

29 July 2022

# Quarterly Activities Report for the period ending 30 June 2022

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## Highlights

- High-grade gold intercepts at flagship Paris Gold Project confirm strong, broad zones of high-grade structures, indicating significant potential for growth below and adjacent to the existing open pit resource
- Torque's first ever Nickel exploration efforts commenced at Paris Project with a survey to test for conductive Nickel sulphides at the Domingo, Melchior & Melchior West prospects
- Maiden RC drilling program commenced at Withers Find prospect at the Bullfinch Gold Project
- \$3 million Placement well supported by sophisticated and professional investors, and coincident with the appointment of new CEO Cristian Moreno

Perth-based, Western Australian-focused explorer Torque Metals Limited ("**Torque**" or "**the Company**") (ASX: **TOR**) is pleased to report on its activities for the three months ending June 2022.

During the June Quarter, the Company was focused on progressing its flagship Paris Gold Project in Western Australia where high-grade gold intercepts confirmed very strong, broad zones of high-grade gold, both up and down dip, at Paris<sup>1 2 3</sup>. The results indicate significant potential for growth in gold resources below and adjacent to the existing pit.

## Torque Metals CEO Cristian Moreno commented:

*"This has been a very busy quarter for Torque Metals, with significant growth potential identified at our Paris Gold Project and our maiden drilling campaign commencing at the highly prospective Bullfinch Project.*

*The start of the geophysical survey at the Paris Project Nickel prospects will be instrumental in prioritising our exploration and drilling targets in this area and we expect plenty of news flow from these activities in the coming quarter.*

*We continue to identify and add to some very significant targets across our portfolio, and we are very excited by their potential."*

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<sup>1</sup> ASX Announcement 18 October 2021 – New High-Grade Discovery at Paris Gold Mine

<sup>2</sup> ASX Announcement 28 April 2022 – High Grade Gold Zones Intersected Paris Gold Project

<sup>3</sup> ASX Announcement 24 May 2022 – Further wide high-grade gold intercepts at Paris

Torque is also conducting Nickel exploration at the Paris Project<sup>4</sup>. The Company commissioned a Ground Moving Loop Electromagnetic (MLEM) survey to test for conductive Nickel sulphides at the Domingo and Melchior Nickel prospects<sup>5</sup>. This survey commenced after the quarter and was expanded to include an additional target “Melchior West” south of Domingo as result of improvements to the initial survey<sup>4</sup>.

The Company commenced the maiden Reverse Circulation (RC) drill program at the Withers Find prospect in the Bullfinch Project area in Western Australia. The program was designed to complete up to 1,600m of RC drilling at Withers. An intensive data review carried out by the Company also identified several high-quality follow up targets<sup>6</sup>.

## Paris Gold Project

### High-Grade Gold Intercepts from One Metre Sample Splits

During the quarter, one metre sample splits from Torque’s RC drilling programs identified high grade gold zones within wider gold mineralised intercepts at the Observation, Paris, Strauss, and Caruso prospects<sup>1</sup>.

At Paris, one metre sample splits returned a high-grade intersection of 1m @ 34.2g/t Au within the larger zone of 24m @ 10.7 g/t Au in hole 21PRC025. 21PRC025 was drilled to North of the Paris pit in a Southern direction to test gold resource potential, adjacent to the existing pit. The high-grade intersection further indicates strong down-dip gold resource potential below and to the West of the existing Paris pit.

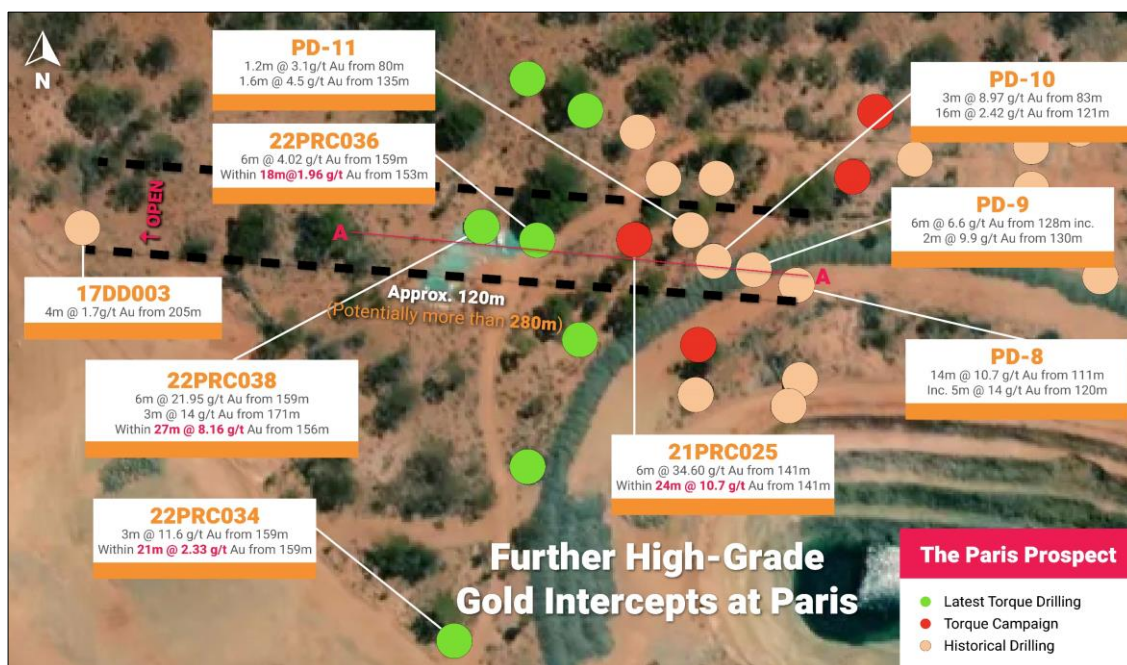


Figure 1: Wide High-grade continues at Paris Prospect

<sup>4</sup> ASX Announcement 13 July 2022 – Nickel Exploration commences at Paris Project

