

6 October 2023

Dear Shareholder

Extraordinary General Meeting – Notice and Proxy Form

Notice is given that an Extraordinary General Meeting (**Meeting**) of Shareholders of Torque Metals Limited (ACN 621 122 905) (**Company**) will be held as follows:

Time and date: 2pm (Perth time) on Tuesday, 7 November 2023

Location: Nexia Perth, Level 3, 88 William Street, Perth WA 6000

As permitted by the *Corporations Act 2001* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the shareholder has made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded at the following link: <https://www.torquemetals.com/asx-announcements/>.

For those shareholders that have not elected to receive notices by email, a copy of your personalised Proxy Form is enclosed for your convenience. Please complete and return the attached Proxy Form to the Company's share registry, Advanced Share Registry, using any of the following methods:

Online: <https://www.advancedshare.com.au/Investor-Login>

By Mail: 110 Stirling Highway, Nedlands, WA 6009; or PO Box 1156, Nedlands, WA 6909

In Person: 110 Stirling Highway, Nedlands, WA 6009

By Fax: +61 8 6370 4203

By Email: admin@advancedshare.com.au

Your proxy voting instruction must be received by 2pm (Perth time) on Sunday 5 November 2023, being not later than 48 hours before the commencement of the Meeting.

Any proxy voting instructions received after that time will not be valid for the scheduled Meeting.

The Company strongly encourages all shareholders to submit their personalised Proxy Form as instructed prior to the Meeting.

The Meeting Materials should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

If you have difficulties obtaining a copy of the Meeting Materials, please contact the Company's share registry, Advanced Share Registry, on +61 8 9389 8033.

For and on behalf of the Board

Henko Vos
Company Secretary

TORQUE METALS LIMITED

ACN 621 122 905

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 2:00pm (WST)
DATE: 7 November 2023
PLACE: Level 3, 88 William Street, Perth WA 6000

This Notice of Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0) 410 280 809.

As permitted by the Corporations Act, the Company will not be sending hard copies of the Notice of Meeting to Shareholders unless the Shareholder has made a valid election to receive documents in hard copy. Instead, Shareholders can access a copy of the Notice at the following link:

<https://www.torquemetals.com/asx-announcements/>

How Shareholders Can Participate

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Your proxy voting instructions must be received by 2:00pm (WST) on 5 November 2023.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at admin@torquemetals.com. Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (WST) on 3 November 2023. Shareholders who attend the Meeting, will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on +61 (0) 410 280 809 or by email at admin@torquemetals.com if they have any queries in relation to the Meeting arrangements.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at: <https://www.torquemetals.com/>.

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Extraordinary General Meeting of the Company will be held at Level 3, 88 William Street, Perth WA 6000 on 7 November 2023 commencing at 2:00pm (WST).

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your Shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2.00pm (WST) on 5 November 2023.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chair as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. Instructions for lodging proxies are included on your personalised proxy form.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution or is otherwise required under section 250JA of the Corporations Act; and
- either of the following applies:
 - o the proxy is not recorded as attending the meeting; or
 - o the proxy does not vote on the resolution,

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of the Shareholders of Torque Metals Limited (ACN 621 122 905) (**Company**) will be held at Level 3, 88 William Street, Perth WA 6000, commencing at 2:00pm (WST) on 7 November 2023 to consider, and if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Meeting and accompanying Explanatory Statement are defined in the glossary to this document.

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the matters to be considered at the Extraordinary General Meeting.

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES TO VENDORS

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

That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 15,000,000 Shares to the Vendors (or their respective nominees) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (or their respective nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

2. RESOLUTION 2 – APPROVAL TO ISSUE PERFORMANCE SHARES TO VENDORS

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

That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 85,000,000 Performance Shares to the Vendors (or their respective nominees) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (or their respective nominees) and any other person who will

obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

3. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE PLACEMENT - TRANCHE 1**

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

That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 23,084,260 Shares issued under the Placement on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue, or an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

4. **RESOLUTION 4 – APPROVAL TO ISSUE SHARES UNDER THE PLACEMENT – TRANCHE 2**

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

That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 10,249,073 Shares to be issued under the Placement on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in the issue or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

5. RESOLUTION 5 - DIRECTOR PARTICIPATION IN PLACEMENT - PATRICK BURKE

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

That, pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, Shareholders approve, the issue of 416,667 Shares under the Placement to be subscribed for by Patrick Burke, up to a maximum value of \$50,000, to Patrick Burke (or his nominee) for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Patrick Burke and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

6. RESOLUTION 6 - DIRECTOR PARTICIPATION IN PLACEMENT - CRISTIAN MORENO

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

That, pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, Shareholders approve, the issue of 416,667 Shares under the Placement to be subscribed for by Cristian Moreno, up to a maximum value of \$50,000, to Cristian Moreno (or his nominee) for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Cristian Moreno and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

7. RESOLUTION 7 - DIRECTOR PARTICIPATION IN PLACEMENT – ANTONY LOFTHOUSE

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

That, pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, Shareholders approve, the issue of 291,666 Shares under the Placement to be subscribed for by Antony Lofthouse, up to a maximum value of \$35,000, to Antony Lofthouse (or his nominee) for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Antony Lofthouse and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

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

8. RESOLUTION 8 - DIRECTOR PARTICIPATION IN PLACEMENT – ANDREW WOSKETT

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

That, pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, Shareholders approve, the issue of 291,666 Shares under the Placement to be subscribed for by Andrew Woskett, up to a maximum value of \$35,000, to Andrew Woskett (or his nominee) for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Andrew Woskett and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

9. RESOLUTION 9 – APPROVAL TO ISSUE OF OPTIONS TO EUROZ HARTLEYS LIMITED

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

That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 8,000,000 Options to Euroz Hartleys Limited (or its nominees) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by Euroz or an Associate of Euroz. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 10 - ISSUE OF PERFORMANCE RIGHTS TO CRISTIAN MORENO

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

That, pursuant to and in accordance with Listing Rules 10.14, 10.19 and sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 5,000,000 Performance Rights under the Employee Securities Incentive Plan to Cristian Moreno (or his nominee), on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Securities Incentive Plan, an officer of the Company or any of its child entities who is entitled to participate in a termination benefit and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

Voting Prohibition: A vote on this Resolution must not be cast by or on behalf of Cristian Moreno or his Associates. However, this does not prevent the casting of a vote on this Resolution if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed Resolution and it is not cast on behalf of Cristian Moreno or his Associates. Where the Chair is the related party the subject of the Resolution or is an Associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

In accordance with section 250BD of the Corporations Act, vote must not be cast on this Resolution by a member of the Key Management Personnel, or a closely related party of a Key Management Personnel, acting as proxy if their appointment does not specify the way the proxy is to vote on the Resolution. However, the Company will not disregard any proxy votes cast on that Resolution by a Key Management Personnel if the Key Management Personnel is the Chair of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel for the Company.

