



# Annual Report

For the year ended 30th June 2023

2023

ASX:TOR  
ACN 621 122 905

# Corporate Directory

## Board of Directors

### **Patrick Burke**

Non-Executive Chair

### **Cristian Moreno**

Managing Director

### **Tony Lofthouse**

Non-Executive Director

### **Andrew Woskett**

Non-Executive Director

## Joint Company Secretary

**Jessamyn Lyons, Henko Vos**

## Principal Place of Business

Unit 8, 16–18 Nicholson Road  
Subiaco WA 6008

## Postal Address

Level 3, 88 William St, Perth, WA 6000

## Auditors

### **Hall Chadwick WA Audit Pty. Ltd.**

283 Rokeby Road, Subiaco WA 6008

## Share Register

### **Advanced Share Registry Services Pty. Ltd.**

110 Stirling Highway, Nedlands, WA 6010

## Stock Exchange Listing

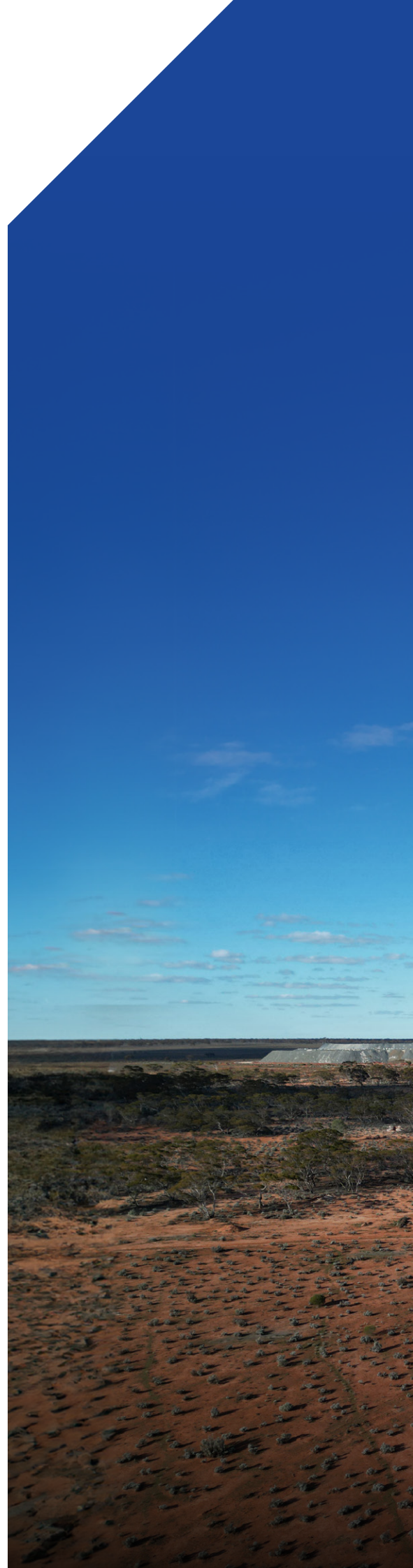
### **Australian Stock Exchange**

Perth Exchange: Code : TOR

## Banker

### **Westpac Banking Corporation**

1257 Hay Street, West Perth  
Western Australia 6005



# Contents

|                                                                                            |    |
|--------------------------------------------------------------------------------------------|----|
| Chairman's Letter                                                                          | 2  |
| Review of Operations                                                                       | 4  |
| Directors' Report                                                                          | 20 |
| Auditor's Independent Declaration                                                          | 32 |
| Director's Declaration                                                                     | 33 |
| Independent Auditor's Report                                                               | 34 |
| Statement of profit or loss and other comprehensive income for the year ended 30 June 2023 | 40 |
| Statement of financial position as at 30 June 2023                                         | 41 |
| Statement of changes in equity for the year ended 30 June 2023                             | 42 |
| Statement of cash flow for the year ended 30 June 2023                                     | 43 |
| Notes to the financial statements for the year ended 30 June 2023                          | 44 |
| Additional Shareholders Information                                                        | 67 |
| Tenements                                                                                  | 69 |

# Chairman's Letter

Patrick Burke , Chairman



Dear Shareholders,

I am pleased to present the 2023 Annual Report for Torque Metals Limited (ASX:TOR) (Torque or the Company).

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Since listing on the Australian Stock Exchange in June 2021, Torque has entered a new era of exploration at the flagship Paris Gold Project, with an abundance of stand-out assay results backing our solid exploration program. We are continuing to expand on both our project tenure footprint, as well as our gold strike length, accelerating Torque's exploration campaign for the 2023 Financial year.

Highlight intersections from our successful drilling campaign included 14.76m @ 7.6 g/t (incl. 1.04m @ 83.59 g/t Au) and 35m @ 14.42 g/t (incl. 2.49m @ 40.69 g/t Au and 4.44m @ 20.82 g/t Au) which hosts an impressive bonanza gold interval of 185 g/t Au. This stream of consistently high-grade results puts Torque's Paris Gold Project in great standing to potentially become a significant deposit within the world-renowned Eastern Goldfields of Western Australia.

A strategic decision was made subsequent to the year, which sees Torque expanding into an exciting new direction. Whilst still exploring for high-grade gold intervals, the Company will now look to include Lithium and Nickel into our asset portfolio, enabled through the option over exciting new project tenure. This includes the 'New Dawn Lithium Project', strategically situated just 600m west from the productive Bald Hill Lithium mine.

Throughout the year, we have gradually strengthened the Company's leadership and team, including the appointment of Cristian Moreno as Managing Director, who has been gradually building up a skilled technical team on site. Cristian has been instrumental in Torque's success over the last year, with his enthusiastic energy and tactical ideas for the Company's forward plan. I would like to personally thank everyone at Torque for their hard work over the financial year and am excited for where the Company is heading.

The Board has great faith that Torque will uncover the true potential of the Paris Gold Project, as well as increasing value for our shareholders through the addition of the highly prospective New Dawn Lithium Project and Penzance Nickel Project.

None of our success would be possible without the backing of Euroz Hartleys, our lead broker and advisor. I thank them for their ongoing support.

Thank you to our shareholders for your support over the last year, and we look forward to sharing further exciting updates with you all.

Yours sincerely,

Patrick Burke  
Chairman

A new era of exploration,  
applying advanced  
geoscience and AI-powered  
smart exploration to unlock  
high-value mineral deposits.



# Review of Operations

Perth-based, Western Australian-focused mineral explorer Torque Metals Limited ("Torque" or "the Company") (ASX: TOR) is pleased to report on its activities for the 12-month period ending June 2023.

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During the year, the Company was focused on progressing exploration on its flagship Paris Gold Project in Western Australia, located 90km SE of Kalgoorlie and 12km SE of St Ives gold mine. A successful drilling campaign involving Reverse Circulation ("RC") and Diamond Drilling ("DD") was completed at the Paris, Observation and HHH prospects, increasing the Company's understanding of the gold mineralisation structures.

The steady stream of promising results reaffirmed the 2.5km prospect corridor as a camp-scale mining opportunity, with further targets scheduled to spatially extend the gold mineralised zones already identified and to explore adjacent parallel structures.



## Paris Gold Project

### Successful Drilling Campaign

In August 2022, Torque recommenced RC drilling at four separate prospects of Paris Project - Paris, Paris South, Carreras, and Pavarotti. Almost 3,290m of RC drilling was completed by the conclusion of the campaign, covering a total of 32 holes<sup>1</sup>. The drilling was targeting substantial gold anomalies, identified through earlier drilling, auger geochemistry, historic soil, and trench samples<sup>2</sup>.

The initial results confirmed a very strong, broad zone of high-grade gold extending north-west and south-east from two of the Company's biggest discoveries (Figure 1)<sup>3</sup>. The results also indicated significant growth potential both below and adjacent to the existing pit.

To the west of the historic Paris pit, Torque intersected a large gold zone of **27m @ 10.7g/t Au**, **27m @ 8.16g/t Au**, and **24m @ 107.7g/t Au**. To the east, a new high-grade gold structure was identified of **12m @ 3.2g/t Au** and **6m @ 1.03g/t Au**.

### Results from the Paris prospect included:

- **12m @ 3.2 g/t Au** from 60m including **3m @ 10.40 g/t Au** from 60m (22PRC049)
- **6m @ 1.03 g/t Au** from 63m (22PRC047)
- **12m @ 1.18 g/t Au** from 121m including **2m @ 4.14 g/t Au** from 121m (22PRC045)
- **7m @ 1.19 g/t Au** from 36m; and **6m @ 10.97 g/t Au** from 110m including **2m @ 32.08 g/t Au** from 114m (22PRC044)
- **6m @ 7.35 g/t Au** from 204m including **3m @ 11.23 g/t Au** from 205m (22PRC041)
- **30m @ 7.00 g/t Au** from 168m including **10m @ 14.71 g/t Au** from 169m (22PRC040)
- **13m @ 11.64 g/t Au** from 61m including **5m @ 22.50 g/t Au** from 60m; and **27m @ 10.7 g/t Au** from 177m (22PRC038)

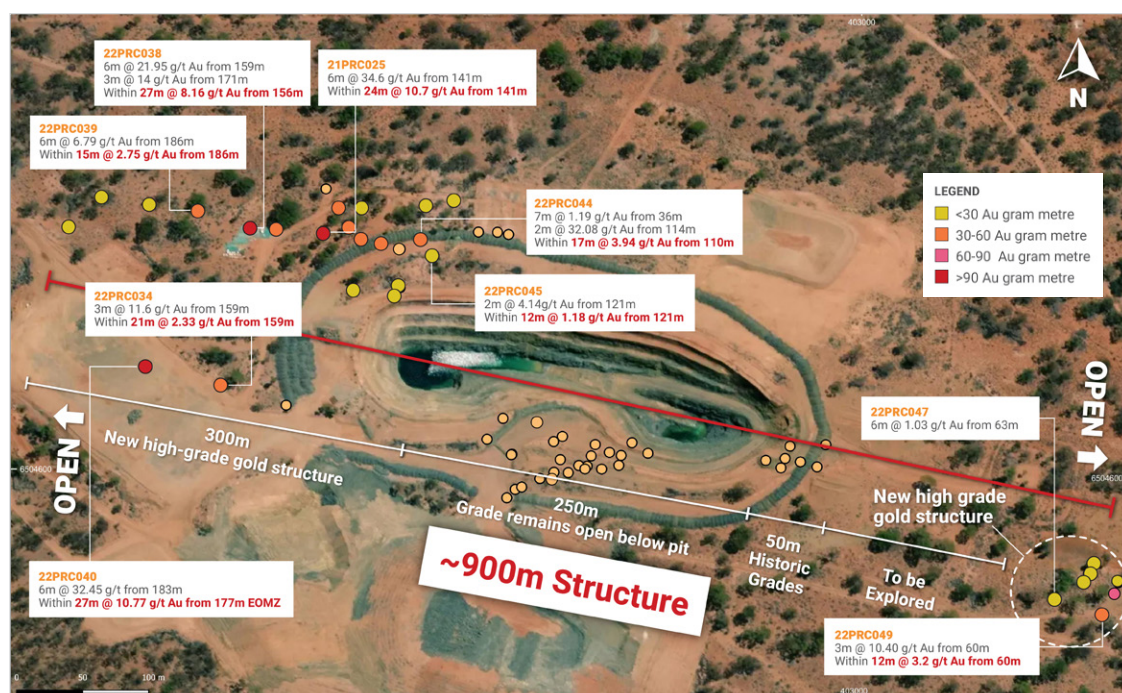


FIGURE 1 Early drilling results at Paris Prospect

1. ASX Announcement 10 August 2022 – Drilling Re-Commences at Paris Gold Project
2. ASX Announcement 8 September 2022 – High-Grade Gold Demonstrates Strong Growth at Paris Project
3. ASX Announcement 29 September 2022 – Paris Gold Zone Grows to 900m in Strike

On the back of these significant high-grade gold results, Torque immediately moved to secure a DD/RC rig with >200m capacity for follow up drilling at the Paris Prospect.

A month later, Torque announced the commencement of a further 4,500m of RC drilling over its high-grade gold prospects, with two specific aims:<sup>4</sup>

- Drilling at the Paris Gold Prospect to target extensions to the already identified high-grade gold structure
- Investigate the link between the Observation, HHH and Paris prospects, where the Company suspected that the 2,500m NW-SE distance between the two mines contains multiple parallel mineralised gold zones

Upon completion of the fifth exploration and extensional drilling campaign<sup>5</sup>, Torque had completed 4,855m of RC drilling over a total of 40 holes. The results delivered several outstanding, wide zones of high-grade gold<sup>6</sup>, reaffirming the 2.5km prospect corridor to host a camp-scale mining opportunity (Figure 2).

#### Highlight assay results included:

- **39m @ 6.05 g/t Au** from 175m including **9m @ 10.66 g/t Au** from 178m; and **3m @ 29.4 g/t Au** from 202m (22PRC053)
- **42m @ 2.48 g/t Au** from 186m including **15m @ 5.9 g/t Au** from 189m (22PRC056)
- **30m @ 1.12 g/t Au** from 195m including **6m @ 4.08 g/t Au** from 204m (22PRC054)
- **18m @ 3.66 g/t Au** from 120m, including **6m @ 10.6 g/t Au** from 123m within (22PRC059)
- **18m @ 1.07 g/t Au** from 51m, including **3m @ 4.38 g/t Au** from 51m (22HRC035)

Holes drilled to the west intersected multiple wide gold zones including **45m @ 5.26 g/t** from 172m (22PRC053), **42m @ 2.48 g/t** from 186m (22PRC056), and **30m @ 1.12 g/t** from 195m (22PRC054).

These drilling results increased the Paris zone strike length to over 1,000m, with an extension of 400m west of the historic Paris pit, 250m beneath the pit, and 350m east of the pit.

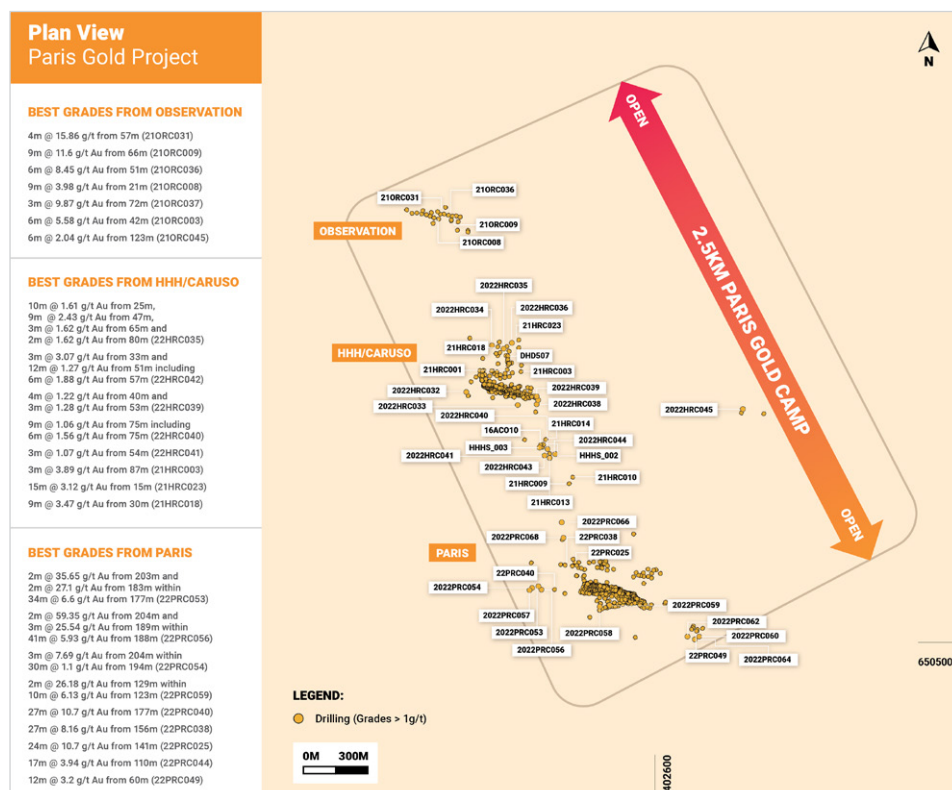


FIGURE 2 The Paris Gold Camp opportunity, including Phase 5 drilling results

4. ASX Announcement 16 November 2022 – Drilling set to recommence at 2.5km Paris Gold Camp

5. ASX Announcement 25 January 2023 – Drilling Results Imminent from Paris Gold Project

6. ASX Announcement 2 February 2023 – Further High-Grade Gold Intersections at Paris

In April 2023, Torque announced the commencement of a 6,500m Phase Six of exploration drilling at the Paris Prospect<sup>7</sup>. 1,500m was focussed on the identification of the lode's continuity, geometry, structure, mineralisation at depth and along strike. A 43-hole RC drilling campaign of 5,000m aimed to complete in-fill and extensional drilling to provide additional information on the continuity and distribution of gold mineralisation.

Phase Six drilling was completed in late April 2023, with the Company's first diamond drilling ("DD") at the Paris and Observation gold prospects encountering multiple zones of mineralisation in all four holes<sup>8</sup>. Assay results revealed high-grade gold intervals, including an impressive bonanza gold interval of 1.2m @ 185g/t Au<sup>9</sup>.

