ASX Announcement

21 July 2023

ASX: TOR
torquemetals.com

Quarterly Activities Report for the period ending 30 June 2023

Perth-based, Western Australian-focused gold explorer Torque Metals Limited ("Torque" or "the Company") (ASX: TOR) reports on its activities for the three months ending 30 June 2023.

Highlights - Paris Gold Project

- 6,500m Diamond and Reverse Circulation drilling completed.
- Diamond holes encountered multiple mineralised intervals.
- Core assays reported high-grade gold zones. Best results included:
  - **2.49m @ 40.6 g/t Au** from 167.8m, and
  - **4.44m @ 20.82 g/t** Au from 170.3m, and
  - **1.2m @ 185 g/t Au** from 174.7m, all within

  35m @ 14.12 g/t Au from 157.85m (23PRCDD076)

  - **1.04m @ 83.59 g/t Au** from 181.34m, within

  14.76m @ 7.6 g/t Au from 168.13m (23PRCDD077)

  - **3m @ 12 g/t Au** from 19m within

  16m @ 2.73 g/t Au from 18m (23ODD001)
- Assay results for RC campaign imminent

Highlights - Corporate

- Cash balance at the end of June was $2.090 million.
- Torque struck a conditional binding Sale Agreement with TSX-V listed Altan Rio Minerals Ltd (TSXV: AMO) to divest the Bullfinch Project.
- Jessamyn Lyons and Henko Vos, both Directors of Nexia Australia, appointed as Joint Company Secretaries.

Torque's Managing Director, Cristian Moreno, commented:

*"Torque successfully completed its first diamond campaign; impressive results reinforcing the potential of our Paris Gold camp, including intervals such as **35m @ 14.12 g/t Au from 157.85m and 16m @ 2.73 g/t Au from 18m.***

"Core samples (comprising 365m) are undergoing metallurgical analysis, with results anticipated to be available during the current quarter. We also look forward to receiving assay results from our 52-hole (6,128m) RC drilling and 3-hole (322m) diamond drilling, which we expect will elevate prospectivity within the Paris Gold Camp.

"I am incredibly pleased with the efforts of the Torque exploration team, moving the Company into an exciting stage of extending mineralised zones, unveiling new mineralised structures, identifying parallel mineralised targets and establishing connectivity between Paris, HHH and Observation prospects."

Paris Gold Project

The Company attained significant milestones on its 100% owned Paris Gold Project near Kalgoorlie in Western Australia. 6,500m of drilling targeted significant gold prospects at Paris, Observation, and HHH (Figure 1)[1].

