statements

This announcement may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this announcement include risks associated with planned production, including the ability of the Company to achieve its targeted production outline due to regulatory, technical or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates. Neither the Australian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Australian Securities Exchange) accepts responsibility for the adequacy or accuracy of this announcement.

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APPENDIX 1

Phase 2 2022 Drilling Program							
Activity/Area	Plan_ID	Easting	Northing	Elevation	Azimuth	Dip	EOH Depth
Western Pit Extension	Plan_01	22,433	26,411	464	200	45	160
	Plan_02	22,433	26,411	464	173	45	150
	Plan_03	22,455	26,419	464	165	50	140
	Plan_04	22,538	26,466	452	185	45	180
	Plan_05	22,538	26,466	452	165	45	175
	Plan_06	22,617	26,451	429	180	45	160
	Plan_07	22,539	26,362	427	165	50	60
	Plan_08	22,507	26,347	426	0	60	85
	Plan_09	22,466	26,291	417	350	45	85
	Plan_10	22,444	26,275	414	340	45	70
	Plan_11	22,378	26,222	402	0	50	80
	Plan_12	22,525	26,282	406	15	45	120
	Plan_13	22,356	26,352	442	180	45	80
	Plan_14	22,459	26,337	434	0	45	50
	Plan_15	22,420	26,318	429	0	45	50
	Plan_16	22,361	26,261	419	10	45	60
	Subtotal						1705
Updated BFS Pit (infill)	Plan_17	22,669	26,497	430	165	45	230
	Plan_18	22,729	26,525	406	172	45	120
	Plan_19	22,766	26,516	398	170	45	230
	Subtotal						580
Exploration	Plan_20	22,486	26,450	452	185	63	350
	Plan_21	22,346	26,408	470	0	45	40
	Plan_22	22,381	26,456	476	180	45	60
	Plan_23	22,519	26,725	387	185	52	280
	Subtotal						730
TOTAL							3015