At the **Paris** prospect, three infill diamond holes encountered multiple, highly altered fault regions with abundant sulphides and quartz veining over significant widths (Figures 3 and 4), such as:

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

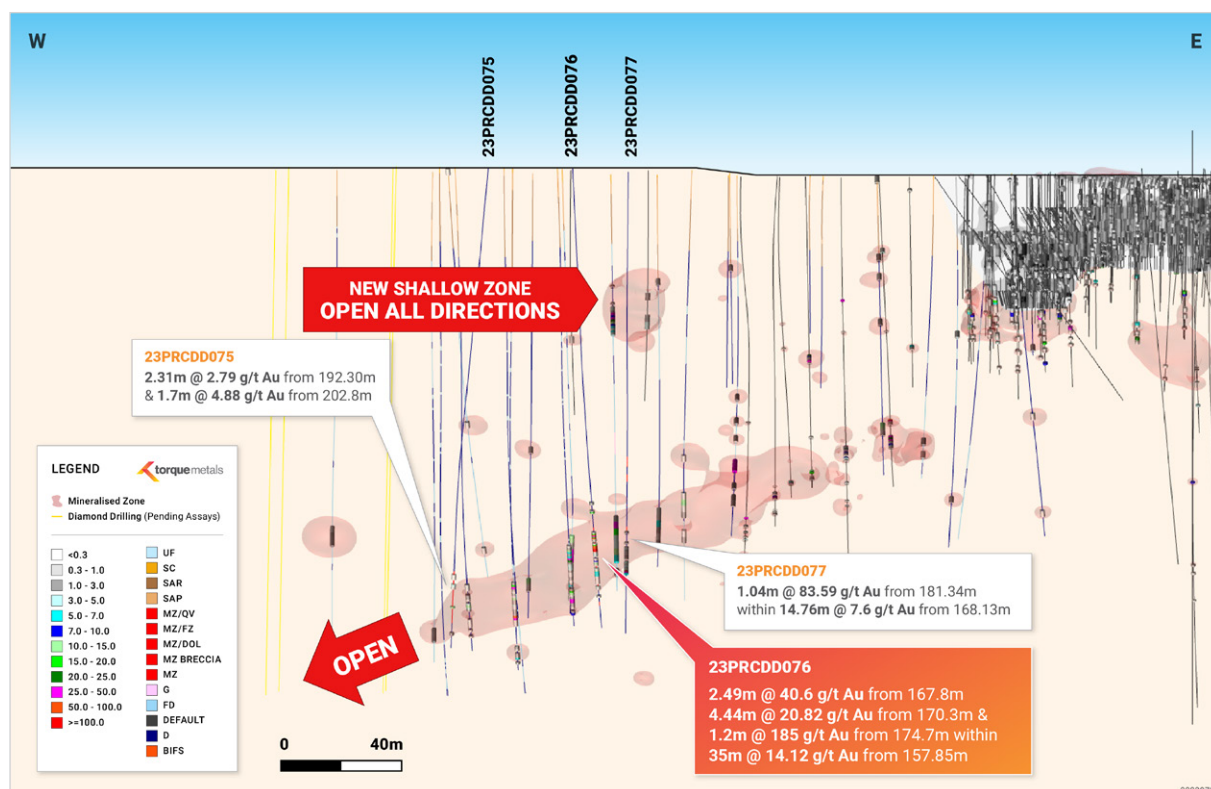


FIGURE 3 Paris prospect, mineralised intervals at holes 23PRCDD075, 23PRCDD076, and 23PRCDD077

7. ASX Announcement 4 April 2023 – Drilling Resumes at Paris Gold Project in WA

8. ASX Announcement 21 April 2023 – Drilling identifies mineralised zones at Paris Gold Project

9. ASX Announcement 5 July 2023 – Paris Delivers 185g/t Bonanza Gold Interval

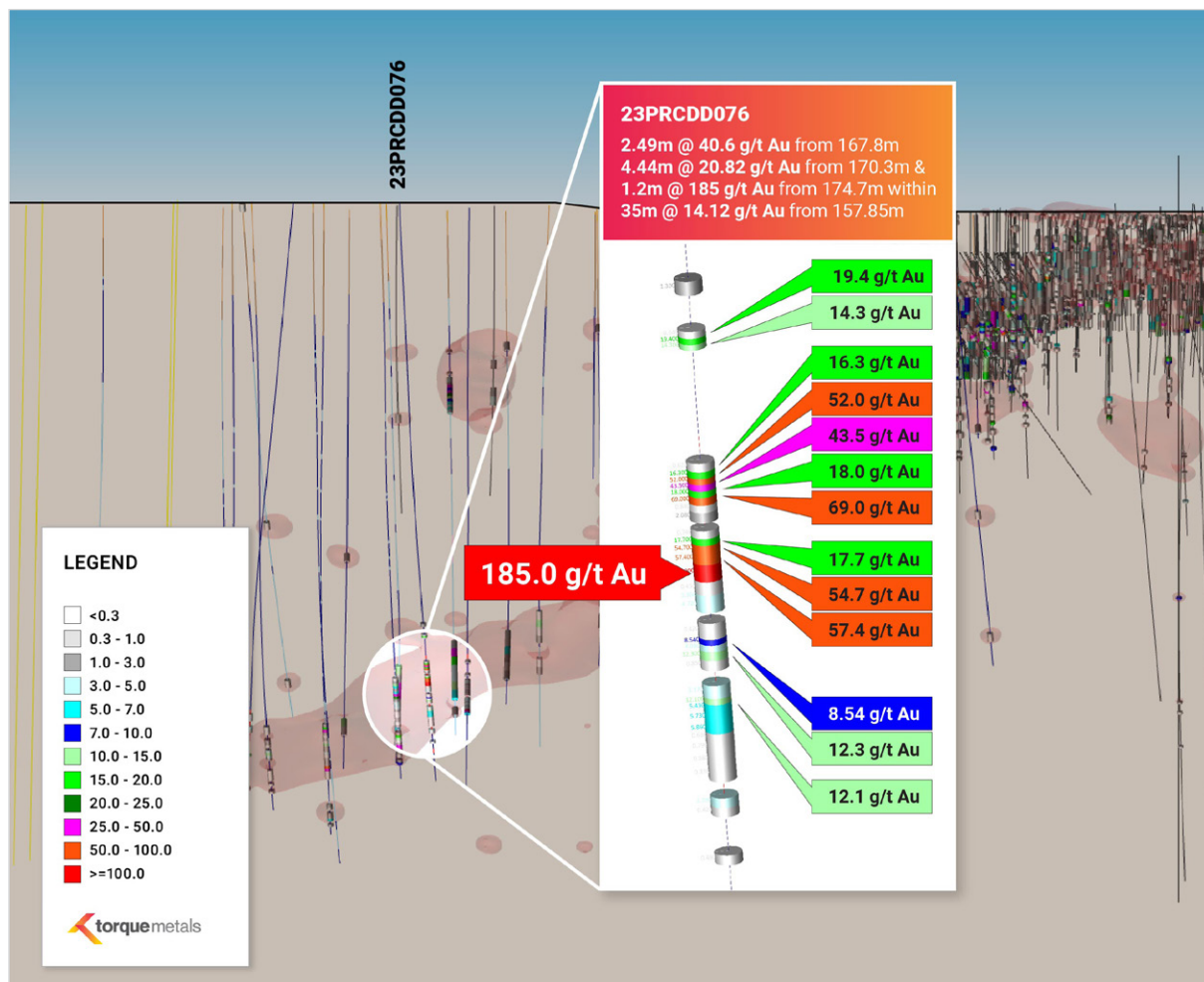


FIGURE 4 Paris prospect, mineralised interval at hole 23RCDD076

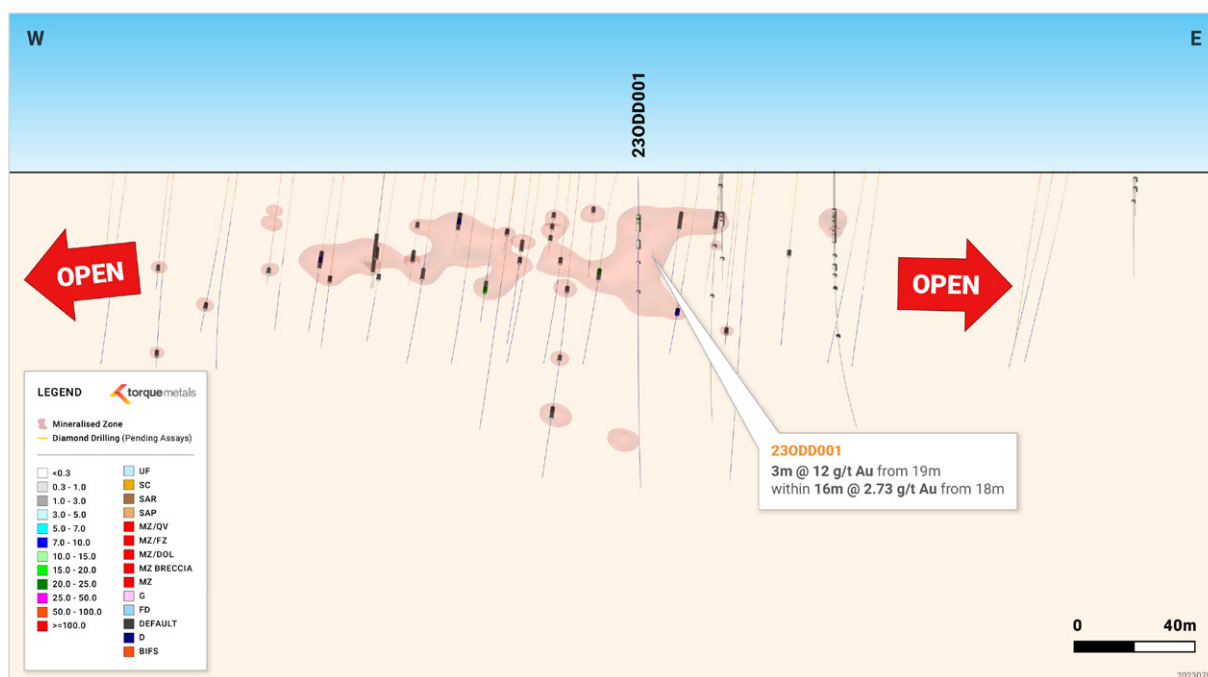


FIGURE 5 Observation prospect, mineralised intervals at diamond hole 23ODD001

At the Observation prospect, the inaugural diamond hole located near-surface hosted structurally controlled, mineralised interval of 16m @ 2.73 g/t Au from 18m (Figure 6), which warrants follow-up drilling to test for extensions.

Subsequent to the year end, Torque announced further assay results from drilling designed to extend mineralisation boundaries of the Paris gold systems<sup>10</sup>. The results highlighted two new mineralised zones warranting further investigation (Figure 6).

A mineralised structure was located at surface 100m north of the Paris open pit, with a highlight result **27m @ 3.96 g/t Au** from surface including **3m @ 27 g/t Au** from 24m (23PRC090).

Another brand-new mineralised trend (Eva prospect, Figures 7 and 8) was discovered, with highlight results including:

**16m @ 1.05 g/t Au** from 67m including **10m @ 1.07 g/t Au** from 38m, and **2m @ 1.16 g/t Au** from 61m, and **1m @ 1.09 g/t Au** from 22m (23HRC063)

A Programme of Work (POW) has been approved for another upcoming drill phase at the Paris gold project, aiming to extend the mineralised zones and explore adjacent parallel structures.

## Expansion of Project Footprint

On the 23rd of November 2022, Torque announced the completion of an 80% earn-in to Jindalee Resource Limited's ('Jindalee') (ASX:JRL) Maynard's Dam Prospect – ELs 15/1736, 15/1747 and 15/1752.<sup>11</sup> The prospect aggregates approximately 75km<sup>2</sup>, which added a further 14km of prospective strike to the North of the Paris, HHH / Caruso and Observation prospects (Figure 9).

## Metallurgical Testwork

Subsequent to the reporting period in July 2023, Torque announced the commencement of metallurgical testwork on core samples from the Paris Gold Project. The objective of the testing is to evaluate the metallurgical characteristics and gold recoverability of the deposits.<sup>12</sup>

The initial results of the testwork were anticipated to be announced on 27 September 2023

10. ASX Announcement 28 August 2023 – Strong Gold Intersections at Paris Gold Camp

11. ASX Announcement 23 November 2022 – Torque expands Gold/Nickel Footprint

12. ASX Announcement 24 August 2023 – Paris Gold Camp Metallurgical Testwork

Plan View  
Paris Gold Project



**BEST GRADES FROM OBSERVATION**

3m @ 12 g/t Au from 19m within  
16m @ 2.73 g/t Au from 18m (23ODD001)  
4m @ 15.86 g/t Au from 57m (21ORC031)  
9m @ 11.6 g/t Au from 66m (21ORC009)  
6m @ 8.45 g/t Au from 51m (21ORC036)  
9m @ 3.98 g/t Au from 21m (21ORC008)  
3m @ 9.87 g/t Au from 72m (21ORC037)  
6m @ 5.58 g/t Au from 42m (21ORC003)  
6m @ 2.04 g/t Au from 123m (21ORC045)

**BEST GRADES FROM HHH**

10m @ 1.61 g/t Au from 25m,  
9m @ 2.43 g/t Au from 47m,  
3m @ 1.62 g/t Au from 65m and  
2m @ 1.62 g/t Au from 80m (22HRC035)  
3m @ 3.07 g/t Au from 33m and  
12m @ 1.27 g/t Au from 51m including  
6m @ 1.88 g/t Au from 57m (22HRC042)  
4m @ 1.22 g/t Au from 40m and  
3m @ 1.28 g/t Au from 53m (22HRC039)  
9m @ 1.06 g/t Au from 75m including  
6m @ 1.56 g/t Au from 75m (22HRC040)  
3m @ 1.07 g/t Au from 54m (22HRC041)  
3m @ 3.89 g/t Au from 87m (21HRC003)  
15m @ 3.12 g/t Au from 15m (21HRC023)  
9m @ 3.47 g/t Au from 30m (21HRC018)

**BEST GRADES FROM PARIS**

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 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)  
2.31m @ 2.79 g/t Au from 192.30m and  
1.7m @ 4.88 g/t Au from 202.8m (23PRCDD075)  
27m @ 10.7 g/t Au from 177m (22PRC040)  
27m @ 8.16 g/t Au from 156m (22PRC038)  
24m @ 10.7 g/t Au from 141m (21PRC025)  
39m @ 6.05 g/t Au from 175m (22PRC053)  
41m @ 5.93 g/t Au from 186m (22PRC056)  
17m @ 3.94 g/t Au from 110m (22PRC044)  
12m @ 3.2 g/t Au from 60m (22PRC049)

**BEST GRADES FROM EVA**

1m @ 2.26 g/t Au from 76m, and  
2m @ 1.37 g/t Au from 85m, and  
1m @ 1.02 g/t Au from 61m all in hole (23HRC061)  
1m @ 1.72 g/t Au from 97m (23HRC062)  
1m @ 1.09 g/t Au from 22m, and  
10m @ 1.07 g/t Au from 38m, and  
2m @ 1.16 g/t Au from 61m, and  
16m @ 1.05 g/t Au from 67m all in hole (23HRC063)



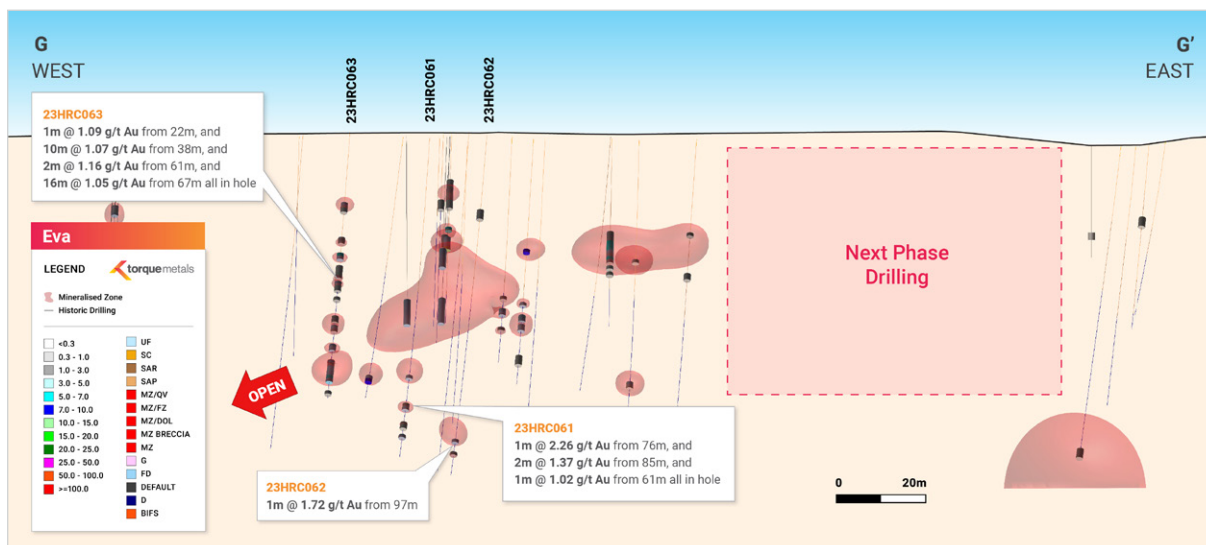


FIGURE 7 Eva prospect, W-E section of the mineralised structure

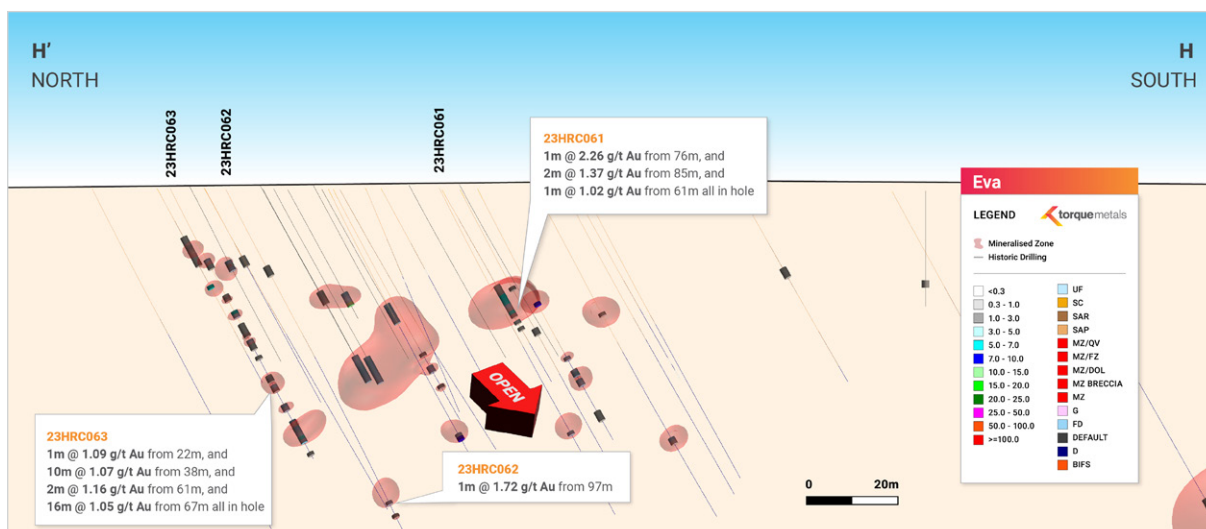
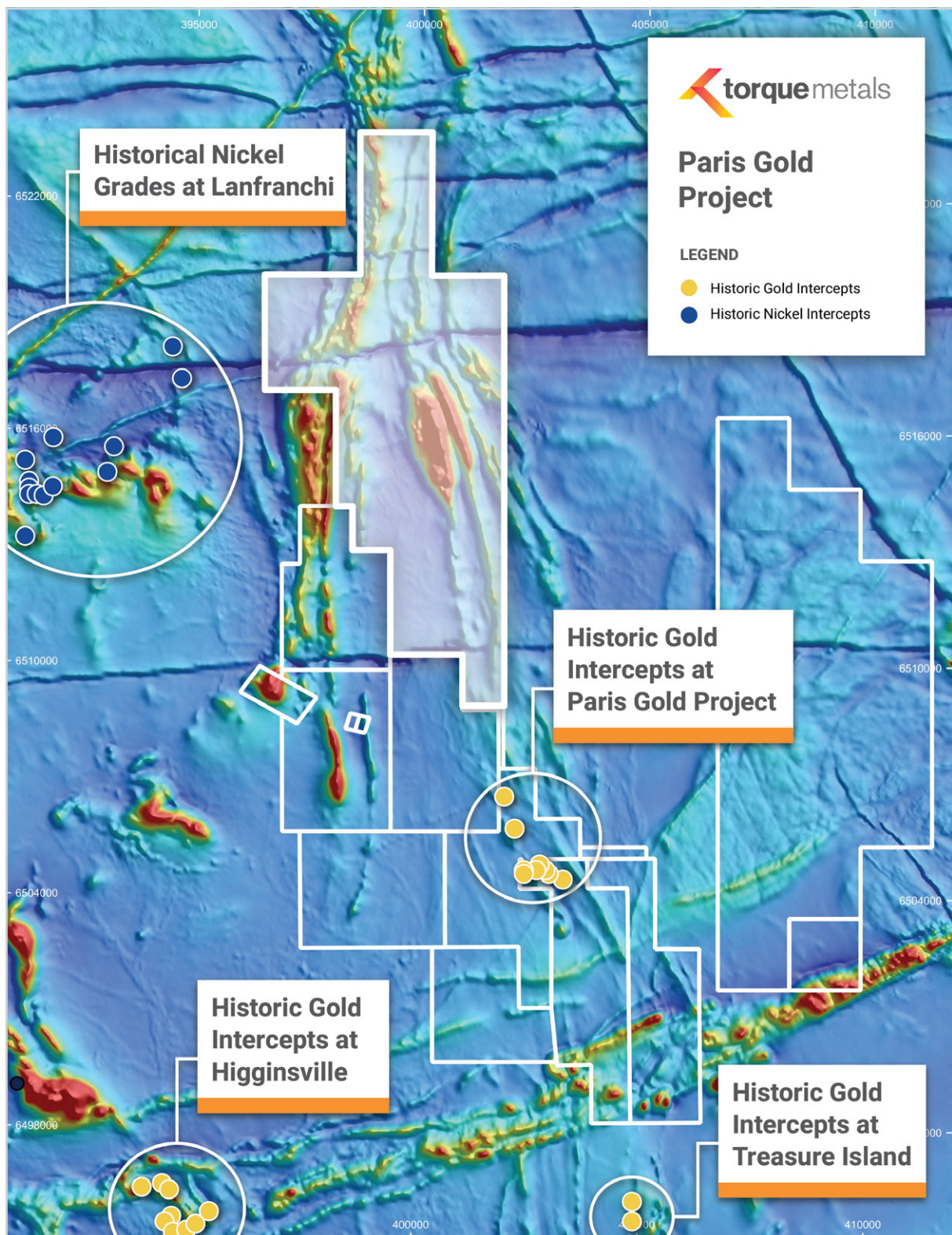


FIGURE 8 Eva prospect, N-S section of the mineralised structure



**FIGURE 9** Paris Project highlighting tenement EL15/1752



Whilst still exploring for high-grade gold intervals, the Company will now look to include Lithium and Nickel into our asset portfolio.