<sup>5</sup> ASX Announcement 05 May 2022 – Electromagnetic Survey of New Nickel Targets

<sup>6</sup> ASX Announcement 05 May 2022 – Drilling starts at Bullfinch Gold Project

At Observation, one metre sample splits were carried out over follow-up RC drilling conducted at that prospect. The samples further confirmed the gold mineral potential of Observation, identifying high-grade intersections of 1m @ 42.4g/t Au within a larger zone of 6m @ 9.86g/t Au from 57m in hole 21ORC031 and 1m @ 33.9g/t Au within a larger zone of 6m @ 8.45g/t Au from 51m in hole 21ORC036.

At Caruso prospect, one metre sample splits returned high grade mineralised zones with 1m @ 10.3g/t Au within a larger zone of 15m @ 3.12g/t Au from 15m in hole 21HRC023.

### Further High-Grade Gold Intercepts from Phase 3 Drilling at Paris Prospect

Phase 3 RC drilling reaffirmed a very strong, broad zone of high-grade gold extending approximately 50m west of Torque's first discovery that intersected a wide gold zone of 24m @ 10.7 g/t Au<sup>1</sup> (Figure 1).

The findings confirm very strong, broad zones of high-grade gold both up and down dip at Paris, indicating significant potential for growth in gold resources below and adjacent to the existing pit<sup>3</sup>.

Assay results from the Phase 3 drill program confirmed a mineralised zone covering a current minimum strike length of ~120 metres. The Company notes that historical drill results from its database demonstrates that there is strong potential for a strike extent more than 280 metres. This too remains open to the northwest, southeast, and at depth (Figure 2).

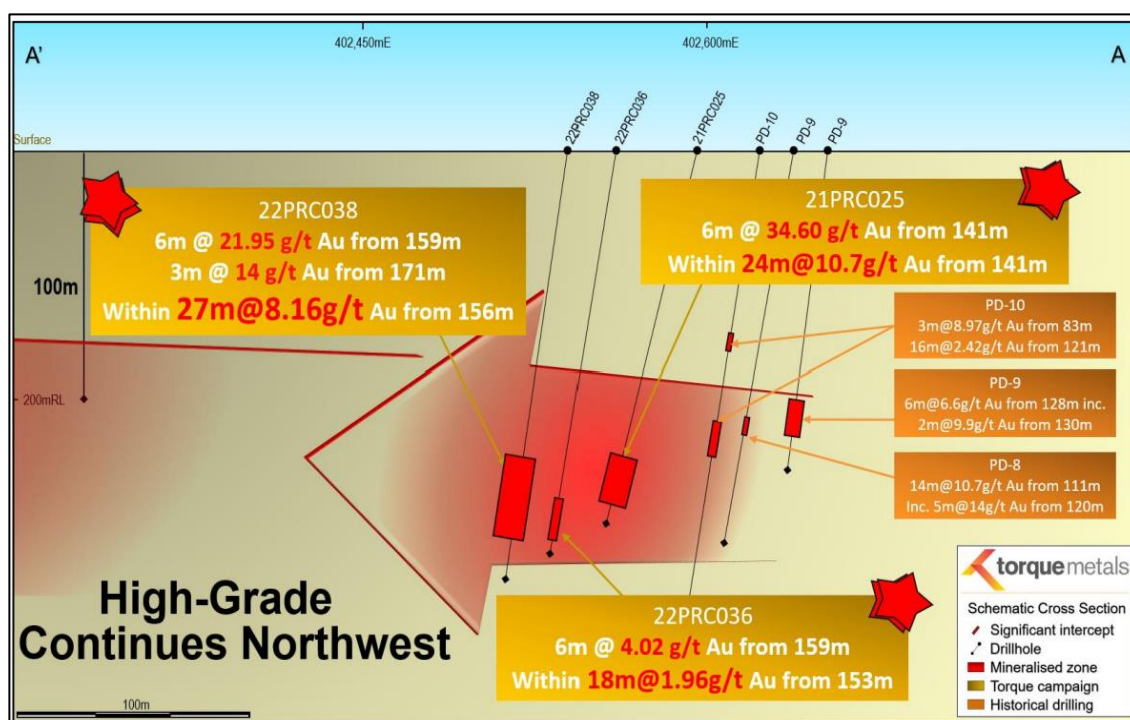


Figure 2: Wide High-grade gold continues northwest



## Nickel Potential at Paris

During the quarter, the Company announced that following an extensive search of its database, it had identified 10 historical drill holes with significant elevated and anomalous Nickel values<sup>7</sup>. This further enhanced Torque's view of the prospectively for Nickel at the Company's wholly owned Paris Project within the richly endowed Boulder-Lefroy Fault Zone, southeast of Kalgoorlie.

The holes were drilled on, or adjacent to, a large positive magnetic anomaly ("Domingo") located approximately 10km NNW from the recently defined Electro Magnetic (EM) anomalies (the "Melchior Anomalies").

These large EM anomalies occur approximately 2km west of the HHH/Caruso gold prospects at Paris and resemble the Airborne Electro Magnetic (AEM) anomaly seen at Mincor Resources Cassini prospect approximately 25 km to the West.