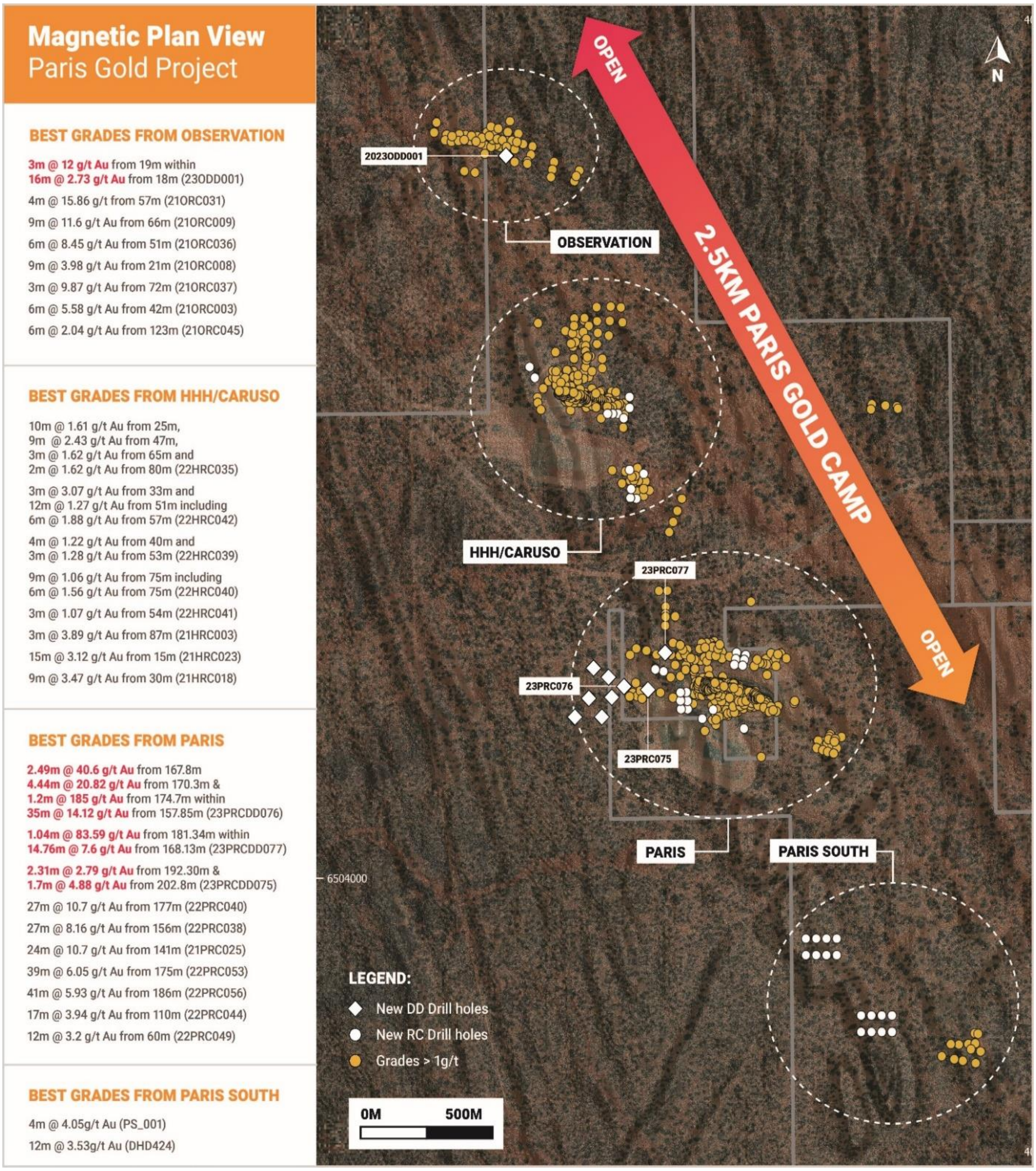

Figure 1: Diamond and RC drilling plan

[1] ASX Announcement 4 April 2023 - Drilling Resumes at Paris Gold Project in WA

35m @ 14.12 g/t Au from 157.85m (23PRCDD076) including;

- **2.49m @ 40.6 g/t Au** from 167.8m, **4.44m @ 20.82 g/t** Au from 170.3m, and **1.2m @ 185 g/t Au** from 174.7m

14.76m @ 7.6 g/t Au from 168.13m (23PRCDD077) including;

- **1.04m @ 83.59 g/t Au** from 181.34m, and

2.31m @ 2.79 g/t Au from 192.30m and **1.7m @ 4.88 g/t Au** from 202.8m (23PRCDD075)

