For a public offer of 22,500,000 Shares at an issue price of $0.20 each to raise $4,500,000.

Oversubscriptions of up to a further 12,500,000 Shares at an issue price of $0.20 each to raise a further $2,500,000 may be accepted.

ASX Code: TOR

Lead Manager

Sanlam
PRIVATE Wealth

AFSL 337927
This replacement prospectus has been primarily issued to provide information on the initial public offer of a minimum of 22,500,000 Shares and a maximum of 35,000,000 Shares to be issued at a price of $0.20 per Share to raise a total of a minimum of $4,500,000 and a maximum of $7,000,000 (before costs) (Public Offer).

This replacement prospectus also contains the secondary offer of up to 5,000,000 Lead Manager Options to the Lead Manager (or its nominees) (Lead Manager Offer).

It is proposed that the Offers will close at 5.00pm (WST) on 30 November 2018. The Directors reserve the right to close the Offers earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Securities offered pursuant to this replacement prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Securities.

This replacement prospectus has been issued to replace a prospectus dated 18 October 2018.
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Important Information

Replacement Prospectus
This Prospectus is dated, and was lodged with ASIC on, the Prospectus Date. This Replacement Prospectus replaces the Original Prospectus that was issued by the Company and lodged with ASIC on the Original Prospectus Date.

For the purposes of this document, this Replacement Prospectus is referred to as either the "Replacement Prospectus" or "Prospectus".

This Replacement Prospectus has been issued to:
• update the Letter from the Managing Director and Sections 2.1 and 2.5 of the Prospectus to remove references to:
  o historical production and resources within the Bullfinch area;
  o references to exploration activities undertaken by third parties within the Bullfinch area;
  o preliminary exploration activities undertaken by the Company; and
  o the Company’s intention to pursue additional resource opportunities; and
• replace the Independent Geologist’s Report, which has been updated to accommodate the updates described above.

Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date the Original Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application was made to ASX within 7 days of the Original Prospectus Date for Official Quotation of the Shares the subject of the Public Offer.

No person is authorised to give any information or to make any representation in connection with the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. No document or information included on the Company's website is incorporated by reference into this Prospectus.

Offers outside Australia
No action has been taken to register or qualify the Securities the subject of this Prospectus, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Subject to the provisions outlined in Section 1.16, certain persons resident in New Zealand, Singapore and Hong Kong are eligible to participate in the Offers.

Electronic Prospectus and Application Forms
This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.torquemetals.com. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office before the Closing Date by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.torquemetals.com. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. No document or information included on the Company's website is incorporated by reference into this Prospectus.

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Subject to the provisions outlined in Section 1.16, certain persons resident in New Zealand, Singapore and Hong Kong are eligible to participate in the Offers.
Speculative Investment
The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus
Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements
This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are expected to take place.

Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams
Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Miscellaneous
All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 9.
CORPORATE DIRECTORY

Directors
Ian D. Finch          Managing Director
Neil W. McKay         Executive Director
Tshung H. Chang       Non-Executive Director

Company Secretary
Neil W. McKay

Proposed Securities Exchange Listing
Australian Securities Exchange (ASX)
ASX Code: TOR

Registered and Principal Office
Level 2
38 Richardson Street
West Perth WA 6005
Phone (within Australia): 08 6323 6826
Phone (outside Australia): +61 8 6323 6826
Email: admin@torquemetals.com
Website: www.torquemetals.com

Share Registry
Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009
Phone (within Australia): 08 9389 8033
Phone (outside Australia): +61 8 9389 8033
Fax: +61 8 9262 3723

Mailing Address
P.O. Box 27
West Perth WA 6872

Independent Geologist
Agricola Mining Consultants Pty Ltd
P.O. Box 473
South Perth WA 6951

Lawyers
Bellanhouse Lawyers
Level 19 Alluvion
58 Mounts Bay Road
Perth WA 6000

Auditor
Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
Perth WA 6000

Investigating Accountant
Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
Perth WA 6000

Lead Manager
Sanlam Private Wealth Pty Ltd
Level 7, 100 Collins Street
Melbourne VIC 3000
Letter from the Managing Director

On behalf of the board of Torque Metals Ltd (Torque or the Company) I am pleased to present this Prospectus to you, and to invite you to become a shareholder in the Company.

Torque was incorporated on 16 August 2017 specifically to explore and, where considered economically positive, to develop gold mines in, and around, the historic gold province centered on the town of Bullfinch, which lies approximately 40 kms North of the town of Southern Cross, midway between Perth and Kalgoorlie in Western Australia.

Torque recently concluded the purchase of a number of contiguous mineral tenements (aggregating approximately 405 km²) from Talga Resources Limited. It has subsequently applied for and was granted an adjoining Exploration Licence (EL77/2522) to the East of the Talga ground, covering an area of approximately 210 km². The Company, therefore, has 100% ownership of 615 km² of the highly prospective Bullfinch gold province.

The Bullfinch area is known for its gold discoveries dating back to 1887. However, despite significant recorded gold production from within a 100 km radius of the project area, local gold production has been dominated by the singular Copperhead gold mine which commenced production in 1910 and, after 3 periods of production, finally closed in 1997.

The technical due diligence undertaken by Torque prior to exercising its option to acquire its interest in the tenements from Talga Resources Limited were positive, and in the Board’s view provide sufficient justification to undertake further exploration activities within the area.

Few modern exploration techniques have been employed in the area of the Bullfinch tenements. A core part of the Company's strategy will therefore be to apply modern exploration techniques to the tenements and leverage the expertise of its Directors with a view to monetising the project through a thorough evaluation of each of the mineral exploration potential and the proposed development scenarios presented.

The purpose of the capital raising under this Prospectus is to raise a minimum of $4,500,000 and a maximum of $7,000,000 (before costs) by the issue of up to 35,000,000 fully paid ordinary shares at a price of $0.20 each. As detailed in Section 1.6 of this Prospectus, the proceeds of this capital raising are intended to be applied primarily towards evaluation and exploration of the Bullfinch project, as well as administration, administration and general working capital and corporate overheads.

This Prospectus contains detailed information about the Public Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 3).

Having read much of the available literature on the Bullfinch area, and visited some of the gold occurrences on the ground, one can’t help but be optimistic that our goals can be achieved.

I am looking forward to the challenge and invite you to join us.

