



Torque Metals Limited
ACN 621 122 905

**NOTICE OF ANNUAL GENERAL MEETING AND
EXPLANATORY MEMORANDUM**

23 November 2021

12.00 pm WST

The Celtic Club

48 Ord Street, West Perth, WA 6005

The Annual Report is available online at www.torquemetals.com

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on 0421 977 617

NOTICE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of Torque Metals Limited (ACN 621 122 905) will be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on 23 November 2021 commencing at 12.00 pm WST.

The Explanatory Memorandum to this Notice provides additional information on matter to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 12.00 pm WST on Sunday, 21 November 2021.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass as a **non-binding resolution** the following:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2021 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum.”

Please note that a vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as a proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a resolution connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Director – Mr Ian Finch

To consider and, if thought fit, pass as an **ordinary resolution** the following:

“That, for the purpose of clause 11.1 of the Constitution and for all other purposes, Mr Ian Finch, a Director who was appointed on 16 August 2017, retires, and being eligible for re-election, is elected as a Director with immediate effect.”

3. Resolution 3 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) if at the time the approval is sought, the Company is proposing to make an issue of equity securities under rule 7.1A.2, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) any Associate of that person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Grant of Performance Rights to Mr Ian Finch

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 4,000,000 Performance Rights to Mr Ian Finch (and/or his nominee/s), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Ian Finch (and/or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. Resolution 5 – Grant of Performance Rights to Mr Antony Lofthouse

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 2,000,000 Performance Rights to Mr Antony Lofthouse (and/or his nominee/s), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Antony Lofthouse (and/or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. Resolution 6 – Grant of Performance Rights to Mr Patrick Burke

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 2,000,000 Performance Rights to Mr Patrick Burke (and/or his nominee/s), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Patrick Burke (and/or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. Resolution 7 – Grant of Performance Rights to Mr Neil McKay

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 2,000,000 Performance Rights to Mr Neil McKay (and/or his nominee/s), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Neil McKay (and/or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. Resolution 8 – Approval to issue Options to Euroz Hartleys

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to the Euroz Hartleys on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 9 – Approval of Employee Securities Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.2 Exception 13(b) and for all other purposes, Shareholders approve:

- (a) *the establishment of a plan, to be called the Employee Securities Incentive Plan, for the provision of incentives to management and employees of the Company; and*
- (b) *the issue of up to 3,140,926 securities under the Employee Securities Incentive Plan, in accordance with the terms of the Employee Securities Incentive Plan described in the Explanatory Statement.”*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who is eligible to participate in the Employee Securities Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) The Proxy is either:
 - (i) A member of the Key Management Personnel; or
 - (ii) A Closely Related Party of such a member; and
- (b) The appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) The proxy is the Chair;
- (b) The appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated 18 October 2021

BY ORDER OF THE BOARD

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

Neil W. McKay
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on Tuesday, 23 November 2021 at 12.00 pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that:

- (a) If proxy holders vote, they must cast all directed proxies as they are directed to; and
- (b) Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll; and
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy:

- (i) does not specify the way the proxy is to vote on Resolution 1; and
- (ii) expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

2.3 Corporate Representatives

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The representative must bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been previously given to the Company's share registry.

3. Annual Report

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at www.torquemetals.com;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act also gives Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office immediately before that further meeting but may stand for re-election.

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, a further resolution relating to the Two Strikes Rule is not relevant for this Annual General Meeting.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

5. Resolution 2 – Re-election of Director – Mr Ian Finch

Clause 11.1 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director), must retire from office.

The Directors to retire at an annual general meeting are those who have been longest in the office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 11.1 of the Constitution is eligible for re-election.

The Company currently has three Directors and accordingly one must retire.

Mr Ian Finch will retire in accordance with clause 11.1 of the Constitution and being eligible, seeks re-election.

Details of Mr Ian Finch's background and experience are set out in the Annual Report.

The Board (excluding Mr Ian Finch) recommends that Shareholders vote in favour of Resolution 2. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 2.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements commencing from the date of the Meeting where the Company obtains the approval until the earlier of the following:

- (a) the date that is 12 months after the date of the Meeting at which the approval is obtained;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of the approval of Shareholders of a transaction under Listing Rule 11.1.2 or 11.2 in respect of the Company,

(10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company currently has a market capitalisation of approximately \$13,820,074 and is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer Section 6.2(c) below).