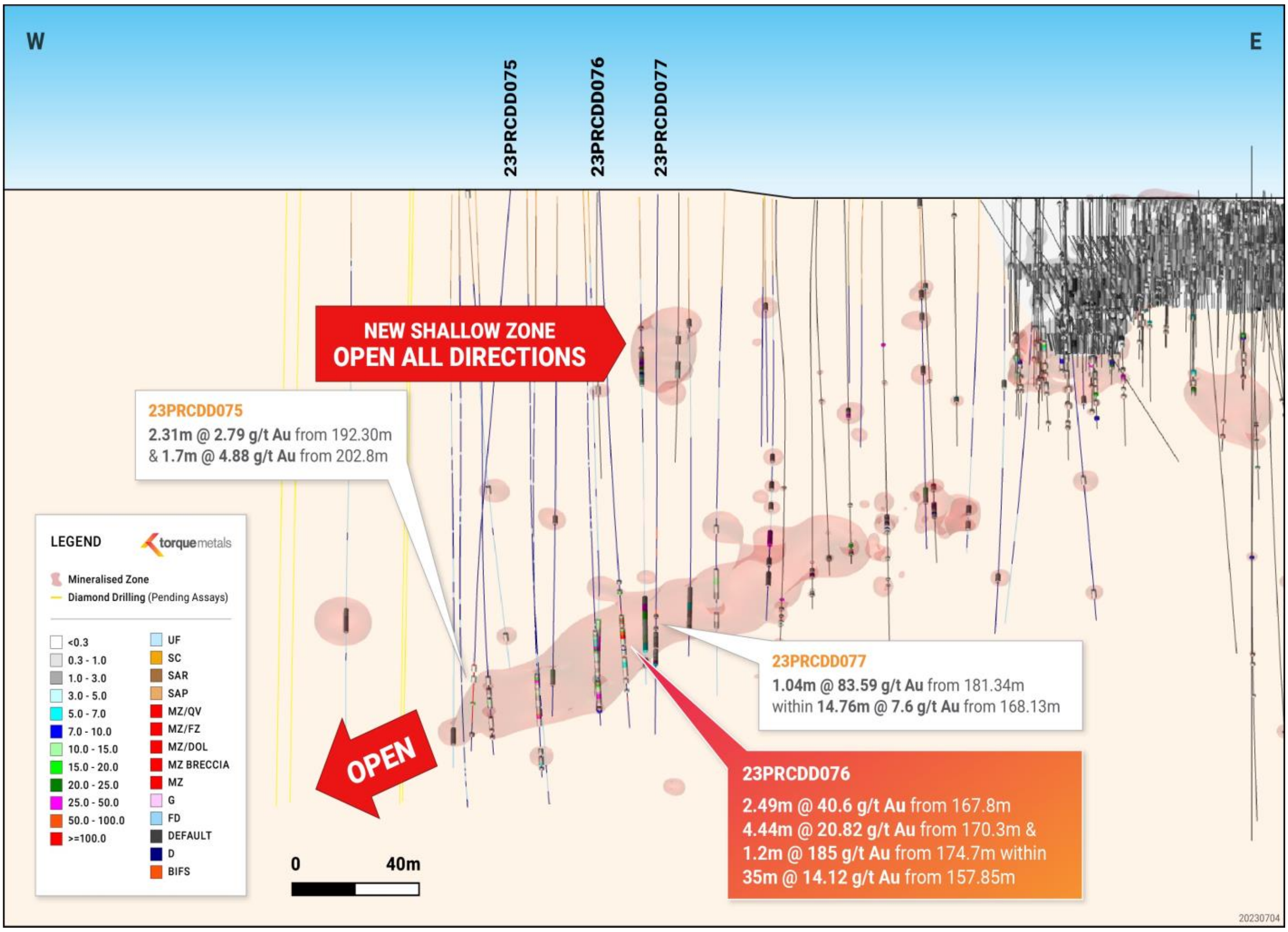

Figure 2: Paris prospect, mineralised intervals at holes 23PRCDD075, 23PRCDD076, and 23PRCDD077

[2] ASX Announcement 21 April 2023 - Drilling identifies mineralised zones at Paris Gold Project
[3] ASX Announcement 5 July 2023 - Paris Delivers 185g/t Bonanza Gold Interval

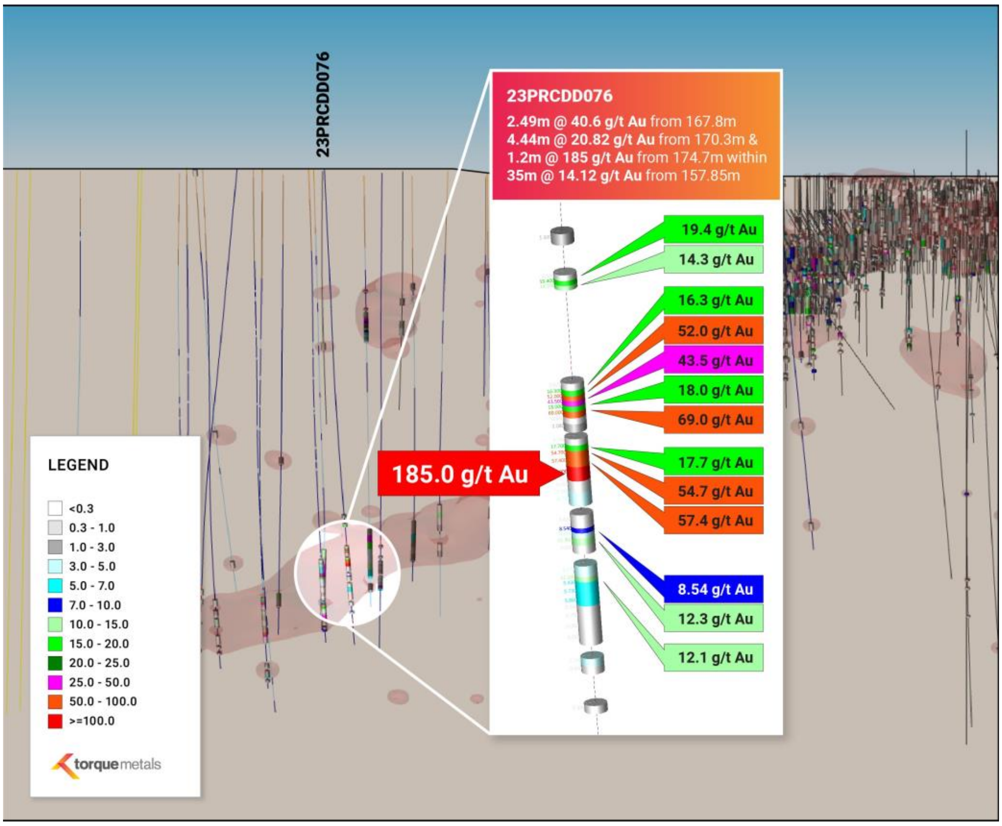

Figure 3: Paris prospect, mineralised interval at hole 23PRCDD076

At **Observation**, the inaugural diamond hole (cored interval of 150m) located a near-surface vein-hosted, structurally controlled, mineralised interval (Figure 4) of 16m at 2.73g/t Au from 18m. A follow-up program to extend this highly promising zone[3] is being prepared.