Yours faithfully

Ian D. Finch
Managing Director
INDICATIVE TIMETABLE

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of this Prospectus with ASIC</td>
<td>8&lt;sup&gt;th&lt;/sup&gt; November 2018</td>
</tr>
<tr>
<td>Opening Date for the Offers</td>
<td>8&lt;sup&gt;th&lt;/sup&gt; November 2018</td>
</tr>
<tr>
<td>Closing Date for the Offers</td>
<td>30&lt;sup&gt;th&lt;/sup&gt; November 2018</td>
</tr>
<tr>
<td>Issue of Securities under the Offers</td>
<td>4&lt;sup&gt;th&lt;/sup&gt; December 2018</td>
</tr>
<tr>
<td>Despatch of holding statements</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; December 2018</td>
</tr>
<tr>
<td>Expected date for quotation on ASX</td>
<td>12&lt;sup&gt;th&lt;/sup&gt; December 2018</td>
</tr>
</tbody>
</table>

**Note:**

The above dates are indicative only and may change without notice. The Company reserves the right to amend the timetable at any time. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to participate in the Offers.
### Key Offer Statistics

<table>
<thead>
<tr>
<th>Key details of the Offers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer Price per Share</td>
<td>$0.20</td>
</tr>
<tr>
<td>Shares available under the Public Offer</td>
<td></td>
</tr>
<tr>
<td>Minimum: 22,500,000</td>
<td></td>
</tr>
<tr>
<td>Maximum: 35,000,000</td>
<td></td>
</tr>
<tr>
<td>Gross proceeds from the Public Offer</td>
<td></td>
</tr>
<tr>
<td>Minimum: $4,500,000</td>
<td></td>
</tr>
<tr>
<td>Maximum: $7,000,000</td>
<td></td>
</tr>
<tr>
<td>Options available under the Lead Manager Offer</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Key terms of the Lead Manager Options</td>
<td></td>
</tr>
<tr>
<td>Exercise price: $0.25</td>
<td></td>
</tr>
<tr>
<td>Expiry date: 3 years from date of Admission</td>
<td></td>
</tr>
</tbody>
</table>

### Capital Structure

#### Securities on issue as at Prospectus Date

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>23,966,667</td>
</tr>
<tr>
<td>Performance Rights</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Options</td>
<td>Nil</td>
</tr>
</tbody>
</table>

#### Securities on issue upon Admission

<table>
<thead>
<tr>
<th>Securities on issue upon Admission</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>46,466,667</td>
<td>58,966,667</td>
</tr>
<tr>
<td>Performance Rights¹</td>
<td>12,000,000</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Options²</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

#### Indicative free float on Admission

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>~54%</td>
<td>~64%</td>
</tr>
</tbody>
</table>

### Notes:

1. Refer to Section 7.2 for the terms and conditions of the Performance Rights.
2. Refer to Section 7.3 for the terms and conditions of the Lead Manager Options.
INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>More Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company and Offer overview</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who is the Company and what does it do?</td>
<td>Torque Metals Limited (ACN 621 122 905) (Company) is an Australian company incorporated on 16 August 2017 for the purpose of pursuing various investment opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities.</td>
<td>Section 2.1</td>
</tr>
<tr>
<td>What is the Company's project?</td>
<td>From Admission, the Company will hold a 100% interest in six exploration licences and one prospecting licence within the Bullfinch area of the Yilgarn Mineral Fields of Western Australia. The licences are collectively referred to in this Prospectus as the Bullfinch Project. A schedule of the Company's interests in the Bullfinch Project is in Section 2.5(b). The Board considers that the Bullfinch Project is prospective for gold.</td>
<td>Section 2.1</td>
</tr>
<tr>
<td>What is the Company's financial position?</td>
<td>The Company was incorporated on 16 August 2017. The Company has previously been funded by: (a) a loan from Mr. T.H. Chang (Non-Executive Director) (refer to Section 4.5 for details); and (b) a seed raising (refer to the Investigating Accountant's Report in Section 5 for details). The Company has not earned any revenue and expenses incurred to date relate to acquisition of tenements from Talga Resources Limited, the application for EL77/2522 (now granted), exploration expenses, general working capital, and the expenses of the Offers and proposed listing. An Investigating Accountants Report is included in Section 5 which contains a summary of the financial history of the Company. The Board is satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.</td>
<td>Sections 2.6 and 5</td>
</tr>
<tr>
<td>What is the proposed use of funds raised under the Public Offer?</td>
<td>The Company proposes to use the funds raised from the Public Offer to: (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the</td>
<td>Section 1.7</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>More Information</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>------------------</td>
</tr>
<tr>
<td>Company’s application for Admission;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) position the Company to seek to achieve the objectives detailed in Section 2; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) fund general administration and working capital expenses and the costs of the Offers.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What is the Company's strategy?
Following completion of the Offers the Company intends to undertake exploration on the Bullfinch Project and to pursue new projects and opportunistic acquisitions in the resource sector in various jurisdictions to create additional Shareholder value. | Section 2.1 |

**Summary of Key Risks**

Prospective investors should be aware that subscribing for Securities involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered **highly speculative**. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks.

| Limited history | The Company was incorporated on 16 August 2017 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Bullfinch Project or any future projects the Company may acquire an interest in. Until the Company is able to realise value from such projects, it is likely to incur operational losses. | Section 3.1(a) |

| Conditionality of Offers | The obligation of the Company to issue the Securities under the Offers is conditional on the matters set out in Section 1.5. If these conditions are not satisfied, the Company will not proceed with the Offers. Failure to complete the Offers may have a material adverse effect on the Company's financial position. | Section 3.1(b) |

<p>| Transfer risk | The Company acquired 100% legal and beneficial ownership of the Talga Tenements on 18 July 2018, the date of completion of the Acquisition Agreement. However, as at the Prospectus Date, the Company is not the registered owner of the Talga Tenements. The Acquisition Agreement has been lodged with the Western Australian Office of State Revenue for the assessment of duty and stamping. Transfers of the Talga Tenements to the Company as the registered holder cannot be registered until such time as the duty is assessed and paid and the stamped documents are received. Until such time as transfers of the Talga Tenements have been registered, the Company has the exclusive right to enter and explore the Talga | Section 3.1(c) |</p>
<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>More Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future capital requirements</td>
<td>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Bullfinch Project, or any future projects the Company may acquire an interest in, are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offers should be adequate to fund its business development activities, exploration program and other Company objectives as stated in this Prospectus. In order to successfully develop the Bullfinch Project, or any future projects the Company may acquire an interest in, and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.</td>
<td>Section 3.1(d)</td>
</tr>
<tr>
<td>Exploration and development risks</td>
<td>Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Bullfinch Project, or any future projects the Company may acquire an interest in, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</td>
<td>Section 3.2(a)</td>
</tr>
<tr>
<td>Metals and currency price</td>
<td>The Company's ability to proceed with the development of the Bullfinch Project, or any future projects the Company may acquire an interest in, and benefit from any future mining operations will depend on market factors which may be beyond the Company's</td>
<td>Section 3.2(e)</td>
</tr>
</tbody>
</table>
control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of other base and precious metals, and industrial metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any offtake agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold, other base and precious metals and industrial metals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>More Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Native title risk</td>
<td>The <em>Native Title Act 1993</em> (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.</td>
<td>Section 3.2(g)</td>
</tr>
<tr>
<td>Third party risks</td>
<td>Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and pay compensation to the holders of third-party interests which overlay areas within the Bullfinch Project, including native title claims and pastoral leases, prior to accessing or commencing any exploration or mining activities on the affected areas within the Bullfinch Project. Any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities or mining within the affected areas.</td>
<td>Section 3.2(h)</td>
</tr>
<tr>
<td>Environmental risk</td>
<td>The operations and proposed activities of the Company are subject to Western Australian and Commonwealth laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. The cost and complexity of complying with the applicable environmental laws and regulations may prevent</td>
<td>Section 3.2(i)</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>More Information</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>------------------</td>
</tr>
<tr>
<td>Licences, permits and approvals</td>
<td>The mineral rights and interests held or to be held by the Company will be subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.</td>
<td>Section 3.2(j)</td>
</tr>
<tr>
<td>Reliance on key personnel</td>
<td>The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.</td>
<td>Section 3.2(k)</td>
</tr>
</tbody>
</table>