## Option to Acquire Gold, Lithium and Nickel Assets

Subsequent to the reporting period, Torque announced the signing of exclusive, binding, conditional option agreements with Abeh Pty Ltd ("**Abeh**") and associates to acquire 100% of an extensive and strategic group of tenements adjacent to the Company's flagship Paris Gold Camp. The expanded aggregate holdings have been renamed as the Penzance Exploration Camp ("**Penzance**").

The potential purchase includes 14 tenements in the Western Australian Goldfields covering approximately 200km<sup>2</sup>. This agreement provides major exposure to the electric battery minerals sector, through tenements adjacent to the established Bald Hill lithium-tantalum operation.

The option potentially expands Torque's existing tenure footprint to approximately 500km<sup>2</sup>, encompassing a wealth of potential for discovery of gold, lithium and nickel deposits (Figure 10).



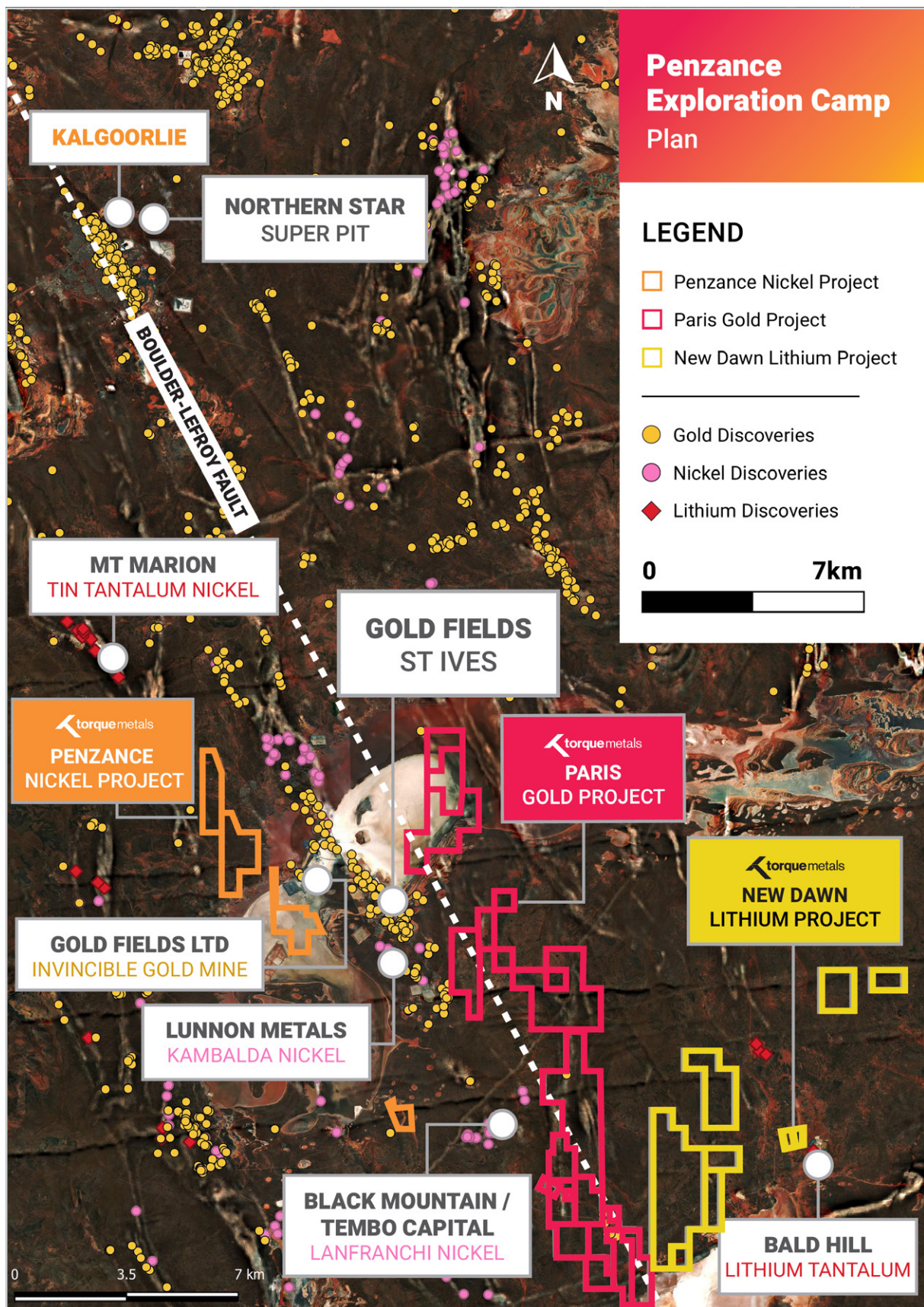


FIGURE 10 Penzance Exploration Camp

## New Dawn Lithium Project

The acquisition agreement included the option to acquire 100% of 'New Dawn', an unmined Lithium and Tantalum occurrence, prospective for spodumene. The project site is just 600m along strike from the 26.5Mt @ 1% Li<sub>2</sub>O spodumene Bald Hill Lithium and Tantalum Mine.

Torque conducted desktop studies, which identified multiple outcropping pegmatites, as well as multiple rock chip samples with assay grades of up to

6% Li<sub>2</sub>O (Figure 11). The Company's 3D model of the pegmatite bodies (Figure 12), generated from historical drill data, positions Torque to conduct a first-pass DD program.

Approximately 20 DD holes to around 100m depth commenced in mid September 2023.

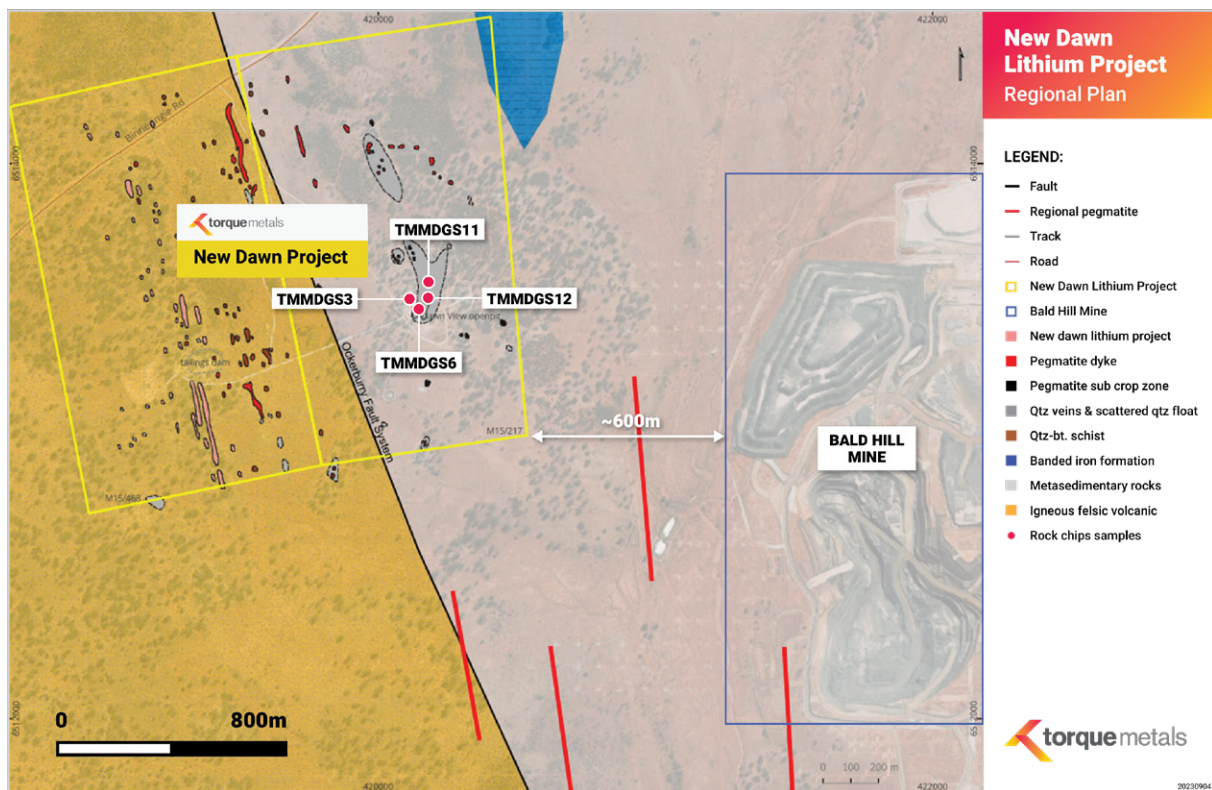
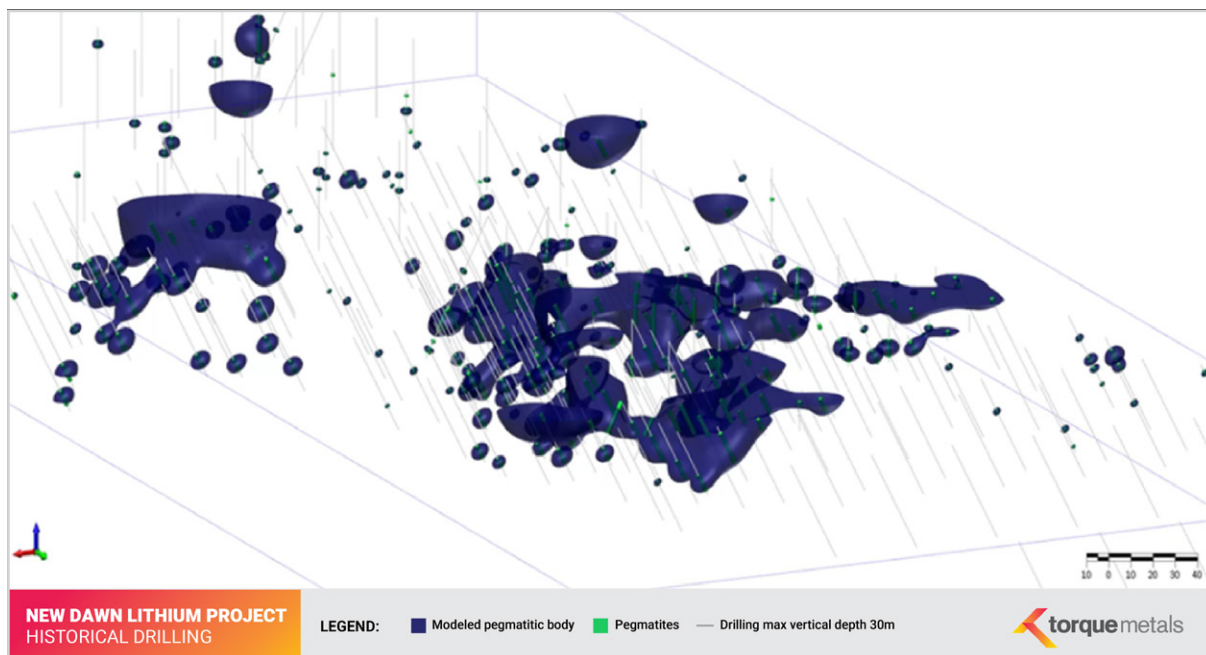
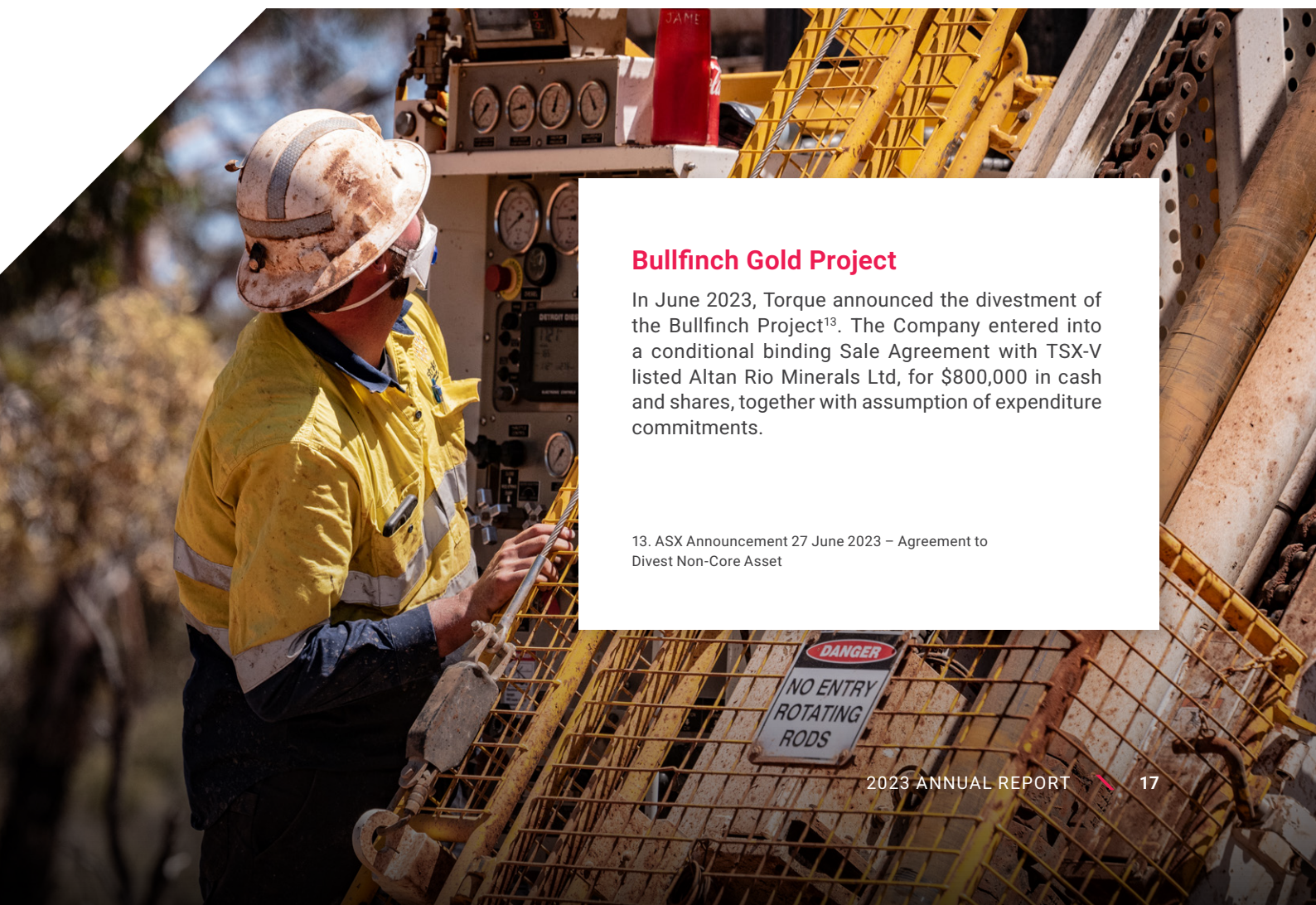


FIGURE 11 New Dawn Lithium Project. Rock chip location map with grades above 0.5% Li<sub>2</sub>O



**FIGURE 12** Torque's 3D Geological model using historic drill data of pegmatite Tantalum bodies



## Bullfinch Gold Project

In June 2023, Torque announced the divestment of the Bullfinch Project<sup>13</sup>. The Company entered into a conditional binding Sale Agreement with TSX-V listed Altan Rio Minerals Ltd, for \$800,000 in cash and shares, together with assumption of expenditure commitments.

13. ASX Announcement 27 June 2023 – Agreement to Divest Non-Core Asset

operational factors. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through successful exploration outcomes on its tenement holdings. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades during exploration, operational and technical difficulties encountered during exploration, lack of infrastructure in the Company's areas of operation, unanticipated metallurgical problems which may affect value of defined resources, increases in the costs of consumables, spare parts, plant and equipment.

Mineral resource estimates are made in accordance with the 2012 edition of the JORC Code. Mineral resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates may alter significantly when new information or techniques become available. Resource estimates can be imprecise and depend on interpretations, which may prove to be inaccurate.

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. The Company has exploration tenements in Australia which operate under different regulatory conditions which may impact on time taken to evaluate projects and may affect the viability of resources found by the Company's exploration programme.

There can be no assurance that exploration of tenements, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

In the event the Company successfully delineates economic deposits on any Tenement, it will need to

apply for a mining lease to undertake development and mining on the relevant tenement. There is no guarantee that the Company will be granted a mining lease and if it is granted, it will be subject to conditions which may impact on the financial viability of the project.