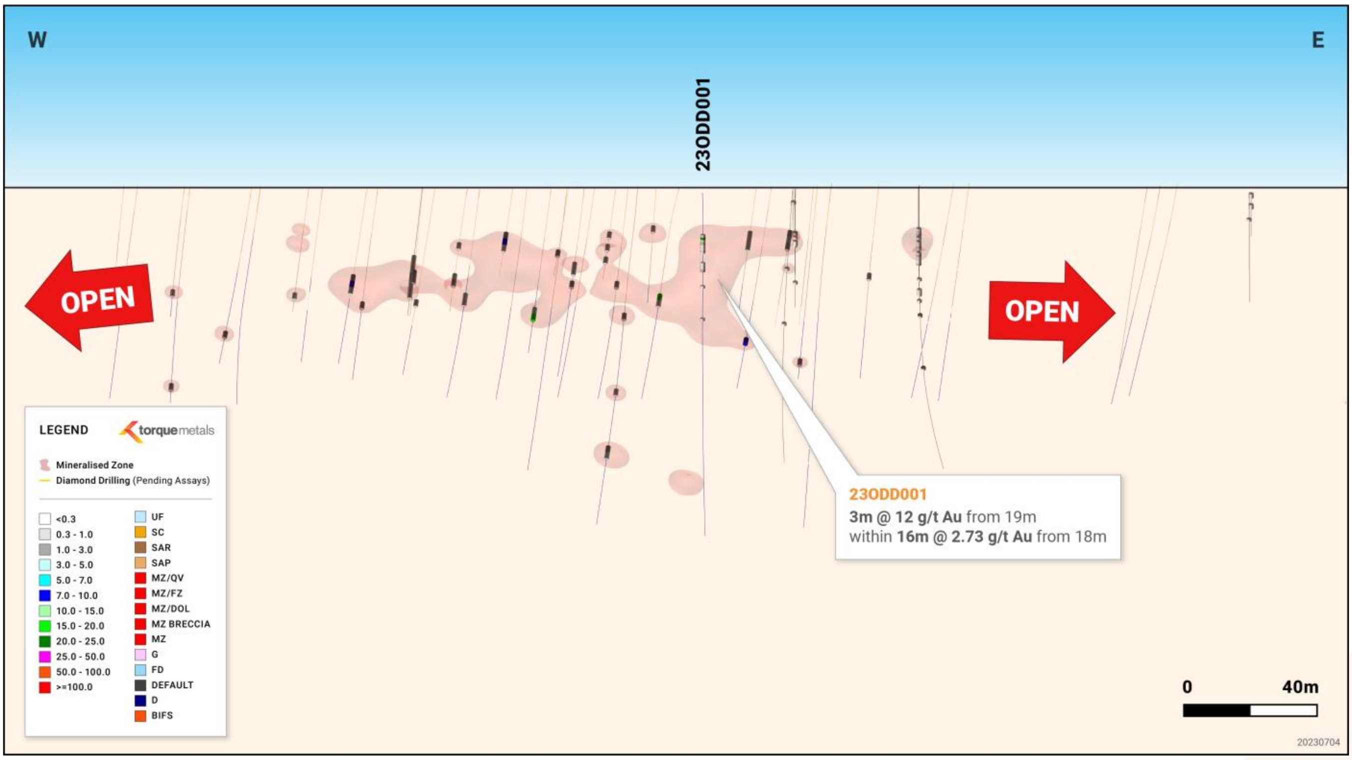

Figure 4: Observation prospect, mineralised intervals at diamond hole 23ODD001

Paris Gold Project Pipeline

Torque submitted Observation and Paris diamond core samples for metallurgical characterisation analysis by Bureau Veritas. These tests are evaluating the metallurgical characteristics and gold recoverability of those deposits. Results are expected to be available in the third quarter, providing crucial insights into the gold processing and extraction potential of the Paris Project.