### Directors, Related Party Interest and Substantial Holders

**Who are the Directors?**

(a) Mr. Ian D. Finch – Managing Director;
(b) Mr. Neil W. McKay – Executive Director, Chief Financial Officer and Company Secretary; and
(c) Mr. Tshung H. Chang – Non-Executive Director.

"Corporate Directory" and Section 6

**What benefits are being paid to the Directors?**

(a) Mr. Ian D. Finch – Employment Agreement pursuant to which Mr. Finch has been engaged as Managing Director for a salary of $20,000 per month.
(b) Mr. Neil W. McKay – Employment Agreement pursuant to which Mr. McKay has been engaged as an Executive Director, Company Secretary and Chief Financial Officer for a salary of $16,667 per month.
(c) Mr. Tshung H. Chang – Agreement pursuant to which Mr. Chang has been engaged as a Non-Executive Director for base fees of $36,000 per annum.

Each of the Directors have also been issued with 4,000,000 Performance Rights, on the terms and conditions in Section 7.2.

Section 4.3
## What interests do Directors have in Securities?

The Directors and their related entities hold the following interests in Securities as at the Prospectus Date:

<table>
<thead>
<tr>
<th>Director</th>
<th>Shares</th>
<th>Performance Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian D. Finch¹</td>
<td>10,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Neil W. McKay¹</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Tshung H. Chang²</td>
<td>7,300,000</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Notes:
1. Mr. Finch and Mr. McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 10,000,000 Shares.
2. 7,150,000 Shares are held by Mr. Chang. Mr. Chang is deemed to have a relevant interest in the remaining 150,000 Shares are held by Mr. Chang’s parents.

As at the Prospectus Date, it is not intended that the Directors will subscribe for Securities pursuant to the Offers.

### More Information

Section 6.4

## What important contracts with related parties is the Company a party to?

The Company has entered into the following related party transactions on arms’ length terms:

- (a) letters of appointment or services agreements with each of its Directors (refer to Section 4.3 for details);
- (b) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 4.4 for details); and
- (c) loan agreement pursuant to which Mr. Tshung H. Chang has advanced funding to the Company (refer to Section 4.5 for details).

### More Information

Sections 4.3, 4.4 and 4.5

## Who will be the substantial holders of the Company?

As at the Prospectus Date, the following Shareholders hold a relevant interest in 5% or more of the Shares:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turf Moor Pty. Ltd¹</td>
<td>10,000,000</td>
<td>41.7%</td>
</tr>
<tr>
<td>Tshung H. Chang²</td>
<td>7,300,000</td>
<td>30.5%</td>
</tr>
</tbody>
</table>

Notes:
1: Mr. Finch and Mr. McKay are equal 50% shareholders in Turf Moor Pty. Ltd.
2. 7,150,000 Shares are held by Mr. Chang. Mr. Chang is deemed to have a relevant interest in the remaining 150,000 Shares are held by Mr. Chang’s parents.

Based on the information known as at the Prospectus Date, on Admission, the following Shareholders are expected to hold a
relevant interest in 5% or more of the Shares:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turf Moor Pty. Ltd¹</td>
<td>10,000,000</td>
<td>21.5%</td>
</tr>
<tr>
<td>Tshung H. Chang²</td>
<td>7,300,000</td>
<td>15.7%</td>
</tr>
</tbody>
</table>

Note 1: The percentage specified above is on the basis of the Minimum Subscription. The percentage will be reduced if an amount greater than the Minimum Subscription is raised under the Public Offer.

What are the Offers?

<table>
<thead>
<tr>
<th>What is the Public Offer?</th>
<th>The Public Offer is a conditional public offering of: (a) minimum of 22,500,000 Shares to raise $4,500,000 (before costs); and (b) maximum of 35,000,000 Shares to raise $7,000,000 (before costs).</th>
<th>Sections 1.1 to 1.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the Offer Price?</td>
<td>$0.20 per Share.</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>How do I apply for Shares under the Public Offer?</td>
<td>Applications for Shares under the Public Offer can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form.</td>
<td>Section 1.10</td>
</tr>
<tr>
<td>Will the Shares be quoted?</td>
<td>The Company applied to the ASX for Admission and quotation of Shares under the code “TOR” within seven days of the Original Prospectus Date.</td>
<td>&quot;Corporate Directory&quot; and Section 1.12</td>
</tr>
<tr>
<td>What is the Lead Manager Offer?</td>
<td>The Lead Manager Offer is the offer of 5,000,000 Lead Manager Options to the Lead Manager (or its nominees). 2,000,000 of the Lead Manager Options are being issued to the Lead Manager (or its nominees) as partial consideration for the lead manager services provided in connection with the Public Offer. Up to 3,000,000 of the Lead Manager Options are being issued to the Lead Manager or third-party nominees invited by the Lead Manager or the Company to participate in the Public Offer. The Company is undertaking the Lead Manager Offer under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Securities (or any Shares issued on exercise of the Lead Manager Options) that are issued under the Lead Manager Offer.</td>
<td>Sections 1.4 and 4.2</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>More Information</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>------------------</td>
</tr>
</tbody>
</table>
| What are the conditions of the Offers? | The Offers are conditional upon the following events occurring:  
(a) the Company raising the Minimum Subscription; and  
(b) ASX granting conditional approval to Admission on conditions satisfactory to the Company.  
If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act. | Section 1.5 |
| For what period will the Offers be open? | An indicative timetable for the Offers is set out on page vi of this Prospectus. | "Indicative Timetable" |
| What is the allocation policy? | The Directors will allocate Securities under the Offers at their sole discretion in consultation with the Lead Manager with a view to ensuring an appropriate Shareholder base for the Company going forward. There is no assurance that any Applicant will be allocated any Securities, or the number of Securities for which it has applied. | Section 1.14 |
| Is the Public Offer underwritten? | No, the Public Offer is not underwritten. | Section 1.18 |
| What are the terms and conditions of the Securities? | All Shares issued under the Public Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 7.1.  
The terms and conditions of the Lead Manager Options are in Section 7.3. | Sections 7.1 and 7.3 |
| Are there any escrow arrangements? | Yes, there are compulsory escrow arrangements under the Listing Rules. None of the Shares issued pursuant to the Public Offer are expected to be subject to escrow.  
The Company expects up to 20,441,667 existing Shares to be subject to up to 24 months' escrow from the date of Admission. | Section 1.17 |
| **Additional information** | | |
| How can I find out more about the Prospectus or the Offers? | Questions relating to the Offers and the completion of an Application Form can be directed to any Director:  
Mr. Finch +61 414 021 948  
Mr. Chang +61 410 126 192  
Mr. McKay +61 08 6323 6826 /+61 421 977 617 | Section 1.23 |
1. DETAILS OF THE OFFERS