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares (ASX: TOR).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting any issue or agree to issue, during the 12

month period after the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is number of shares on issue at the commencement of the relevant period:
- (A) plus the number of fully paid shares issued in relevant period under an exception in Listing Rule 7.2 other than Exception 9, 16 or 17;
 - (B) plus the number of fully paid shares issued in relevant period on conversion of convertible securities within Listing Rule 7.2 Exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities approved, or taken to have been approved, under Listing Rule 7.1 or 7.4;
 - (C) plus the number of fully paid shares issued in relevant period under an agreement to issue securities within Listing Rule 7.2 Exception 16 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities approved, or taken to have been approved, under Listing Rule 7.1 or 7.4;
 - (D) plus the number of partly paid shares that became fully paid in the 12 months;
 - (E) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - (F) less the number of fully paid shares cancelled in the relevant period.
- Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

(d) Listing Rule 7.1A and Listing Rule 7.3A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 62,818,519 Shares and therefore has a capacity to issue:

- (i) 9,422,778 Equity Securities under Listing Rule 7.1; and
- (ii) 6,281,852 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

6.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) on the Resolution.

6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than of the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2	Shares Issued - 10% Voting Dilution	Dilution		
		\$0.11 50% decrease in Issue Price	\$0.22 Issue Price	\$0.44 100% increase in Issue Price
		Funds Raised		
Current Variable "A" 62,818,519 Shares	6,281,852 Shares	\$691,004	\$1,382,007	\$2,764,015
50% increase in current Variable "A" 94,227,779 Shares	9,422,778 Shares	\$1,036,506	\$2,073,011	\$4,146,022
100% increase in current Variable "A" 125,637,038 Shares	12,563,704 Shares	\$1,382,007	\$2,764,015	\$5,528,030

Note

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.22, being the closing price of the Shares on ASX on 5 October 2021.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards continued

exploration, acquisition of new assets or investments which have yet to be identified (including expenses associated with such acquisition) and general working capital.

- (e) The Company will comply with the disclosure obligations under the Listing Rules 7.1A(4) upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or associates of a Related Party of the Company.

- (g) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (h) For the purpose of ASX Listing Rule 14.1A (and in addition to the disclosure in clause 6.4(b) above):
 - (i) if Resolution 3 is passed, the Directors will be able to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1; and
 - (ii) if Resolution 3 is not passed, the Directors will not be able to issue Equity Securities under Listing Rule 7.1A, and will have to either rely on the Company's existing 15% placement capacity under Listing Rule 7.1 (from time to time), or (in the event that the Company's 15% placement capacity is exhausted) the Company will be required to obtain prior Shareholder approval under Listing Rules 7.1 before being able to issue such Equity Securities (which may result in the Company incurring further time and expense).

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Directors of the Company believe Resolution 3 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

7. Resolutions 4 - 7 – Grant of Performance Rights to Mr Ian Finch, Mr Antony Lofthouse, Mr Patrick Burke and Neil McKay

7.1 General

Resolutions 4 to 7 seek Shareholder approval for the issue of a total of 10,000,000 Performance Rights, as follows:

- (a) 4,000,000 Performance Rights to be issued to Mr. Ian Finch comprising:
 - (i) 2,000,000 Class A Performance Rights; and
 - (ii) 2,000,000 Class B Performance Rights;
- (b) 2,000,000 Performance Rights to be issued to Mr. Antony Lofthouse comprising:
 - (i) 1,000,000 Class A Performance Rights; and
 - (ii) 1,000,000 Class B Performance Rights;
- (c) 2,000,000 Performance Rights to be issued to Mr. Patrick Burke comprising:
 - (i) 1,000,000 Class A Performance Rights; and
 - (ii) 1,000,000 Class B Performance Rights; and
- (d) 2,000,000 Performance Rights to be issued to Mr. Neil McKay (being a previous Director and the current CFO of the Company) comprising:
 - (i) 1,000,000 Class A Performance Rights; and
 - (ii) 1,000,000 Class B Performance Rights,

(together, the **Related Party Performance Rights**).

The Related Party Performance Rights are being issued to incentivise and reward the Directors and Officers of the Company.

7.2 Section 195(4) of the Corporations Act

Each of the Directors have a material personal interest in the outcome of Resolutions 4 to 7 (as applicable to each Director) by virtue of the fact that Resolutions 4 to 7 are concerned with the issue of Related Party Performance Rights to Directors and management of the Company. Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered. In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations act to put the issue to Shareholders to determine.