### **Further capital requirements**

The Company's projects may require additional funding in order to progress activities. There can be no assurance that additional capital or other types of financing will be available if needed for further exploration and/or possible development activities or that, if available, the terms of such financing will be favourable to the Company.

### **Native title and Aboriginal Heritage**

There are areas of the Company's projects over which common law and/or statutory Native Title rights of Aboriginal Australians exist. Where Native Title rights exist, the Company must obtain consent of the relevant Traditional Landowners to progress exploration, development and mining phases of operations. Where there is an Aboriginal Site for the purposes of the Aboriginal Heritage legislation, the Company must obtain consents in accordance with the legislation before any ground disturbing activities can take place. There are no guarantees that a suitable agreement can be reached with the Native Title parties.

### **The Company's activities are subject to Government regulation and approvals**

The Company is subject to certain Government regulations and approvals. Any material adverse change in government policies or legislation in Australia that affect mining, processing, development and mineral exploration activities, export activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of any planned exploration and/or development of the Company's projects.

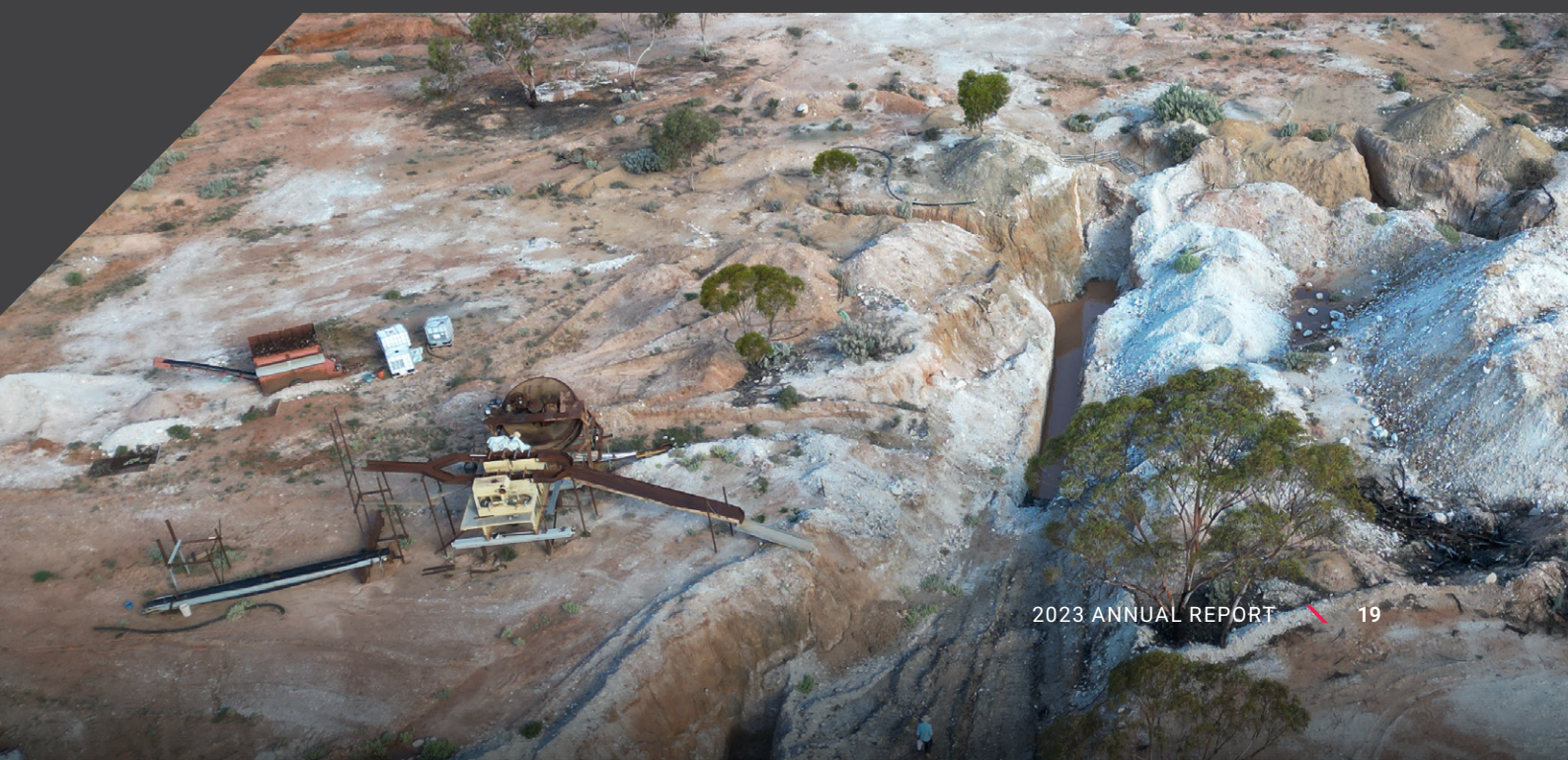
### **Global conditions**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration and potential development activities, as well as on its ability to fund those activities. General economic conditions, laws relating to taxation, new legislation, trade barriers, interest and inflation rates, currency exchange controls, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration and development activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

### **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.



## Director's Report

The directors of Torque Metals Limited ("Torque" or "the Company") present their report on Torque for the year ended 30 June 2023 ("the Year").

### Directors

The names of the directors of the Company during the year are:

Patrick N. Burke  
Cristian Moreno (appointed 31 May 2023)  
Antony (Tony) L. Lofthouse  
Ian D. Finch (resigned 31 May 2023)  
Andrew Alexander Woskett (appointed 1 March 2023)

Directors have been in office since the start of the Year to the date of this report unless otherwise stated.

**Patrick N. Burke** Non-Executive Chairman

Qualifications LLB

Experience Mr Burke holds a Bachelor of Laws from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 15 years has acted as a director for a large number of ASX, NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law in particular capital raisings and mergers and acquisitions. Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.

Interest in Shares 150,000 fully paid ordinary shares  
1,000,000 Class A Performance rights  
1,000,000 Class B Performance rights

Directorships held in  
Other listed entities

#### Current

Western Gold Limited: Appointed 21 March 2021  
Lycaon Resources Limited: Appointed 10 February 2021  
Province Resources Limited: Appointed 9 November 2020  
Triton Minerals Limited: Appointed 22 July 2016

#### Past Three Years

Meteoric Resources NL: Appointed 1 December 2017: Resigned 11 April 2023  
Mandrake Resources Limited: Appointed 4 August 2019: Resigned 24 March 2022

**Cristian Moreno** Managing Director

Qualifications Cristian holds a high distinction MSc (Geophysics) from Curtin University, as well as a BSc (Geology) and BEng (Agri. Eng.) from the National University of Colombia. He has completed postgraduate studies in Statistics & Data Science and is currently completing his MBA specialised in Finance.

Experience Mr Moreno specialises in the emerging field of advanced machine learning in order to process new and existing geoscientific data to improve the potential for exploration success. With over five years international experience, Mr Moreno has served in various roles including as an exploration and project geologist for gold exploration/producing companies and for oil and gas companies.

Interest in Shares      122,093 fully paid ordinary shares  
2,000,000 Class A Performance rights  
2,000,000 Class B Performance rights

Directorships held in  
Other listed entities      None

**Ian D. Finch**      Executive Chairman (appointed 16 August 2017 and resigned 31 May 2023)

Qualifications      BSc (Hons) in Geology from the University of Birmingham (England), Member of the Australasian Institute of Mining and Metallurgy.

Experience      Mr. Finch's career spans more than 51 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 - from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa.

In 1982 he joined CRA Exploration as a Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987.

In 1993 Mr. Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia—when it discovered a resource of approximately 1.0 million ounces at the Paulsen's Project.

In 1999 Mr. Finch founded Templar Resources Limited, which became a 100% owned subsidiary of Canadian listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005, Mr. Finch established an extensive exploration portfolio in New South Wales where the Company actively explored for large porphyry copper / gold deposits. During his presidency, Mr. Finch forged strong strategic ties with the major mining houses and financial institutions in Vancouver, Toronto and London.

Interest in Securities      Not applicable as no longer a director

Directorships held in  
other listed entities      None

**Antony L Lofthouse**      Non-Executive Director

Qualifications      Bachelor of Science (Hons) Geology from the University of London and a Master of Business Administration from the University of Western Australia

Experience      With more than 44 years of working in the resources sector in Australia, Saudi Arabia and the United Kingdom, Mr. Lofthouse has developed expertise in an extensive range of relevant disciplines that together deliver a skillset ideally suited to the particular challenges of an emerging mineral exploration company.

Mr. Lofthouse has worked as a field geologist, a resources equity analyst in stockbroking, a corporate banker managing a portfolio of resource and infrastructure customers (providing services that included project finance, mezzanine debt, corporate advisory, transactional banking facilities, credit analysis and legal documentation).

Mr. Lofthouse has also worked as a provider of internet-based geotechnical information services. and most recently as the CEO of Ora Gold (formerly

## Director's Report

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest in Shares                          | 400,000 fully paid ordinary shares.<br>15,000 30 cent Options expiring 30 November 2023 to spouse<br>30,000 30 cent Options expiring 22 December 2023<br>100,000 25 cent Options expiring 7 May 2026<br>1,000,000 Class A Performance rights<br>1,000,000 Class B Performance rights                                                                                                                                                                                                                                         |
| Directorships held in other listed entities | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Andrew Woskett</b>                       | Non-Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Qualifications                              | Engineering degree, Masters in Commercial Law and is a Fellow of the Australasian Institute of Mining and Metallurgy.                                                                                                                                                                                                                                                                                                                                                                                                        |
| Experience                                  | Andrew Woskett is a highly respected senior executive with over 40 years of project and corporate experience in the resources industry. He brings a wealth of experience in bringing assets to development, having been responsible for evaluation, definition, promotion, financing and management of multiple resource projects in gold, base metals, nickel, iron ore and coal. He is a Fellow of the Australasian Institute of Mining and Metallurgy and has an engineering degree and Masters degree in Commercial Law. |
| Interest in Shares                          | 250,000 fully paid ordinary shares.<br>1,000,000 Class A Performance rights<br>1,000,000 Class B Performance rights                                                                                                                                                                                                                                                                                                                                                                                                          |
| Directorships held in other listed entities | Minotaur Exploration Ltd appointed 1 March 2010: resigned 28 February 2022<br>Demetallica Ltd appointed 26 May 2022: resigned 18 November 2022                                                                                                                                                                                                                                                                                                                                                                               |

## Company Secretary

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Neil W. McKay</b> | Company Secretary (resigned 26 June 2023)                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Qualifications       | B.Bus (Sec Admin)                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Experience           | Mr McKay is an accountant with more than 40 years in senior accounting, finance and company secretarial roles. His career has concentrated in Australia and the Philippines. After becoming an Associate Member of the Institute of Chartered Accountants in Australia, he ventured into the mineral exploration industry, where at various times he was Company Secretary for a successful oil and gas company and held senior accounting positions within the exploration industry.   |
| Interest in Shares   | 2,613,433 fully paid ordinary shares.<br>1,278,359 30 cent Options exercisable 30 November 2023<br>50% beneficial interest in Turf Moor Pty. Ltd. a company in which he is a shareholder.                                                                                                                                                                                                                                                                                               |
| <b>Henko Vos</b>     | Joint Company Secretary (appointed 26 June 2023)                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Experience           | Mr Vos is a member of the Governance Institute of Australia and Chartered Accountants Australia & New Zealand with more than 20 years' experience working within public practice, specifically within the area of audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. He is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice. |

**Jessamyn Lyons**      Joint Company Secretary (appointed 26 June 2023)

**Experience**              Ms Lyons has 15 years previous experience working in the stockbroking and banking industries across various positions with Macquarie Bank, UBS Investment Bank (London) and Patersons Securities.

Ms Lyons established Everest Corporate, a corporate services firm, and grew the business for 5 years prior to merging with Nexia Perth. Ms Lyons is a Director of Nexia Perth, Company Secretary of Dreadnought Resources Limited and Ragnar Metals Limited, and Joint Company Secretary of Echo IQ Limited. Ms Lyons is a Chartered Secretary and Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance, and Marketing.

### **Significant changes in state of affairs**

During the Year the Company issued a total of 18,518,519 fully paid ordinary shares and 13,888,890 unlisted options exercisable at 25 cents prior to 7 May 2026. These securities were provided to shareholders who participated, as well as to participating company directors and the placement lead manager, Euroz Hartleys, with the objective of providing the Company with the necessary working capital to support ongoing mineral exploration efforts.

During the Year there was no other significant change in the state of affairs of the Company other than as referred to in the financial statements or notes thereto.

### **Principal Activities**

During the financial year the principal activities of the Company consisted of mineral exploration.

### 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.

### Overview of Company Performance

The table below sets out information about the Company’s earnings and movements in shareholder wealth for the past two years from the date of listing on ASX up to and including the current financial year.

|                                 | 2022     | 2023     |
|---------------------------------|----------|----------|
| NLAT (\$'m)                     | (2.15)   | (2.09)   |
| Share price at year end (cents) | ASX 24.0 | ASX 14.0 |
| Basic EPS (cents)               | (0.033)  | (0.022)  |

### Directors Remuneration Report - Audited

This report details the nature and amount of remuneration for each director of the Company.

#### Options

No director or Key Management Personnel has been granted options in the Company as part of their remuneration.

The remuneration policy of Torque has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The further tailoring of goals between shareholders and the Directors and executives is achieved through the issue of equity to the directors and executives to encourage the alignment of personal and shareholder interest.

The Board of the Company believes the remuneration policy is below accepted industry standards but appropriate and effective while the Company is in the initial phase of being listed on a Stock Exchange. The remuneration policy, setting the terms and conditions for the Directors and executives was developed by the Directors and approved by the Board.

The Board recognises that the remuneration rates are below competitive remuneration rates of local and international trends among comparative companies and industry generally.

The Group is exploration and development focussed, and therefore speculative in terms of performance. The Directors and executives are paid below market rates associated with individuals in similar positions, within the same industry.

Options and performance incentives will be issued, and key performance indicators such as share price, profits and market value can be used as measurements for assessing Board and executive performance.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed or carried forward on the balance sheet for time that is attributable to exploration and evaluation.

The Board policy is to remunerate, where possible, non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Chairman with independent advisors as necessary, determine payments to the non-executive Directors and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Company. However, remuneration of non-executive directors at this present time are below comparable market expectations.

#### Details of remuneration for the years ended 30 June 2023 and 30 June 2022

The remuneration for each key management personnel of the Company during the year was as follows:

| 2023                         | Fixed Remuneration                           |               |                                           |                | Variable Remuneration |                  |                                               |
|------------------------------|----------------------------------------------|---------------|-------------------------------------------|----------------|-----------------------|------------------|-----------------------------------------------|
|                              | Salaries<br>Directors<br>/Consulting<br>Fees | Super         | Annual<br>and<br>long<br>service<br>leave | Total          | Performance<br>Rights | Total            | Value of<br>Rights<br>as % of<br>remuneration |
| <b>Directors</b>             |                                              |               |                                           |                |                       |                  |                                               |
| Pat Burke                    | 57,460                                       | -             |                                           | 57,460         | 63,122                | 120,582          | 52.35%                                        |
| Ian Finch*                   | 206,302                                      | 10,112        |                                           | 216,414        | 126,245               | 342,658          | 36.84%                                        |
| Cristian<br>Moreno**         | 240,000                                      | 25,200        | 1,241                                     | 266,441        | 124,772               | 391,213          | 31.89%                                        |
| Tony<br>Lofthouse            | 62,218                                       | 5,460         |                                           | 67,678         | 63,122                | 130,800          | 48.26%                                        |
| Andrew<br>Woskett***         | 22,200                                       | -             |                                           | 22,200         | 71,024                | 93,224           | 76.19%                                        |
| <b>Total</b>                 | <b>588,180</b>                               | <b>40,772</b> | <b>1,241</b>                              | <b>630,193</b> | <b>448,285</b>        | <b>1,078,478</b> |                                               |
| <b>Senior<br/>Management</b> |                                              |               |                                           |                |                       |                  |                                               |
| Neil McKay****               | 175,000                                      | 18,375        |                                           | 193,375        | 63,122                | 256,497          | 24.61%                                        |
|                              | <b>175,000</b>                               | <b>18,375</b> | <b>-</b>                                  | <b>193,375</b> | <b>63,122</b>         | <b>256,497</b>   |                                               |
| <b>Total</b>                 | <b>763,180</b>                               | <b>59,147</b> | <b>1,241</b>                              | <b>823,568</b> | <b>511,407</b>        | <b>1,334,975</b> |                                               |

## Director's Report

| 2022                     | Fixed Remuneration       |               |                               |                | Variable Remuneration |                  |                                      |
|--------------------------|--------------------------|---------------|-------------------------------|----------------|-----------------------|------------------|--------------------------------------|
|                          | Salaries Consulting Fees | Super         | Annual and long service leave | Total          | Performance Rights    | Total            | Value of Rights as % of remuneration |
| <b>Directors</b>         |                          |               |                               |                |                       |                  |                                      |
| Patrick Burke            | 40,547                   | -             |                               | 40,547         | 145,056               | 185,603          | 78.15%                               |
| Ian Finch                | 225,229                  | 22,256        |                               | 247,485        | 290,113               | 537,598          | 53.96%                               |
| Tony Lofthouse           | 36,861                   | 3,686         |                               | 40,547         | 145,056               | 185,603          | 78.15%                               |
|                          | <b>302,637</b>           | <b>25,942</b> |                               | <b>328,579</b> | <b>580,225</b>        | <b>908,804</b>   |                                      |
| <b>Senior Management</b> |                          |               |                               |                |                       |                  |                                      |
| Cristian Moreno**        | 107,273                  | 10,727        |                               | 118,000        | 110,464               | 228,464          | 48.35%                               |
| Neil McKay               | 179,183                  | 17,913        |                               | 197,096        | 123,053               | 320,149          | 38.44%                               |
|                          | <b>286,456</b>           | <b>28,640</b> |                               | <b>315,096</b> | <b>233,517</b>        | <b>548,613</b>   |                                      |
| <b>Total</b>             | <b>589,093</b>           | <b>54,582</b> |                               | <b>643,675</b> | <b>813,742</b>        | <b>1,457,417</b> |                                      |