The Company commissioned Resource Potentials (ResPot) and GAP Geophysics to conduct a moving loop electromagnetic (MLEM) survey over the Melchior Anomalies<sup>8</sup> (Figure 3).

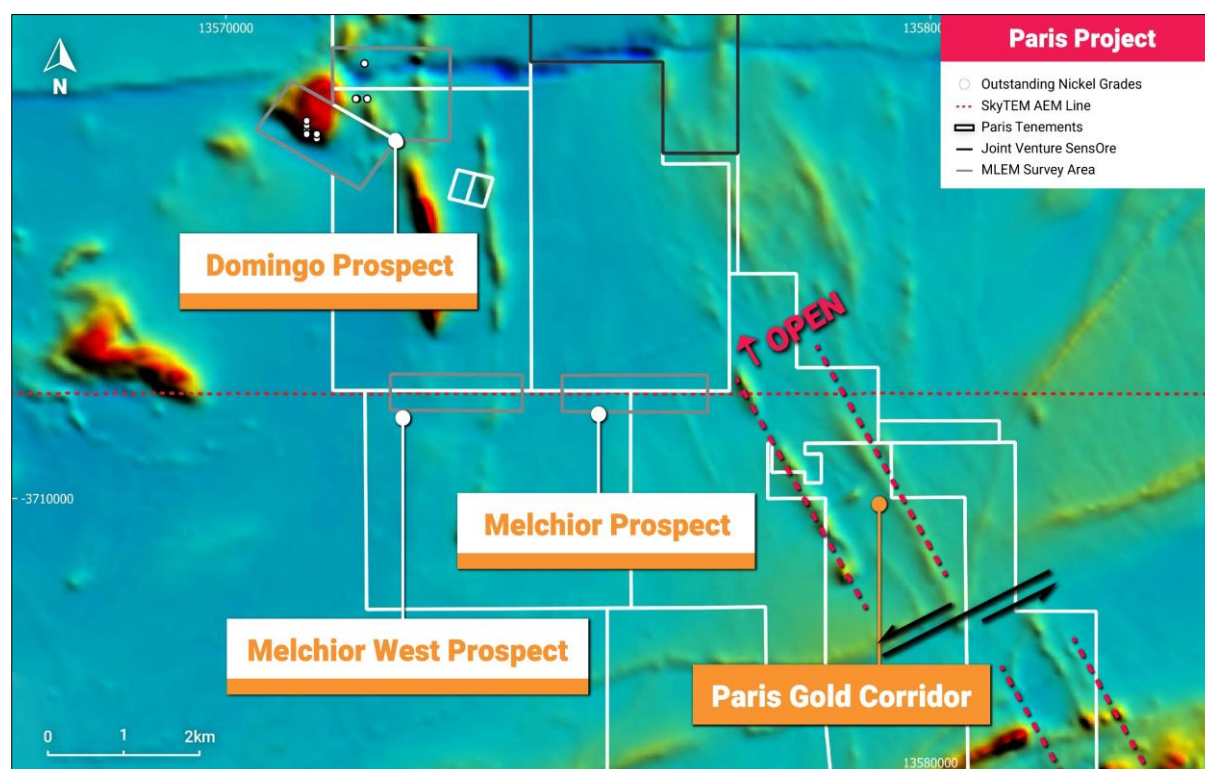


Figure 3: Potential conductive anomalies at the Paris Project

Subsequent to the quarter, the Ground Moving Loop Electromagnetic (MLEM) survey commenced to test for conductive Nickel sulphides at the Domingo and Melchior Nickel prospects<sup>9</sup>. Furthermore, Torque included an additional target "Melchior West" south of Domingo as result of improvements to the initial survey interpretation. (Figure 4).

<sup>7</sup> ASX Announcement 06 April 2022 – Nickel Potential Upgraded at Paris

<sup>8</sup> ASX Announcement 05 May 2022 – Electromagnetic Survey of New Nickel Targets

<sup>9</sup> ASX Announcement 13 July 2022 – Nickel Exploration commences at Paris Project