7.3 Section 208 of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

The grant of the Related Party Performance Rights constitutes giving a financial benefit and Mr Ian Finch, Mr Antony Lofthouse, Mr Patrick Burke and Mr Neil McKay are related parties of the Company by virtue of being Directors, and in the case of Mr Neil McKay, being a previous Director, of the Company. Accordingly, the Company is seeking Shareholder approval for the purposes of section 208 of the Corporations Act.

7.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Performance Rights falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Accordingly, the issue of the Related Party Performance Rights requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 4 - 7 seek the required Shareholder approval for the issue of the Related Party Performance Rights to the Directors under and for the purposes Listing Rule 10.11.

7.5 Technical information required by ASX Listing Rule 14.1A

If Resolutions 4 – 7 are passed, the Company will be able to proceed with the issue of the Related Party Performance Rights to Directors within one month after the date of the Meeting

(or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Performance Rights will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 4 - 7 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Directors.

7.6 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 4 - 7:

- (a) the Related Party Performance Rights will be issued to each of the existing Directors of the Company, being Mr. Ian Finch, Mr. Antony Lofthouse and Mr. Patrick Burke, and to the previous Director and current CFO, Mr. Neil McKay;
- (b) each of Mr. Ian Finch, Mr. Antony Lofthouse, Mr. Patrick Burke and Mr. Neil McKay fall within the category of Listing Rule 10.11.1 by virtue of being Directors of the Company (and in the case of Mr. Neil McKay, a previous Director of the Company in the past 6 months);
- (c) a total of 10,000,000 Related Party Performance Rights will be issued as follows:
 - (i) 4,000,000 Performance Rights to be issued to Mr. Ian Finch comprising:
 - (A) 2,000,000 Class A Performance Rights; and
 - (B) 2,000,000 Class B Performance Rights;
 - (ii) 2,000,000 Performance Rights to be issued to Mr. Antony Lofthouse comprising:
 - (A) 1,000,000 Class A Performance Rights; and
 - (B) 1,000,000 Class B Performance Rights;
 - (iii) 2,000,000 Performance Rights to be issued to Mr. Patrick Burke comprising:
 - (A) 1,000,000 Class A Performance Rights; and
 - (B) 1,000,000 Class B Performance Rights; and
 - (iv) 2,000,000 Performance Rights to be issued to Mr. Neil McKay comprising:
 - (A) 1,000,000 Class A Performance Rights; and
 - (B) 1,000,000 Class B Performance Rights;
- (d) a summary of the material terms of the Related Party Performance Rights are set out in Schedule 2;
- (e) the Related Performance Rights will be issued no later than 1 month after the date of the Meeting and it is intended that issue of the Related Performance Rights will occur on the same date;

- (f) the Related Party Performance Rights will be issued for nil consideration;
- (g) the primary purpose of the issue of the Related Party Performance Rights is to provide a performance and retention linked incentive component of the remuneration package to the Directors and CFO to motivate and reward their performance. By providing the Directors and CFO with a portion of their remuneration as Performance Rights, the Company retains that additional cash for use in other aspects of its operations;
- (h) the number of Related Party Performance Rights to be issued to each Director (and previous Director) has been determined based upon:
 - (i) current market standards and/or practices of other ASX listed entities of a similar size and stage to the Company; and
 - (ii) the Director's and CFO's current total remuneration package.
- (i) the Related Party Performance Rights have the values shown in Schedule 6;
- (j) details of the Director's and CFO's current total remuneration package is set out below:

Name	Total Remuneration of Directors for the 2021 financial year¹ \$	Current Financial Year \$¹
Mr. Ian Finch	\$51,062	\$242,000
Mr. Antony Lofthouse	\$947	\$39,600
Mr. Patrick Burke	\$947	\$39,600
Mr. Neil McKay	\$42,065	\$192,500

Notes:

- 1. Includes annual leave, superannuation, bonuses and other benefits.

- (k) the Related Party Performance Rights are not being issued under an agreement;
- (l) the relevant interests of the Directors and CFO in securities of the Company as at the date of this Notice are shown below:

Name	Shares	Options
Mr. Ian Finch	5,000,000 ¹	-
Mr. Antony Lofthouse	20,000 ²	-
Mr. Patrick Burke	-	-
Mr. Neil McKay	5,000,000 ¹	

Notes:

- 1. 5,000,000 Shares held by Turf Moor Pty Ltd of which Mr. Ian Finch and Mr. Neil McKay are directors and equal 50% shareholders.