Dated: 2 October 2023

By order of the Board

A handwritten signature in black ink, appearing to be 'H. Vos', written in a cursive style.

Henko Vos
Joint Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Extraordinary General Meeting to be held on 7 November 2023 at Level 3, 88 William Street, Perth WA 6000 commencing at 2:00pm (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company Secretary, your accountant, solicitor, stockbroker or other professional advisor before voting.

1. BACKGROUND TO RESOLUTIONS 1 TO 9

Transaction

As announced to ASX on 5 September 2023, the Company has entered into agreements (**Agreements**) with Abeh Pty Ltd and its associates (**Vendors**) pursuant to which the Vendors have granted the Company an option (**Option**) to acquire 14 mining tenements (**Tenements**) in the Western Australian Goldfields adjacent to the Company's Paris Project (**Transaction**). The Company has paid the Vendors an initial fee of \$150,000 for the grant of the Option. If the Company exercises the Option to acquire the Tenements, it intends to rename the aggregate of mining tenements comprising the Tenements and the Paris Project as the Penzance Project (**Penzance Project**).

Agreements

Pursuant to the terms of the Agreements, following a period of exclusivity to conduct due diligence on the Tenements, the Company may exercise the Option to acquire the Tenements. The Option must be exercised by 31 January 2024. If the Company exercises the Option, it has agreed to pay the Vendors, the following consideration:

- (a) \$1.5 million cash;
- (b) 15 million Shares (**Consideration Shares**);
- (c) 85 million Performance Shares (**Performance Shares**); a
- (d) 2% net smelter return royalty on all minerals recovered from the Tenements¹; and
- (e) cash performance payments up to \$3 million, subject to satisfaction of certain performance milestones.

If the Company exercises the Option and completion under the Agreements occur, the Vendors will also have the right to appoint a nominee director, being Mr Imants Kins, to the Board.

Placement

To fund the Transaction and associated costs and due diligence, the Company has undertaken a placement to raise \$4,000,000 (before costs) via the issue of approximately 33,333,333 Shares (**Placement Shares**) at an issue price of \$0.12 per Placement Share to sophisticated and professional investors (**Placement**).

The Placement Shares are to be issued in two tranches as follows:

¹ The Company will only pay a 0.25% net smelter return royalty with respect to one mining tenement which is already the subject of another royalty.

- (a) 23,084,260 Shares to be issued under tranche 1 (**Tranche 1 Placement Shares**); and
- (b) 10,249,073 Shares to be issued under tranche 2 (**Tranche 2 Placement Shares**).

On 14 September 2023, the Company issued the Tranche 1 Placement Shares under the Company's capacity pursuant to Listing Rule 7.1 and 7.1A (being the subject of Resolution 3).

The Company shall issue the Tranche 2 Placement Shares subject to Shareholder approval under Resolution 4.

The Placement included a \$170,000 commitment from the Company's Directors in differing respective amounts. The participation of the Directors in the Placement is subject to Shareholder approval under Resolutions 5 to 8 (inclusive).

Euroz acted as lead manager for the Placement. The Company has agreed to issue 8,000,000 Options to Euroz as part consideration for services provided in connection with the Placement (**Broker Options**). The issue of the Broker Options is subject to Shareholder approval under Resolution 9.

2. RESOLUTIONS 1 AND 2 – ISSUE OF SHARES AND PERFORMANCE SHARES TO VENDORS

2.1 Background

In the event that the Company exercises the Option to acquire the Tenements:

- (a) Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Consideration Shares to the Vendors; and
- (b) Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Performance Shares to the Vendors.

2.2 Regulatory Requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The issues of the Consideration Shares and the Performance Shares do not fit within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. Accordingly, the issues of the Consideration Shares and the Performance Shares requires Shareholder approval under Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Consideration Shares.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Performance Shares.

If either of Resolution 1 or 2 is not passed, the Company will still be able to proceed with the issue of the Consideration Shares or Performance Shares (as applicable) however the issue will count towards the Company's capacity under Listing Rule 7.1. Further, as Shareholder approval of the issue of each of the Consideration Shares and Performance Shares is a condition precedent under the Agreements, the Company and the Vendors will have to agree to waive that condition for the Transaction to proceed.

2.3 Resolutions 1 and 2 - Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 1 and 2:

(a) Identity of the persons to whom securities are to be issued

The Consideration Shares and the Performance Shares are to be issued to the Vendors (or their respective nominees). Each Vendor will receive a portion of the

Consideration Shares and Performance Shares in accordance with the distribution arrangements set out in the Agreements.

None of the Vendors are material investors² in the Company.

The Company understands that some of the Vendors may hold a nominal number of securities in the Company. None of the Vendors are related parties of the Company.

(b) **The number and class of securities issued or agreed to issue**

15,000,000 Consideration Shares and 85,000,000 Performance Shares are proposed to be issued pursuant to Listing Rule 7.1.

(c) **A summary of the material terms of the securities, if not all fully paid ordinary securities**

The Consideration Shares will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares. 7.5 million of the Consideration Shares will be subject to a period of 6 months escrow from the date of issue.

A summary of the terms of the Performance Shares is set out in Schedule 1.

(d) **Issue date**

The Consideration Shares and the Performance Shares will be issued within 5 business days of the Company choosing to exercise the Option and in any event within 3 months of the date of the Meeting. Accordingly, the latest date for the issue of the Consideration Shares and the Performance Shares is 7 February 2024, should the Company choose to exercise the Option. This is within 3 months of the date of the Meeting in accordance with Listing Rule 7.3.4.

(e) **Issue price**

The deemed issue price for the Consideration Shares is \$0.15 per Share.

The Performance Shares are proposed to be issued for a nil issue price.

(f) **Purpose of the issue**

The Consideration Shares and Performance Shares are to be issued as consideration to acquire the Tenements from the Vendors pursuant to the terms of the Agreements.