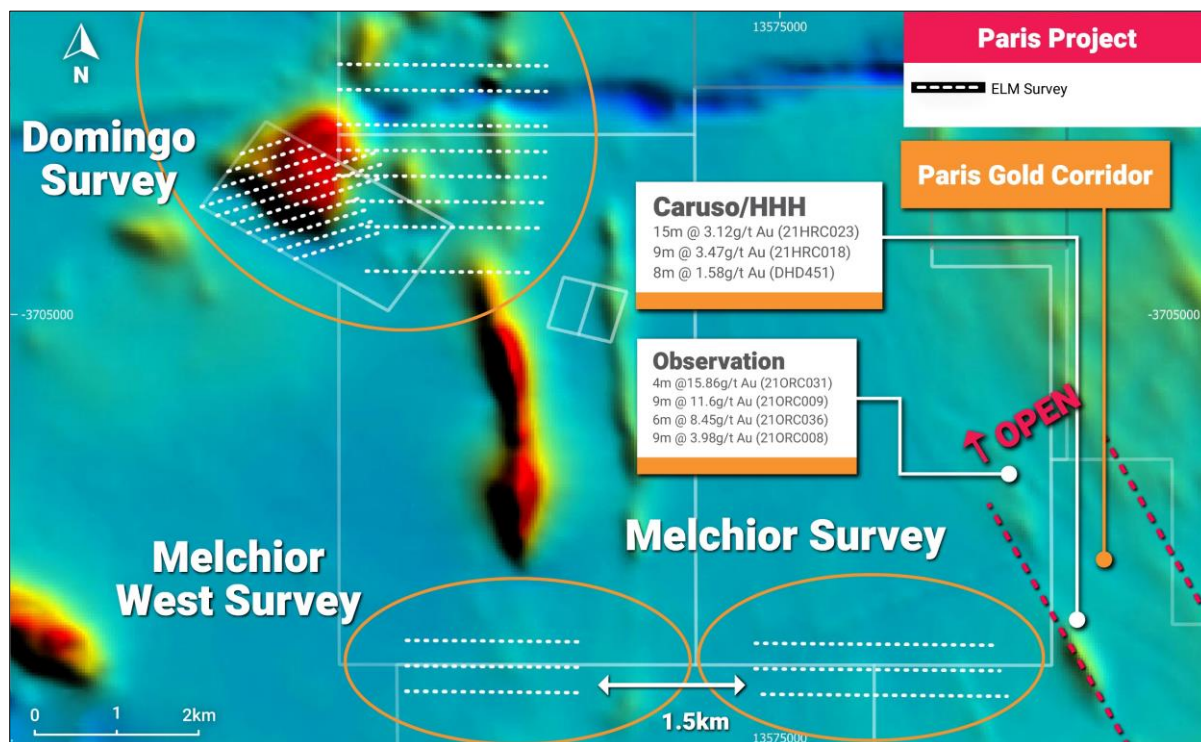


Figure 4: Ground Electromagnetic Survey Design

## Bullfinch Gold Project

After the quarter, the Company announced the commencement of a maiden Reverse Circulation (RC) drill program at Withers Find prospect at the Bullfinch Project area in Western Australia<sup>10</sup>.

The project is located on Archaean greenstone lithologies prospective for gold deposits, massive sulphide Nickel-copper deposits, iron ore and lithium.

The Withers Find Prospect contains at least four main, sub parallel lines of auriferous quartz reefs with an overall strike length of approximately 2.5 km. The stacked quartz veins are found within the remnant lenses of greenstone contained in the foliated biotite gneiss (Sjerp, 1987; Wyatt, 1986).

Sinuuous shears (striking approx. 300°) with pegmatite veins intrude the gneiss. Gold is present in boudinage quartz mineralisation plunging 50° E with EW trending shears and some sub parallel splays.

There is little hydrothermal alteration recognised except in the Millennium open pit (Hitchin, 1988; Sjerp, 1987). The old mines were all developed on rich ore shoots in the quartz reefs above the water-level (Wyatt, 1986). (Figure 5).

<sup>10</sup> ASX Announcement 06 July 2022 – Drilling starts at Bullfinch Gold Project



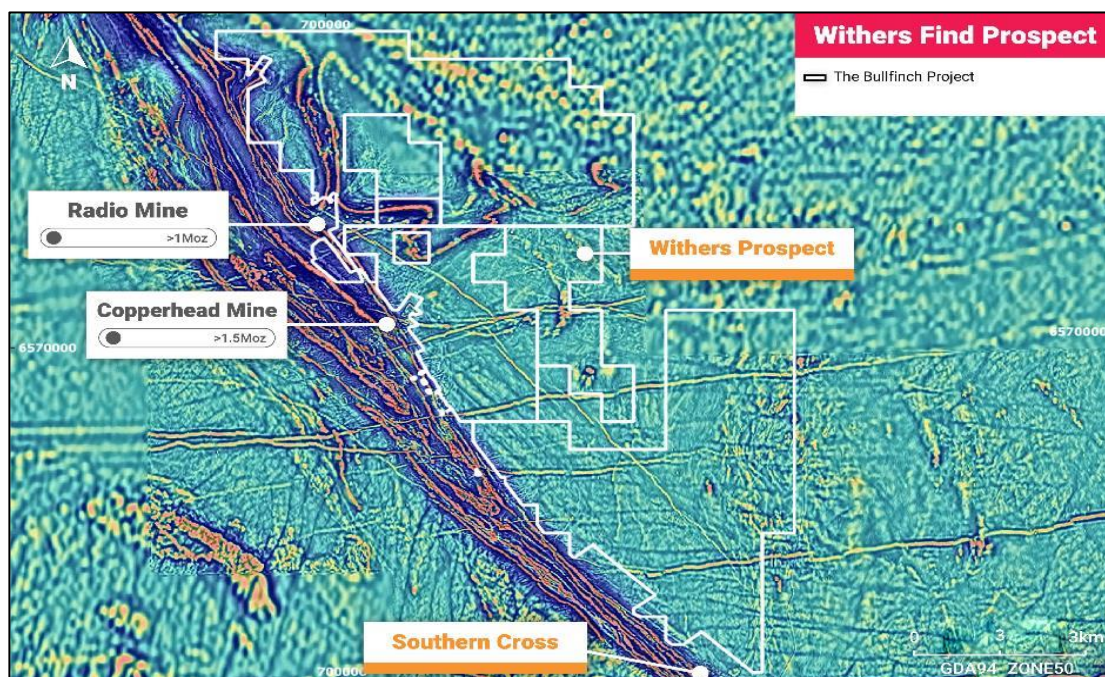


Figure 5: Bullfinch Project

The Torque program at the Withers Find Prospect is designed to complete up to 1,600m of RC drilling and is the result of extensive compilation and review of historical exploration activity, the reprocessing of magnetics, radiometric, and gravity geophysics, and the collection of geochemical samples with extensive multi-element assays and proprietary machine learning analysis. The recent, intensive data review carried out by the Company has identified several high-quality follow up targets. (Figure 6).