An RC drilling programme was successfully completed, comprising 52 drill holes with a total length of 6,128 metres. This comprehensive programme focused on both extensional and infill drilling at the Paris, HHH and Observation prospects. Samples are currently undergoing assay analysis, for which results are expected imminently, providing valuable insights into the mineralisation potential of these prospects.

Additionally, a second-round diamond drilling programme was concluded adjacent the Paris open pit, consisting of three drillholes with a cumulative length of 322 metres. This programme specifically targeted westerly extensions of Paris mineralisation. Assay results from this programme are anticipated to be available this quarter.

Corporate

Bullfinch gold project

Torque entered into a conditional binding Sale Agreement with TSX-V listed Altan Rio Minerals Ltd ("Altan") to divest the Bullfinch Project for $800,000 in cash and shares together with assumption of expenditure commitments[4].

Bullfinch is not a core asset, its divestment will permit Torque to concentrate its resources on Paris, its flagship gold project.

Change in Company Secretary

Founder and Company Secretary Mr Neil McKay ceased his role as Company Secretary for Torque. These and associated services will now be undertaken by Jessamyn Lyons and Henko Vos, Directors of Nexia Australia, as Joint Company Secretaries.

Resignation of Director

Founder and Non-Executive Director Mr Ian Finch resigned from the Company's Board[5].

Capital Structure

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

- 96,337,038 Ordinary Shares on issue.
- 53,397,982 Unlisted Options on issue; and
- 17,000,000 Performance Rights on Issue
- Cash Balance as of 30 June 2023 was $2.090 million.

Other

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spent during the quarter was $525,000. Full details of exploration activity during the June 2023 quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There were no mining production or development activities during the quarter.
3. ASX Listing Rule 5.3.4: Use of Funds

[4] ASX Announcement 27 June 2023 - Agreement to Divest Non-Core Asset
[5] ASX Announcement 31 May 2023 - Resignation of Director

The Company was admitted to the official list of the ASX on 23 June 2021 with official quotation commencing 25 June 2021 and provides the following information with respect to its Use of Funds Statement set out in its Prospectus dated 14 April 2021 and its actual expenditure since admission to ASX.

Expenditure Item	Use of Funds $ ('000)	Actual $ Expenditure 23 June 21 to 30 June 2023 ('000)	$ Variance Favourable / (Unfavourable) ('000)
Existing cash reserves	-	28	28
Funds raised from the offer	5,000	5,500	500
Sub Total	**5,000**	**5,528**	**528**
Option entitlement (net)	-	126	126
Share placement (net)	-	5,312	5,312
Other	-	283	283
Total	**5,000**	**11,249**	**6,249**
Use of Funds			
Evaluation and exploration of the Paris Gold Project	2,540	5,050	(2,510)
Evaluation and exploration of the Bullfinch Project	535	472	63
Estimated expenses of the Offers	475	674	(199)
Administration and general working capital	811	1,473	(662)
Director salaries and fees (including Executive Directors)	639	921	(282)
Plant and equipment	-	125	(125)
Tenement & rights acquired	-	179	(179)
Loan Repayments	-	175	(175)
Other	-	90	(90)
Total Expenditure	**5,000**	**9,159**	**(4,159)**
Closing Cash on Hand	-	**2,090**	**$2,090**

Note: Variances are due to timing differences of the Prospectus forecast of 2 years against a 12-month cash actual from 25 June 2021.

4. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the quarter was $138k.

Related Party Payments

During the quarter ended 30 June 2023, the Company made payments of $138k to related parties and their associates. The payments relate to remuneration arrangements including directors' fees and superannuation.

ASX Announcements

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

- 4 April 2023 – Drilling Resumes at Paris Gold Project
- 21 April 2023 – Drilling Identifies Mineralised Zones at Paris Gold Project
- 31 May 2023 – Resignation of Director
- 26 June 2023 – Change in Company Secretary
- 27 June 2023 – Agreement to Divest Non-Core Asset
- 30 June 2023 – Change of Registered Office

Tenement information reported as required by ASX listing rule 5.3.3.