A summary of the material terms of the Agreements is set out in section 1 of the Explanatory Statement and the Company's ASX Announcement of 5 September 2023.³

(g) **Voting exclusion**

A voting exclusion statement for each of Resolutions 1 and 2 is included in the Notice of Meeting preceding this Explanatory Statement.

2.4 Board Recommendation

The Board recommends that Shareholders vote in favour of each of Resolutions 1 and 2.

² ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's Key Management Personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

³ See ASX Announcement "Torque to acquire lithium and gold exposure in WA".

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES UNDER THE PLACEMENT – TRANCHE 1

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

3.1 Regulatory Requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The issue of the Tranche 1 Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Tranche 1 Placement Shares.

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in Listing Rule 7.1.

The issue of the Tranche 1 Placement Shares was completed using the Company's placement capacity under both Listing Rule 7.1 and 7.1A.

Listing Rule 7.4 sets out an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made without shareholder approval under Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rule 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A and as such, do reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1 and 7.1A.

If Resolution 3 is passed, the issue of the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities the Company can issue without shareholder approval over the 12-month period following the date of issue of the Placement Shares.

If Resolution 3 is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of issue of the Tranche 1 Placement Shares.

3.2 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

(a) Identity of the persons to whom securities were issued

The Tranche 1 Placement Shares were issued to sophisticated and professional investors that were introduced to the Company by Euroz. None of the sophisticated and professional investors are a related party of the Company or material investor.⁴

⁴ ASX consider the following to be material investors:
(i). a related party of the entity;

(b) **The number and class of securities issued or agreed to issue**

A total of 23,084,260 Shares comprised the Tranche 1 Placement Shares.

13,450,556 Shares were issued pursuant to Listing Rule 7.1.

9,633,704 Shares were issued pursuant to Listing Rule 7.1A.

(c) **A summary of the material terms of the securities**

The Tranche 1 Placement Shares were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares.

(d) **Issue date**

The Tranche 1 Placement Shares were issued on 14 September 2023.

(e) **Issue price**

The issue price was \$0.12 per Placement Share.

(f) **Purpose of the issue**

If the Company exercises the Option, the net proceeds of the Placement will be used to complete the Transaction and acquire the Tenements; further exploration and drilling at the Paris Project (with the Tenements, to be renamed the Penzance Project) and general working capital.

If the Company does not exercise the Option, the net proceeds of the Placement will be used for further exploration and drilling at the Paris Project and general working capital.

(g) **Voting exclusion**

A voting exclusion statement for Resolution 3 is included in the Notice of Meeting preceding this Explanatory Statement.

4. RESOLUTION 4 - APPROVAL TO ISSUE SHARES UNDER THE PLACEMENT – TRANCHE 2

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

4.1 Regulatory Requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The issue of the Tranche 2 Placement Shares does not fit within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. Accordingly, the issue of the Tranche 2 Placement Shares requires Shareholder approval under Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares.

If Resolution 4 is not passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares but these will be included in the Company's Listing Rule 7.1 capacity, thereby reducing the ability of the Company to issue Shares without shareholder approval in the future.

(ii). a member of the entity's Key Management Personnel;

(iii). a substantial holder in the entity;

(iv). an adviser to the entity; or

(v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

4.2 Resolution 4 - Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

(a) **Identity of the persons to whom securities are to be issued**

The Tranche 2 Placement Shares are proposed to be issued to sophisticated and professional investors that were introduced to the Company by Euroz. None of the sophisticated and professional investors are a related party of the Company or material investor.⁵

(b) **The number and class of securities issued or agreed to issue**

10,249,073 Tranche 2 Placement Shares are proposed to be issued pursuant to Listing Rule 7.1.

(c) **A summary of the material terms of the securities, if not all fully paid ordinary securities**

The Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares.

(d) **Issue date**

The Tranche 2 Placement Shares shall be issued as soon as possible after the Meeting and in any event within three months of the Meeting.

(e) **Issue price**

The issue price for the Tranche 2 Placement Shares is \$0.12 per Share.

(f) **Purpose of the issue**

If the Company exercises the Option, the net proceeds of the Placement will be used to complete the Transaction and acquire the Tenements; further exploration and drilling at the Paris Project (with the Tenements, to be renamed the Penzance Project) and general working capital.

If the Company does not exercise the Option, the net proceeds of the Placement will be used for further exploration and drilling at the Paris Project and general working capital.

(g) **Voting exclusion**

A voting exclusion statement for Resolution 4 is included in the Notice of Meeting preceding this Explanatory Statement.

4.3 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTIONS 5 TO 8 - DIRECTOR PARTICIPATION IN PLACEMENT - PATRICK BURKE, CRISTIAN MORENO, ANTONY LOFTHOUSE AND ANDREW WOSKETT

5.1 Background

As detailed in the Explanatory Statement at section 1 and as announced to ASX on 5 September 2023, the Directors agreed to participate in the Placement.

⁵ ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's Key Management Personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

The Placement included \$170,000 commitments from the Company's Directors, subject to Shareholder approval.

Mr Patrick Burke agreed to subscribe under the Placement for \$50,000 for 416,667 Shares.

Mr Cristian Moreno agreed to subscribe under the Placement for \$50,000 for 416,667 Shares.

Mr Antony Lofthouse agreed to subscribe under the Placement for \$35,000 for 219,666 Shares.

Mr Andrew Woskett agreed to subscribe under the Placement for \$35,000 for 219,666 Shares.

Resolutions 5 to 8 (inclusive) seek the approval of the Shareholders for the issue of Shares to Messrs Burke, Moreno, Lofthouse and Woskett respectively.

5.2 Regulatory Requirements

Listing Rule 10.11 provides that, unless a specified exception applies, a company must not issue or agree to issue securities to a related party without the approval of ordinary shareholders. A "related party", for the purposes of the Listing Rules, has the meaning given to it in the Corporations Act, and includes the directors of a company.

As such, Shareholder approval is sought under Listing Rule 10.11 as Resolutions 5 to 8 (inclusive) propose the issue of up to 1,272,666 Shares under the Placement to the Directors, who are related parties of the Company by virtue of their directorships.

As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

If any of Resolutions 5 to 8 are passed, the Director that is the subject of the relevant Resolution that is passed will be able to participate in the Placement and subscribe for the number of Placement Shares as applicable to that Director as set out at section 5.1 above.

If any of Resolutions 5 to 8 are not passed, the Director that is the subject of the relevant Resolution that is not passed will not be able to participate in the Placement and will not be issued Placement Shares.

Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 5 to 8:

(a) **Name of person to receive securities**

The Shares to be issued under Resolution 5 are to be issued to Mr Patrick Burke.

The Shares to be issued under Resolution 6 are to be issued to Mr Cristian Moreno.

The Shares to be issued under Resolution 7 are to be issued to Mr Antony Lofthouse.

The Shares to be issued under Resolution 8 are to be issued to Mr Andrew Woskett.

(b) **Nature of relationship between person to receive securities and the Company**

Each of Messrs Burke, Moreno, Lofthouse and Woskett is a Director and is, as such, a person who falls within Listing Rule 10.11.1.

(c) **Maximum number and class of securities to be issued**

The maximum number of Securities to be issued to related parties is outlined in the table below.

Name	Amount	Number of Shares based on an issue price of \$0.12 per Share
Mr Patrick Burke	\$50,000	416,667
Mr Cristian Moreno	\$50,000	416,667

Name	Amount	Number of Shares based on an issue price of \$0.12 per Share
Mr Antony Lofthouse	\$35,000	291,666
Mr Andrew Woskett	\$35,000	291,666

(d) **Material terms of the securities**

The Shares to be issued to the Directors will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company will apply to ASX for official quotation of the Shares.

(e) **Date of issue**

The Company will issue the Shares under Resolutions 5 to 8 as soon as possible after the date of the Meeting and in any event within a month of the Meeting.

(f) **Issue price or other consideration**

The issue price will be \$0.12 per Share, being the same issue price as the Placement Shares.

(g) **Purpose of the issue, including the intended use of the funds raised**

If the Company exercises the Option, the net proceeds of the Placement will be used to complete the Transaction and acquire the Tenements; further exploration and drilling at the Paris Project (with the Tenements, to be renamed the Penzance Project) and general working capital.

If the Company does not exercise the Option, the net proceeds of the Placement will be used for further exploration and drilling at the Paris Project and general working capital.

(h) **Relevant agreement**

The Shares are not to be issued under any agreement.

(i) **Voting exclusion statement**

A voting exclusion statement for Resolutions 5 to 8 (inclusive) is included in the Notice of Meeting preceding this Explanatory Statement.

5.3 Regulatory Requirements - Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act and includes the directors of the Company. As such, the Directors are related parties of the Company for the purposes of section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Shares under Resolutions 5 to 8 (inclusive) constitute the provision of a financial benefit to a related party.

One of the nominated exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length).

Approval is not being sought under Chapter 2E of the Corporations Act in Resolutions 5 to 8 (inclusive) as it is the view of the Board that the issue of the Shares by the Company to the Directors is being made on an arm's length basis as the Shares are on the same terms as the Shares issued to sophisticated and professional investors under the Placement.

5.4 Board Recommendation

The Directors decline to make a recommendation to Shareholders with respect to Resolutions 5 to 8 (inclusive), due to the fact each Director has a personal interest in the outcome of the Resolutions.

6. RESOLUTION 9 - APPROVAL TO ISSUE OPTIONS TO EUROZ HARTLEYS LIMITED

6.1 Background

Euroz acted as lead manager to the Placement.

As part consideration for the services provided by Euroz in connection with the Placement, the Company agreed to issue the Broker Options. In addition to the Broker Options, Euroz will also be paid a fee equivalent to 6% of the proceeds from the Placement.

Resolution 9 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Broker Options.

6.2 Regulatory Requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The issue of the Broker Options does not fit within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. Accordingly, the issue of the Broker Options requires Shareholder approval under Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Broker Options.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Broker Options.

6.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

(a) Identity of the persons to whom securities are to be issued:

The Broker Options are to be issued to Euroz.

Euroz is not a related party of the Company or material investor.⁶

(b) The number and class of securities issued or agreed to issue

8,000,000 Broker Options are to be issued pursuant to Listing Rule 7.1.

⁶ ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's Key Management Personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

- (c) **A summary of the material terms of the securities, if not all fully paid ordinary securities**
The material terms of the Broker Options are summarised at Schedule 2.
- (d) **Issue date**
The Broker Options will be issued as soon as possible after the Meeting and in any event within three months of the Meeting.
- (e) **Issue price**
The Broker Options will be issued for an issue price of \$0.00001 per Option.
- (f) **Purpose of the issue**
The issue of the Broker Options is as part consideration for the services provided by Euroz as lead manager to the Placement. In addition to the Broker Options, Euroz will also be paid a fee equivalent to 6% of the proceeds from the Placement.
- (g) **Summary of agreement**
The Broker Options were issued pursuant to terms of the Mandate, a summary of which is at Schedule 3.
- (h) **Voting exclusion**
A voting exclusion statement for Resolution 9 is included in the Notice of Meeting preceding this Explanatory Statement.

6.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 9.

7. RESOLUTION 10 - ISSUE OF PERFORMANCE RIGHTS TO CRISTIAN MORENO

7.1 Background

Shareholders are being asked to approve Resolution 10 to allow performance rights that may vest under the Employee Securities Incentive Plan (**Plan**) to be issued to Cristian Moreno (**Performance Rights**) as set out below.

The Board has determined that the grant of Performance Rights under the Plan to Cristian Moreno is an appropriate form of long-term incentive for the Company's Key Management Personnel. The Board considers that Cristian Moreno is essential to the operation of the Company's ongoing business.

Accordingly, the Company is proposing, subject to obtaining Shareholder approval, to issue the Performance Rights to Cristian Moreno under the Plan.

The key terms and conditions of the Performance Rights (including the vesting condition to be satisfied) are summarised in Schedule 4.

In determining Cristian Moreno's remuneration packages, including this proposed issue of Performance Rights under the Plan, the Board considered the scope of the Directors' roles, the business challenges facing the Company and market practice for the remuneration of executive officers in positions of similar responsibility.

Accordingly, they determine this proposed grant of Performance Rights is appropriate.

As Shareholder approval is being sought under Listing Rule 10.14, approval is not also required under Listing Rule 7.1.

7.2 Regulatory Requirements

Resolution 10 seeks Shareholder approval in order to comply with the requirements of Listing Rules 10.14, 10.19 and sections 200B and 200E of the Corporations Act.

7.3 Listing Rules

As noted in section 7.1, the Company is proposing to issue securities to Cristian Moreno under the Plan (**Issue**).

Listing Rule 10.14 provides that a company must not issue, under an employee incentive scheme, Equity Securities to:

- (a) a director of the Company;
- (b) an associate of a director of the Company;
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by the Shareholders,

unless the issue has been approved by holders of ordinary securities.