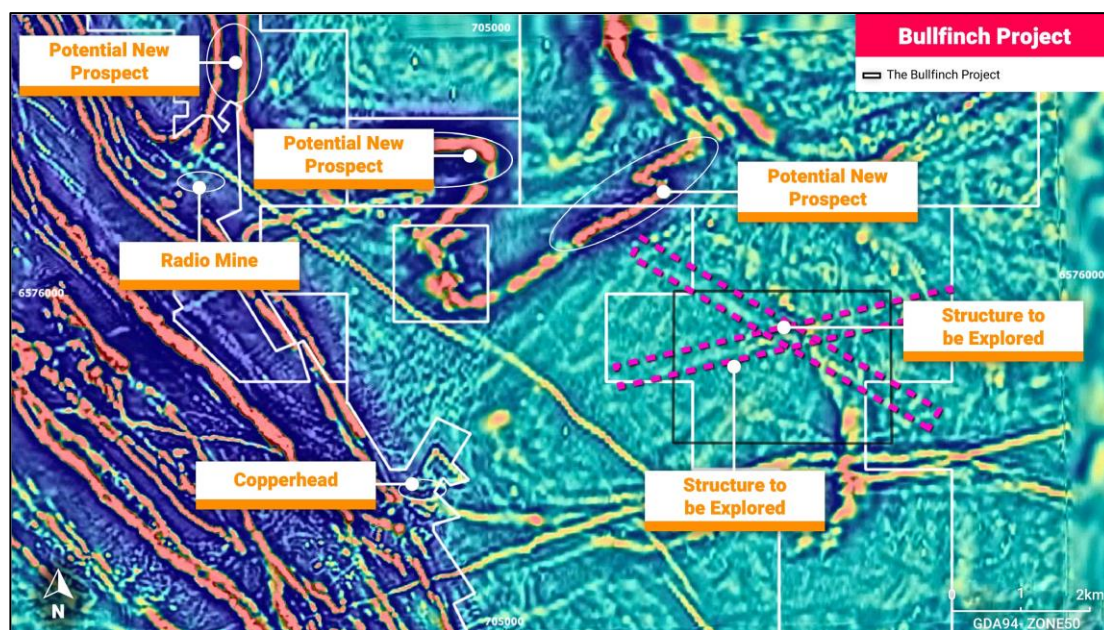


Figure 6: The Bullfinch Project Exploration Potential



## Further Exploration in the Paris Project Area

Given the significance of the high-grade gold results previously released<sup>1 2 3</sup>, Torque is planning to commence a follow up drilling program at the Paris Prospect. Torque anticipates drilling will re-commence in early August. Drilling will test the following:

- Western extensions of the Paris prospect high grade gold trends, with a view to rapidly increasing the gold inventory;
- The extent of the gold mineralisation continuity at the Paris South prospect, tracking historical high-gold grades within a strong, 300m long geochemical anomaly; and
- The Carreras, and Pavarotti geochemistry anomalies to test for sub surface gold mineralisation.

Following the end of the quarter, the Ground Moving Loop Electromagnetic (MLEM) survey commenced to test for conductive Nickel sulphides at the Domingo and Melchior Nickel prospects<sup>9</sup>. Torque is pleased to announce that the moving loop electromagnetic survey (MLEM) commenced during July at the Domingo and Melchior Nickel prospects and is progressing well. Once the survey is completed, Torque intends to further test for the presence of conductive Nickel sulphides at these anomalies.

## Project Background – The Paris Project

Torque's Paris Project lies within the area known as the Boulder-Lefroy Fault Zone (Figure 7). This prolific gold-bearing structure is host to numerous mines that have produced many millions of ounces of gold. Not least of these mines is the world famous "Super Pit" in Kalgoorlie.