1.1 Public Offer

This Prospectus invites investors to apply for up to 35,000,000 Shares at an issue price of $0.20 each to raise a maximum of $7,000,000 (before associated costs) (Public Offer).

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 7.1.

Applications for Shares under the Public Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 1.10 for further details and instructions.

1.2 Minimum Subscription

The minimum subscription under the Public Offer is $4,500,000 (being 22,500,000 Shares) (Minimum Subscription).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the Original Prospectus Date, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.3 Maximum Subscription

The Directors reserve the right to accept Applications under the Public Offer for up to 12,500,000 Shares in addition to the Minimum Subscription (that is, a maximum aggregate Public Offer of $7,000,000).

1.4 Lead Manager Offer

The Company has agreed to offer 2,000,000 Lead Manager Options to the Lead Manager (or its nominees) as partial consideration for the lead manager services provided in connection with the Public Offer. Refer to Section 4.2 for a summary of the agreement entered into between the Company and the Lead Manager.

In addition, up to 3,000,000 of the Lead Manager Options are being issued to the Lead Manager or third-party nominees invited by the Lead Manager or the Company to participate in the Public Offer.

The Lead Manager Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Options (or any Shares issued upon exercise of any Options into Shares) that are issued under the Lead Manager Offer.

The Lead Manager Options have a nominal issue price of $0.0001 per Option and will be exercisable at $0.25 each on or before the date that is three years from the date of issue.

The rights and liabilities attaching to the Lead Manager Options are described in Section 7.3. If the Lead Manager Options are exercised, the resultant Shares will be of the same class and will
rank equally in all respects with the existing Shares in the Company. The Company does not intend for the Lead Manager Options to be quoted.

1.5 **Conditional Offers**

The Offers under this Prospectus are conditional upon the following events occurring:

(a) the Company raising the Minimum Subscription pursuant to the Public Offer; and

(b) ASX granting conditional approval for the Admission of the Company to the Official List on conditions satisfactory to the Company.

If these conditions are not satisfied, then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

1.6 **Purpose of Prospectus**

The purpose of this Prospectus is to:

(a) raise up to $7,000,000 pursuant to the Public Offer (before associated costs of the Offers);

(b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; and

(c) position the Company to seek to achieve the objectives detailed in Section 2.

1.7 **Proposed use of funds**

Following the Offers, it is anticipated that the following funds will be available to the Company:

<table>
<thead>
<tr>
<th>Source of funds</th>
<th>Minimum Subscription $</th>
<th>Maximum Subscription $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing cash as at the Prospectus Date</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Proceeds from Offer</td>
<td>4,500,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Total funds available</td>
<td>4,600,000</td>
<td>7,100,000</td>
</tr>
</tbody>
</table>

The following table shows the intended use of funds in the two-year period following Admission:

<table>
<thead>
<tr>
<th>Proposed Use of funds - Year 1</th>
<th>Minimum Subscription</th>
<th>Maximum Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Evaluation &amp; exploration</td>
<td>1,200,000</td>
<td>51.3%</td>
</tr>
<tr>
<td>Estimated expenses of the Offers</td>
<td>464,496</td>
<td>19.8%</td>
</tr>
<tr>
<td>Proposed Use of funds - Year 1</td>
<td>Minimum Subscription</td>
<td>Maximum Subscription</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Administration and general working capital</td>
<td>200,000</td>
<td>8.5%</td>
</tr>
<tr>
<td>Director salaries and fees (including Executive Directors)</td>
<td>476,000</td>
<td>20.3%</td>
</tr>
<tr>
<td><strong>Total Expenditure—Year 1</strong></td>
<td><strong>2,340,496</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposed Use of funds - Year 2</th>
<th>Minimum Subscription</th>
<th>Maximum Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Evaluation and exploration</td>
<td>1,500,000</td>
<td>68.9%</td>
</tr>
<tr>
<td>Administration and general working capital</td>
<td>200,000</td>
<td>9.2%</td>
</tr>
<tr>
<td>Director salaries and fees (including Executive Directors)</td>
<td>476,000</td>
<td>21.9%</td>
</tr>
<tr>
<td><strong>Total Expenditure—Year 2</strong></td>
<td><strong>2,176,000</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>4,516,496</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Refer to Section 7.7 for details regarding the expenses of the Offers.

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 3), actual expenditure levels may differ significantly from the above estimates.

The Board believes that the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific project or strategy.

### 1.8 Capital structure

On the basis that the Company completes the Offers on the terms in this Prospectus, the Company's capital structure will be as follows:

<table>
<thead>
<tr>
<th>Shares on issue as at the Prospectus Date</th>
<th>No. of Shares (Minimum Subscription)</th>
<th>% of Shares</th>
<th>No. of Shares (Maximum Subscription)</th>
<th>% of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23,966,667</td>
<td>51.6</td>
<td>23,966,667</td>
<td>40.6</td>
</tr>
</tbody>
</table>
All Shares issued under the Public Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 7.1.

In addition to the above, the Company:

(a) has agreed to issue up to 5,000,000 under the Lead Manager Offer (refer to Section 7.3 for the terms and conditions of the Lead Manager Options); and

(b) has 12,000,000 Performance Rights on issue as at the Prospectus Date (refer to Section 7.2 for the terms and conditions of the Performance Rights).

Other than as described above in this Section, the Company does not currently have any Securities on issue and has not agreed to issue any other Securities.

1.9 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

1.10 Applications

(a) Applications under the Offers

Applications for Securities under the Offers can only be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. The Application Form must be completed in accordance with the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants.

All Application Monies will be paid into a trust account.

An original, completed and lodged Application Form together with payment for the Application Monies (for applications under the Public Offer), constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final. If your cheque or BPAY® payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.
It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

(b) Applications under the Public Offer

(i) General

Applications under the Public Offer must be for a minimum of 10,000 Shares ($2,000) and then in increments of 1,000 Shares ($200). Payments must be made in Australian dollars.