\* Ian Finch stood aside as Managing director 27 October 2022

\*\*Cristian Moreno appointed as Managing Director 27 October 2022

\*\*\*Andrew Woskett appointed as director 1 March 2023

\*\*Cristian Moreno appointed as CEO 1 May 2022

\*\*\*\*Neil McKay relinquished role as Company Secretary 23 June 2023

### Key Management Personnel (KMP) Equity Holdings and Performance Rights

#### Shares

| 30 June 2023                    | Balance 1/07/2022 | Number acquired during the year | Performance Rights Exercised | Balance 30/06/2023 |
|---------------------------------|-------------------|---------------------------------|------------------------------|--------------------|
| Turf Moor Pty. Ltd <sup>1</sup> | 5,000,000         | -                               | -                            | 5,000,000          |
| Ian Finch                       | 296,268           | 25,000                          | -                            | 321,268            |
| Tony Lofthouse                  | 100,000           | 300,000                         | -                            | 400,000            |
| Patrick Burke                   | -                 | 150,000                         | -                            | 150,000            |
| Andrew Woskett                  | -                 | 250,000                         | -                            | 250,000            |
| <b>Senior Management</b>        |                   |                                 |                              |                    |
| Cristian Moreno                 | -                 | 122,093                         | -                            | 122,093            |
| Neil McKay                      | 113,433           | -                               | -                            | 113,433            |

<sup>1</sup> Mr. Finch and Mr. McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 5,000,000 Shares

### Options

| 30 June 2023                      | Balance<br>1/07/2022 | Number<br>acquired during<br>the year | Performance<br>Rights Exercised | Balance<br>30/06/2023 |
|-----------------------------------|----------------------|---------------------------------------|---------------------------------|-----------------------|
| Turf Moor Pty. Ltd <sup>1</sup> . | 1,250,000            | -                                     | -                               | 1,250,000             |
| Ian Finch                         | 61,657               | -                                     | -                               | 61,657                |
| Tony Lofthouse                    | 37,500               | 107,500                               | -                               | 145,000               |
| Pat Burke                         | -                    | -                                     | -                               | -                     |
| Andrew Woskett                    | -                    | -                                     | -                               | -                     |
| <b>Senior Management</b>          |                      |                                       |                                 |                       |
| Cristian Moreno                   | -                    | -                                     | -                               | -                     |
| Neil McKay                        | -                    | -                                     | -                               | -                     |

<sup>1</sup> Mr. Finch and Mr. McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 1,250,000 Options

| 30 June 2022                      | Balance<br>1/07/2021 | Number<br>acquired during<br>the year | Performance<br>Rights Exercised | Balance<br>30/06/2022 |
|-----------------------------------|----------------------|---------------------------------------|---------------------------------|-----------------------|
| Turf Moor Pty. Ltd <sup>1</sup> . | -                    | 1,250,000                             | -                               | 1,250,000             |
| Ian Finch                         | -                    | 61,667                                | -                               | 61,667                |
| Tony Lofthouse                    | -                    | 37,500                                | -                               | 37,500                |
| Pat Burke                         | -                    | -                                     | -                               | -                     |
| <b>Senior Management</b>          |                      |                                       |                                 |                       |
| Cristian Moreno                   | -                    | -                                     | -                               | -                     |
| Neil McKay                        | -                    | 28,359                                | -                               | 28,359                |

<sup>1</sup> Mr. Finch and Mr. McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 1,250,000 Options

### Performance rights

| Performance Rights  | Granted<br>Number | Grant Date | Fair Value<br>Performance<br>Rights | Expiry Date                      | Vested<br>Number |
|---------------------|-------------------|------------|-------------------------------------|----------------------------------|------------------|
| Ian D. Finch        | 2,000,000         | 23-Nov-21  | \$0.15                              | 3 Years<br>from date<br>of Issue | -                |
|                     | 2,000,000         | 23-Nov-21  | \$0.25                              |                                  | -                |
| <b>Total</b>        | <b>4,000,000</b>  |            |                                     |                                  | -                |
| Patrick N. Burke    | 1,000,000         | 23-Nov-21  | \$0.15                              | 3 Years<br>from date<br>of Issue | -                |
|                     | 1,000,000         | 23-Nov-21  | \$0.25                              |                                  | -                |
| <b>Total</b>        | <b>2,000,000</b>  |            |                                     |                                  | -                |
| Antony L. Lofthouse | 1,000,000         | 23-Nov-21  | \$0.15                              | 3 Years<br>from date<br>of Issue | -                |
|                     | 1,000,000         | 23-Nov-21  | \$0.26                              |                                  | -                |
| <b>Total</b>        | <b>2,000,000</b>  |            |                                     |                                  | -                |

## Director's Report

| Performance Rights | Granted Number    | Grant Date | Fair Value Performance Rights | Expiry Date                | Vested Number |
|--------------------|-------------------|------------|-------------------------------|----------------------------|---------------|
| Cristian Moreno    | 1,000,000         | 01-May-22  | \$0.14                        | 3 Years from date of Issue | -             |
|                    | 1,000,000         | 01-May-22  | \$0.23                        |                            | -             |
|                    | 1,000,000         | 28-Apr-23  | \$0.032                       |                            | -             |
|                    | 1,000,000         | 28-Apr-23  | \$0.135                       |                            | -             |
| <b>Total</b>       | <b>4,000,000</b>  |            |                               |                            |               |
| Andrew Woskett     | 1,000,000         | 28-Apr-23  | \$0.032                       | 3 Years from date of Issue | -             |
|                    | 1,000,000         | 28-Apr-23  | \$0.135                       |                            | -             |
| <b>Total</b>       | <b>2,000,000</b>  |            |                               |                            | -             |
| Neil W. McKay      | 1,000,000         | 23-Nov-21  | \$0.15                        | 3 Years from date of Issue | -             |
|                    | 1,000,000         | 23-Nov-21  | \$0.25                        |                            | -             |
| <b>Total</b>       | <b>2,000,000</b>  |            |                               |                            | -             |
| <b>Total</b>       | <b>16,000,000</b> |            |                               |                            | -             |

### Transactions with key management personnel

During the year, there were no other transactions with key management personnel.

### End of Remuneration Report

## Review of Operation

The loss of the Company for the Year after providing for income tax, amounted to \$2,094,288 (year ended 30 June 2022: \$2,154,504). The expenditure incurred during the Year related to corporate and administration expenditure, and non-capitalized expenses relating to tenement acquisition.

Unlisted options issued during the year to providers of financial services related to capital raising have been valued in accordance with the Black and Scholes and expensed in the year 2023: \$317,586 (2022: \$215,138).

## Corporate

The Company raised a total of \$2,350,000 (after costs):

| Description                          | Quantity   | Price<br>\$ | Total<br>\$        |
|--------------------------------------|------------|-------------|--------------------|
| Placement Fully Paid Ordinary Shares | 18,518,519 | \$0.135     | 2,500,000          |
| Cost of Capital                      |            |             | (150,000)          |
| <b>Total</b>                         |            |             | <b>\$2,350,000</b> |

## Meeting of Directors

The number of directors' meetings held and conducted during the financial year that each director held office during the financial year and the number of meetings attended by each director is:

| Director       | Directors Meetings<br>Number Eligible | Number<br>Attended |
|----------------|---------------------------------------|--------------------|
| I. D. Finch    | 8                                     | 8                  |
| A.L. Lofthouse | 8                                     | 8                  |
| P. N. Burke    | 8                                     | 8                  |
| C. Moreno      | 6                                     | 6                  |
| A. Woskett     | 3                                     | 3                  |

The Company does not have a formally constituted audit and risk committee or remuneration and nomination committee as the Board considers that the Company's size and type of operation do not warrant the formation of such committees.

## Likely developments and expected results

Likely developments in the operations of the Company and the expected results of those operations in future financial periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

## Environmental Issues

The Company's operations are subject to environmental regulations under a law of the Commonwealth or state or territory of Australia.

## Dividends

No amounts have been paid or declared by way of dividend shares since the date of incorporation.

## Director's Report

### Options

The following options over issued shares in the Company were granted during the year.

| Date         | Number            | Terms                                        |
|--------------|-------------------|----------------------------------------------|
| 8 May 2023   | 13,888,890        | 25 cents exercise price, expiring 7 May 2026 |
| <b>Total</b> | <b>13,888,890</b> |                                              |

### Indemnification and insurance of directors and officers

The Company has entered into Deeds of Indemnification with the directors and officers of the Company. The Company has insurance policies in place for Directors and Officers insurance.

### Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the Year.

### Events arising since the end of the Year.

Subsequently after year end the Company entered into an option agreement to acquire 100% of 'New Dawn', an unmined Lithium and Tantalum occurrence, 600m along strike of the established Bald Hill lithium-tantalum operation. The package of tenements is adjacent to the Company's Paris Gold Camp, with the expanded aggregate holdings to be renamed the Penzance Project.

The Company subsequently after year end, paid \$150,000 for the exclusive Option which it may exercise at any time during the period 1 January - 31 January 2024. Upon exercise of the Option, which is conditional upon due diligence by the Company, shareholder approval for issue of relevant consideration shares and performance shares, and any other regulatory approvals ("Conditions"), the Company shall acquire the tenement package on the following terms:

- i. \$1.5 million cash;
- ii. 15 million Shares ("Consideration Shares"), with 7.5 million of the Consideration Shares escrowed for 6 months;
- iii. 2% Net Smelter Royalty, and
- iv. The issue of 85 million Performance Shares which will be convertible into Shares on satisfaction of certain performance milestones.
- v. Performance based cash payments of up to \$3.0 million, subject to satisfaction of the certain performance milestones.

The acquisition thereof was funded by raising capital of \$4 million at \$0.12 per share.

The Company issued 500,000 unlisted options exercisable at \$0.275 each, expiring on 23 June 2024 and 500,000 unlisted options exercisable at \$0.35 each expiring on 23 June 2025.

The Company issued 700,000 fully paid ordinary shares on 6 September 2023. The reason thereof was 700,000 options expiring 28 December 2023 at an exercise price of \$0.30 was exercised.

The Company issued 62,500 fully paid ordinary shares on 9 September 2023. The reason thereof was 62,500 options at \$0.30 expiring 28 December 2023 was exercised.

The Company issued 23,084,260 fully paid ordinary shares on 19 September 2023.

The Company agreed to pay Ian Finch \$65,000 as per the termination deed on 3 July 2023.

The Company issued 191,210 ordinary fully paid shares on 22/09/2023 due to the exercise of 11,111 options expiring on 7 May 2023 with an exercise price of \$0.25 and 180,099 options expiring 7 May 2026 with an exercise price of \$0.25.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### **Non-Audit Services**

During the period ending 30 June 2023, the Company's Auditor, Hall Chadwick WA Audit Pty Ltd did not perform non-audit services.

### **Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2023 forms part of the Director's Report and can be found on page 32.

Signed in accordance with a resolution of directors.

On behalf of the directors



Patrick Burke  
Non-executive chairman

Perth, WA  
29 September 2023

## Auditor's Independent Declaration



To the Board of Directors

### Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the audit of the financial statements of Torque Metals Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*  
MARK DELAURENTIS CA  
Director

Dated in Perth, Western Australia this 29<sup>th</sup> day of September 2023

Independent Member of  
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and Accounting Firms

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1. In the opinion of the Directors of Torque Metals Limited (the "Company"):
  - (a) the accompanying financial statements and notes thereto are in accordance with the Corporations Act 2001, Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    - i. gives a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
    - ii. comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Patrick Burke  
None-executive Chairman

Perth, WA  
29 September 2023

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORQUE METALS LIMITED

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Torque Metals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Accounting for share based payments</b></p> <p>As disclosed in note 3 to the financial statements, during the year ended 30 June 2023 the Consolidated Entity incurred share based payments of \$551,444.</p> <p>Share based payments are considered to be a key audit matter due to</p> <ul style="list-style-type: none"> <li>the value of the transactions;</li> <li>the complexities involved in the recognition and measurement of these instruments; and</li> <li>the judgement involved in determining the inputs used in the valuations.</li> </ul> <p>Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.</p> | <p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> <li>Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments;</li> <li>Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used;</li> <li>Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; and</li> <li>Assessing the adequacy of the disclosures included in Note 3 to the financial statements.</li> </ul> |
| <p><b>Capitalised Exploration and Evaluation Costs</b></p> <p>As disclosed in note 11 to the financial statements, the Group has incurred significant exploration and evaluation expenditures which have been capitalised in accordance with the requirement of Exploration for and Evaluation of Mineral Resources (AASB 6). As at 30 June 2023, the Group's capitalised exploration and evaluation costs are carried at \$8,798,361</p> <p>The recognition and recoverability of the capitalised exploration and evaluation costs was</p>                                                                                                                                                                                                                                                                              | <p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6");</li> <li>Confirming rights to tenure for a sample of tenements held and confirming rights to tenure on tenements nearing expiry will be renewed;</li> <li>Testing the Group's additions to capitalised exploration costs for the year</li> </ul>                                                                                      |

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>considered a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The carrying value of capitalised exploration and evaluation costs represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and</li> <li>• Determining whether impairment indicators exist involves significant judgement by management.</li> </ul> <p>Note 1(a) and 11 to the financial statements contain the accounting policy and disclosures in relation to exploration and evaluation expenditures.</p> | <p>by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of AASB 6;</p> <ul style="list-style-type: none"> <li>• By testing the status of the Group's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> <li>◦ The licenses for the rights to explore expiring in the near future or are not expected to be renewed;</li> <li>◦ Substantive expenditure for further exploration in the area of interest is not budgeted or planned;</li> <li>◦ Decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources;</li> <li>◦ Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and</li> </ul> </li> <li>• Assessing the appropriateness of the related disclosures in the financial statements.</li> </ul> |



### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's Opinion**

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*  
MARK DELAURENTIS CA  
Director

Dated in Perth, Western Australia this 29<sup>th</sup> day of September 2023

**Statement of profit or loss and other comprehensive income**  
for the year ended 30 June 2023

|                                                                        |      | Year Ended<br>30 June 2023 | Year Ended<br>30 June 2022 |
|------------------------------------------------------------------------|------|----------------------------|----------------------------|
|                                                                        | Note | \$                         | \$                         |
| Revenue from continuing operations                                     |      | -                          | -                          |
| Other income                                                           | 2    | 207,092                    | -                          |
| Total revenue and other income                                         |      | -                          | -                          |
| Corporate administrative expenses                                      | 3    | (1,003,742)                | (870,801)                  |
| Depreciation and amortisation                                          | 3    | (41,322)                   | (24,932)                   |
| Financial expense interest                                             | 3    | (3,466)                    | (2,228)                    |
| Share based payments                                                   | 3    | (551,444)                  | (1,084,707)                |
| Tenement and exploration expenses written off                          | 3    | (701,406)                  | (171,836)                  |
| Loss before income tax                                                 |      | <b>(2,094,288)</b>         | <b>(2,154,504)</b>         |
| Income tax expense                                                     | 4    | -                          | -                          |
| Loss for the period                                                    |      | (2,094,288)                | (2,154,504)                |
| Other comprehensive income, net of income tax                          |      |                            | -                          |
| <b>Total comprehensive loss for the period</b>                         |      | <b>(2,094,288)</b>         | <b>(2,154,504)</b>         |
| Loss attributable to:                                                  |      |                            |                            |
| Owners of Torque Metals Limited                                        |      | (2,094,288)                | (2,154,504)                |
| <b>Total comprehensive loss attributable to:</b>                       |      |                            |                            |
| <b>Owners of Torque Metals Limited</b>                                 |      | <b>(2,094,288)</b>         | <b>(2,154,504)</b>         |
| Earnings/(loss) per share from continuing and discontinuing operations |      |                            |                            |
| Basic weighted average earnings/(loss) per share                       | 22   | (0.022)                    | (0.033)                    |
| Diluted weighted average earnings/(loss) per share                     | 22   | (0.022)                    | (0.033)                    |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Statement of financial position**  
as at 30 June 2023

|                                                | Note | 30 June<br>2023<br>\$ | 30 June<br>2022<br>\$ |
|------------------------------------------------|------|-----------------------|-----------------------|
| <b>Current assets</b>                          |      |                       |                       |
| Cash and cash equivalents                      | 6    | 2,090,389             | 3,440,943             |
| Trade and other receivables                    | 7    | 33,074                | 21,893                |
| Non-current assets classified as held for sale | 8    | 650,000               | -                     |
| <b>Total current assets</b>                    |      | <b>2,773,463</b>      | <b>3,462,836</b>      |
| <b>Non-current assets</b>                      |      |                       |                       |
| Plant and Equipment                            | 9    | 101,002               | 99,966                |
| Right of use assets                            | 10   | 38,623                | 59,253                |
| Exploration and evaluation expenditure         | 11   | 8,798,361             | 6,665,101             |
| <b>Total non-current assets</b>                |      | <b>8,937,986</b>      | <b>6,824,320</b>      |
| <b>Total assets</b>                            |      | <b>11,711,449</b>     | <b>10,287,156</b>     |
| <b>Current liabilities</b>                     |      |                       |                       |
| Trade and other payables                       | 12   | 885,378               | 302,880               |
| Provisions                                     | 13   | 49,809                | -                     |
| Lease Liabilities                              | 10   | 21,713                | 26,859                |
| Unsecured loans                                | 14   | -                     | 180                   |
| <b>Total current liabilities</b>               |      | <b>956,900</b>        | <b>329,920</b>        |
| <b>Non-Current liabilities</b>                 |      |                       |                       |
| Provisions                                     | 13   | 4,895                 | -                     |
| Lease Liabilities                              | 10   | 19,228                | 34,010                |
| <b>Total non-current liabilities</b>           |      | <b>24,123</b>         | <b>34,010</b>         |
| <b>Total liabilities</b>                       |      | <b>981,023</b>        | <b>363,930</b>        |
| <b>Net assets</b>                              |      | <b>10,730,426</b>     | <b>9,923,226</b>      |
| <b>Equity</b>                                  |      |                       |                       |
| Issued capital                                 | 15   | 13,524,183            | 11,491,768            |
| Options                                        | 17   | 126,385               | 126,341               |
| Option Reserves                                | 18   | 2,022,471             | 1,704,885             |
| Performance Reserve                            | 19   | 1,775,027             | 1,223,584             |
| Accumulated losses                             | 20   | (6,717,640)           | (4,623,352)           |
| <b>Total equity</b>                            |      | <b>10,730,426</b>     | <b>9,923,226</b>      |

The above statement of financial position should be read in conjunction with the accompanying notes