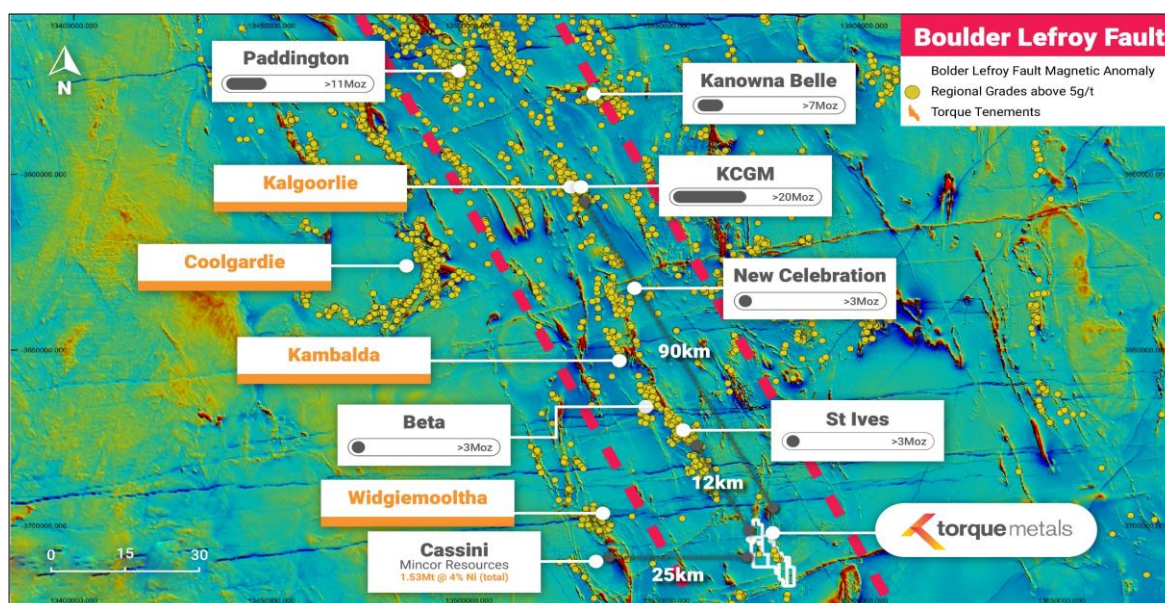


Figure 7: The Paris Project

Torque's Paris Project area remains vastly underexplored, with past drilling generally restricted to the top 50 metres, highlighting significant opportunities for discovery of gold mineralisation by the application of modern-day exploration techniques and the undertaking of more extensive, and deeper, drilling. Torque has already undertaken three drilling campaigns at Paris with the objective of better defining the zones most likely to rapidly increase the project's gold resource base, so far Torque has discovered six different prospects within the potential "Paris Gold Corridor"<sup>11</sup> (Figure 8).

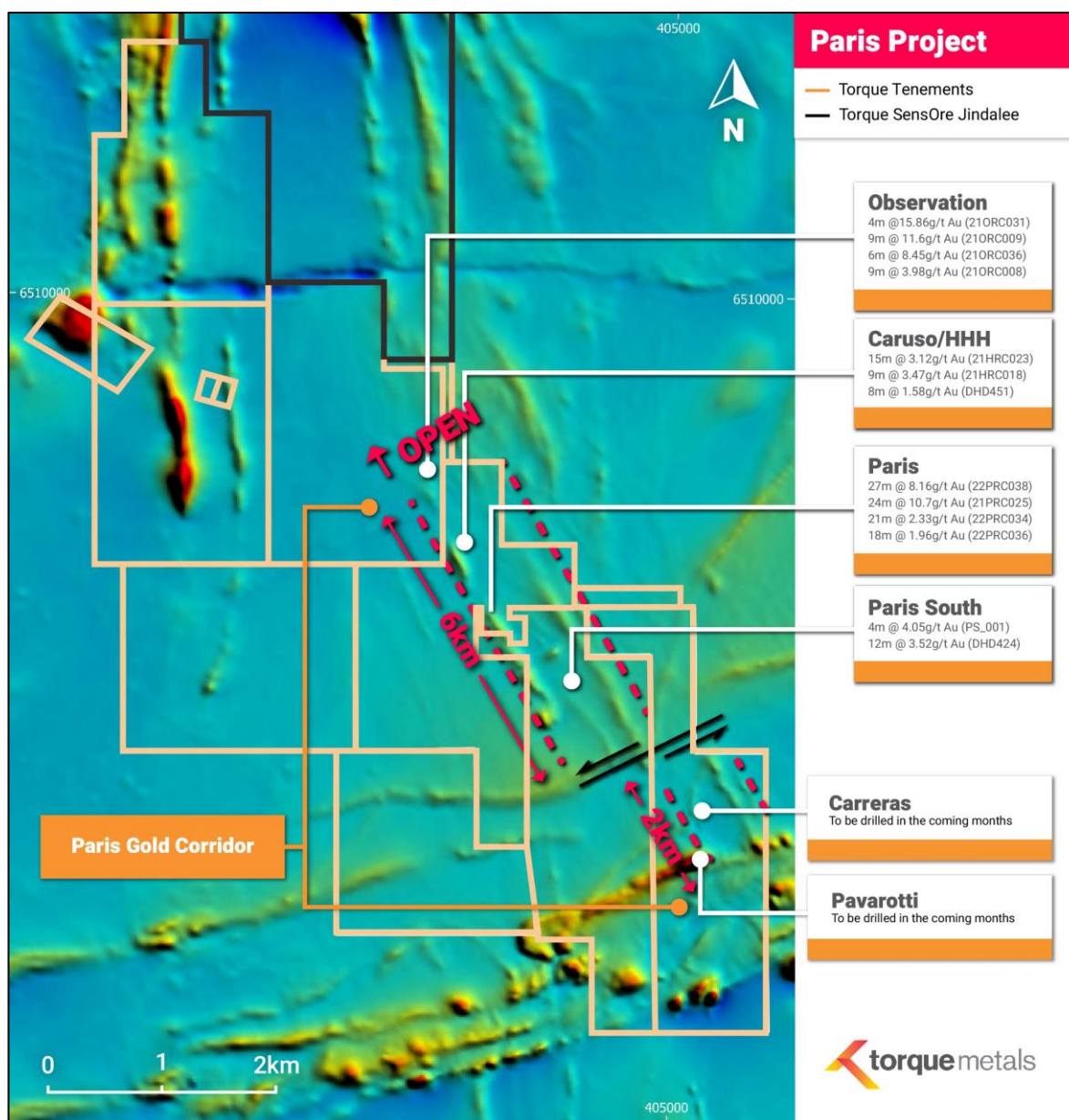


Figure 8: The Paris Gold Corridor

<sup>11</sup> ASX Announcement 15 March 2022 – New Gold Anomalies provide evidence of a Paris Gold Corridor



## Project Background – The Bullfinch Project

Torque has a large 420km<sup>2</sup> tenement package much of which consists of Archean bedrock granites and foliated quartz, feldspar, hornblende, biotite gneiss. Remnant greenstone, comprised of hornblende, biotite schists and gradational biotite gneiss thought to be altered greenstone is also present. Sets of west-north-westerly trending tensional fractures is indicated by the persistent strike in this direction of widely distributed gold-bearing quartz veins which comprise the various historic gold prospects within the tenement area. See figure 3