The Public Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Public Offer or accept late Applications.

(ii) Option 1: Submitting an Application Form with a cheque

Completed Application Forms and accompanying payment cheques must be received by the Company before 5.00pm (WST) on the Closing Date by either being delivered to or posted to the address set out in the Application Form. Cheques must be payable to "Torque Metals Limited – Share Offer Account". Please attach your cheque securely to the Application Form.

(iii) Option 2: Submitting an Application Form and paying with BPAY®

Applicants under the Public Offer wishing to pay by BPAY® should complete the online Public Offer Application Form accompanying the electronic version of this Prospectus which is available via a link at the Company website www.torquemetals.com and follow the instructions on the online Public Offer Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (WST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.
Applications under the Lead Manager Offer

Only the Lead Manager, Sanlam Private Wealth Pty Ltd (or its nominees), may accept the Lead Manager Offer. A personalised Lead Manager Offer Application Form will be issued to the Lead Manager together with a copy of this Prospectus.

1.11 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.12 ASX listing and Official Quotation

Within seven days after the Original Prospectus Date, the Company applied to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the Original Prospectus Date (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

1.13 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Securities. Any interest that accrues will be retained by the Company. No allotment of Securities under this Prospectus will occur unless the conditions to the Offers described in Section 1.5 are satisfied.

1.14 Allocation and issue of Shares

The Directors, in conjunction with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.
There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the satisfaction of the conditions to the Offers described in Section 1.5, the Shares under the Public Offer are expected to be allotted on the date stated in the Indicative Timetable (subject to adjustment by the Directors). It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Public Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.15 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company. Investors are cautioned that these risks are not exhaustive.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.16 Overseas Applicants

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

Subject to the following, certain persons resident in New Zealand, Singapore and Hong Kong are eligible to participate in the Offers:

(a) New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (FMC Act). The Securities offered under this Prospectus are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:
(i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(b) Singapore

This Prospectus and any other materials relating to the Securities offered under this Prospectus have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities offered under this Prospectus, may not be issued, circulated or distributed, nor may those Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are:

(i) an existing holder of Shares;

(ii) an "institutional investor" (as defined in the SFA); or

(iii) a "relevant person" (as defined in section 275(2) of the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities offered under this Prospectus being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(c) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities offered under this Prospectus have not
been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Securities offered under this Prospectus has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this document, you should obtain independent professional advice.

1.17 Escrow arrangements

ASX will classify certain existing Securities on issue in the Company (as opposed to those to be issued under this Prospectus) as being subject to the restricted securities provisions of the Listing Rules. Classified Securities would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

None of the Shares issued pursuant to the Public Offer are expected to be restricted securities.

Prior to the Company's Shares being admitted to quotation on the ASX, the Company will enter into escrow agreements with the recipients of the restricted Securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow.

The Company expects approximately 20,441,667 Shares to be subject to up to 24 months’ escrow, comprising 44.0% of the Shares on issue as at Admission, assuming the Minimum Subscription is satisfied, and 34.7% of the Shares on issue as at Admission, assuming the Maximum Subscription is satisfied.

1.18 Underwriting

The Offers are not underwritten.

1.19 Lead Manager

Sanlam Private Wealth Pty Ltd has been appointed as Lead Manager to the Public Offer. Refer to Section 4.2 for a summary of the terms and conditions of this engagement.

1.20 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Monies (without interest) in accordance with the requirements under the Corporations Act.
1.21 Privacy Disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, Applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.22 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary on +61 8 6323 6826.

1.23 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on +61 8 6323 6826.
2. **COMPANY OVERVIEW**

2.1 **Business overview**

The Company is an Australian incorporated mineral exploration entity. Its key project upon Admission will be its 100% owned Bullfinch Project, which lies in a historic gold province approximately 40 kilometers North of the town of Southern Cross, midway between Perth and Kalgoorlie in Western Australia.

The Bullfinch Project is comprised of six exploration licences and one prospecting licence. Refer to Section 2.5(b) for a schedule of the Company’s interests in these licences.

The Board considers that the Bullfinch Project is prospective for gold.

The Company’s main business activity from Admission will be comprised of the undertaking of exploration activities within the Bullfinch Project utilising modern exploration techniques, with a view to identifying the best gold prospects. Once the prime gold areas of interest have been isolated and technically analysed, they will be further tested utilising more quantitative techniques such as drilling and bulk sampling. Thereafter the Company proposes to advance the lead prospects with a view to declaring a mineral resource estimate reported in accordance with the JORC Code.

The primary objective of the Company is to establish a successful and profitable exploration and mining company with the aim of maximising returns to shareholders. The Board aims to utilise its broad skill and experience base to locate, acquire and exploit underexplored projects in mineral provinces with demonstrated gold mineralisation.

The Board aims to satisfy its goals by:

(a) maintaining a strategy of detailed and efficient exploration on its existing portfolio of tenements and potentially acquire interests in complementary tenements should the opportunity arise; and

(b) maintaining tight financial controls so as to maximise funds available to exploration and development.

2.2 **Company history**

The Company was incorporated on 16 August 2017 in the State of Western Australia as a proprietary company for the purpose of pursuing various investment opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities. The Company converted to a public limited company with effect from 5 January 2018.

On 18 August 2017 the Company entered into the Acquisition Agreement with Talga Resources Limited to acquire 100% legal and beneficial ownership of five exploration licences and one prospecting licence within the Bullfinch area of the Yilgarn Mineral Fields of Western Australia. Refer to Section 4.1 for a summary of the Acquisition Agreement.

In February 2018 the Company applied for an additional exploration licence (EL 77/2522), which was granted on 17 September 2018.

Since incorporation, the Company has raised an aggregate of $630,000 by way of seed funding through placements of Shares. The Company has also issued 500,000 Shares to its geological
contractor and 166,667 Shares to its public and investor relations advisor in consideration for services provided.

2.3 Corporate structure

The Company does not currently have any related bodies corporate.

Refer to Section 1.8 for details regarding the Company’s current capital structure.

2.4 Board of Directors

The Board of Directors is comprised of Mr. Ian D. Finch (Managing Director), Mr. Neil W. McKay (Executive Director, Company Secretary and Chief Financial Officer and Mr. Tshung H. Chang (Non-Executive Director).

Refer to Section 6.2 for the profiles of the Directors.

2.5 The Bullfinch Project

(a) Overview

The Company recently concluded the purchase of a number of contiguous mineral tenements (aggregating approximately 405 km2) from Talga Resources Limited. It has subsequently applied for and was granted an adjoining Exploration Licence (EL77/2522) to the East of the Talga ground, covering an area of approximately 210 km2. The Company, therefore, has 100% ownership of 615 km2 of the highly prospective Bullfinch gold province.