**Statement of changes in equity**  
for the year ended 30 June 2023

|                                                | Issued            | Options        | Accumulated        | Performance      | Option           | Total             |
|------------------------------------------------|-------------------|----------------|--------------------|------------------|------------------|-------------------|
|                                                | Capital           | on<br>Issue    | Losses             | Rights           | Reserve          |                   |
|                                                | \$                | \$             | \$                 | Reserve<br>\$    | \$               | \$                |
| <b>Balance as at 1 July 2022</b>               | <b>9,041,144</b>  | <b>-</b>       | <b>(2,468,848)</b> | <b>354,015</b>   | <b>1,120,372</b> | <b>8,046,683</b>  |
| Total comprehensive Income/loss for the Period | -                 | -              | (2,154,504)        | -                | -                | (2,154,504)       |
| Issue of ordinary shares                       | 3,000,000         | -              | -                  | -                | -                | 3,000,000         |
| Issue of Options                               | -                 | 126,341        | -                  | -                | -                | 126,341           |
| Performance Rights issued                      | -                 | -              | -                  | 869,569          | -                | 869,569           |
| Option Reserve                                 | -                 | -              | -                  | -                | 584,513          | 584,513           |
| Equity Reserve                                 | -                 | -              | -                  | -                | -                | -                 |
| Transaction costs                              | (549,376)         | -              | -                  | -                | -                | (549,396)         |
|                                                | <b>11,491,768</b> | <b>126,341</b> | <b>(4,623,352)</b> | <b>1,223,584</b> | <b>1,704,885</b> | <b>9,923,226</b>  |
| <b>Balance as at 1 July 2022</b>               | <b>11,491,768</b> | <b>126,341</b> | <b>(4,623,352)</b> | <b>1,223,584</b> | <b>1,704,885</b> | <b>9,923,226</b>  |
| Total comprehensive Income/loss for the Period | -                 | -              | (2,094,288)        | -                | -                | (2,094,288)       |
| Issue of ordinary shares                       | 2,500,000         | -              | -                  | -                | -                | 2,500,000         |
| Issue of Options                               | -                 | 44             | -                  | -                | 317,586          | 317,630           |
| Performance Rights issued                      | -                 | -              | -                  | 551,443          | -                | 551,443           |
| Option Reserve                                 | -                 | -              | -                  | -                | -                | -                 |
| Transaction costs                              | (467,585)         | -              | -                  | -                | -                | (467,585)         |
|                                                | <b>13,524,183</b> | <b>126,385</b> | <b>(6,717,640)</b> | <b>1,775,027</b> | <b>2,022,471</b> | <b>10,730,426</b> |
| <b>Balance as at 30 June 2023</b>              | <b>13,524,183</b> | <b>126,385</b> | <b>(6,717,640)</b> | <b>1,775,027</b> | <b>2,022,471</b> | <b>10,730,426</b> |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

**Statement of cash flow**  
for the year ended 30 June 2023

|                                                          | Note | 30 June 2023<br>\$      | 30 June 2022<br>\$      |
|----------------------------------------------------------|------|-------------------------|-------------------------|
| <b>Cash flow used in operating activities</b>            |      |                         |                         |
| Receipts from customers                                  |      | 109,497                 | -                       |
| Payments to suppliers and employees                      |      | (380,307)               | (1,224,483)             |
| Net cash (used) in operating activities                  | 5    | <u>(270,810)</u>        | <u>(1,224,483)</u>      |
| <b>Cash flow from investing activities</b>               |      |                         |                         |
| Payments to exploration activities                       |      | (3,633,714)             | (119,607)               |
| Exploration and evaluation                               |      | 149,047                 | (3,117,907)             |
| Payment for Plant and Equipment                          |      | (21,727)                | (104,268)               |
| Tenement disposal                                        |      | 100,000                 | -                       |
| <b>Net cash (used) in investing activities</b>           |      | <u>(3,406,394)</u>      | <u>(3,341,782)</u>      |
| <b>Cash flow from financing activities</b>               |      |                         |                         |
| Proceeds from share issue                                |      | 2,500,000               | 2,819,999               |
| Proceeds from option issue                               |      | 44                      | 126,341                 |
| Repayment with Interest                                  |      | (23,394)                | (23,784)                |
| Unsecured Advance                                        |      | -                       | 180                     |
| Share issue costs                                        |      | (150,000)               | -                       |
| <b>Net cash from financing activities</b>                |      | <u>2,326,650</u>        | <u>2,922,736</u>        |
| Net (decrease) increase in cash and cash equivalents     |      | <u>(1,350,554)</u>      | <u>(1,643,529)</u>      |
| Cash and cash equivalents at the beginning of the period |      | 3,440,943               | 5,084,472               |
| <b>Cash and cash equivalents 30 June 2023</b>            | 6    | <u><u>2,090,389</u></u> | <u><u>3,440,943</u></u> |

The above statement of cash flow should be read in conjunction with the accompanying notes

## Notes to the financial statements for the year ended 30 June 2023

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Torque Metals Limited (the Company or Torque). Torque Metals Limited is a listed public company, incorporated and domiciled in Australia. The financial statements were authorised for issue on 29 September 2023 by the Directors of the Company.

#### Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out in accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2023, the Company incurred a net loss of \$2,094,288 (2022: net loss \$2,154,504) and at 30 June 2023 had net working capital of \$ 1,816,563 (30 June 2022: net working capital of \$ 3,132,916). The Company also recorded a net cash outflow in operating activities for the year ended 30 June 2023 of \$270,810 (2022: net cash outflow in operating activities of \$1,224,483).

Based on the Company's cash flow forecast it is likely that the Group will need to access additional working capital in the next 12 months to advance its exploration projects and to ensure the realisation of assets on an orderly basis and the extinguishment of liabilities as and when they fall due.

The directors are confident that the Company will be successful in raising additional funds through the issue of new equity, should the need arise. The directors are also aware that the Company has the option, if necessary, to defer expenditure or relinquish certain projects and reduce administration costs in order to minimise its capital raising requirements.

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in raising additional funds through the issue of new equity, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

**(a) Exploration, Evaluation and Development Expenditure**

Costs incurred during exploration and evaluations relating to an area of interest are accumulated. Costs are carried forward to the extent they are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not yet reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances, the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

Accumulated costs carried forward in respect of an area of interest that is abandoned are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been estimated of future costs, current legal requirements and technology on an undiscounted basis.

**(b) Financial Instruments Financial Assets**

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

**(b) Financial Instruments Financial Assets (continued)**

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**(c) Financial Liabilities**

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payable and convertible notes.

**(d) Cash and cash equivalents**

For the purpose of the statement of cash flow, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

**(e) Trade and Other Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivables is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of impairment loss is recognised in the statement of comprehensive income within impairment losses – financial assets. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against impairment losses – financial assets in the statement of comprehensive income.

**(f) Revenue and Other Income**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

**(g) Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**(h) Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Interest, when charged by the lender, is recognized as an expense on an accrued basis.

**(i) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**(j) Goods and service tax (GST)**

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(k) Income tax**

The income tax expense/ (benefit) for the year comprises current income tax expense/ (benefit) and deferred tax expenses/ (benefit). Current and deferred income tax expenses/(benefit) is charge or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

**(k) Income tax (continued)**

Current tax

Current income tax expense charge to profit or loss is the tax payable on taxable income using applicable income tax rates enacted, or substantially enacted, as at reporting date.

Current tax liabilities/ (assets) are therefore at the amounts expected to be paid to/ (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement are simultaneous recognised and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability during the Period as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of asset and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is recognised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is possible that future taxable profit will be available against which the benefits of the deferred tax asset can be recognised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(l) Share Based Payments**

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

**(m) Contributed equity**

Ordinary issued share capital recognised at fair value of the consideration received by the Company. Any transaction costs arising on the issue of the ordinary shares are recognised directly in equity as a reduction in share proceeds received).

**(n) Earnings Per Share**

Basic earnings per share is calculated as net earnings attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for a bonus element. Diluted earnings per share is calculated as net earnings attributable to members, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that would have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(o) Critical Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

*Key Judgements - Exploration and evaluation expenditure*

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(a).

*Key Judgements - Share based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

*Key Judgments - Environmental issues*

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

*Key Estimate - Taxation*

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

## Notes to the financial statements for the year ended 30 June 2023

### (p) Fair value measurements

The Group measures and recognises the asset, 'Financial assets held for trading' at fair value on a Recurring basis after initial recognition.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

### (i) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

| Level 1                                                                                                                                                   | Level 2                                                                                                                                                  | Level 3                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date | Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. | Measurements based on unobservable inputs for the asset or liability. |

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

### (ii) Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is the Market approach whereby valuation techniques use prices and other relevant information generated by market transactions for identical or similar assets or liabilities. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable. The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

### (q) Adoption of new and revised standards

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2023.

As a result of this review, the Directors have determined that there is no material impact of new Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2023.

**(r) New, revised or amending accounting standards and interpretations adopted.**

The Directors have also reviewed all Standards and Interpretations issued but not yet mandatory for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations issued but not yet mandatory, therefore no change is necessary to Group accounting policies.

**(s) Recognition and measurement of fixed assets**

Items of plant and equipment are measured at cost less accumulate depreciation and accumulated impairment losses. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Depreciation, methods, useful lives and residual values are reviewed at each reporting date.

The depreciation rates used for each class of depreciable asset are:

| <b>Class of Fixed Asset</b> | <b>Depreciation Rate</b> |
|-----------------------------|--------------------------|
| Vehicles                    | 33 1/3 %                 |
| Camp Infrastructure         | 10 %                     |

**2. Other Income**

|                                             | Year Ended<br>30 June<br>2023<br>\$ | Year Ended<br>30 June<br>2022<br>\$ |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| Net gain on disposal of plant and equipment | 3,092                               | -                                   |
| Mining water agreement                      | 104,000                             | -                                   |
| Sale of tenements                           | 100,000                             | -                                   |
| <b>Other income</b>                         | <b>207,092</b>                      | <b>-</b>                            |

**3. Expenses**

|                                  | Year Ended<br>30 June<br>2023<br>\$ | Year Ended<br>30 June<br>2022<br>\$ |
|----------------------------------|-------------------------------------|-------------------------------------|
| Administrative expenses          | 1,003,742                           | 870,801                             |
| Depreciation and amortisation    | 41,322                              | 24,932                              |
| Exploration written off          | 701,406                             | 171,836                             |
| Interest Paid                    | 3,466                               | 2,228                               |
| Share Based Payment Net Movement | 551,444                             | 1,084,707                           |
|                                  | <b>2,301,380</b>                    | <b>2,154,504</b>                    |

3a

**3a Share Based Payments**

|                                           |                |                  |
|-------------------------------------------|----------------|------------------|
| Performance Right - Movement for the year | 425,059        | 869,569          |
| Options issued during the year            | 126,385        | 215,138          |
|                                           | <b>551,444</b> | <b>1,084,707</b> |

**Notes to the financial statements**  
for the year ended 30 June 2023

|                                    | Year Ended<br>30 June<br>2023<br>\$ | Year Ended<br>30 June<br>2022<br>\$ |
|------------------------------------|-------------------------------------|-------------------------------------|
| <b>3b Key Management Personnel</b> |                                     |                                     |
| Short term employee benefits       | 763,180                             | 643,675                             |
| Post employment benefits           | 59,147                              | -                                   |
| Other long-term benefits           | 1,241                               | -                                   |
| Share based payments               | 129,468                             | 813,742                             |
|                                    | <b>953,036</b>                      | <b>1,457,417</b>                    |

Termination benefits were paid to Key Management Persons (Neil McKay subsequently after year end). Names and positions held of the Company's key management personnel in office at any time during the 2022/2023 financial year are:

| <b>Key Management Personnel</b> | <b>Position</b>                                       |
|---------------------------------|-------------------------------------------------------|
| Patrick N. Burke                | Non- Executive Chairman                               |
| Cristian Moreno                 | Managing Director                                     |
| Antony L. Lofthouse             | Non-Executive Director                                |
| Andrew Woskett                  | Non-Executive Director                                |
| Neil W. McKay                   | Company Secretary/CFO<br>(resigned 26 June 2023)      |
| Henko Vos and Jessamyn Lyons    | Joint Company Secretaries<br>(appointed 26 June 2023) |

Refer to the Remuneration Report contained in the Director's Report for details of the shares and rights held and remuneration paid of payable to each member of the Company's key management personnel for the year ended 30 June 2023.

**3c. Auditors Remuneration**

|                                            |               |               |
|--------------------------------------------|---------------|---------------|
| Remuneration of the auditor for:           |               |               |
| Auditing or reviewing the financial report | 20,672        | 27,500        |
|                                            | <b>20,672</b> | <b>27,500</b> |

**4. Income tax benefit/(expense)**

**(a) Current Tax Expense**

|                                      |   |   |
|--------------------------------------|---|---|
| Current Year                         | - | - |
| Under/(over) provided in prior years | - | - |
| Total                                | - | - |

**Notes to the financial statements**  
for the year ended 30 June 2023

|                                                                                             | 30 June<br>2023<br>\$ | 30 June<br>2022<br>\$ |
|---------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>(b) Reconciliation of income tax expense to prima facie tax payable</b>                  |                       |                       |
| Profit/(loss) before tax                                                                    | (2,094,288)           | (2,154,505)           |
| Income tax expense/(benefit) using the domestic corporation tax rate of 25% (2022: 25%)     | (523,572)             | (538,626)             |
| Tax effect of permanent differences:                                                        |                       |                       |
| Non-deductible expenses                                                                     | 138,642               | 271,648               |
| Capital Raising Costs                                                                       | (116,883)             | (53,345)              |
| Capitalised exploration                                                                     |                       | (735,176)             |
| Adjustments recognised in the current year in relation to the current tax of previous years | 630,018               | -                     |
| Other                                                                                       | -                     | 5,431                 |
| temporary differences not brought to account                                                | <b>(128,205)</b>      | <b>(1,050,068)</b>    |
| Income tax attributable to operating loss                                                   | -                     | -                     |
| <b>(c) Deferred tax assets</b>                                                              |                       |                       |
| Tax losses                                                                                  | 2,800,195             | 1,564,291             |
| Provisions and Accruals                                                                     | -                     | 16,215                |
| Capital Raising Costs                                                                       | -                     | 149,558               |
| Employee benefits                                                                           | 18,441                | -                     |
| Leases                                                                                      | 10,235                | -                     |
| Trade and other payables                                                                    | 15,218                | -                     |
| Other future deductions                                                                     | 258,566               | -                     |
| Total deferred assets                                                                       | 3,102,655             | 1,730,064             |
| Set-off deferred tax liabilities pursuant to set-off provisions                             | (1,651,323)           | (313,026)             |
| Net deferred tax assets                                                                     | 1,451,332             | 1,417,038             |
| Less: Deferred tax assets not recognised                                                    | (1,451,332)           | (1,417,038)           |
| Net tax assets                                                                              | -                     | -                     |
| <b>(d) Deferred tax liabilities</b>                                                         |                       |                       |
| Exploration Expenditure                                                                     | (1,586,961)           | 313,026               |
| Property, plant & equipment                                                                 | (29,707)              | -                     |
| Right of use assets                                                                         | (9,655)               | -                     |
| Other assets                                                                                | (25,000)              | -                     |
| Non-recognition of deferred tax assets                                                      | 1,651,323             | (313,026)             |
|                                                                                             | -                     | -                     |
| <b>(e) Tax Losses</b>                                                                       |                       |                       |
| Unused tax losses for which no deferred tax asset has been recognised                       | 11,200,780            | 6,257,164             |
| Potential tax benefit @ 25% (2022: 25%)                                                     | 2,800,195             | 1,564,291             |

The benefit for tax losses will only be obtained if:

- The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and
- No changes in tax legislation adversely affect the ability of the Company to realise these tax losses.

**Notes to the financial statements**  
for the year ended 30 June 2023

|                                                                                             | 30 June<br>2023<br>\$          | 30 June<br>2022<br>\$          |
|---------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>5. Reconciliation of loss for the Period to net cash flows from Operating Activities</b> |                                |                                |
| Net (loss) for the period                                                                   | (2,094,288)                    | (2,154,504)                    |
| Interest expense                                                                            | 3,466                          | 4,771                          |
| Depreciation and amortisation                                                               | 41,322                         | 24,932                         |
| Exploration expense written off                                                             | 701,407                        | 171,836                        |
| Performance Rights Net Movement                                                             | 551,444                        | 869,569                        |
| Sale of tenements classified as investing activities                                        | (100,000)                      | -                              |
| Option Reserve Movement                                                                     | -                              | 215,138                        |
| Operating loss before changes in working capital                                            | <b>(896,650)</b>               | <b>(868,258)</b>               |
| Decrease / (Increase) in receivables and prepayments                                        | 2,405                          | 15,214                         |
| Increase / (Decrease) in payables and accruals                                              | 620,827                        | (371,439)                      |
| Increase/(decrease) in employee benefits                                                    | 2,607                          |                                |
| <b>Net cash used in operating activities</b>                                                | <b>(270,810)</b>               | <b>(1,224,483)</b>             |
| <b>6. Cash on Hand and Equivalents</b>                                                      |                                |                                |
| Cash on hand                                                                                | 30                             | 30                             |
| Cash at bank                                                                                | 2,090,359                      | 3,440,913                      |
|                                                                                             | <b>2,090,389</b>               | <b>3,440,943</b>               |
| <b>7. Trade and other receivables</b>                                                       |                                |                                |
| G.S.T. receivables                                                                          | 23,498                         | 19,911                         |
| Other                                                                                       | 9,577                          | 1,982                          |
|                                                                                             | <b>33,074</b>                  | <b>21,893</b>                  |
|                                                                                             | <b>30 June<br/>2023<br/>\$</b> | <b>30 June<br/>2022<br/>\$</b> |
| <b>8. Non-current assets classified as held for sale</b>                                    |                                |                                |
| Tenement- Bullfinch Project                                                                 | 650,000                        | -                              |

The Tenement known as Bullfinch Project is currently held for sale and is expected to be sold within five months from the reporting date (15 December 2023). Altan made a non-refundable cash payment of \$100,000 and conditional upon the secondary listing of Altan on ASX, Altan shall pay a further \$650,000 cash or issue shares to the same value at the same price as shares issued under the secondary listing on ASX.

**Notes to the financial statements**  
for the year ended 30 June 2023

**9. Plant and equipment**

|                                          | 30 June<br>2023<br>\$ | 30 June<br>2022<br>\$ |
|------------------------------------------|-----------------------|-----------------------|
| Camp at cost                             | 90,032                | 82,141                |
| Less: Camp - Accumulated depreciation    | (7,332)               | -                     |
|                                          | <u>82,700</u>         | <u>82,141</u>         |
| Vehicles at cost                         | 26,354                | 22,127                |
| Less: Vehicle – Accumulated depreciation | (8,052)               | (4,302)               |
|                                          | <u>18,302</u>         | <u>17,825</u>         |
| <b>Balance at 30 June 2023</b>           | <b>101,002</b>        | <b>99,966</b>         |

*Reconciliation:*

|                                | Vehicle<br>\$ | Camp<br>\$    | Total<br>\$    |
|--------------------------------|---------------|---------------|----------------|
| Balance as at 1 July 2021      |               |               |                |
| Additions                      | 22,127        | 82,141        | 104,268        |
| Disposals                      | -             | -             | -              |
| Depreciation Charged           |               | (4,302)       | (4,302)        |
| <b>Balance at 30 June 2022</b> | <b>17,825</b> | <b>82,141</b> | <b>99,966</b>  |
| Balance as at 1 July 2022      | 17,825        | 82,141        | 99,966         |
| Additions                      | 26,354        | 7,891         | 34,245         |
| Disposals                      | (17,825)      | -             | (17,825)       |
| Depreciation expense           | (8,052)       | (7,332)       | (15,384)       |
| <b>Balance at 30 June 2023</b> | <b>18,302</b> | <b>82,700</b> | <b>101,002</b> |

**10. Right of use assets - Leases**

**a. Amounts recognised in the balance sheet**

**Right of use asset**

|                               |               |               |
|-------------------------------|---------------|---------------|
| Opening Balance- at cost      | 83,321        | 83,321        |
| Less Accumulated Depreciation | (44,698)      | (24,068)      |
| <b>Closing balance</b>        | <b>38,623</b> | <b>59,253</b> |

**Lease Liabilities**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Opening Balance - Current      | 26,859        | 22,071        |
| Opening Balance - Non-Current  | 34,010        | 61,250        |
| <b>Opening Balance - Total</b> | <b>60,869</b> | <b>83,321</b> |
| Add: Interest                  | 3,466         | 4,771         |
| Less: Payments                 | (23,394)      | (23,784)      |
| <b>Closing balance - Total</b> | <b>40,941</b> | <b>64,308</b> |
| Closing Balance - Current      | 21,713        | 26,859        |
| Closing Balance - Non-Current  | 19,228        | 34,010        |

**b. Amounts recognised in the income statement**

|                                       |        |        |
|---------------------------------------|--------|--------|
| Depreciation of right of use asset    | 20,630 | 24,068 |
| Interest expense on lease liabilities | 3,466  | 4,771  |

## Notes to the financial statements

### for the year ended 30 June 2023

#### c. Leasing Activities

The Company entered into an office lease for the premises at Unit 8/16 Nicholson Road, Subiaco, WA 6008. The lease commenced on 15 May 2022 with an option to extend for a further 36 months ending 14 May 2025. The Company intends to exercise the option. The lease is recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

#### Initial measurement

Assets and liabilities from a lease are initially measured on a present value basis. The lease liability included the present value of the fixed payments and variable lease payments that depend on an index, initially measured using the index as at the commencement date (reconciled and adjusted for actual index each year). The lease payments are discounted using an incremental borrowing rate of 6.66%. The right of use asset is measured at cost comprising of the initial measurement of the lease liability.

