



ASX ANNOUNCEMENT

23 June 2021

TORQUE METALS LIMITED (ASX:TOR) – PRE-QUOTATION DISCLOSURE

In accordance with ASX listing requirements, Torque Metals Limited (“**Company**”) is pleased to provide the following information to ASX for release to the market in connection with the commencement of official quotation of fully paid ordinary shares in the Company (“**Shares**”).

1. CAPITAL STRUCTURE

The table below provides a summary of the capital structure of the Company at the date of completion of the Offers:

Capital Structure	
Total Shares	62,818,519
Lead Manager Options ¹	9,375,000
Seed Capital Options ²	2,250,000
MPS Options ³	1,000,000
Fully diluted share capital	75,443,519

Notes:

1. 3,875,000 exercisable at \$0.275 and an expiry of 3 years from the date of admission to ASX and 5,500,000 exercisable at \$0.30 with an expiry of 3 years from the date of admission to ASX.
2. The Company issued 2,250,000 Seed Capital Options, exercisable at \$0.25 each and will expire at 5:00pm (WST) on 22 December 2023.
3. The Company issued 1,000,000 MPS Options to MPS, exercisable at \$0.30 each and will expire at 5:00pm (WST) on 27 July 2023.

2. SEED CAPITAL OPTIONS AND MPS OPTIONS

The Company notes that the expiry dates of the MPS Options and Seed Capital Options that were provided in section 9.3.3 of the Prospectus dated 14 April 2021 were incorrect.

The Company corrects the expiry dates of the MPS Options and Seed Capital Options by notes 2 and 3 of paragraph 1 above of this Announcement.

Refer to Annexure A of this Announcement for a summary of the terms and conditions of the Seed Capital Options and MPS Options.



3. STATEMENT OF COMMITMENTS

The Company intends to use the \$5,500,000 funds raised from its public offer as follows:

Proposed Use of funds	Minimum Subscription		\$5,500,000 Subscription	
	\$	%	\$	\$
Year 1				
Evaluation and exploration of the Paris Gold Project ¹	990,000	19.9%	1,200,000	21.8%
Evaluation and exploration of the Bullfinch Project ²	285,000	5.6%	473,000	8.6%
Estimated expenses of the Offers ³	475,000	9.5%	527,000	9.5%
Administration and general working capital ¹	405,260	8.1%	405,260	7.4%
Director salaries and fees (including Executive Directors)	319,740	6.4%	319,740	5.8%
Total Expenditure — Year 1	2,475,000	49.5%	2,925,000	53.1%
Year 2				
Evaluation and exploration of the Paris Gold Project ¹	1,550,000	31.0%	1,600,000	29.1%
Evaluation and exploration of the Bullfinch Project ³	250,000	5.0%	250,000	4.6%
Administration and general working capital ⁴	405,260	8.1%	405,260	7.4%
Director salaries and fees (including Executive Directors)	319,740	6.4%	319,740	5.8%
Total Expenditure — Year 2	2,525,000	50.5%	2,575,000	46.9%
Total Expenditure — Years 1 & 2	5,000,000	100%	5,500,000	100.00%

Note:

General working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal fees, other items of a general administrative nature and cash reserves which may be used in connection with any project such as investments and acquisitions, or in connection with any other item in the table above, as determined by the Board at the relevant time.



The above table is a statement of current intentions as at the date of this Announcement. As with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of the Company's exploration and evaluation programs, as well as regulatory developments and economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

4. UPDATE ON FORFEITURE APPLICATIONS AND TENEMENT TRANSFERS

(a) Forfeiture Applications EL77/2221, EL77/2222, EL77/2350 and EL77/2251

The forfeiture applications are being heard before the Perth Wardens Court who has instructed the plaintiff to lodge supporting documentation with the Court. The Plaintiff has since provided the Company's tenement solicitors with particulars of the application. The Company is required to respond by no later than 9 July 2021, before a hearing by the Warden.

Until the matters can be heard by the Warden, the Company continues to keep the tenements in good standing by meeting the payment of annual rates to the local Shire Council and annual rent payments to the Department of Mines, Industry Regulations and Safety ("**DMIRS**").