The Issue falls within Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 10 seeks the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

If approval is given by Shareholders under Listing Rule 10.14, the Company will be able to proceed with the Issue.

If approval is not given by Shareholders under Listing Rule 10.14, the Issue will not be able to proceed.

Accordingly, under Resolution 10, the Company seeks approval from Shareholders for the issue of Performance Rights to Cristian Moreno, who by virtue of his position as a Director of the Company is a related party of the Company.

Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information:

(a) **Nature of relationship between person to receive securities and the Company**

The Performance Rights are proposed to be issued to Cristian Moreno, who is a related party of the Company in accordance with Listing Rule 10.14.1.

(b) **Maximum number of securities that may be acquired pursuant to the Resolution**

The maximum number of Performance Rights to be issued to Cristian Moreno is 5,000,000.

The Company considers that the number of Performance Rights to be issued is appropriate and equitable because;

- (i) there is an appropriate and demonstrable nexus between the vesting condition (see Schedule 4) and the purpose for which Mr Moreno is being issued the Performance Rights;
- (ii) the vesting condition is clearly articulated with reference to objective criteria that provides Shareholders with certainty as to the circumstances under which the condition will be met;
- (iii) the number of Shares into which the Performance Rights will convert if the vesting condition is achieved is fixed, which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the vesting condition is achieved; and
- (iv) the Performance Rights have an expiry date by which the vesting condition must be achieved and, if the condition is not achieved by that date, the Performance Rights will lapse.

(c) **Issue price**

The Performance Rights will be issued for nil consideration and accordingly no funds will be raised.

(d) **Previous issues under the Plan**

The Company has not previously issued the following securities under the Plan to Mr Moreno

- (i) 1 million Class A Performance Rights in April 2022;
- (ii) 1 million Class B Performance Rights in April 2022;
- (iii) 1 million Class A Performance Rights in April 2023; and
- (iv) 1 million Class B Performance Rights in April 2023.

(e) **Director's current total remuneration package**

Details of the remuneration of Mr Moreno, including his related entities, for the year ending 30 June 2023, is as follows:

Name	Salary & Fees (incl Super) \$	Options \$	Shares \$	Performance Rights	Total Remuneration \$
Cristian Moreno	\$241,259.00	-	-	\$101,200.00	\$342,459.00

(f) **Material terms of the Performance Rights**

A summary of the material terms of the Performance Rights is provided for in Schedule 4 to this Notice.

(g) **Summary of material terms of the Plan**

A summary of the material terms of the Plan is provided for in Schedule 5 to this Notice.

(h) **Use of Performance Rights**

The Company is issuing Performance Rights as a cost effective, non-cash incentive in an effort to incentivise Mr Moreno, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

The issue of the Performance Rights is designed to achieve this objective by encouraging continued improvement in performance over time.

The Board believes that the grant of Performance Rights:

- (i) will align the interests of Mr Moreno with those of Shareholders;
- (ii) is a reasonable and appropriate method to provide cost-effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Moreno; and
- (iii) the Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed.

(i) **Value attributed to the Performance Rights**

The valuation of the Performance Rights as conducted by Company's management, who the Company believes has the necessary experience and competency to perform the valuation, is set out in Schedule 6.

(j) **Eligible participants under the Plan**

Under the Plan, Performance Rights may be issued to Mr Moreno (or his nominee). Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after this Resolution are approved and who are not named in Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

(k) **Issue date**

The Company will issue the Performance Rights under this Resolution as soon as possible after the date of the Meeting and in any event within one month of the Meeting.

(l) **Loan**

No loans have or will be made by the Company in connection with the proposed issue of the Performance Rights.

(m) **Voting exclusion statement**

A voting exclusion statement for this Resolution is included in the Notice of General Meeting preceding this Explanatory Statement.

Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

7.4 Sections 200B and 200E Corporations Act

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan, including the discretion to determine the accelerated or automatic vesting of Performance Rights in certain circumstances.

Under the Plan, a participant may become entitled to accelerated or automatic vesting of Performance Rights if the participant ceases their employment with the Company (whether following a Change of Control Event or otherwise) and the Board exercises its discretion upon cessation of employment. Accordingly, Shareholder approval is sought for Mr Moreno to be given any such benefit in connection with his cessation employment with the Company should the Board exercise its discretion.

If Shareholder approval is given under this Resolution, the Company will still be required to comply with ASX Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest pursuant to the Plan and the market value of the Shares at the time the accelerated vesting or automatic vesting event occurs.

(a) **Details of Termination Benefit**

The Board possesses the discretion to determine, where a participant ceases employment (including following a Change of Control Event) before the vesting or exercise of their Performance Rights that some or all of the Performance Rights do not lapse.

The exercise of this discretion may constitute a "benefit" for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion (should the Board choose to exercise it) and for the provision of such accelerated or automatic vesting rights in respect of any current or future participant in the Plan who ceases their employment with the Company (including following a Change of Control Event) and immediately prior to ceasing their employment held:

- (i) a managerial or executive office in the Company (or any of its related bodies corporate); and
- (ii) unvested Performance Rights issued under the Plan.

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation) to the relevant employee.

(b) Value of the Termination Benefits

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the benefit's value:

- (i) the participant's length of service and the portion of vesting periods at the time they cease employment;
- (ii) the status of the vesting conditions attaching to the Performance Rights at the time the participant's employment ceases; and
- (iii) the number of unvested Performance Rights that the participant holds at the time they cease employment or at the time the change of control occurs (as applicable).

7.5 Section 208 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company. As such, the Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The issue of the Performance Rights under Resolution 10 constitutes the provision of a financial benefit to a related party.

It is the view of the Board (other than Mr Moreno) that the issue of the Performance Rights by the Company to Mr Moreno falls within the "reasonable remuneration" exception under section 211 of the Corporations Act. Accordingly, approval is not being sought under Chapter 2E of the Corporations Act for Resolution 10.

The Company has nevertheless determined to include the information requirements of section 219 of the Corporations Act below for the benefit of Shareholders. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 10.

(a) **Identity of the related parties to whom Resolution permit financial benefits to be given**

The Performance Rights are proposed to be issued to Moreno who is a related party of the Company.

(b) **Nature of the financial benefit**

Resolution 10 seeks approval from Shareholders to allow the Company to issue a total of 5 million Performance Rights to Mr Moreno for nil consideration.