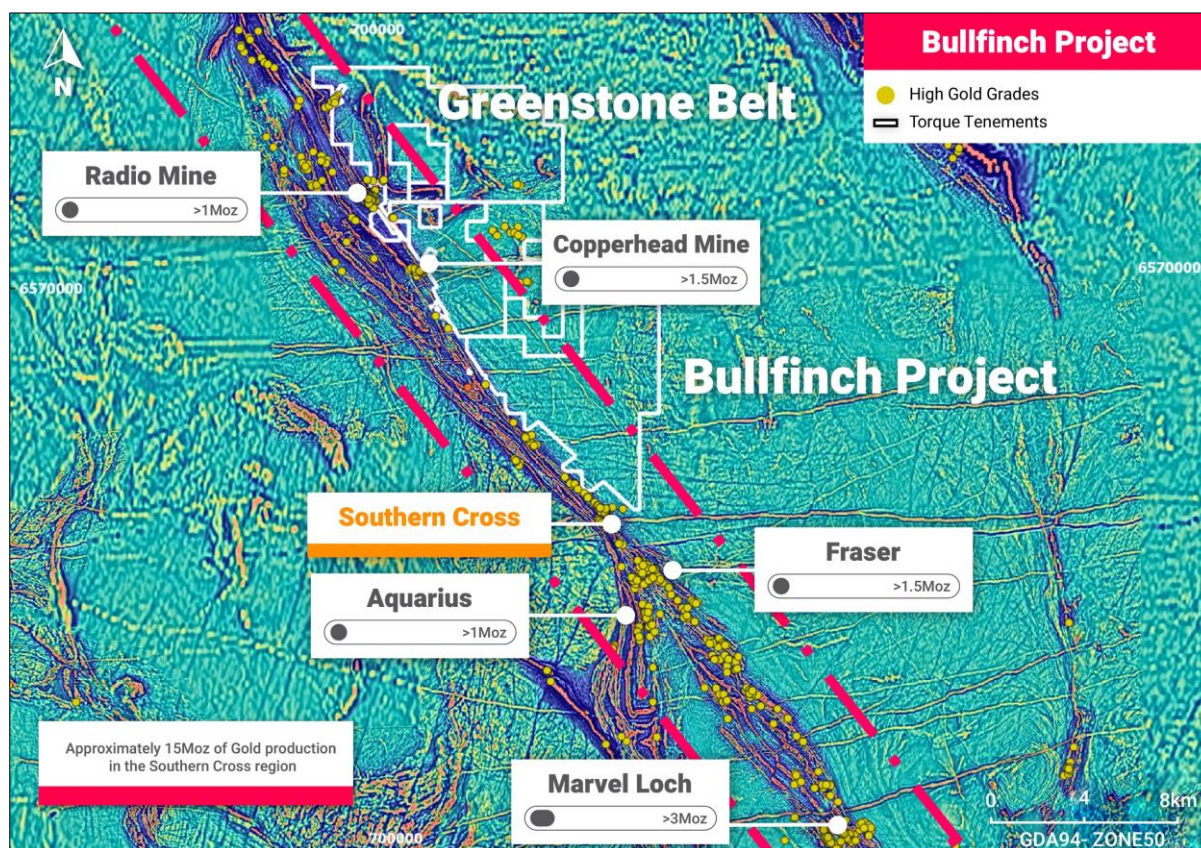


Figure 3: The Bullfinch Project

Three such historic workings, Withers Find, Reynolds Find and Rutherford Find are the most advanced exploration prospects on the Torque tenure, all of which warrant follow up exploration. Other targets in the form of anomalous RAB, auger and soil results have also been identified. Conceptual targets generated by Torque have also been generated and ranked. These too will require follow up investigation. Target generation by using SAM (Sub Audio Magnetics) surveys have also been identified.

## Corporate

### \$3 Million Placement and Appointment of CEO<sup>12</sup>

During the quarter, Torque announced it had received commitments to raise approximately \$3 million through the issue of new fully paid ordinary shares ("New Shares") at \$0.20 per share ("Placement") to sophisticated and professional investors.

Coincident with the Placement, the Company was pleased to announce the appointment of Mr Cristian Moreno as its Chief Executive Officer (CEO) of the Company, effective 27 April 2022.

### Capital Structure

The Capital Structure at the end of the June quarter was as follows:

- 77,818,519 Ordinary Shares on issue;
- 38,509,092 Unlisted Options on issue; and
- 13,000,000 Performance Rights on Issue

### Other

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spent during the quarter was \$ 798,000. Full details of exploration activity during the June 2022 quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There were no mining production or development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the quarter was \$81,536.
4. ASX Listing Rule 5.3.4: Use of Funds

### Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX on 23 June 2021 to 30 June 2022 against estimated expenditure in the Use of Funds statement in the Prospectus is set out below in accordance with ASX Listing Rule 5.3.4. The table also shows the Company's expenditure for the prior quarter, as required by ASX Listing Rule 5.3.1:

Expenditure Item	Use of Funds	Actual Expenditure 23 June 21 to 30 June 2022	Variance Favourable / (Unfavourable)
Existing cash reserves	-	28,000	28,000
Funds raised from the offer	5,000,000	5,500,000	500,000
<b>Sub Total</b>	<b>5,000,000</b>	<b>5,528,000</b>	<b>528,000</b>
Option entitlement (net)	-	126,000	126,000