Tenement	Project Name	Registered Holder	Area	Status	Beneficial Interest
M 15/1175	Paris Gold	Torque Metals Ltd	9.299 ha	Granted	100%
M 15/479	Paris Gold	Torque Metals Ltd	965.2 ha	Granted	100%
M 15/480	Paris Gold	Torque Metals Ltd	976.65 ha	Granted	100%
M 15/481	Paris Gold	Torque Metals Ltd	930.85 ha	Granted	100%
M 15/482	Paris Gold	Torque Metals Ltd	855.6 ha	Granted	100%
M 15/496	Paris Gold	Torque Metals Ltd	911.5 ha	Granted	100%
M 15/497	Paris Gold	Torque Metals Ltd	989.85 ha	Granted	100%
M 15/498	Paris Gold	Torque Metals Ltd	998.55 ha	Granted	100%
M 15/1719	Paris Gold	Torque Metals Ltd	120.15 ha	Granted	100%
P 15/5992	Paris Gold	Torque Metals Ltd	8.84 ha	Granted	100%
P 15/6149	Paris Gold	Torque Metals Ltd	30 ha	Granted	100%
E 15/1736[1]	Paris Gold	Torque Metals Ltd	1 bl	Granted	80%
E 15/1747[1]	Paris Gold	Torque Metals Ltd	4 bl	Granted	80%
E 15/1752[1]	Paris Gold	Torque Metals Ltd	20 bl	Granted	80%
E15/1904	Paris Gold	Torque Metals Ltd	1 bl	Pending	100%
E15/1916	Paris Gold	Torque Metals Ltd	18 bl	Pending	100%
E15/1961	Paris Gold	Torque Metals Ltd	3 bl	Pending	100%
E15/1990	Paris Gold	Torque Metals Ltd	8 bl	Pending	100%
E15/1991	Paris Gold	Torque Metals Ltd	4 bl	Pending	100%
E15/1992	Paris Gold	Torque Metals Ltd	4 bl	Pending	100%
E15/1993	Paris Gold	Torque Metals Ltd	2 bl	Pending	100%
E 77/2522	Bullfinch	Torque Metals Ltd	70 bl	Granted	100%[2]
E 77/2222	Bullfinch	Torque Metals Ltd	27 bl	Granted	100%[2]
E 77/2251	Bullfinch	Torque Metals Ltd	2 bl	Granted	100%[2]
E 77/2350	Bullfinch	Torque Metals Ltd	64 bl	Granted	100%[2]
E 77/2607	Bullfinch	Torque Metals Ltd	16 bl	Granted	100%[2]
E77/2939	Bullfinch	Torque Metals Ltd	19 bl	Pending	100%[2]

[1] - Torque completed 80% earn-in during the December 2022 Quarter and on final approval from DMIRS the tenements were transferred to Torque, while Jindalee Resources Ltd retained a 20% free carried interest.

[2] - On 27 June 2023 the Company announced the divestment of its Bullfinch Project in a conditional binding sale agreement with TSX-V listed Altan Rio Minerals Limited (**Altan**). Under the agreement, and subject to certain other obligations and extension options, these tenements will be assigned to Altan on or before 15 December 2023.

Torque Metals Limited is the Manager of all Tenements.

P: Prospecting Licence | E: Exploration Licence | M: Mineral Licence

About Torque Metals

Torque Metals (**ASX**: **TOR**) is a smart exploration company with a proven discovery methodology, combining drilling results with machine learning algorithms and geological interpretation. Torque's Board and management have successful records and extensive experience in the exploration, development, and financing of mining projects in Australia and overseas.

Torque's flagship Paris Gold Project covers over ~300km^2 which includes nine wholly owned, granted, pre-native title mining licences, and multiple exploration licences situated in the Western Australian goldfields.