2. 20,000 Shares held by Lofthouse Investment Trust of which Mr. Antony Lofthouse is a Director and 50% shareholder.
- (m) if the Vesting Conditions are met and all the Related Party Performance Rights issued are converted, a total of 10,000,000 Shares would be issued. This will increase the number of Shares on issue from 62,818,519 (being the total number of Shares on issue as at the date of this Notice) to 72,818,519 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 13.73%, comprising 5.49% by Mr. Ian Finch, 2.75% by Mr. Antony Lofthouse, 2.75% by Mr. Patrick Burke and 2.75% by Mr. Neil McKay;
- (n) the highest and lowest closing prices of Shares on the ASX during the 12 months preceding the date of this Notice, and the latest closing price, are set out below.

High – 18 August 2021, 30 August 2021, 2 September 2021	Low – 27 July 2021, 28 July 2021	Latest – 5 October
\$0.245	\$0.18	\$0.22

- (o) each Director has a material personal interest in the outcome of Resolutions 4 to 7 on the basis that all the Directors (or their nominee/s) are to be issued Director Performance Rights. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolution 4 to 7 of this Notice;
- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 4 to 7; and
- (q) a voting exclusion statement is included for each of Resolutions 4 to 7 of this Notice.

8. Resolution 8 – Approval to issue Options to Euroz Hartleys

8.1 General

The Company has entered into a mandate with Euroz Hartleys dated 30 September 2021 (**Lead Manager Mandate**) to provide general corporate advisory services and lead management services in respect of the Company's proposed loyalty option issue (**Loyalty Offer**). The Company has engaged Euroz Hartleys to act as lead manager to the Loyalty Offer to encourage those shareholders who were introduced to the Company by Euroz Hartleys under its initial public offering, to take up their entitlements under the Loyalty Offer. Refer to Schedule 3 for a summary of the Lead Manager Mandate.

As part of the fees payable under the Lead Manager Mandate, the Company has agreed to issue to Euroz Hartleys 2,000,000 Options (exercisable at \$0.30 at any time over a 2 year period from the date of issue) (**Lead Manager Options**)

Resolution 8 seeks Shareholder approval for the issue of the Lead Manager Options in accordance with the Lead Manager Mandate.

8.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which

represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 8 seeks Shareholder approval for the issue of the Lead Manager Options for the purposes of Listing Rule 7.1.

8.3 Technical information required by ASX Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options unless the issue of the Lead Manager Options is able to be made following the Meeting from the Company's 15% placement capacity under Listing Rule 7.1, in which case, the Company will have a reduced ability to issue equity securities without Shareholder approval over the 12 month period following the issue date.

8.4 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the Lead Manager Options will be issued to Euroz Hartleys as lead manager of the Loyalty Offer;
- (b) a total of 2,000,000 Lead Manager Options will be issued;
- (c) the Lead Manager Options will be issued on the terms and conditions set out in Schedule 4;
- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the Lead Manager Options will be issued for nil consideration;
- (f) the Lead Manager Options will be issued for the purpose of satisfying the Company's obligation to pay the required fees under the Lead Manager Mandate;
- (g) the Lead Manager Options will be issued pursuant to the Lead Manager Mandate, a summary of the material terms of this agreement is set out in Schedule 3;
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 8 of this Notice.

The Directors believe this Resolution is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

9. Resolution 9 – Approval of Employee Securities Incentive Plan

9.1 Background

The Board has adopted an Employee Securities Incentive Plan to enable the Company to issue Securities to eligible employees.

The Employee Securities Incentive Plan is intended to provide an opportunity to eligible participants to participate in the Company's future. Further, the Employee Securities Incentive Plan acts as mechanism to ensure the interests of Shareholders and the management and employees of the Company are aligned.

A summary of the Employee Securities Incentive Plan is set out in Schedule 5.

The Employee Securities Incentive Plan will operate in accordance with ASIC class order CO 14/1000.

9.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Employee Securities Incentive Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the Listing Rules 7.1 and 7.1A on the number of securities that may be issued without Shareholder Approval. Listing Rule 7.2 exception 13(b) provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by Shareholders, where the issue of securities is within 3 years from that date of Shareholder approval of the issue of securities under the employee incentive scheme.

The Employee Securities Incentive Plan participation is limited to Directors, management, contractors and employees of the Company. If an issue is to be made to Directors, then separate Shareholder approval will need to be obtained.

A summary of the key terms of the Employee Securities Incentive Plan is set out in Schedule 5. As this is a new plan being put to Shareholders, no securities have been issued under it to date. A maximum of 3,140,926 securities would be available to be issued under the plan if approved by Shareholders, determined as 5% of the ordinary shares on issue at 5 October 2021.