Schedule 4 of this Notice of General Meeting sets out the key terms and conditions of the Performance Rights including the vesting conditions and expiry date of the Performance Rights.

The Shares to be issued upon vesting of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

The issue of Performance Rights and Shares are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The issue of the Performance Rights is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

The Company reviewed the practices of other companies of a similar size and stage of development to determine the number of Performance Rights required to be issued to attract and retain senior directors. Based on that review, the Board determined the number of Performance Rights proposed in Resolution 10 to be appropriate.

(c) **Valuation of financial benefit**

The Company is proposing to issue a total of 5 million Performance Rights under Resolution 10 to Mr Moreno. The indicative fair value of the Performance Rights is set out at Schedule 6.

(d) **Dilution**

If the Performance Rights vest and are exercised, the effect will be to dilute the holdings of Shares of other Shareholders. The issue of the Performance Rights in Resolution 10 will in aggregate be equal to approximately 4.16% of the Company's diluted Share capital in the event that all of the Shares the subject of this Notice are issued and all of the Performance Rights granted pursuant to Resolution 10 vest and are exercised, resulting in a total of 120,183,798 Shares on issue.

(e) **Interests of the Directors in the Company**

The direct and indirect interests of Mr Moreno as at the date of this Notice of General Meeting is as follows:

Name	Shares	Options	Performance Rights
Cristian Moreno	122,093	-	4,000,000

(f) **Remuneration of Directors**

Details of the remuneration of Mr Moreno, including his related entities, for the year ended 30 June 2023, is set out at section 7.3(e) above.

(g) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.375 on 25 September 2023

Lowest: \$0.095 on 28 March 2023

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.345 per Share on 29 September 2023.

(h) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

7.6 Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. As noted in section 7.4 of this Notice, it is the Board's intention to exercise its discretion so that the Performance Rights to be issued to Mr Moreno (or his nominee) for past performance shall not be forfeited by virtue of his resignation.

The value of the termination benefit payable to Mr Moreno (or his nominee) under Resolution 10 depends on the factors set out above in section 7.4 of this Notice. It is possible that the provision of the benefit associated with the vesting and exercise of Performance Rights in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

If the Board does exercise its discretion to vest some or all of the Performance Rights upon the cessation of employment of Mr Moreno, the Company will seek further Shareholder approval for the purposes of Listing Rule 10.19 if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the Company.

7.7 Board Recommendation

In the interests of good corporate practice consistent with ASIC Regulatory Guide 76 (Table 2) for directors to avoid making recommendation on resolutions about each other's remuneration (as there may be a conflict of interest), the Directors do not consider it appropriate to give a recommendation on Resolution 10.

GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

Agreements	has the meaning in section 1 of the Explanatory Statement;
Associate	the meaning given to that term in the Listing Rules;
ASX	ASX Limited or the securities market operated by ASX Limited, as the context requires;
Board	board of Directors;
Broker Options	has the meaning in section 1 of the Explanatory Statement;
Chair	chair of the Meeting;
Consideration Shares	the 15 million Shares to be issued the Vendors, the subject of Resolution 1;
Change of Control Event	except as indicated otherwise, means: (a) a change in Control of the Company; (b) where Shareholders approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person owning more than 50% of the issued capital; (c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than 50% of issued capital; (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than 50% of issued capital; and (e) where a takeover bid is made to acquire more than 50% of issued capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of issued capital) and the takeover bid becomes unconditional and the bidder (together with its Associates) has a relevant interest in more than 50% of issued capital, but does not include any internal reorganisation of the structure, business and/or assets of the Company Group;
Company	Torque Metals Limited (ACN 621 122 905);
Control	has the same meaning as in section 50AA of the Corporations Act;
Constitution	constitution of the Company;
Corporations Act	<i>Corporations Act 2001</i> (Cth);
Director	director of the Company;
Equity Securities	has the meaning given to that term in the Listing Rules;
Euroz	Euroz Hartleys Limited (ACN 104 195 057);

Explanatory Statement	the explanatory statement that accompanies this Notice of Meeting;
Issue	has the meaning in section 7.3 of the Explanatory Statement;
Key Management Personnel	key management personnel of the Company (as defined in section 9 of the Corporations Act);
Listing Rules	means the listing rules of the ASX;
Mandate	means the lead manager mandate between the Company and Euroz dated 26 February 2023;
Meeting or Extraordinary General Meeting	the Extraordinary General Meeting convened by this Notice of Meeting;
Notice of Meeting or Notice	this notice of Extraordinary General Meeting;
Option	has the meaning in section 1 of the Explanatory Statement;
Penzance Project	has the meaning in section 1 of the Explanatory Statement;
Performance Rights	the performance rights to be issued to Cristian Moreno, the subject of Resolution 10;
Performance Shares	the 85 million performance shares to be issued the Vendors, the subject of Resolution 2;
Placement	has the meaning in section 1 of the Explanatory Statement;
Placement Shares	has the meaning in section 1 of the Explanatory Statement;
Plan	the Company's Employee Securities Incentive Plan;
Proxy Form	the proxy form enclosed with this Notice of Meeting;
Resolution	resolution contained in this Notice of Meeting;
Schedule	schedule to this Notice of Meeting;
Share	fully paid ordinary share in the capital of the Company;
Shareholder	holder of a Share in the Company;
Tenements	has the meaning in section 1 of the Explanatory Statement;
Tranche 1 Placement Shares	has the meaning in section 1 of the Explanatory Statement;
Tranche 2 Placement Shares	has the meaning in section 1 of the Explanatory Statement;
Transaction	has the meaning in section 1 of the Explanatory Statement;

Vendors	Abeh Pty Ltd and its associates;
WST	Australian Western Standard Time.

SCHEDULE 1 – SUMMARY OF TERMS AND CONDITIONS OF PERFORMANCE SHARES

1. Vesting conditions

The Performance Shares will be subject to the following vesting conditions (**Vesting Condition**):

Tranche	Number of Performance Shares	Vesting Condition	Expiry Date
1	30 million	On announcement of an indicated or measured JORC compliant resource estimate greater than 5 million tonnes at a minimum grade of 1% Li ₂ O equivalent ⁷ at the Projects.	5 years from the date of issue.
2	30 million	On announcement of an indicated or measured JORC compliant resource estimate greater than 10 million tonnes at a minimum grade of 1% Li ₂ O equivalent at the Projects.	5 years from the date of issue.
3	25 million	On announcement of an indicated or measured JORC compliant resource estimate greater than 15 million tonnes at a minimum grade of 1% Li ₂ O equivalent at the Projects.	5 years from the date of issue.