The Bullfinch area is known for its gold discoveries dating back to 1887. However, despite significant recorded gold production from within a 100 km radius of the project area, local gold production has been dominated by the singular Copperhead gold mine which commenced production in 1910 and, after three periods of production, finally closed in 1997.

(b) Schedule of Tenements

<table>
<thead>
<tr>
<th>Tenements</th>
<th>Registered holder</th>
<th>Grant</th>
<th>Expiry</th>
<th>Area</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>E77/2139</td>
<td>Talga Resources Limited (1)</td>
<td>21/02/2014</td>
<td>20/02/2019</td>
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<td>30/11/2019</td>
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<td>Granted</td>
</tr>
<tr>
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<td>Talga Resources Limited (1)</td>
<td>17/01/2017</td>
<td>16/01/2022</td>
<td>64BL</td>
<td>Granted</td>
</tr>
</tbody>
</table>
(c) **Historical production within the area**

The area proximate to the Bullfinch Project is dominated by the now dormant Copperhead mine which has proved to be one of the most productive mines in the Southern Cross Province and is surrounded by many smaller gold occurrences.

(d) **Exploration potential**

The Board has planned a two-staged approach to develop the Bullfinch Project.

The first stage is to focus on near surface, gold structures considered likely to exist from a review of historical exploration activities.

The second stage involves an extensive Reverse Circulation (RC) / Air Core (AC) drilling programme to test these structures. Where quantitative grade analysis is difficult to attain by drilling alone, due to the nuggety nature of the gold, a series of bulk samples are planned. This process of grade determination will have the advantage of producing gold “ore” which may be processed at the nearby Marvel Loch mill, located 65 km to the South and which the Board understands has excess capacity for gold ore feed. Such processing would be subject to the execution of an agreement at such time.

### 2.6 Financial information

To date, the Company has been funded by:

(a) the provision of a loan of $75,000 from Mr. T.H. Chang, a Non-Executive Director; and

(b) a seed raising by the issue of Shares, pursuant to which an aggregate of $630,000 was raised (before costs).

The funds advanced to and raised by the Company to date have been applied towards the acquisition of the Talga Tenements, the application for EL77/2522 (now granted), exploration expenses, general working capital, and the expenses of the Offers and proposed listing.

Refer to Section 4.5 for a summary of the loan agreement between Mr. Chang, and Section 5 for the Investigating Accountant’s Report for further background regarding the financial history of the Company.

Prospective investors should note that the Company has a limited operating history and no revenue is currently being generated. Due to the Company’s infancy its operations are
inherently uncertain and the historical figures below should not be used as a guide as to future performance of the Company. Any investment in the Company should accordingly be considered as highly speculative.

Section 5 contains a pro forma balance sheet of the Company following completion of the Offers within the Investigating Accountant’s Report.

The financial information set out in the Investigating Accountant’s Report includes the audited financial statements for the Company for the financial year ended 30 June 2018 (Historical Financial Information). The Historical Financial Information was extracted from the Company’s financial report for the period ended 30 June 2018, which was audited by Bentleys in accordance with Australian Auditing Standards. Bentleys issued an unmodified audit opinion for each of the financial reports with a material uncertainty related to going concern.

Investors are urged to read the Investigating Accountant’s Report in Section 5 in full.

2.7 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.
3. RISK FACTORS

As with any investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

Any investment in the Company under this Prospectus should be considered highly speculative.

3.1 Risks specific to the Company

(a) Limited history

The Company was incorporated on 16 August 2017 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Bullfinch Project or any future projects the Company may acquire an interest in. Until the Company is able to realise value from the Bullfinch Project or any future projects, it is likely to incur operational losses.

(b) Conditionality of Offers

The obligation of the Company to issue the Securities under the Offers is conditional on certain matters, as set out in Section 1.5. If the conditions are not satisfied, the Company will not proceed with the Offers.

(c) Transfer risk

The Company acquired 100% legal and beneficial ownership of the Talga Tenements on 18 July 2018, the date of completion of the Acquisition Agreement.

However, as at the Prospectus Date, the Company is not the registered owner of the Talga Tenements. The Acquisition Agreement has been lodged with the Western Australian Office of State Revenue for the assessment of duty and stamping. Transfers of the Talga Tenements to the Company as the registered holder cannot be registered until such time as the duty is assessed and paid and the stamped documents are received. Until such time as transfers of the Talga Tenements have been registered, the Company has the exclusive right to enter and explore the Talga Tenements and to retain any minerals extracted from them under the Acquisition Agreement. The Board has no reason to believe that the transfers of the Talga Tenements in the name of the Company will not be completed in the ordinary course.

(d) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Bullfinch Project, or any future projects the Company may acquire an interest in, are successfully developed and production commences.

The future capital requirements of the Company will depend on many factors including its business development activities.
The Company believes its available cash and the net proceeds of the Offers should be adequate to fund its business development activities, exploration program and other Company objectives as stated in this Prospectus.

In order to successfully develop the Bullfinch Project, or any future projects the Company may acquire an interest in, and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer (particularly if only the Minimum Subscription is met). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company’s operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company’s activities including resulting in the Tenements being subject to forfeiture, and could affect the Company’s ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company’s existing Shareholders will be diluted.

(e) New projects and acquisitions

Although the Company’s immediate focus will be on the Bullfinch Project, as with most exploration entities, it will likely pursue and assess other new business opportunities in the resources sector over time. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

3.2 Mining industry risks

(a) Exploration and development risks

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Bullfinch Project or any other exploration properties
that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its projects.

(b) Operating risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(c) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

(i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

(ii) developing an economic process route to produce a metal and/or concentrate; and

(iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) Payment obligations

Pursuant to the tenements comprising the Bullfinch Project (as well as any other projects the Company may acquire an interest in), the Company will become subject to expenditure, payment and other obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the tenements subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may
be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

(e) **Metals and currency price volatility**

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold and base metals that may be mined commercially in the future from the Bullfinch Project (and any other project area in which the Company acquires an interest), forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(f) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Many of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(g) **Native title and Aboriginal heritage risks**

The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining leases,
although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Due to the customary nature of these agreements, the Directors consider the risk of not reaching agreements over native title with these potential claimants to be low. The enquiries undertaken have not uncovered anything to indicate that the granted Tenements have not been validly granted in compliance with the procedures set out in the Native Title Act.

The Company must also comply with Aboriginal heritage legislation which (inter alia) makes it an offence for a person to damage or in any way alter an Aboriginal site.

(h) Third party risks

Under State and Commonwealth legislation, the Company may be required to obtain the consent of and pay compensation to the holders of third-party interests which overlay areas within the Bullfinch Project (future tenements in which the Company may acquire an interest), including native title claims, Aboriginal heritage sites and pastoral leases, prior to accessing or commencing any exploration or mining activities on the affected areas. Any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities or mining within the affected areas or future tenements granted to the Company.