The passing of Resolution 9 will allow the Company to issue securities for the benefit of participants of the Employee Securities Incentive Plan whilst preserving the Company's placement limits for issuing securities and provide flexibility in the manner in which the Employee Securities Incentive Plan is managed.

If Resolution 9 is not passed, the Company may still issue securities to key personnel other than Directors on the terms as set out in Schedule 5, however those securities will count towards the Company's 15% placement capacity under Listing Rule 7.1.

9.3 Voting Exclusion Statement

A Voting Exclusion applies to this Resolution.

9.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 9. The Chair intends to vote all undirected Proxies in favour of Resolution 9.

SCHEDULE 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 6.1.

10% Placement Period has the meaning given in Section 6.2(f).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2021

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chair means the person appointed to chair the Meeting convened by this Notice.

Class A Performance Right means a Related Party Performance Right subject to the vesting condition in item 1(a) of Schedule 2.

Class B Performance Right means a Related Party Performance Right subject to the vesting condition in item 1(b) of Schedule 2.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Torque Metals Limited (ACN 621 122 905).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities contained in the Annual Report.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Lead Manager Mandate has the meaning given to it in clause 8.1.

Lead Manager Options has the meaning given to it in clause 8.1.

Listing Rules means the listing rules of ASX.

Loyalty Offer has the meaning given to it in clause 8.1.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice.

Related Party Performance Rights has the meaning given to it in clause 7.1.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Two Strikes Rule has the meaning in Section 4.

Vesting Conditions has the meaning given to it in item 1 of Schedule 2.

VWAP means volume weight average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

SCHEDULE 2 – Related Party Performance Rights Terms

1. Vesting Conditions

Subject to the terms and conditions below, each (1) Performance Right is convertible into one (1) fully paid ordinary share in the capital of the Company, upon the following milestones being achieved collectively (**Vesting Conditions**):

	Name	Vesting Conditions
(a)	Class A Performance Rights	The VWAP of the Company's Shares over a consecutive period of 20 trading days being not less than \$0.40
(b)	Class B Performance Rights	The Company delineates a JORC 2012 Compliant Mineral Resource of not less than 250,000oz of Au

2. General Terms

- (a) The Performance Rights shall lapse at 5.00pm WST on the date which is three (3) years from the date of issue (**Expiry Date**).
- (b) The Performance Rights will be granted for nil consideration, as their primary purpose is to provide a performance and retention linked incentive component of the remuneration package to those persons holding the Performance Rights (**Holders**), to motivate and reward their performance with the Company.
- (c) The Board may, at its discretion, and by notice to the Holders, adjust or vary the terms of a Performance Right, subject to the requirements of the Listing Rules. No adjustment or variation to these terms will be made without the prior written consent of each Holder, if such adjustment or variation would have a materially prejudicial effect upon that Holder (in respect of their outstanding Performance Rights).
- (d) The Performance Rights are otherwise subject to the following standard terms and conditions:
 - (i) **(No Voting Rights)** The Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
 - (ii) **(No Dividend Rights)** The Performance Rights do not entitle the Holder to any dividends.
 - (iii) **(Rights on Winding Up)** The Performance Rights do not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
 - (iv) **(Not Transferable)** The Performance Rights are not transferable.
 - (v) **(Not Quoted)** The Performance Rights will not be quoted on ASX. However,

upon conversion of the Performance Rights into Shares, the Company must, within five (5) Business Days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.

- (vi) **(Participation in Entitlements and Bonus Issues)** Holders of Performance Rights will not be entitled to participate in new issues of securities offered to holders of Shares such as bonus issues and entitlement issues, unless and until the Holder is entitled to convert the Performance Rights, and does so before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares.
- (vii) **(No Other Rights)** The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

3. Conversion of Performance Rights

- (a) A certificate or holding statement will be issued to each Holder for their respective Performance Rights.
- (b) Holders may only convert their Performance Rights by delivering to the Company Secretary, in the period between the relevant Vesting Condition being satisfied and the relevant Expiry Date:
 - (i) the certificate or holding statement for the Performance Rights or, if either or both have been lost or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company by relying on the declaration; and
 - (ii) a notice signed by the Holder stating the Holder wishes to convert the Performance Rights and specifying the number of Performance Rights which are converted.
- (c) Vested Performance Rights may be converted in one or more parcels of any size. A conversion of only some Performance Rights shall not affect the rights of the Holder to the balance of the Performance Rights held by the Holder.
- (d) The Company shall issue to the Holder Shares, and deliver holding statements following conversion within 5 Business Days of receipt of the notice described in 3(b)(ii).
- (e) Shares issued following conversion of a Performance Right shall rank, from the date of issue, equally with existing Shares of the Company in all respects.