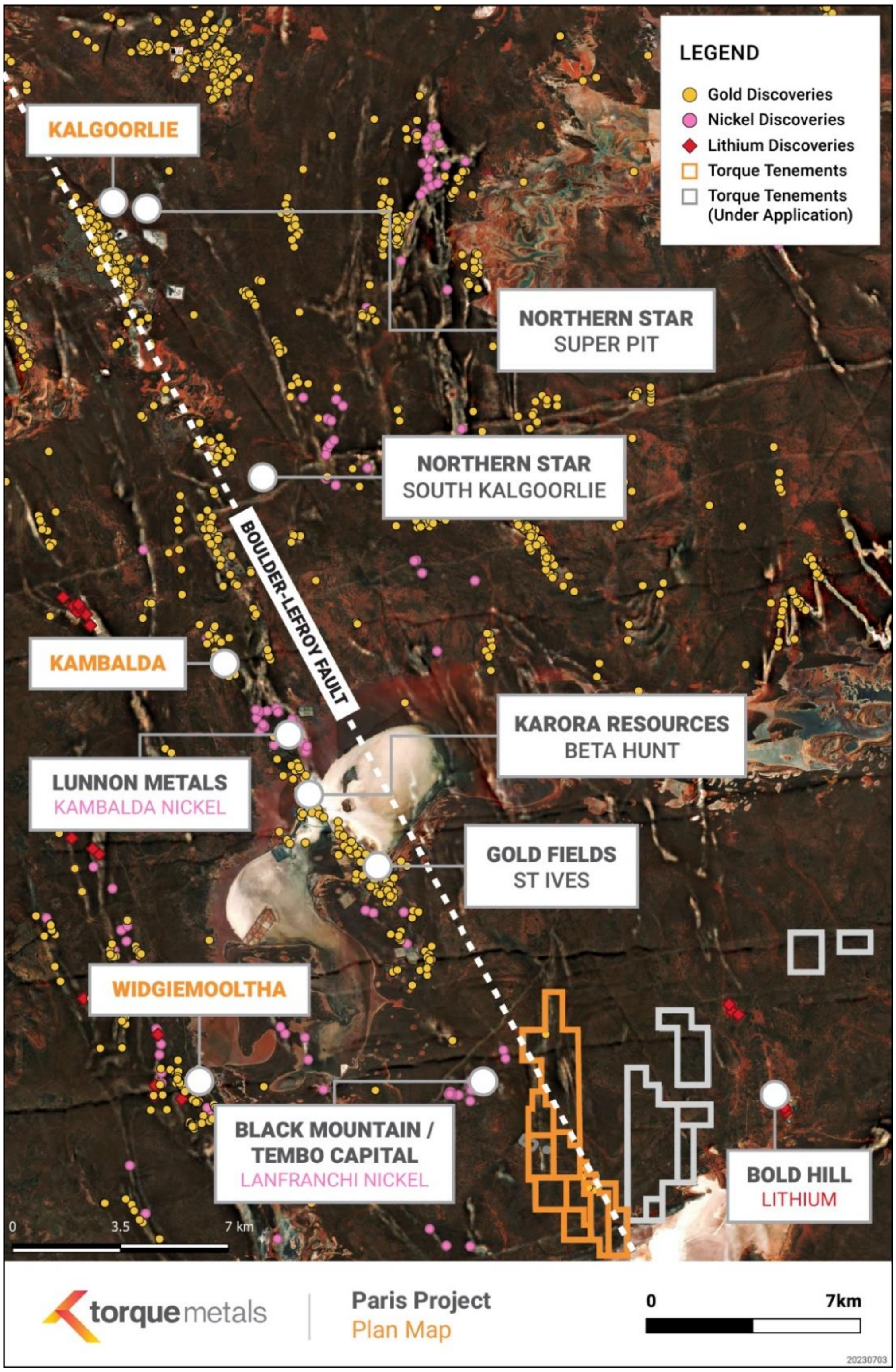

Figure 5 Paris Project

Project Background – The Paris Project

Torque's Paris Project lies within a regional feature known as the Boulder-Lefroy Fault Zone. This prolific gold-bearing structure is host to numerous mines that have produced many millions of ounces of gold, including the Kalgoorlie "Super Pit". Torque's Paris Project area remains vastly underexplored, with historical drilling generally restricted to the top 50 metres, highlighting significant opportunities for gold discoveries by the application of modern-day exploration techniques and deeper drilling.