#### Subsequent measurement

The right of use asset is subsequently measure at cost less any accumulated amortisation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability accumulated impairment losses and adjusted for any re-measurement of the lease liability. The lease liability is subsequently measured to reflect the interest on the lease liability, the lease payments made and any reassessment of the variable payments.

|                                                                  | 30 June<br>2023<br>\$ | 30 June<br>2022<br>\$ |
|------------------------------------------------------------------|-----------------------|-----------------------|
| <b>11. Exploration and Evaluation Expenditure</b>                | <b>8,798,361</b>      | <b>6,665,101</b>      |
| <b>Tenement Acquisition</b>                                      | 2,373,964             | 2,450,518             |
| Represented by:                                                  |                       |                       |
| Acquisition of Bullfinch Project from Talga Resources Ltd        | 327,560               | 397,493               |
| Less written off                                                 | (76,554)              | (69,933)              |
|                                                                  | <b>251,006</b>        | <b>327,560</b>        |
| Acquisition of Bullfinch Project from Tribal Mining Pty Ltd.     | 51,045                | 51,045                |
| Acquisition of Paris Gold Project from Austral Pacific Pty. Ltd. | 2,031,306             | 2,031,306             |
| Joint Venture from Jindalee Resources Ltd.                       | 40,607                | 40,607                |
|                                                                  | <b>2,373,964</b>      | <b>2,450,518</b>      |
| <b>Exploration and evaluation expenditure</b>                    |                       |                       |
| Opening Balance                                                  | 4,214,583             | 1,203,944             |
| Expenditure for the period                                       | 3,484,667             | 3,112,542             |
| Expenditure written off                                          | (624,853)             | (101,903)             |
| Classified as held for sale                                      | (650,000)             | -                     |
| Closing Balance                                                  | <b>6,424,397</b>      | <b>4,214,583</b>      |
| Total Exploration and Expenditure                                | <b>8,798,361</b>      | <b>6,665,101</b>      |

**Notes to the financial statements**  
for the year ended 30 June 2023

|                                      | 30 June<br>2023<br>\$ | 30 June<br>2022<br>\$ |
|--------------------------------------|-----------------------|-----------------------|
| <b>12. Trade and other payables</b>  |                       |                       |
| Trade creditors                      | 788,328               | 226,514               |
| Other creditors and accrued expenses | 97,050                | 76,366                |
|                                      | <u>885,378</u>        | <u>302,880</u>        |

Trade and other payables are non-interest-bearing liabilities stated at cost.

**13. Provisions**

Current Provisions:

|                        |               |          |
|------------------------|---------------|----------|
| Annual leave provision | 49,809        | -        |
|                        | <u>49,809</u> | <u>-</u> |

Non-current provisions:

|                    |              |          |
|--------------------|--------------|----------|
| Long service leave | 4,895        | -        |
|                    | <u>4,895</u> | <u>-</u> |

**14. Unsecured Loans**

|                                  |          |              |
|----------------------------------|----------|--------------|
| (i) Advances (to)/from Directors | -        | (180)        |
|                                  | <u>-</u> | <u>(180)</u> |

(i) Working capital advances, with no fixed term of repayment and without interest

**15. Issued Capital**

**a. Ordinary Shares**

|                                | Year ended 30 June 2023 |                   | Year ended 30 June 2022 |                   |
|--------------------------------|-------------------------|-------------------|-------------------------|-------------------|
|                                | No.                     | \$                | No.                     | \$                |
| Opening balance for the period | 77,818,519              | 11,491,768        | 62,818,519              | 9,041,144         |
| Placement at \$0.014           | 17,518,519              | 2,365,000         |                         |                   |
| Placement at \$0.014           | 1,000,000               | 135,000           |                         |                   |
| Placement at \$0.20            |                         |                   | 15,000,000              | 3,000,000         |
| Placement at \$0.20            |                         |                   | -                       | -                 |
| Cost relating to share issue   |                         | (467,585)         | -                       | (549,376)         |
|                                | <u>96,337,038</u>       | <u>13,524,183</u> | <u>77,818,519</u>       | <u>11,491,768</u> |

**b. Capital risk management**

The Board controls the capital of the Company in order to provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital. There are no externally imposed capital requirements.

## Notes to the financial statements for the year ended 30 June 2023

The Working Capital position of the Company for year endings 30 June 2023 and 2022 are as follows:

|                                  | 30 June<br>2023<br>\$ | 30 June<br>2022<br>\$ |
|----------------------------------|-----------------------|-----------------------|
| <b>16. Working Capital</b>       |                       |                       |
| Cash and Cash Equivalents        | 2,090,389             | 3,440,943             |
| Non-current assets held for sale | 650,000               | -                     |
| Trade and other receivables      | 33,074                | 21,893                |
| Current Liabilities              | (956,900)             | (329,920)             |
| Working Capital Position         | <b>1,816,563</b>      | <b>3,132,916</b>      |

|                                                                                                     | Year ended 30 June<br>2023 |                | Year ended 30 June<br>2022 |                |
|-----------------------------------------------------------------------------------------------------|----------------------------|----------------|----------------------------|----------------|
|                                                                                                     | No.                        | \$             | No.                        | \$             |
| Opening Balance                                                                                     | 12,634,092                 | 126,341        | -                          | -              |
| Entitlement Issue 1 cent                                                                            | -                          | -              | 12,634,092                 | 126,341        |
| Proceeds from options                                                                               | -                          | 44             | -                          | -              |
| Closing Balance                                                                                     | <b>12,634,092</b>          | <b>126,385</b> | <b>12,634,092</b>          | <b>126,341</b> |
| Pro Rata Loyalty Option issued 1 December 2022 in accordance with Prospectus dated 8 November 2022. |                            |                |                            |                |

|                                        | 30 June<br>2023<br>\$ | 30 June<br>2022<br>\$ |
|----------------------------------------|-----------------------|-----------------------|
| <b>18. Option Reserve</b>              |                       |                       |
| Opening Balance                        | 1,704,885             | 1,120,372             |
| Issuance of Options Financial Services | 317,586               | 584,513               |
| Closing Balance                        | <b>2,022,471</b>      | <b>1,704,885</b>      |

### (a) Unlisted Options

i) 1,000,000 (post consolidation) options with an expiry date of 27 July 2023 were issued on 28 July 2020 pursuant to the Martin Place Securities Pty. Ltd. Corporate Advisory letter dated 22 April 2020 at an exercise price of \$0.30 each. The options were valued at \$0.0534 and during the year ended 30 June 2022 \$106,857 was expensed as share based payments.

The options were valued at \$0.0534 and during the year ended 30 June 2022 \$106,857 was expensed as share based payments.

ii) 3,875,000 (post consolidation) options with an expiry date of 1 June 2024 were issued on 2 June 2022

to the Euroz Harletys I.P.O. Capital Raising Mandate dated 17 December 2020.

The options were valued at \$0.1102 cents and during the year ended 30 June 2022 \$426,939 was expensed as share based payments at an exercise price of \$0.275 each.

iii) 5,500,000 (post consolidation) options with an expiry date of 1 June 2024 were issued on 2 June 2022 pursuant to the Euroz Harleys I.P.O. Capital Raising Mandate dated 17 December 2020 pursuant to the Euroz Harleys I.P.O. Capital Raising Mandate dated 17 December 2020.

The options were valued at \$0.1067 cents and during the year ended 30 June 2022 \$586,576 was expensed as share based payments at an exercise price of \$0.30 each.

iv) 2,250,000 options with an expiry date of 22 December 2023 were issued on 23 December 2020 pursuant to a 1 for 2 free attaching option to raise \$450,000 to sophisticated Investors on 22 December 2020 at an exercise price of \$0.25 each.

v) 12,634,092 options with an expiry date of 30 November 2023 were issued on 1 December 2022 pursuant to a Loyalty Entitlement Prospectus dated 8 November 2022 at an exercise price of \$0.30 each.

vi) 2,000,000 options with an expiry date of 17 February 2024 were issued on 18 February 2023 to Euroz Hartleys in part payment of the Loyalty Entitlement Prospectus.

vii) 7,500,000 options with an expiry date of 28 December 2023 were issued on 29 June 2023 pursuant to a 1 for 2 free attaching option to raise \$3,000,000 to participating shareholders at an exercise price of \$0.30 each.

vii) 3,750,000 options with an expiry date of 28 December 2023 were issued on 29 June 2023 pursuant to a Capital Raising Agreement dated 24 May 2023 as a Broker Fee for the capital raising of \$3,000,000. The options expire on 28 December 2023.

viii) 4,629,630 options with an expiry date of 7 May 2026 were issued on 28 April 2023 to Euroz Hartleys in part payment of the Loyalty Entitlement Prospectus.

#### **(b) Option valuation assumptions**

The fair value of the options granted we estimated as at the date of grant using a Black-Scholes option valuation model and a Monte Carlo simulation valuation model. The following table lists the inputs to the models:

|                                | <b>ASX<br/>Code</b> | <b>Expected<br/>Volatility<br/>(%)</b> | <b>Risk<br/>Free<br/>Interest<br/>Rate (%)</b> | <b>Expected<br/>life<br/>(years)</b> | <b>Share<br/>Price at<br/>grant<br/>date</b> | <b>Exercise<br/>Price</b> |
|--------------------------------|---------------------|----------------------------------------|------------------------------------------------|--------------------------------------|----------------------------------------------|---------------------------|
| Options issued<br>27 July 2020 | TORAF               | 100                                    | 7                                              | 3                                    | \$0.20                                       | \$0.30                    |
| Options issued 2<br>June 2022  | TORAG               | 100                                    | 7                                              | 3                                    | \$0.20                                       | \$0.275                   |
| Options issued 2<br>June 2022  | TORAH               | 100                                    | 7                                              | 3                                    | \$0.20                                       | \$0.30                    |
| Options issued<br>22 Dec 2020  | TORAE               | 100                                    | 7                                              | 2                                    | \$0.07                                       | \$0.25                    |
| Options issued 1<br>Dec 2022   | TORAI               | 100                                    | 7                                              | 2                                    | \$0.23                                       | \$0.30                    |
| Options issued<br>17 Feb 2023  | TORAL               | 100                                    | 7                                              | 2                                    | \$0.21                                       | \$0.30                    |
| Options issued<br>29 June 2023 | TORAM               | 100                                    | 7                                              | 1.5                                  | \$0.24                                       | \$0.30                    |
| Options issued<br>29 June 2023 | TORAN               | 100                                    | 7                                              | 1.5                                  | \$0.24                                       | \$0.30                    |

**Notes to the financial statements**  
for the year ended 30 June 2023

**(c) Options outstanding at end of year**

The following table illustrate the number and weighted average exercise prices (WAEP) of share options granted as share based payments on issue during the year.

|                            | <b>2023</b>       | <b>2023 WAEP</b> | <b>2022</b>       | <b>2022 WAEP</b> |
|----------------------------|-------------------|------------------|-------------------|------------------|
|                            | <b>Number</b>     | <b>\$</b>        | <b>Number</b>     |                  |
| Outstanding at 1 July      | 38,509,092        | \$0.28           | 12,625,000        | \$0.28           |
| Granted during the year    | 13,888,890        | \$0.25           | 25,884,092        | \$0.30           |
| <b>Outstanding 30 June</b> | <b>52,397,982</b> |                  | <b>38,509,092</b> |                  |

The weighted average remaining contractual life for options outstanding as at 30 June 2023 is 1.75 years (2022 1.6 years).

**(d) Share based Payments Summary**

| <b>Class</b> | <b>Quantity</b> | <b>Grant Date</b> | <b>Value recognised during year</b> | <b>Exercise Price</b> | <b>Vesting Date</b> | <b>Value recognised in future years</b> |
|--------------|-----------------|-------------------|-------------------------------------|-----------------------|---------------------|-----------------------------------------|
|              |                 |                   | <b>\$</b>                           | <b>\$</b>             |                     | <b>\$</b>                               |
| <b>2022</b>  |                 |                   |                                     |                       |                     |                                         |
| Options      | 12,634,092      | 1/12/2022         | 126,341                             | 0.3                   | 30/11/2023          | -                                       |
| Options      | 2,000,000       | 18/02/2022        | 215,138                             | 0.3                   | 17/02/2024          | -                                       |
| Options      | 7,500,000       | 29/06/2022        | -                                   | 0.3                   | 28/12/2023          | -                                       |
| Options      | 3,750,000       | 29/06/2022        | 369,375                             | 0.3                   | 28/12/2023          | -                                       |
|              |                 |                   | <b>710,854</b>                      |                       |                     |                                         |
| <b>2023</b>  |                 |                   |                                     |                       |                     |                                         |
| Options      | 4,629,630       | 28/04/2023        | 317,586                             | 0.25                  | 7/05/2023           | -                                       |
|              |                 |                   | <b>317,586</b>                      |                       |                     |                                         |

**19. Performance Reserve**

The Company has the following Performance Rights issued to Directors and staff in existence during the current and prior reporting periods.

**Performance Rights 2023**

| <b>Class</b> | <b>Grant Date</b> | <b>Expiry Date</b> | <b>Opening balance 1 July 2022</b> | <b>Granted during the year</b> | <b>Vested/ Exercised/ Expired During the year</b> | <b>Rights Vested at 30 June 2023</b> | <b>Rights Unvested at 30 June 2023</b> |
|--------------|-------------------|--------------------|------------------------------------|--------------------------------|---------------------------------------------------|--------------------------------------|----------------------------------------|
| A            | 23/11/2021        | 22/11/2024         | 5,000,000                          | -                              | -                                                 | -                                    | 5,000,000                              |
| A            | 1/05/2022         | 30/04/2025         | 1,000,000                          | -                              | -                                                 | -                                    | 1,000,000                              |
| A            | 1/06/2022         | 31/05/2025         | 500,000                            | -                              | -                                                 | -                                    | 500,000                                |
| A            | 28/04/2023        | 22/11/2024         | -                                  | 2,000,000                      | -                                                 | -                                    | 2,000,000                              |
| B            | 23/11/2021        | 22/11/2024         | 5,000,000                          | -                              | -                                                 | -                                    | 5,000,000                              |
| B            | 1/05/2022         | 30/04/2025         | 1,000,000                          | -                              | -                                                 | -                                    | 1,000,000                              |
| B            | 1/06/2022         | 31/05/2025         | 500,000                            | -                              | -                                                 | -                                    | 500,000                                |
| B            | 28/04/2023        | 22/11/2024         | -                                  | 2,000,000                      | -                                                 | -                                    | 2,000,000                              |
| <b>Total</b> |                   |                    |                                    |                                |                                                   |                                      | <b>17,000,000</b>                      |

**Notes to the financial statements**  
for the year ended 30 June 2023

**Performance Rights 2022**

| Class        | Grant Date | Expiry Date | Opening balance<br>1 July 2021 | Granted during the<br>year | Vested/<br>Exercised/<br>Expired<br>During the<br>year | Rights Vested<br>at 30 June<br>2022 | Rights Unvested<br>at 30 June<br>2022 |
|--------------|------------|-------------|--------------------------------|----------------------------|--------------------------------------------------------|-------------------------------------|---------------------------------------|
| A            | 23/11/2021 | 22/11/2024  | -                              | 5,000,000                  | -                                                      | -                                   | 5,000,000                             |
| A            | 1/05/2022  | 30/04/2025  | -                              | 1,000,000                  | -                                                      | -                                   | 1,000,000                             |
| A            | 1/06/2022  | 31/05/2025  | -                              | 500,000                    | -                                                      | -                                   | 500,000                               |
| B            | 23/11/2021 | 22/11/2024  | -                              | 5,000,000                  | -                                                      | -                                   | 5,000,000                             |
| B            | 1/05/2022  | 30/04/2025  | -                              | 1,000,000                  | -                                                      | -                                   | 1,000,000                             |
| B            | 1/06/2022  | 31/05/2025  | -                              | 500,000                    | -                                                      | -                                   | 500,000                               |
| <b>Total</b> |            |             |                                |                            |                                                        |                                     | <b>13,000,000</b>                     |

Valuation of the Class A performance rights was undertaken with factors and assumptions being used in determining the fair value of each right on the grant date.

Valuation of the Class B performance rights was undertaken with factors and assumptions being used in determine the fair value of the rights after taking into consideration the drilling and assay results achieved to date. Management is of the opinion that the probability will be 50%.