2. Notification to holder

Torque shall immediately notify the Vendors in writing when the relevant Performance Milestone has been satisfied.

3. Conversion

Subject to paragraph 14, upon satisfaction of the applicable Performance Milestone, each Performance Share will at the election of the applicable Vendor convert into one Share. Conversion of Performance Shares can be made by the Vendor providing written notice to Torque.

4. Change of Control

- (i) Subject to paragraph 4(ii) below, in the circumstance of a “Change of Control Event” (as defined below) of the Company occurring, the relevant Performance Milestone is deemed to be automatically satisfied and each Performance Share will, at the election of the Vendor, convert into one Share.

For the purposes of this clause, a “**Change in Control Event**” means:

- (A) the occurrence of:
- i. the offeror under a takeover bid pursuant to Chapter 6 of the Corporations Act in respect of the Shares announcing that it has achieved acceptances in respect of more than 50% of all Shares; and
 - ii. that takeover bid being, or having become or been declared, unconditional; or
- (B) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the court made under section 411(4)(b) of the Corporations Act in respect of a members scheme of arrangement under Part 5.1 of the Corporations Act under which all Shares are to be either cancelled or transferred to a third party (but not a scheme of arrangement for the purposes of a corporate restructure (including

⁷ Li₂O equivalent includes rubidium, caesium, tin and tantalum as equivalent elements.

change of domicile, consolidation, sub-division, reduction or return) of the issued capital of Torque).

- (ii) The maximum number of Performance Shares that can be converted into Shares under paragraph 4(i) upon a Change of Control Event must not exceed 10% of the issued Share capital of Torque (as at the date of the Change of Control Event).

5. **Lapse of a Performance Share**

Any Performance Share that has not been converted into a Share prior to the applicable Expiry Date specified in paragraph 1 will automatically lapse.

6. **Share ranking**

All Shares issued upon the conversion of Performance Shares on satisfaction of the applicable Performance Milestone will upon issue rank pari passu in all respects with other Shares.

7. **Application to ASX**

The Performance Shares will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Share on ASX within the time period required by the ASX Listing Rules.

8. **Timing of issue of Shares on Conversion**

Within 10 business days after date that Performance Shares are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Shares converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Shares.

If a notice delivered under paragraph (8)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

9. **Transfer of Performance Shares**

The Performance Shares are not transferable.

10. **Participation in new issues**

A Performance Share does not entitle a holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

11. **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

12. **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Share will be increased

by the number of Shares or other securities which the Vendor would have received if the Vendor had converted the Performance Share before the record date for the bonus issue.

13. **Dividend and Voting Rights**

The Performance Shares do not confer on the Vendor an entitlement to vote (except as otherwise required by law) or receive dividends.

14. **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Share would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Vendor will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph 14(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Vendor will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

15. **No rights to return of capital**

A Performance Share does not entitle the Vendor to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

16. **Rights on winding up**

A Performance Share does not entitle the Vendor to participate in the surplus profits or assets of the Company upon winding up of the Company.

17. **ASX Listing Rule compliance**

The board of Torque reserves the right to amend any term of the Performance Shares to ensure compliance with the ASX Listing Rules.

18. **No other rights**

A Performance Share gives the Vendor no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

SCHEDULE 2 - SUMMARY OF TERMS AND CONDITIONS OF BROKER OPTIONS

1. **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. **Issue and Exercise Prices**

The Options will be issued for an issue price of \$0.00001 each.

The Options will have an exercise price of \$0.18 each (**Exercise Price**).

3. **Expiry Date**

Each Option may be exercised at any time before 5.00pm (WST) on the date that is three (3) years after the date of issue of the Options (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire.

4. **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

5. **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

7. **Quotation**

The Company will not apply for quotation of the Options on ASX.

8. **Timing of issue of Shares on exercise**

Not more than 5 business days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph 8(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

9. **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

10. **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

11. **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

12. **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

13. **Transferability**

The Options are transferable subject to the Company's Constitution, any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 - SUMMARY OF TERMS AND CONDITIONS OF MANDATE

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

1. **Engagement**

Euroz has been engaged to provide general corporate advice, advice with respect to mergers and acquisitions to be undertaken by the Company, capital raising services as well as to act as lead manager in the event that the Company undertakes any capital raising (**Engagement**).

2. **Term**

The Engagement commenced on 26 February 2023 and will continue until terminated in accordance with the terms of the Mandate (**Term**). Either party may terminate the Mandate by providing 6 months written notice to the other party.

3. **Fees**

Euroz will receive the following fees for work undertaken in relation to the Engagement:

(a) Advisory fees

\$5,000 per month.

(b) Capital raising fees

The Company will pay Euroz a fee of 6% of the proceeds from any capital raising undertaken during the Term.

4. **Indemnities**

The Company will indemnify Euroz, its related bodies corporate and their respective officers, employees and agents (**Indemnified Parties**) against all claims, losses and liabilities arising in connection with the Engagement, except to the extent that these are determined by a court to have arisen as a result of the Indemnified Parties' willful misconduct or gross negligence.

5. **Other terms**

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

SCHEDULE 4 – SUMMARY OF TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

1. Vesting conditions

Subject to the terms and conditions below, each Performance Right is convertible into one (1) Share, upon satisfaction of the following vesting condition (**Vesting Condition**):

Performance Rights	Vesting Condition
5 million Class A Performance Rights	The volume weighted average price of the Company's Shares over a consecutive period of 20 trading days being not less than \$0.40.

2. General terms

- (a) The Performance Rights shall lapse at 5.00pm (WST) on 22 November 2024 (**Expiry Date**).
- (b) The Performance Rights will be granted for nil consideration.
- (c) The Board may, at its discretion, and by notice to the holder of a Performance Right (**Holder**), adjust or vary the terms of a Performance Right, subject to the requirements of the Listing Rules. No adjustment or variation to these terms will be made without the prior written consent of each Holder, if such adjustment or variation would have a materially prejudicial effect upon that Holder (in respect of their outstanding Performance Rights).
- (d) The Performance Rights do not confer any right to vote at general meeting.
- (e) The Performance Rights do not entitle the Holder to any dividends.
- (f) The Performance Rights do not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (g) The Performance Rights are not transferable.
- (h) The Performance Rights will not be quoted on ASX. However, upon conversion of the Performance Rights into Shares, the Company must, within five (5) Business Days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (i) Holders of Performance Rights will not be entitled to participate in new issues of securities offered to holders of Shares such as bonus issues and entitlement issues, unless and until the Holder is entitled to convert the Performance Rights, and does so before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares.

