



12 November 2021

## Target Market Determination

**Made by:** Torque Metals Limited (ACN 621 122 905)  
(**Company**)

**Product:** Unlisted loyalty options to acquire fully paid ordinary shares in the capital of the Company issued under a prospectus dated 8 November 2021 (**Options**)

**Effective Date:** 8 November 2021

This target market determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**) and has been prepared by the Company in relation to an offer made pursuant to the Prospectus of a non-renounceable pro-rata offer of one (1) Option (exercisable at \$0.30 each, having an expiry date of 2 years from the date of issue) for every four (4) shares held by those shareholders registered on the record date (being 5pm (WST) 11 November 2021 (**Record Date**)) and having a registered address in Australia or New Zealand (**Eligible Shareholder**) (**Offer**).

This document is not to be treated as a full summary of the Option terms and conditions and is not intended to provide financial advice. The TMD does not take into account any person's individual objectives, financial situation or needs. Investors should refer to the Prospectus dated 8 November 2021 issued by the Company which outlines the relevant terms and conditions under the product when making a decision about this product. A copy of the Prospectus is available on the Company's website: <https://torquemetals.com/asx-announcements>

This TMD is not a disclosure document for the purposes of the Act and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

<b>Class of investors that fall within this target market</b>	<p>The information below summarises the overall class of investors that fall within the target market, based on the key attributes of the product and the objectives, financial situation and needs that they have been designed to meet.</p> <p>The Options have been designed for investors whose likely objectives, financial situation and needs (as listed below) are consistent with the product (including the key attributes).</p> <p>The Options are for those shareholders who:</p> <ul style="list-style-type: none"> <li>• are accustomed to participating in speculative investments in the mining exploration sector; and</li> <li>• wish to profit from gains in the market price of shares in the Company.</li> </ul>
<b>Product description and key attributes</b>	<p>The key eligibility requirements and product attributes of the Options are:</p> <ul style="list-style-type: none"> <li>• the Offer is a pro-rata non-renounceable offer to Eligible Shareholders of one (1) Option for every four (4) shares held by those shareholders;</li> <li>• the Options will be issued for an issue price of \$0.01 per Option and are exercisable at \$0.30 per Option with an expiry date of 2 years from the date of issue;</li> <li>• a maximum of 15,704,630 Options will be issued under the Offer;</li> <li>• the Offer is non-renounceable, accordingly a shareholder may not sell or transfer all or part of their entitlement; and</li> <li>• the Offer is not being extended to, and the Options will not be issued to, shareholders with a registered address which is outside Australia and New Zealand.</li> </ul>
<b>Objectives, financial situation and needs</b>	<p>The Options are issued only to Eligible Shareholders and consequently have been designed for investors who have:</p> <ul style="list-style-type: none"> <li>• a pre-existing equity position in the Company;</li> <li>• the financial ability to consider the economic risk of the exercise of the Options;</li> <li>• adequate means to provide for their current needs and to withstand a loss of the entire investment of the exercise of the Options;</li> <li>• such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of exercising the Options; and</li> <li>• determined that the exercise of the Options are a suitable investment.</li> </ul>
<b>Excluded class of consumers</b>	<p>The Options have not been designed for individuals who:</p> <ul style="list-style-type: none"> <li>• require an income stream from their investment; and/or</li> <li>• are not Eligible Shareholders.</li> </ul>

<b>Consistency between Target Market and the Options</b>	<p>A key feature to the Options is that the exercise price of each Option is at a premium to the market price of the Shares in the Company as at the date of the Prospectus.</p> <p>There is a risk that the Options may become worthless in value if the Company's share price on the expiry date of the Option is less than the exercise price of the Options.</p>
<b>Distribution conditions</b>	<p>The Option is designed to be distributed through the following means:</p> <ul style="list-style-type: none"> <li>• under the Prospectus to Eligible Shareholders of the Company only;</li> <li>• on ASX's trading platform once the Options are issued, exercised and granted quotation as Shares.</li> </ul> <p>The Options are not transferable.</p>
<b>Adequacy of distribution conditions and restrictions</b>	<p>For the purposes of the Offer of Options under the Prospectus, the Company has emphasised that an investment in Options, and in the Shares underlying the Options, is speculative in nature and not suitable for investors for whom such an investment is inappropriate.</p>
<b>Review Triggers</b>	<p>As the Offer of the Options is to a discrete class of persons, being the Eligible Shareholders and the Company is subject to continuous disclosure requirements, the Company considers it is not necessary or appropriate to implement the requirement of periodic reviews of this TMD.</p> <p>The Company will review this TMD where any event or circumstance has arisen that would suggest this TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> <li>• ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and</li> <li>• significant adverse changes to the Company's circumstances such as suspension from trading or the appointment of administrators.</li> </ul> <p>This TMD will be reviewed within 10 business days upon the occurrence of an above review trigger.</p>
<b>Maximum Period</b>	<p>The maximum period of this TMD is from 8 November 2021 to the date that is 2 years from the date of issue of the Options.</p>
<b>Reporting Period</b>	<p>The Company will review all complaints received in relation to the Options on a continuous basis.</p> <p>The Company considers that it is not necessary or appropriate to monitor for significant dealings as the Options are unlisted. As such, the Company will not be in a position to determine any dealings that occur upon exercise of the Options or on-sale of any resultant Share, as it has no capacity to identify the objectives, financial situation and needs of investors who exercise the Options or acquire the resultant Share.</p>

**Torque Metals Limited ASX Announcement**

**12 November 2021**

**ENDS**

This ASX announcement has been authorised for release by the Directors of Torque Metals Limited.

**For further information, please contact:**

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