The activities contemplated by the Company in respect of the Bullfinch Project under all of the tenement work programs are in and around areas historically drilled and disturbed by extensive past exploration and/or historical mining. The tenements are in areas that have also been the subject of pastoral and agricultural activities.

Given that the activities contemplated by the Company are in close proximity to and in areas that have already been actively explored, the Directors consider the risk of any impediments with respect to native title, pastoralist activities and any other heritage restrictions to be low.

However, the Company acknowledges that exploration success may result in extended work programs on the tenements that may require further third-party consents with respect to the native title and Aboriginal heritage processes and pastoralist activities. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists and other third parties will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors acknowledge that delays may be caused to commencement of exploration programs.

(i) Environmental risk

The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the
Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(j) Licences, permits and approvals

The Bullfinch Project is comprised of tenements which are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(k) Reliance on key personnel

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

3.3 General Risks

(a) Economic risks

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the
Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) Market conditions

The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;
(ii) interest rates and inflation rates;
(iii) currency fluctuations;
(iv) changes in investor sentiment;
(v) the demand for, and supply of, capital; and
(vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(d) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in
government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

3.4 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.
4. MATERIAL CONTRACTS

The Company is a party to the following material contracts:

4.1 Acquisition Agreement with Talga Resources Limited

(a) Acquisition Agreement

On 18 August 2017, the Company and Talga Resources Limited (Talga) entered into a tenement option and sale agreement (Acquisition Agreement) pursuant to which Talga granted the Company the option (Option) to purchase the Talga Tenements on the following material terms:

(i) the Company would pay Talga a non-refundable option fee of $20,000;

(ii) the Option was conditional on the Company expending the amount of exploration expenditure required to meet the minimum expenditure requirement for each Talga Tenement;

(iii) the Option was for a period commencing on 18 August 2017 and expiring on 30 November 2017 (Option Period) unless the Company paid a non-refundable extension fee of $85,000 to Talga (Extension Payment) in which case the Option period would expire on 31 March 2018;

(iv) the Company could exercise the Option by delivering a written notice to Talga and paying the amount calculated as follows:

   (A) if the Option Period was not extended, $335,000; or

   (B) if the Option Period was extended, and the Extension Payment had been paid, $250,000 (Completion Payment); and

(v) the Company granting Talga Resources Limited a 1% net smelter return royalty in respect of any minerals extracted and recovered from the Talga Tenements in a commercial mining operation (Royalty).

The Company intends to agree the terms of a separate royalty deed that more fully sets out the terms and conditions of the Royalty as soon as practicable following Admission. This deed will be on terms consistent with the following terms detailed in the Acquisition Agreement (as amended in March 2018 – refer to Section 4.1(b)). Until this separate deed is executed, the Royalty is governed by the terms in the Acquisition Agreement:

(A) Subject to the following paragraph, the Royalty will be payable from the day on which the Company commences extraction and recovery of any minerals by undertaking commercial mining operations from the area within the boundaries of a Tenement.

(B) In relation to the extraction and recovery of gold, the Royalty shall not be payable on the first 5,000 ounces that are mined.

(C) The Royalty in respect of any minerals mined from a Tenement that are capable of being sold shall be calculated by reference to the amount of gross proceeds received by the Company for the sale of the mineral less the following deductions (if applicable):
smelting and refining costs, including penalties;
transportation costs;
handling costs, including assaying, sampling, weighing, loading, unloading, stockpiling and storage;
actual sales, marketing and brokerage costs; and
bank charges on related sales receipts and payments and government charges on related banking transactions.

(D) The Royalty must be paid quarterly in arrears in cash to the bank account nominated by Talga.

(E) The Company must maintain royalty records in accordance with generally accepted accounting principles and must deliver a written statement with each payment of the Royalty showing the calculation of the Royalty and any other information that Talga may reasonably require.

(F) Talga may inspect and/or require an independent audit of the Company’s records in the Company’s mining operations and the calculation of the Royalty.

(G) The Company must use reasonable endeavours to sell all product as soon as commercially reasonable, on arm’s length terms and at or about the market price available at the time of sale.

(H) The Company must not assign, encumber, transfer, dispose or otherwise deal with its interest (or any part thereof) in the Tenements without first delivering to Talga deed (in a form reasonably acceptable to it) executed by the proposed assignee, transferee, encumbrance holder or disponee assumes all of the obligations of the Company in connection with the Royalty.

The remainder of the terms and conditions of the Acquisition Agreement are considered standard for an agreement of this nature.

(b) Amending Agreement – March 2018

The Company and Talga entered into an amending agreement dated 30 March 2018 whereby the Option Period was extended to 29 June 2018, in consideration for:

(i) the Company making a payment of $25,000 to Talga; and
(ii) extending the Royalty to include tenements owned in whole or in part by the Company, that have any point of any boundary located within 5km of any point of boundary of the Talga Tenements.

(c) Amending Agreement – June 2018

The Company and Talga entered into an amending agreement dated 28 June 2018 whereby the Option Period was extended to 27 July 2018.

The Option was exercised on 18 July 2018 by payment of $250,000.
4.2 **Lead Manager mandate**

The Company entered into a mandate agreement appointing Sanlam Private Wealth Pty Ltd *(Lead Manager)* as sole Lead Manager to the Public Offer on 3 October 2018.

Under the agreement, the Lead Manager will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer.

Under the Lead Manager mandate, the Company has agreed to pay the Lead Manager as follows:

(a) a $22,000 (plus GST) upfront non-refundable payment within one month of signing the Lead Manager mandate;
(b) a 1% (plus GST) fee on the total funds raised under the Public Offer as a management fee;
(c) a 5% (plus GST) fee on the total funds raised by the Lead Manager under the Public Offer;
(d) a success-based fee of $16,000 (plus GST) on Admission;
(e) 2,000,000 Lead Manager Options; and
(f) other reasonable fees and expenses incurred by the Lead Manager.

The Lead Manager mandate also provides that up to 3,000,000 Lead Manager Options are to be issued to the Lead Manager or third-party nominees invited by the Lead Manager or the Company to participate in the Public Offer.

4.3 **Director employment and engagement agreements**

(a) **Managing Director Services Agreement – Ian Finch**

The Company has entered into a managing director services agreement with Ian Finch *(Managing Director Agreement)*.

Under the Managing Director Agreement, Mr. Finch is engaged by the Company to provide services to the Company as Managing Director on a full-time basis, commencing from 21 August 2018. The Company will remunerate Mr. Finch for his services with a remuneration package comprising the following:

(i) a base salary of $240,000 plus superannuation per year; and

(ii) reimbursement for reasonable expenses necessarily incurred by Mr. Finch in the performance of his services as Managing Director.

The parties have agreed that the above remuneration will not accrue and, as such, will only become payable to Mr. Finch after Admission.

Mr. Finch is also entitled to participate in bonus and/or other incentive schemes that may be implemented in the future.