(b) Status of the Transfer of Tenements

The transfer of tenements can't be registered with DMIRS until stamp duty is assessed by the WA Office of State Revenue ("**OSR**") and paid.

(i) EL 77/2607

Duty assessment of EL 77/2607 by the OSR has been received by the Company on 3 June 2021. Stamp duty is payable no later than 3 July 2021 after which the tenement will be transferred into the name of the Company.

(ii) Austral Tenements

Duty assessment of the Austral Tenements has still not been received from the OSR. The Company has instructed its consultant to follow up with the assigned assessment officer.

5. SECURITIES SUBJECT TO ASX RESTRICTIONS

The Company confirms the following restricted securities will be on issue:

Shares	Number
Escrowed Shares for 24 months from the date of official quotation	14,698,566
Escrowed Shares 12 months from their date of issue	4,569,223



Options	Number
Escrowed Options for 24 months from the date of official quotation	<u>10,375,000</u>
<ul style="list-style-type: none">• Lead Manager Options – 27.5 cents• Lead Manager Options – 30 cents• MPS Options – 30 cents	<ul style="list-style-type: none">3,875,0005,500,0001,000,000
Escrowed Options 12 months from their date of issue	
<ul style="list-style-type: none">• Seed Capital Options – 25 cents	2,250,000

6. CONFIRMATIONS

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering the tenements set out at pages 23 to 24 of the Legal Report on Tenements contained in the Prospectus and carrying out exploration activities the subject of the commitments disclosed in the Prospectus.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'N McKay'.

Neil McKay
Company Secretary

Enquiries

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ANNEXURE A – TERMS AND CONDITIONS OF SEED CAPITAL OPTIONS AND MPS OPTIONS

1. SUMMARY

Each reference to “Option” in this Annexure A refers to all Seed Capital Options and MPS Options.

All Options are on the same terms except for as described at Section 3 below.

2. ENTITLEMENT

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

3. EXERCISE PRICE & EXPIRY DATE

Subject to any adjustment in accordance with these terms and conditions, the amount payable upon exercise of each Option will be as follows based on Minimum and Full Subscriptions under the Public Offer (“**Exercise Price**”).

The table below summarises the different terms of the Seed Capital Options and the MPS Options.

Number of Seed Capital Options	Exercise Price (\$)	Expiry Date
2,250,000	0.25	5:00pm (WST) 22 December 2023
Number of MPS Options	Exercise Price (\$)	Expiry Date
1,000,000	0.30	5:00pm (WST) 27 July 2023

4. EXPIRY DATE

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

5. EXERCISE PERIOD

The Options are exercisable at any time from the date of issue and from time to time on or prior to the Expiry Date (“**Exercise Period**”).

6. NOTICE OF EXERCISE

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (“**Notice of Exercise**”) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

7. EXERCISE PERIOD

A Notice of Exercise is effective on and from the later of the date of receipt of:

- (a) the Notice of Exercise; and
- (b) the Exercise Price for each Option being exercised in cleared funds (“**Exercise Date**”).



8. ISSUE OF SHARES ON EXERCISE

Within 5 Business Days after the Exercise Date, the Company must:

- (a) issue the Shares pursuant to the exercise of the Options; and
- (b) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

Shares issued on exercise of the Options rank equally with the then existing Shares of the Company. Upon the issue of the Shares pursuant to the exercise of the Options, the Option holder agrees to be bound by the Constitution.

9. QUOTATION

The Options are unquoted unless the Board resolves otherwise in its sole discretion.

10. TRANSFERABILITY

The Options are not transferable, except with the prior written approval of the Board. Such consent must not be unreasonably withheld or delayed.

11. PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12. ADJUSTMENT OF BONUS ISSUES OF SHARES

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

13. ADJUSTMENT FOR ENTITLEMENTS ISSUE

If the Company makes an issue of Shares pro-rata to existing Shareholders (other than as a bonus issue, to which Section 12 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

14. ADJUSTMENT FOR REORGANISATION

If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the Listing Rules.