4. Lapse of Performance Rights

- (a) Subject to clauses 4(b) and 4(c), every Performance Right will lapse immediately and all rights attaching to the Performance Rights will be lost:
 - (i) if the Holder ceases to be an employee or Director of, or to render services to, the Company for any reason whatsoever (including without limitation resignation or termination for cause) and the relevant Vesting Condition has not been satisfied; or
 - (ii) the Vesting Conditions are unable to be satisfied; or

(iii) the Expiry Date has passed;

whichever is earlier.

(b) If the Expiry Date of a Performance Right falls outside any applicable trading window, then the Expiry Date of such Performance Right shall be extended to the close of business on the 10th Business Day during the next applicable trading window.

(c) If the Holder dies, becomes permanently disabled, resigns employment on the basis of retirement from the workforce or is made redundant by the relevant member of the Group, prior to the Expiry Date of any Performance Rights granted to the Holder (**Ceasing Event**) the following provisions apply:

(i) the Holder or the Holder's personal legal representative, where relevant, may convert those Performance Rights which at that date:

(A) have become convertible;

(B) have not already been converted; and

(C) have not lapsed,

in accordance with clause 4(c)(iii);

(ii) at the absolute discretion of the Board, the Board may resolve that the Holder, or the Holder's personal legal representative, where relevant, may convert those Performance Rights which at that date:

(A) have not become convertible; and

(B) have not lapsed,

in accordance with clause 4(c)(iii) and, if the Board exercises that discretion, those Performance Rights will not lapse other than as provided in clause 4(c)(iii);

(iii) the Holder or the Holder's personal legal representative (as the case may be) must convert those Performance Rights referred to in clause 4(c)(i) and, where permitted, clause 4(c)(ii), not later than the earliest of:

(A) the Expiry Date of the relevant Performance Rights; and

(B) the date which is 6 months after the Ceasing Event provided that in the case of Performance Rights referred to in clause 4(c)(ii), all Vesting Conditions have been met at that time (unless the Board decides to waive any relevant Vesting Conditions, in its absolute discretion); and

(iv) Performance Rights which have not been converted by the end of the period specified in clause 4(c)(iii) lapse immediately at the end of that period.

(d) Where:

(i) the Holder ceases to be a Holder for any reason whatsoever (including without limitation resignation or termination for cause) prior to the relevant Expiry Date, however the relevant Vesting Condition has been met, the Holder is entitled to convert the Performance Rights for a period of up to 1 month after the date which the Holder ceased to be a Holder, after which the Performance Rights will lapse immediately.

5. Change in Control Event

- (a) Change in Control Event means:
 - (i) the occurrence of:
 - (A) the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (B) that takeover bid has become unconditional; or
 - (ii) the announcement by the Company that:
 - (A) shareholders of the Company have (at a Court convened meeting of shareholders) voted (by the necessary majority) in favour of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - (B) the Court, by order, approves the scheme of arrangement.
- (b) On the occurrence of a Change of Control Event, the Board may in its sole and absolute discretion determine that any unvested Performance Rights will vest in the Holders, despite the non-satisfaction of any Vesting Conditions and become convertible in accordance with clause 3(b), with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Holder is terminated or ceases in connection with the Change of Control Event.
- (c) Whether or not the Board determines to accelerate the vesting of any Performance Rights, the Company shall give written notice of any proposed Change of Control Event to all Holders.
- (d) Upon the giving of such notice, the Holder shall be entitled to convert, at any time within the 14-day period following the receipt of such notice, all or a portion of those Performance Rights granted to the Holder which are then vested and convertible in accordance with their terms, as well as any unvested Performance Rights which shall become vested and convertible in connection with the Change of Control Event.
- (e) Unless the Board determines otherwise (in its sole and absolute discretion), upon the expiration of such 14-day period, all rights of the Holder to convert any outstanding Performance Rights, whether vested or unvested, shall terminate and all such Performance Rights shall immediately lapse, expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control Event.
- (f) In any event, the maximum number of Performance Rights that can be converted into Shares and issued upon a Change of Control Event pursuant to this clause 5 must not exceed 10% of the issued share capital of the Company (as at the date of the Change in Control event).

