resourcing the new economy for a better tomorrow

29 July 2025

SALORO SECURES US$7.5M ROYALTY FUNDING

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

EQ Resources Limited (**EQR** or the **Company**) is pleased to announce that Saloro S.L.U (Saloro), a 100%-owned subsidiary of EQR, has executed a binding term sheet (**Term Sheet**) with funds managed by Oaktree Capital Management, L.P. ("Oaktree"), for a US$7.5 million royalty-based funding package. The parties have mutually agreed on the principal terms and key commercial provisions, with a commitment to finalise definitive transaction documents expeditiously.

In consideration for an initial payment of US$7.5 million to EQR, EQR will grant Oaktree a 2.5% royalty. This royalty will be calculated on the basis of gross proceeds received by Saloro from the sale of tungsten concentrate from its Barruecopardo Project in the Salamanca Province, Spain.

Proceeds from the royalty funding will be used to fund ongoing and essential capital projects at Saloro, alongside bolstering working capital to strengthen the group's balance sheet.

Further details on the royalty Term Sheet are listed in Annex 1 below.

Executive Chairman, Mr Oliver Kleinhempel, commented: "We are pleased to be securing further support from our largest shareholder Oaktree. Over the past 18 months, Saloro executed a number of improvement projects at the Barruecopardo operation, leading to significantly improved metal recoveries in each process step. The third XRT sorter currently under construction will provide Saloro additional capacity in the front-end, which shall lead to a further expansion of tungsten concentrate output. Additional equipment to support further recovery gains have already been ordered, the royalty will assist implementation of the remaining work program. The timing is just right, as prices improved significantly in the first half of 2025 with China holding firm on their tungsten export restrictions."

Released on authority of the Board by:

Oliver Kleinhempel
Executive Chairman

Further Enquiries:

Peter Taylor
Investor Relations
0412 036 231
peter@nwrcommunications.com.au

For personal use only

About the Company

EQ Resources Limited is a leading global tungsten mining company dedicated to sustainable mining and processing practices. The Company is listed on the Australian Securities Exchange, with a focus on expanding its world-class tungsten assets at Mt Carbine in North Queensland (Australia) and at Barruecopardo in the Salamanca Province (Spain). The Company leverages advanced minerals processing technology and unexploited resources across multiple jurisdictions, with the aim of being a globally leading supplier of the critical mineral, tungsten. The Company aims to create shareholder value through the exploration and development of its current project portfolio whilst continuing to evaluate corporate and exploration opportunities within the new economy and critical minerals sector globally.

Follow us:

For personal use only

Annex 1: Key terms and conditions of the royalty Term Sheet

1.	**Parties**	Saloro S.L.U (as '**Payer**') An affiliate of funds managed by Oaktree Capital Management, L.P.(as '**Payee**') EQ Resources Limited (EQR) and European Tungsten Pty Ltd (**ETP**) (a 100%-owned EQR company and sole shareholder of Saloro S.L.U) (as '**Guarantor**')
2.	**Project**	The Barruecopardo tungsten mine, Salamanca Province, Spain.
3.	**Product**	Mineral elements and compounds, under or upon the surface or sub-surface of the Barruecopardo mining area, containing tungsten.
4.	**Royalty**	2.5% of gross proceeds received by Payer from the sale of tungsten concentrate.
5.	**Upfront Payment**	US$7.5 million, payable within five business days after the Commencement Date (being the date upon which all of the Conditions Precedent have been satisfied or waived).
6.	**Buy-Back Option**	On or prior to the 5th anniversary of the Commencement Date the Payer may issue a notice in writing (Buy-back Notice) to the Payee that it wishes to buy-back a minimum of 25% of future royalty obligations by making a pro rata percentage repayment of the Upfront Payment within 30 business days. This right may be exercised multiple times by the Payer with the percentage being calculated by reference to the original royalty.
7.	**Security**	The following security is to be granted in favour of the Payee to guarantee the Payer's payment obligations: • security granted over EQR's shares in ETP, with such security being subordinated behind any existing security; and • existing security over ETP's shares in Payer is expanded to cover payment defaults under the Royalty agreement (**Security**)
8.	**Transferability**	The Payee shall be entitled to transfer rights and obligations in relation to the Royalty at any time to any third party.
9.	**Conditions Precedent to Upfront Payment:**	1. EQR obtaining any and all shareholder approvals required by the ASX Listing Rules (including but not limited to approvals required under ASX Listing Rule 10.1 for grant of the Security) or, in lieu of such approvals, EQR having obtained a waiver from ASX negating the need for those approvals; and 2. Other conditions usual for a transaction of this nature.
10	**Binding agreement**	As soon as practicable, the Parties will negotiate in good faith and seek to agree to the definitive transaction documents which must reflect and incorporate the terms and principles set out in the Term Sheet, which are binding as between the Parties.

For personal use only