<sup>12</sup> ASX Announcement 27 April 2022 – Torque appoints CEO coincident with \$3 million placement



Share placement (net)	-	2,820,000	2,820,000
<b>Total</b>	<b>5,000,000</b>	<b>8,474,000</b>	<b>3,474,000</b>
<b>Use of Funds</b>			
Evaluation and exploration of the Paris Gold Project	2,540,000	2,992,000	<sup>1</sup> (452,000)
Evaluation and exploration of the Bullfinch Project	535,000	139,000	<sup>1</sup> 396,000
Estimated expenses of the Offers	475,000	531,975	(56,975)
Administration and general working capital	810,520	649,025	<sup>1</sup> 161,495
Director salaries and fees (including Executive Directors)	639,480	367,000	<sup>1</sup> 272,480
Tenement & rights acquired	-	179,000	(179,000)
Loan Repayments	-	175,000	(175,000)
<b>Total Expenditure</b>	<b>5,000,000</b>	<b>5,033,000</b>	<b>(33,000)</b>
<b>Closing Cash on Hand</b>	<b>-</b>	<b>\$3,441,000</b>	<b>3,441,000</b>

### ASX Announcements

This Quarterly Activities Report contains information reported in accordance with JORC 2012 in the following announcements released during the June quarter. Full details of the exploration results referred to herein including relevant JORC information can be accessed in the following announcements released by the Company to the ASX during the June quarter.

06 April 2022 – Nickel Potential Upgrade at Paris

27 April 2022 – Torque appoints CEO coincident with \$3 million placement

28 April 2022 – High Grade Gold Zones Intersected Paris Gold Project

05 May 2022 – Electromagnetic Survey of New Nickel Targets

24 May 2022 – Further wide high-grade gold intercepts at Paris

06 July 2022 – Drilling starts at Bullfinch Gold Project

13 July 2022 – Nickel Exploration commences at Paris Project

### TENEMENT INFORMATION REPORTED ON AS REQUIRED BY ASX LISTING RULE 5.3.3.

Tenement	Project Name	Registered Holder	Area	Status	Beneficial Interest
M 15/1175	Paris Gold	Torque Metals Ltd	9.299 ha	Granted	100%
M 15/479	Paris Gold	Torque Metals Ltd	965.2 ha	Granted	100%
M 15/480	Paris Gold	Torque Metals Ltd	976.65 ha	Granted	100%
M 15/481	Paris Gold	Torque Metals Ltd	930.85 ha	Granted	100%
M 15/482	Paris Gold	Torque Metals Ltd	855.6 ha	Granted	100%
M 15/496	Paris Gold	Torque Metals Ltd	911.5 ha	Granted	100%
M 15/497	Paris Gold	Torque Metals Ltd	989.85 ha	Granted	100%
M 15/498	Paris Gold	Torque Metals Ltd	998.55 ha	Granted	100%
M 15/1719	Paris Gold	Torque Metals Ltd	120.15 ha	Granted	100%

P 15/5992	Paris Gold	Torque Metals Ltd	8.84 ha	Granted	100%
P 15/6149	Paris Gold	Torque Metals Ltd	30 ha	Granted	100%
E 15/1736	Paris Gold	Jindalee Resources Ltd*	1 bl	Granted	0%
E 15/1747	Paris Gold	Jindalee Resources Ltd*	4 bl	Granted	0%
E 15/1752	Paris Gold	Jindalee Resources Ltd*	20 bl	Granted	0%
AE 15/1904	Paris Gold	Torque Metals Ltd.	1 bl	Pending	100%
AE 15/1916	Paris Gold	Torque Metals Ltd	18 bl	Pending	100%
E 77/2522	Bullfinch	Torque Metals Ltd	70 bl	Granted	100%
E 77/2222	Bullfinch	Torque Metals Ltd	27 bl	Granted	100%
E 77/2251	Bullfinch	Torque Metals Ltd	2 bl	Granted	100%
E 77/2350	Bullfinch	Torque Metals Ltd	64 bl	Granted	100%
E 77/2607	Bullfinch	Torque Metals Ltd	16 bl	Granted	100%
AE 77/2939	Bullfinch	Torque Metals Ltd	19 bl	Pending	100%

*\*Jindalee Resources Ltd = first year farm-in earning interest*

Torque Metals Limited is the Manager of all Tenements

P: Prospecting Licence

E: Exploration Licence

M: Mining License

**This Quarterly Activities Report has been authorised by the Board of Torque Metals.**

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## About Torque Metals

*Torque Metals (ASX:TOR) is a mineral exploration company with an exciting portfolio of high-grade gold deposits in Western Australia. Torque's flagship project is the wholly owned Paris Gold Project located in the Western Australian Goldfields, 40km NE of the Higginsville gold mine. Torque also holds the Bullfinch Gold Project near Copperhead mine, approximately 40km north of the town of Southern Cross in WA. In addition to this, Torque has the right to earn 80% in 3 Exploration Licenses held by Jindalee Resources Limited (ASX:JRL) located adjacent to the Paris Gold Project.*

## Competent Person Statement – Exploration Results

*The information in this announcement that relates to Exploration Results is based on information compiled by Mr Ian Finch, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Finch is an employee of Torque Metals Limited ("the Company"). Mr Finch is eligible to participate in short and long-term incentive plans in the Company and holds shares and performance rights in the Company as has been previously disclosed. Ian Finch 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. Finch consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.*

## Forward Looking Statements

*This report may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.*

*However, forward looking statements are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.*