SCHEDULE 3 – Summary of Lead Manager Mandate

A summary of the material terms of the Lead Manager Mandate is set out below:

- (a) **(Engagement):** Euroz Hartleys has been engaged to provide corporate advice and capital raising services as well as to act as lead manager for the Company's proposed loyalty options offer **(Engagement)**.
- (b) **(Term):** The term of the Engagement is for a period of 12 months **(Term)**, commencing on the date of execution of the letter of Engagement, being 30 September 2021. In the event that settlement of a Capital Raising occurs (or is expected to occur) within the period that is two months prior to the expiry of the Term (or after the expiry of the Term), the Term will automatically be extended by an additional six months. At the end of the initial 12 month Term, Euroz Hartleys and the Company will meet to discuss in good faith a 12 month extension to the Engagement.
- (c) **(Fees):** Euroz Hartleys will receive the following fees for work undertaken in relation to the engagement:
 - (i) **Advisory fees** – the Company will pay Euroz Hartleys an advisory fee of \$5,000 a month for the Term of the engagement.
 - (ii) **Capital raising fees** - During the Term, the Company will consult with Euroz Hartleys in respect of all equity or hybrid capital raising initiatives, howsoever structured, whether by placement, entitlement issue, equity hybrid instrument, shareholder share purchase plan, underwriting of options or otherwise ("Capital Raising") and offer Euroz Hartleys first right to act as Lead Broker to the offer in respect of any Capital Raising that the Company undertakes. In respect of any Capital Raising(s) during the Term in which Euroz Hartleys does act as Lead Manager, the Company will upon settlement of that Capital Raising pay Euroz Hartleys a fee of 6% of the proceeds from the Capital Raising(s).
 - (iii) **M&A Transaction Fees** - If during the Term the Company or any of its Related Bodies Corporate is a party to an M&A Transaction then, in addition to any fees specified in this letter of Engagement and if requested by Euroz Hartleys, the Company will engage Euroz Hartleys as the exclusive corporate advisor in respect of that M&A Transaction. The terms of that engagement will be set out in a separate engagement letter and will reflect reasonable engagement and fee arrangements and be consistent with market practice and the spirit of this Engagement. Euroz Hartleys' standard fee structure in respect of an M&A Transaction is 2-3% of the value ascribed to the M&A Transaction, which will vary based on the size and nature of the applicable M&A Transaction, and that this is not an unusual fee relative to conventional market rates. In calculating the fee in respect of any M&A Transaction, the amount shall include all gross consideration to be paid, received or otherwise enjoyed by the Company or the Company's shareholders or a Related Body Corporate whether in a monetary form or by way of special distribution or dividends or otherwise including, without limitation, cash, securities, property, royalties, deferred payments or the exercise of options or rights and debt or obligations assumed, forgiven or retired.
 - (iv) **Loyalty Option Offer Fees** - In respect to its role as Lead Manager to the Loyalty Options Offer, and following the completion of the Proposed Transaction, the Company will issue to Euroz Hartleys (or its nominee) 2 million unlisted options exercisable at \$0.30 at any time over a 2 year period from date of issue and otherwise on standard terms and conditions.

The Lead Manager Mandate otherwise contains terms that are considered standard for an agreement of this nature.

SCHEDULE 4 – Terms and Conditions of Lead Manager Options

The terms and conditions of the Options are as follows:

- (a) The exercise price of each Option is \$0.30 (**Exercise Price**).
 - (b) The expiry date of each Option is 2 years from the date of issue (**Expiry Date**).
 - (c) Each Option gives the Option holder the right to subscribe for one Share.
 - (d) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (e) The amount payable upon exercise of each Option is the Exercise Price.
 - (f) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
 - (g) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number and class of options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,
- (Exercise Notice).**
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (i) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders or regulatory bodies for the issue of the Shares), the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (j) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
 - (k) The Options are transferable subject to any transfer restrictions or escrow arrangements imposed by ASX or under applicable Australian securities laws and subject to meeting minimum quotation requirements under the ASX Listing Rules. The Company will seek Official Quotation of the Options, subject to satisfying the quotation conditions of ASX Listing Rules. If ASX does not grant Official Quotation, the Options will remain unlisted.
 - (l) The Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 5 Business Days after the date of issue of those Shares.
 - (m) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (n) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of

determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (o) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

SCHEDULE 5– Summary of Employee Securities Incentive Plan

A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.
- Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant

by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise)**: To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities)**: Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Compliance with Applicable Laws):** Notwithstanding the Plan rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable laws. In particular, the Company must have reasonable grounds to believe, when making an Invitation, that the total number of Plan Shares that may be acquired upon exercise of the Convertible Securities offered, under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on ASIC Class Order 14/ 1000 at any time during the previous 3 year period under:
 - (i) an employee incentive scheme covered by ASIC Class Order 14/1000; or
 - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
- (v) an offer made under a disclosure document,

would not exceed 5% (or such other maximum permitted under any Applicable Law) of the total number of Shares on issue at the date of the Invitation.

- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (r) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

SCHEDULE 6– Value of Performance Rights

Class A Performance Rights

A valuation of the Class A Performance Rights has been prepared as at 8 October 2021 using the Monte-Carlo Valuation Method was prepared by Hall Chadwick on 8 October 2021. The valuation applied a number of assumptions and variables, including the following:

- The closing price of shares traded on ASX as at 7 October 2021 was 21.5 cents;
- A risk free rate of 35% has been adopted;
- A dividend yield of nil has been adopted; and
- A volatility factor of 100% has been adopted.

The estimated value of the performance Rights is \$0.144088. On this basis the total value of the financial benefit, if approved, is estimated to be:

Ian D. Finch	\$288,176
Antony L. Lofthouse	\$144,088
Patrick N. Burke	\$144,088
Neil W. McKay	\$144,088

Class B Performance Rights

Management has concluded, on the advice of Hall Chadwick, that the underlying share price of 21.5 cents being the closing price of shares traded on ASX as at 7 October 2021 was to be used in estimating the value of the Class B Performance Rights. On this basis the total value of the financial benefit, if approved, is estimated to be:

Ian D. Finch	\$860,000
Antony L. Lofthouse	\$430,000
Patrick N. Burke	\$430,000
Neil W. McKay	\$430,000

PROXY FORM

The Secretary
Torque Metals Limited

By Post:
P O Box 27, West Perth, WA 6872

Name of Shareholder:

SAMPLE

Address of Shareholder:

SAMPLE

Number of Shares
entitled to vote:

SAMPLE

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting, that is by 12pm (WST) on Sunday, 21 November 2021].

Step 1 – Appoint a Proxy to Vote on Your Behalf

The Chair of the Meeting
(mark box)

☐

OR if you are **NOT** appointing the Chair of the meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on Tuesday, 23 November 2021 commencing at 12pm (WST) and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), by signing and returning this form I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4, 5, 6, 7 and 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 5, 6, 7 and 9 is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on a Resolution by marking the appropriate box below.

The Chair of the Meeting intends to vote all undirected proxies in favour of each Resolution.

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

Step 2 – Instruction as to Voting on Resolutions

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Mr Ian Finch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Grant of Performance Rights to Mr Ian Finch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Grant of Performance Rights to Mr Antony Lofthouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Grant of Performance Rights to Mr Patrick Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Grant of Performance Rights to Mr Neil McKay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval to issue Options to Euroz Hartleys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Approval of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is ____%.

Signature of Member(s):

Date:

Individual or Member 1

Member 2

Member 3

SAMPLE

SAMPLE

SAMPLE

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name:

Contact Ph (daytime):

Date:

Proxy Notes:

1. **Voting Restrictions applying to Key Management Personnel:** If you appoint a member of the Key Management Personnel of the Company or one of their closely related parties as your proxy, that person will not be able to cast your votes on Resolutions 1, 4, 5, 6, 7 and 9 unless you direct them how to vote, or the Chair of the Meeting is your proxy. "Key Management Personnel" is defined in the Explanatory Memorandum and includes each of the Directors of the Company, all those executives named in the Company's 2021 Remuneration Report, and any other persons who are the Company's Key Management Personnel at the date of the Meeting.
2. A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.
3. If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate or Appointment of Representative prior admission. A form of the certificate may be obtained from the Company's share registry.
4. You must sign this form as follows in the spaces provided:

Joint Holding:	where the holding is in more than one name all of the holders must sign.
Power of Attorney:	if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy, of the Power of Attorney to this Proxy Form when you return it.
Companies:	a Director can sign jointly with another Director or Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicated the office held by signing in the appropriate space.
5. If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.
6. Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company at P O Box 27, West Perth, WA 6872 not less than 48 hours prior to the time of commencement of the Meeting (WST), being 12pm (WST) on Sunday, 21 November 2021 (WST).