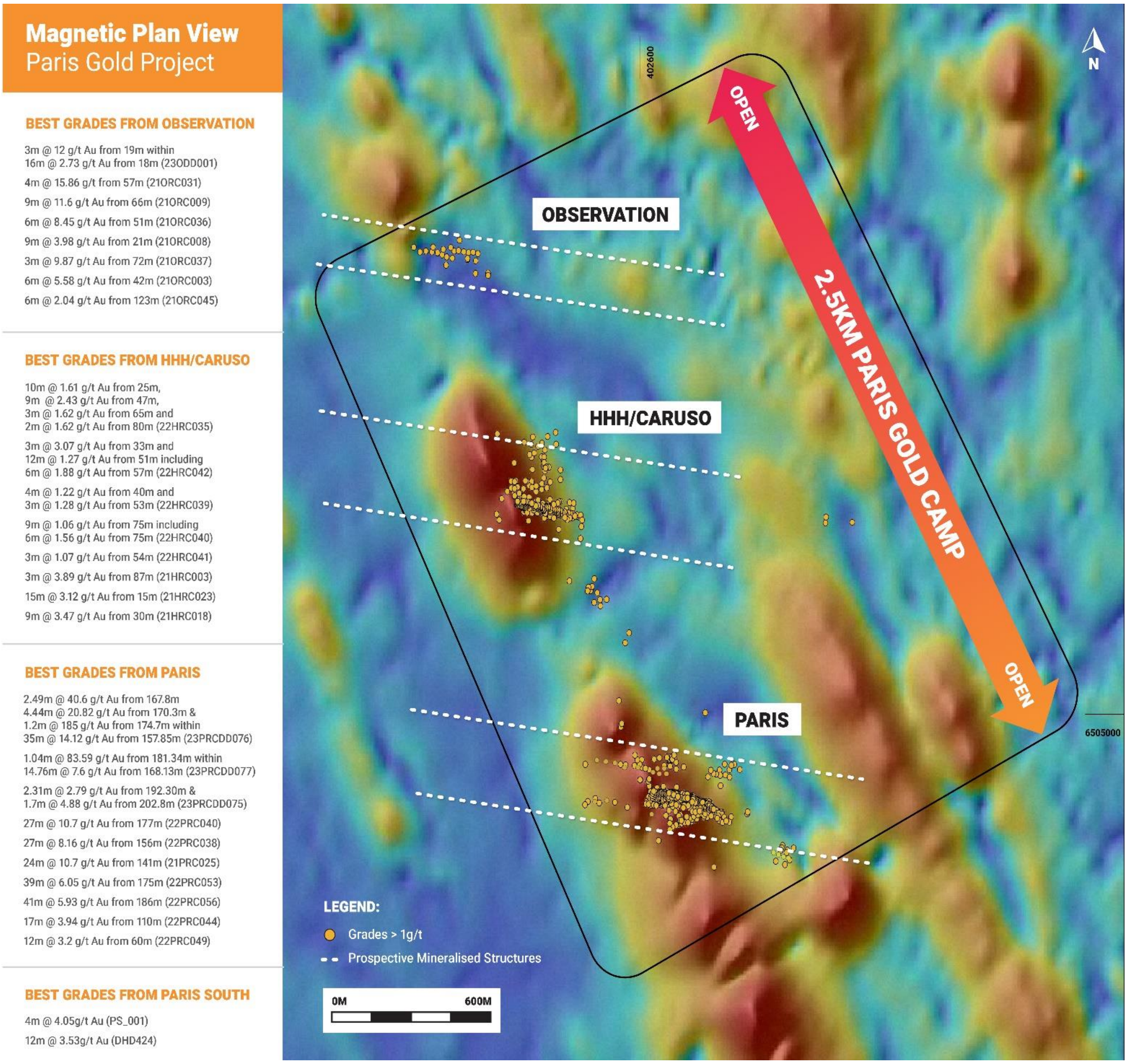

Figure 6 The Paris Gold Camp

Since listing on ASX in 2021[6], Torque has completed six drilling campaigns at Paris with the objective of better defining the zones most likely to rapidly contribute to a gold resource model. Thus far, Torque's model considers a possible gold camp of at least 2.5km of length having real potential to host a significant gold inventory, based on the known mines and deposits in similar geological setting along the Boulder-Lefroy fault corridor.

[6] Refer to ASX announcement dated 23 June 2021 - ASX Notice - Admission to Official List

Competent Person Statement – Exploration Results

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Cristian Moreno, who is a Member of the Australasian Institute of Mining and Metallurgy as well a Member of the Australian Institute of Company Directors. Mr Moreno is an employee of Torque Metals Limited ("the Company"), is eligible to participate in short and long-term incentive plans in the Company and holds performance rights in the Company as has been previously disclosed. Mr Moreno has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Moreno consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Previously Reported Results

There is information in this announcement relating to exploration results which were previously announced on 5 July 2023, 23 June 2021, 4 April 2023, 21 April 2023, 31 May 2023, 26 June 2023, 27 June 2023, 30 June 2023. Other than as disclosed in those announcements, the Company states that it is not aware of any new information or data that materially affects the information included in the original market announcements.

Forward Looking Statements

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

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

This announcement has been authorised by the Board of Directors of Torque Metals.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Torque Metals Limited	
ABN	**Quarter ended ("current quarter")**
44 621 122 905	30 June 2023

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers			
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(23)	(123)
	(e)	administration and corporate costs	(261)	(701)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Promotion and Events		(33)	(167)
1.9	**Net cash from / (used in) operating activities**		**(317)**	**(991)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	(125)
	(d)	exploration & evaluation	(525)	(2,779)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	100	100
	(c) property, plant and equipment	-	16
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(10)	(10)
2.6	**Net cash from / (used in) investing activities**	**(435)**	**(2,798)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	135	2,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(150)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	88
3.10	**Net cash from / (used in) financing activities**	**127**	**2,438**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,715	3,441
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(317)	(991)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(435)	(2,798)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	127	2,438

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,090**	**2,090**

2,090

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	2,090	2,715
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,090**	**2,715**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(66)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(72)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Short term unsecured loans at no interest rate and payable upon demand by C. Moreno and N. McKay during the Holiday Season to meet creditor commitments during the official closure of the Company's office.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(317)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(525)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(842)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,090
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,090
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.48

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:.

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: .
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 21 July 2023

Authorised by: By The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.