3. Conversion of Performance Rights

- (a) Holders may convert their Performance Rights into Shares by delivering to the Company Secretary, in the period between the relevant Vesting Condition being satisfied and the relevant Expiry Date:
 - (i) the certificate or holding statement for the Performance Rights; and
 - (ii) a notice signed by the Holder stating the Holder wishes to convert the Performance Rights and specifying the number of Performance Rights which are to be converted.
- (b) The Company shall issue to the Holder Shares, and deliver holding statements following conversion within 5 Business Days of receipt of receipt of the notice in paragraph 3(a)(ii).
- (c) Shares issued following conversion of a Performance Right shall rank, from the date of issue, equally with existing Shares of the Company in all respects.

4. Lapse of Performance Rights

A Performance Right will lapse where:

- (a) the Holder ceases its employment with the Company and the Vesting Condition has not been met;

- (b) the Vesting Conditions are unable to be satisfied; or
- (c) the Expiry Date has passed,
whichever is earlier.

5. **Change of Control Event**

- (a) On the occurrence of a Change of Control Event, the Board may determine that any unvested Performance Rights will vest, despite the non-satisfaction of any Vesting Conditions and become convertible into Shares with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event.
- (b) In any event, the maximum number of Performance Rights that can be converted into Shares and issued upon a Change of Control Event must not exceed 10% of the issued Share capital of the Company (as at the date of the Change in Control Event).

SCHEDULE 5 - SUMMARY OF TERMS AND CONDITIONS OF INCENTIVE PLAN

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

1. **Eligible Participant**

A Person that may participate in the Plan is an "Eligible Participant".

Eligible Participant means a person that:

- (a) is an "ESS Participant" (as that term is defined in Divisions 1A of Part 7.12 of the Corporations Act) in relation to an invitation made by the Company on or after 1 October 2022; and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

2. **Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with Shareholders of the Company Group, by providing an opportunity to Eligible Participants to receive an equity interest in the Company.

3. **Plan administration**

The Plan is administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion.

4. **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for securities on such terms and conditions as the Board decides.

5. **Grant of Securities**

On receipt of a duly completed application from an Eligible Participant, the Company may grant the Participant the relevant number of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. **Terms of Convertible Securities**

Each convertible security (**Convertible Security**) represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan.

Unless permitted by the Plan, a Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security.

7. **Vesting of Convertible Securities**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. If the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **Exercise of Convertible Securities and cashless exercise**

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities, pay the exercise price (if any) to the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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

9. **Cashless exercise**

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

10. **Delivery of Shares on exercise of Convertible Securities**

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue to that Participant the number of Shares to which the Participant is entitled under the Plan rules.

11. **Forfeiture of Convertible Securities**

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

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

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

12. **Change of Control:**

If a Change of Control Event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

13. **Rights attaching to Plan Shares:**

All Shares issued under the Plan, including upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

14. **Disposal restrictions on Plan Shares**

Plan Shares may be subject to restrictions as to the disposal or other dealing by a Participant for a period, during which the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

15. **Adjustment of Convertible Securities:**

If there is a reorganisation of the issued Share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the

Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

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

16. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares during the currency of the Convertible Securities without exercising the Convertible Securities.

17. Compliance with Applicable Laws

Notwithstanding the Plan rules or any terms of a security, no security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable laws.

Where monetary consideration is payable by the Eligible Participant, including in respect of the exercise price of Convertible Securities, the Company must reasonably believe when making an invitation:

- (a) the total number of Plan Shares that are, or are covered by the securities that may be issued under an invitation; and
- (b) the total number of Plan Shares that are, or are covered by the Securities that have been issued, or could have been issued in connection with the Plan in reliance on Division 1A of Part 7.12 of the Corporations Act at any time during the previous 3 year period prior to the date the invitation is made,

does not exceed:

- (c) the issue cap percentage prescribed in the Constitution (if any); or
- (d) if the Constitution does not specify an issue cap percentage, 5%

of the total number of Shares on issue at the date of the invitation.

18. Amendment of Plan

The Board may amend the Plan, including (without limitation) the terms and conditions upon which any securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

SCHEDULE 6 – PERFORMANCE RIGHTS VALUATION

Class A Performance Rights

A valuation of the Class A Performance Rights has been prepared using the Monte-Carlo Valuation Method that was prepared on 13 September 2023 by management of the Company who has the relevant technical competency and experience. The valuation applied a number of assumptions and variables, including the following:

- the closing price of shares traded on ASX as at 13 September 2023 was \$0.265;
- a risk free rate of 4.05% has been adopted;
- a dividend yield of nil has been adopted;
- a volatility factor of 78% has been adopted;
- expiry date of 22 November 2024 and;
- issued 5,000,000 performance rights.

The estimate value of the performance rights is \$0.1951 per security. On this basis the total value of the financial benefit, if approved, is estimated to be:

Cristian Moreno	\$975,500
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ONLINE PROXY APPOINTMENT
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MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

EXTRAORDINARY GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Torque Metals Limited and entitled to attend and vote hereby:

APPOINT A PROXY

☐ The Chair of the Meeting **OR** ☐

 **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Extraordinary General Meeting of the Company to be held **at Level 3, 88 William Street, Perth WA 6000 on Tuesday, 7 November 2023 at 2:00 pm (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 10 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Approval to issue Shares to Vendors	☐	☐	☐
2 Approval to issue Performance Shares to Vendors	☐	☐	☐
3 Ratification of prior issue of Shares under the Placement - Tranche 1	☐	☐	☐
4 Approval to issue Shares under the Placement – Tranche 2	☐	☐	☐
5 Director Participation in Placement - Patrick Burke	☐	☐	☐
6 Director Participation in Placement - Cristian Moreno	☐	☐	☐
7 Director Participation in Placement – Antony Lofthouse	☐	☐	☐
8 Director Participation in Placement – Andrew Woskett	☐	☐	☐
9 Approval to issue of Options to Euroz Hartleys Limited	☐	☐	☐
10 Issue of Performance Rights to Cristian Moreno	☐	☐	☐

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary ☐ Director/Company Secretary (Delete one) ☐ Director ☐

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐ Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 10, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 10.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 2:00 pm (WST) on 5 November 2023, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033