**2023**

| Class                            | Number            | Fair Value<br>\$   | Grant Date | Expiry Date | Expense<br>During the<br>Period |
|----------------------------------|-------------------|--------------------|------------|-------------|---------------------------------|
| A Finch, Burke, Lofthouse, McKay | 5,000,000         | 757,650            | 23/11/2021 | 22/11/2024  | 258,907                         |
| A Woskett                        | 1,000,000         | 32,105             | 28/04/2023 | 22/11/2024  | 5,554                           |
| A Moreno                         | 1,000,000         | 127,090            | 1 /05/2022 | 30/04/2025  | 42,248                          |
| A Moreno                         | 1,000,000         | 32,105             | 28/04/2023 | 22/11/2024  | 5,554                           |
| A Meshesha                       | 500,000           | 68,978             | 1/06/2022  | 31/05/2025  | 22,930                          |
| <b>Total Class A</b>             | <b>8,500,000</b>  | <b>1,017,928</b>   |            |             | <b>331,193</b>                  |
| B Finch, Burke, Lofthouse, McKay | 5,000,000         | 1,275,000          | 23/11/2021 | 22/11/2024  | 63,750                          |
| B Woskett                        | 1,000,000         | 135,000            | 28/04/2023 | 22/11/2024  | 67,500                          |
| B Moreno                         | 1,000,000         | 230,000            | 1 /05/2022 | 30/04/2025  | 11,500                          |
| B Moreno                         | 1,000,000         | 135,000            | 28/04/2023 | 22/11/2024  | 67,500                          |
| B Meshesha                       | 500,000           | 120,000            | 1/06/2022  | 31/05/2025  | 6,000                           |
| <b>Total Class B</b>             | <b>8,500,000</b>  | <b>1,895,000</b>   |            |             | <b>216,250</b>                  |
| <b>TOTAL Class A and B</b>       | <b>17,000,000</b> | <b>\$2,912,928</b> |            |             | <b>551,443</b>                  |

**Notes to the financial statements**  
for the year ended 30 June 2023

**Performance Valuation**

|                    | Directors                                                                                                |            |            | Senior Management |            |
|--------------------|----------------------------------------------------------------------------------------------------------|------------|------------|-------------------|------------|
| Tranche            | Performance Rights Class A                                                                               |            |            |                   |            |
| Exercise Price     | Nil                                                                                                      |            |            |                   |            |
| Grant Date         | 23/11/2021                                                                                               | 28/04/2023 | 1/05/2022  | 23/11/2021        | 1/06/2022  |
| Value per PR       | \$0.15153                                                                                                | \$0.0321   | \$0.12709  | \$0.15153         | \$0.1380   |
| Number of PRs      | 4,000,000                                                                                                | 2,000,000  | 1,000,000  | 1,000,000         | 500,000    |
| Vesting Date       | 22/11/2024                                                                                               | 22/11/2024 | 30/04/2025 | 22/11/2024        | 31/05/2025 |
| Performance Hurdle | The VWAP of the Company's Shares over a consecutive period of 20 trading days being not less than \$0.40 |            |            |                   |            |

|                                   | Directors                                                                                     |            |            | Senior Management |            |
|-----------------------------------|-----------------------------------------------------------------------------------------------|------------|------------|-------------------|------------|
| Tranche                           | Performance Rights Class B                                                                    |            |            |                   |            |
| Exercise Price                    | nil                                                                                           |            |            | Nil               |            |
| Grant Date                        | 23/11/2021                                                                                    | 28/04/2023 | 1/05/2022  | 23/11/2021        | 1/06/2022  |
| Value per PR prior to probability | \$0.25                                                                                        | \$0.135    | \$0.23     | \$0.25            | \$0.24     |
| Probability                       | 50%                                                                                           | 50%        | 50%        | 50%               | 50%        |
| Valuation per right               | \$0.125                                                                                       | \$0.0675   | \$0.115    | \$0.125           | \$0.12     |
| Number of PRs                     | 4,000,000                                                                                     | 2,000,000  | 1,000,000  | 1,000,000         | 500,000    |
| Vesting Date                      | 22/11/2024                                                                                    | 22/11/2024 | 30/04/2025 | 22/11/2024        | 31/05/2025 |
| Performance Hurdle                | The Company delinates a JORC 2012 Compliant Mineral Resource of not less than 250,000oz of AU |            |            |                   |            |

**20. Accumulated Losses**

|                                  | <b>30 June<br/>2023</b> | <b>30 June<br/>2022</b> |
|----------------------------------|-------------------------|-------------------------|
|                                  | <b>\$</b>               | <b>\$</b>               |
| Opening Balance                  | (4,623,352)             | (2,468,848)             |
| Net Loss attributable to members | (2,094,288)             | (2,154,504)             |
| Closing Balance                  | <b>(6,717,640)</b>      | <b>(4,623,352)</b>      |

**21. Financial Risk Management**

The Company's principal financial instruments comprise receivables, payables, and cash.

The Board of Directors has overall responsibility for the oversight and management of the Company's exposure to a variety of financial risks (including fair value interest rate risk, credit risk, liquidity risk and cash flow interest rate risk).

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

### Interest rate risks

The Company's exposure to market interest rates relates to cash deposits held at variable rates. The Board constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions.

### Credit risk

The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A+.

### Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors. The Company's liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Maturity profile of financial instruments

The following tables detail the Company's exposure to interest rate risk as at 30 June 2023 and 30 June 2022:

#### Maturity profile of financial instruments

The following tables detail the Company's exposure to interest rate risk as at 30 June 2023 and 30 June 2022:

| 30 June 2023                                | Floating<br>Interest<br>Rate | Fixed Interest<br>Maturing in<br>1 year or less | Non-Interest<br>Bearing | 2023<br>Total    |
|---------------------------------------------|------------------------------|-------------------------------------------------|-------------------------|------------------|
|                                             | \$                           | \$                                              | \$                      | \$               |
| <b>Financial Assets</b>                     |                              |                                                 |                         |                  |
| Cash and Cash Equivalents                   | -                            | -                                               | 2,090,389               | 2,090,389        |
| Trade and Other Receivables                 | -                            | -                                               | 33,074                  | 33,074           |
|                                             | -                            | -                                               | <b>2,123,463</b>        | <b>2,123,463</b> |
| Weighted average effective<br>interest rate | nil                          |                                                 |                         |                  |

**Notes to the financial statements**  
for the year ended 30 June 2023

**Financial Liabilities**

|                          |               |          |                |                |
|--------------------------|---------------|----------|----------------|----------------|
| Trade and Other Payables | -             | -        | 885,378        | 885,378        |
| Lease Liabilities        | 40,941        | -        | -              | 40,941         |
|                          | <b>40,941</b> | <b>-</b> | <b>885,378</b> | <b>926,319</b> |

| 30 June 2022                             | Floating<br>Interest<br>Rate<br>\$ | Fixed Interest<br>Maturing in<br>1 year or less<br>\$ | Non-Interest<br>Bearing<br>\$ | 2022<br>Total<br>\$ |
|------------------------------------------|------------------------------------|-------------------------------------------------------|-------------------------------|---------------------|
| <b>Financial Assets</b>                  |                                    |                                                       |                               |                     |
| Cash and Cash Equivalents                | -                                  | -                                                     | 3,440,943                     | 3,440,943           |
| Trade and Other Receivables              | -                                  | -                                                     | 21,893                        | 21,893              |
|                                          | <b>-</b>                           | <b>-</b>                                              | <b>3,462,836</b>              | <b>3,462,836</b>    |
| Weighted average effective interest rate | nil                                |                                                       |                               |                     |
| <b>Financial Liabilities</b>             |                                    |                                                       |                               |                     |
| Trade and Other Payables                 | -                                  | -                                                     | 302,880                       | 302,880             |
| Lease Liabilities                        | 60,869                             | -                                                     | -                             | 60,869              |
|                                          | <b>60,869</b>                      | <b>-</b>                                              | <b>302,880</b>                | <b>363,749</b>      |

**Net Fair Value**

The carrying value and net fair values of financial assets and liabilities at balance date are:

|                              | 2023                 |                      | 2022                 |                      |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
|                              | Carrying Value<br>\$ | Net Fair Value<br>\$ | Carrying Value<br>\$ | Net Fair Value<br>\$ |
| <b>Financial Assets</b>      |                      |                      |                      |                      |
| Cash and Deposits            | 2,090,389            | 2,090,389            | 3,440,943            | 3,440,943            |
| Trade and Other Receivables  | 33,074               | 33,074               | 21,893               | 21,893               |
|                              | <b>2,123,463</b>     | <b>2,123,463</b>     | <b>3,462,836</b>     | <b>3,462,836</b>     |
| <b>Financial Liabilities</b> |                      |                      |                      |                      |
| Trade and Other Payables     | 885,378              | 885,378              | 302,880              | 302,880              |
| Unsecured Loans              | 40,941               | 40,941               | 60,869               | 60,869               |
|                              | <b>926,319</b>       | <b>926,319</b>       | <b>363,749</b>       | <b>363,749</b>       |

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. All financial instruments measured at fair value are level one, meaning fair value is determined from quoted prices in active markets for identical assets.

**Sensitivity Analysis**

*Interest Rate Risk*

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

**Notes to the financial statements**  
for the year ended 30 June 2023

**Sensitivity**

|                                                 | <b>30 June<br/>2023<br/>\$</b> | <b>30 June<br/>2022<br/>\$</b> |
|-------------------------------------------------|--------------------------------|--------------------------------|
| Change in Loss                                  |                                |                                |
| - Increase in interest rate by 100 basis points | 20,904                         | 34,409                         |
| - Decrease in interest rate by 100 basis points | (20,904)                       | (34,409)                       |
| Change in Equity                                |                                |                                |
| - Increase in interest rate by 100 basis points | 20,904                         | 34,409                         |
| - Decrease in interest rate by 100 basis points | (20,904)                       | (34,409)                       |
|                                                 | <b>30 June<br/>2023<br/>\$</b> | <b>30 June<br/>2022<br/>\$</b> |

**22. Earnings per Share**

|                                                                                                                              |                   |                   |
|------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| a) Reconciliation of earnings to profit or loss:                                                                             |                   |                   |
| Loss for the year                                                                                                            | (2,094,288)       | (2,154,504)       |
| Loss used to calculate the basic and diluted EPS                                                                             | (2,094,288)       | (2,154,504)       |
| b) Basic and diluted weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS |                   |                   |
|                                                                                                                              | <b>96,337,038</b> | <b>65,318,519</b> |

**23. Commitments**

In order to maintain rights of tenure to mining tenements, the Company would have the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

|                                                     | <b>30 June<br/>2023<br/>\$</b> | <b>30 June<br/>2022<br/>\$</b> |
|-----------------------------------------------------|--------------------------------|--------------------------------|
| <b>Tenement Commitments</b>                         |                                |                                |
| Not longer than one year                            | 789,200                        | 1,010,534                      |
| Longer than one year but not longer than five years | 2,798,770                      | 3,373,764                      |
| Longer than five years                              | 2,862,410                      | 3,531,823                      |
|                                                     | <b>6,450,380</b>               | <b>7,916,121</b>               |

The Company currently has commitments in excess of cash; however, the Board believes will be able to raise the additional funds to satisfy the commitments for the future.

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

## Notes to the financial statements for the year ended 30 June 2023

### 24. Operating Segments

The Company operates in one segment being exploration in Western Australia, Australia.

### 25. Contingencies

The directors are not aware of any contingent liabilities or assets as at 30 June 2023.

### 26. Events after the reporting period

Subsequently after year end the Company entered into an option agreement to acquire 100% of 'New Dawn', an unmined Lithium and Tantalum occurrence, 600m along strike of the established Bald Hill lithium-tantalum operation. The package of tenements is adjacent to the Company's Paris Gold Camp, with the expanded aggregate holdings to be renamed the Penzance Project.

The Company paid \$150,000 for the exclusive Option which it may exercise at any time during the period 1 January - 31 January 2024. Upon exercise of the Option, which is conditional upon due diligence by the Company, shareholder approval for issue of relevant consideration shares and performance shares, and any other regulatory approvals ("Conditions"), the Company shall acquire the tenement package on the following terms:

- vi. \$1.5 million cash;
- vii. 15 million Shares ("Consideration Shares"), with 7.5 million of the Consideration Shares escrowed for 6 months;
- viii. 2% Net Smelter Royalty, and
- ix. The issue of 85 million Performance Shares which will be convertible into Shares on satisfaction of certain performance milestones.
- x. Performance based cash payments of up to \$3.0 million, subject to satisfaction of the certain performance milestones.

The acquisition thereof was funded by raising capital of \$4 million at \$0.12 per share.

The Company issued 500,000 unlisted options exercisable at \$0.275 each, expiring on 23 June 2024 and 500,000 unlisted options exercisable at \$0.35 each expiring on 23 June 2025.

The Company issued 700,000 fully paid ordinary shares on 6 September 2023. The reason thereof was 700,000 options expiring 28 December 2023 at an exercise price of \$0.30 was exercised.

The Company issued 62,500 fully paid ordinary shares on 9 September 2023. The reason thereof was 62,500 options at \$0.30 expiring 28 December 2023 was exercised.

The Company issued 23,084,260 fully paid ordinary shares on 19 September 2023.

The Company agreed to pay Ian Finch \$65,000 as per the termination deed on 3 July 2023.

The Company issued 191,210 ordinary fully paid shares on 22 September 2023 due to the exercise of 11,111 options expiring on 7 May 2023 with an exercise price of \$0.25 and 180,099 options expiring 7 May 2026 with an exercise price of \$0.25.

There has been no other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than those disclosed above.

## Additional Shareholders Information

as at 20 September 2023

Information required by Australian Stock Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is provided as at 20 September 2023.

### 1. Shareholdings

The issued capital of the Company as at 20 September 2023 is:

120,183,798 fully paid ordinary shares

All issued fully paid ordinary shares carry one vote per share.

### 2. Distribution of Equity Securities

#### Ordinary Shares (ASX Code: TOR)

| Holding Ranges  | Total Units        | Holders    | % Issued Share Capital |
|-----------------|--------------------|------------|------------------------|
| 1 – 1,000       | 2,596              | 21         | 0.00%                  |
| 1001 – 5,000    | 370,127            | 125        | 0.31%                  |
| 5001 – 10,000   | 893,936            | 111        | 0.74%                  |
| 10001 – 100,000 | 16,844,548         | 378        | 14.02%                 |
| 100001 Over     | 102,072,591        | 202        | 84.93%                 |
| <b>TOTAL</b>    | <b>120,183,798</b> | <b>837</b> | <b>100.00%</b>         |

### 3. Unmarketable Parcels

There were 28 holders of less than a marketable parcel of ordinary shares.

### 4. Substantial Shareholders

As at 20 September 2023 the company had no substantial shareholders.

### 5. Restricted Securities Subject to Escrow

There are currently no restricted securities subject to escrow.

### 6. Group Cash and Assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the year ended 30 June 2023 consistent with its business objective and strategy.

**Additional Shareholders Information**  
as at 20 September 2023

**7. Top 20 Largest Holders of Listed Securities**

|    | Holder Name                                                                 | Holding           | %            |
|----|-----------------------------------------------------------------------------|-------------------|--------------|
| 1  | MR DARREN CARTER                                                            | 5,550,000         | 4.62         |
| 2  | AUSTRAL PACIFIC PTY LTD                                                     | 4,600,000         | 3.83         |
| 3  | MR PHILLIP RICHARD PERRY                                                    | 4,489,697         | 3.74         |
| 4  | MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>    | 4,175,000         | 3.47         |
| 5  | TURF MOOR PTY LTD                                                           | 3,866,835         | 3.22         |
| 6  | MR TSHUNG HUI CHANG                                                         | 3,352,500         | 2.79         |
| 7  | TWO TOPS PTY LTD                                                            | 2,750,000         | 2.29         |
| 8  | KHE SANH PTY LTD <TRADING NO 1 A/C>                                         | 2,200,000         | 1.83         |
| 9  | ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER A/C>                       | 1,775,000         | 1.48         |
| 10 | ABEH PTY LTD                                                                | 1,769,166         | 1.47         |
| 11 | INJI INVESTMENTS PTY LTD                                                    | 1,405,000         | 1.17         |
| 12 | FAIRBROTHER HOLDINGS PTY LTD                                                | 1,400,000         | 1.16         |
| 13 | CERTANE CT PTY LTD                                                          | 2,707,750         | 2.26         |
| 14 | BLUE COASTERS PTY LTD                                                       | 1,350,000         | 1.12         |
| 15 | OCEAN REEF HOLDINGS PTY LTD                                                 | 1,350,000         | 1.12         |
| 16 | PERTH SELECT SEAFOODS PTY LTD                                               | 1,250,000         | 1.04         |
| 17 | BEARAY PTY LTD <BRIAN CLAYTON S/F A/C>                                      | 1,242,537         | 1.03         |
| 18 | MANDOLIN NOMINEES PTY LTD <TJ COWCHER FAMILY A/C>                           | 1,150,000         | 0.96         |
| 19 | MR BARRY FRANCIS CRONIN + MRS KERRY ANNE CRONIN <THE HILLVIEW 52 SUPER A/C> | 850,000           | 0.71         |
| 20 | FRUS INVESTMENTS PTY LTD                                                    | 850,000           | 0.71         |
|    | <b>Total Held by top 20 registered shareholders</b>                         | <b>48,083,485</b> | <b>40.02</b> |

**8. Unquoted Options**

| Date         | Number            | Terms                            |
|--------------|-------------------|----------------------------------|
| 1/12/2021    | 12,634,092        | \$0.30 Expiring 30 November 2023 |
| 20/12/2021   | 2,250,000         | \$0.25 Expiring 22 December 2023 |
| 29/06/2022   | 25,000            | \$0.30 Expiring 28 December 2023 |
| 29/06/2022   | 10,462,500        | \$0.30 Expiring 28 December 2023 |
| 18/02/2022   | 2,000,000         | \$0.30 Expiring 17 February 2023 |
| 23/06/2021   | 3,875,000         | \$0.275 Expiring 23 June 2024    |
| 23/06/2021   | 5,500,000         | \$0.30 Expiring 23 June 2024     |
| 6/07/2023    | 500,000           | \$0.275 Expiring 23 June 2024    |
| 6/07/2023    | 500,000           | \$0.35 Expiring 23 June 2025     |
| 8/05/2023    | 13,888,890        | \$0.25 Expiring 7 May 2025       |
| <b>Total</b> | <b>51,635,482</b> |                                  |

# INTEREST IN MINING TENEMENTS as at 20 September 2023

| Tenement  | Project Name              | Registered Holder       | Beneficial Interest |
|-----------|---------------------------|-------------------------|---------------------|
| M 15/1175 | <b>Paris Gold Project</b> | Torque Metals Ltd       | 100%                |
| M 15/479  | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| M 15/480  | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| M 15/481  | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| M 15/482  | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| M 15/496  | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| M 15/497  | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| M 15/498  | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| M 15/1719 | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| P 15/5992 | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| P 15/6149 | Paris Gold Project        | Torque Metals Ltd       | 100%                |
| E 15/1736 | Paris Gold Project        | Jindalee Resources Ltd* | 0%                  |
| E 15/1747 | Paris Gold Project        | Jindalee Resources Ltd* | 0%                  |
| E 15/1752 | Paris Gold Project        | Jindalee Resources Ltd* | 0%                  |
| E 77/2522 | Bullfinch                 | Torque Metals Ltd       | 100%                |
| E 77/2222 | Bullfinch                 | Torque Metals Ltd       | 100%                |
| E 77/2251 | Bullfinch                 | Torque Metals Ltd       | 100%                |
| E 77/2350 | Bullfinch                 | Torque Metals Ltd       | 100%                |
| E 77/2607 | Bullfinch                 | Torque Metals Ltd       | 100%                |

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

Torque Metals Limited is the Manager of all Tenements

P: Prospecting Licence

E: Exploration Licence

M: Mineral Licence

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