In the event of a change of control, Mr. Finch will receive a bonus payment equal to 12 months’ base salary.
The Managing Director Agreement commenced on 21 August 2018 and is for an indefinite term, continuing until terminated by either the Company giving six months' written notice, or Mr. Finch giving three months' written notice, of termination to the other party (or shorter period in limited circumstances including customary summary termination rights).

As Managing Director, Mr. Finch shall (amongst other things):

(i) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct; and

(ii) obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Mr. Finch is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Managing Director Agreement contains additional provisions considered standard for agreements of this nature.

(b) Executive Services Agreement – Neil McKay

The Company has entered into an executive services agreement with Neil McKay (Executive Services Agreement).

Under the Executive Services Agreement, Mr. McKay is engaged by the Company to provide services to the Company as Chief Financial Officer, Executive Director and Company Secretary on a full-time basis, commencing from 21 August 2018. The Company will remunerate Mr. McKay for his services with a remuneration package comprising the following:

(i) a base salary of $200,000 plus superannuation per year; and

(ii) reimbursement for reasonable expenses necessarily incurred by Mr. McKay in the performance of his services as Chief Financial Officer, Executive Director and Company Secretary.

The parties have agreed that the above remuneration will not accrue and, as such, will only become payable to Mr. McKay after Admission.

Mr. McKay is also entitled to participate in bonus and/or other incentive schemes that may be implemented in the future.

In the event of a change of control, Mr. McKay will receive a bonus payment equal to 12 months’ base salary.

The Executive Services Agreement commenced on 21 August 2018 and is for an indefinite term, continuing until terminated by either the Company giving six months'
written notice, or Mr. McKay giving three months' written notice, of termination to the other party (or shorter period in limited circumstances including customary summary termination rights).

As Chief Financial Officer, Executive Director and Company Secretary, Mr. McKay shall (amongst other things):

(i) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct; and

(ii) obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Mr. McKay is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Executive Services Agreement contains additional provisions considered standard for agreements of this nature.

(c) Non-Executive Director Agreement – Tshung Chang

The Company has entered into an appointment agreement with Mr. Tshung Chang, pursuant to which the Company has agreed to pay Mr. Chang $36,000 including superannuation per year or the equivalent under contracting rates for services provided to the Company as a Non-Executive Director commencing upon Admission.

The appointment agreement contains additional provisions considered standard for agreements of this nature.

4.4 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

4.5 Loan agreement

The Company and Mr. Tshung Chang have entered into an unsecured loan agreement pursuant to which Mr. Chang advanced the Company a loan of $75,000 to fund expenditure in developing the Bullfinch Project.

The loan was granted on an unsecured basis, with an interest rate of 5% per annum, repayable on the repayment date.
The loan is to be repaid on the earlier of satisfaction of the conditions to the Offers (refer to Section 1.5), 21 August 2019 or the provision of notice by Mr. Chang to the Company upon the occurrence of an event of default under the terms of the loan agreement.

The loan agreement contains additional provisions considered standard for agreements of this nature.
5. INVESTIGATING ACCOUNTANT’S REPORT
Dear Board of Directors

Independent Limited Assurance Report on Torque Metals Limited
Historical and Pro forma Financial Information

We have been engaged by Torque Metals Limited ("Torque Metals" or "the Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of Torque Metals for inclusion in the Prospectus. The Prospectus is issued for the purposes of raising $4,500,000 (minimum) and additional subscriptions of up to $7,000,000 (maximum) before associated costs; assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules as part of the Company's application of admission to the Official List.

Broadly, the Prospectus (or "the document") will raise $4,500,000 through the minimum issue of 22,500,000 Ordinary Shares at an issue price of $0.20 per Share. The Company may also accept oversubscriptions of up to an additional $2,500,000 via the issue of an additional 12,500,000 ordinary shares at an issue price of $0.20 per share.

Expressions and terms defined in the document have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested Bentleys to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested Bentleys to review the following historical financial information (together the "Historical Financial Information") of Torque Metals Limited included in the Prospectus:
Historical Financial Information – Torque Metals Limited

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2018;
- The historical Statement of Financial Position as at 30 June 2018; and
- The historical Statement of Cash Flow for the period ended 30 June 2018.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principals contained in Australian Accounting Standards and the company’s adopted accounting policies. The Historical Financial Information of Torque Metals Limited has been extracted from the financial report for the period ended 30 June 2018, which were audited by Bentleys in accordance with Australian Auditing Standards. Bentleys issued and unmodified audit opinion for each of the financial reports with a material uncertainty related to going concern.

Pro Forma historical financial information

You have requested Bentleys to review the pro forma historical Statement of Financial Position as at 30 June 2018 referred to as “the pro forma historical financial information.”

The pro forma historical financial information has been derived from the historical financial information of Torque Metals Limited, after adjusting for the effects of the subsequent events and pro forma adjustments described in note 2 of section 5.7 of the document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section note 2 of section 5.7 of the document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company’s actual or prospective financial position or financial performance.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Torque Metals Limited as at 30 June 2018 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2018:

(a) The Company raised $100,000 via the issue of 1,000,000 ordinary shares at $0.10 each. The shares are to rank equally in all respects to shares on issue. As part of the raising that was performed 33,334 ordinary shares were issued at $0.10 each and $3,600 cash consideration was paid as capital raising costs.

(b) The Company exercised its option on 18 July 2018 to acquire the Bullfinch tenement in accordance with the Tenement Option and Sale Agreement dated 18 August 2017. The Company exercised the options by cash payment of $250,000 plus GST

And the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(a) The issue of 22,500,000 ordinary shares at $0.20 per share to raise $4,500,000 before costs of $1,045,945 including $581,449 relating to options issued as detailed in part B below (minimum subscription); 35,000,000 ordinary shares at $0.20 per share to raise $7,000,000 before costs of $1,206,538 including $581,449 relating to options issued as detailed in part B below (maximum subscription);
(b) The issue of 5,000,000 unlisted options, exercisable at $0.25 per option with an expiry of three (3) years from issue. These options will be issued to the Lead Manager at a price of 0.01 of a cent per option (The Lead Manager will pay $100 for each 1 million options with this amount effectively being offset against the fees above).

(c) 12,000,000 Performance Rights has been issued to the directors (4 Million each) which will convert to shares on a one for one basis subject to the satisfaction of milestones outlined in section 5.7, note 6 (c) of the prospectus.

**Directors’ responsibility**

The directors of Torque Metals Limited are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

**Our responsibility**

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit on any financial information used as a source of the financial information.

**Historical Financial Information**

**Conclusions**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for Torque Metals Limited comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2018;
- The historical Statement of Financial Position as at 30 June 2018; and
- The historical Statement of Cashflow for the period ended 30 June 2018;

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 5.7 of the document.
Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 30 June 2018 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in note 1 of section 5.7 of the document.

Restriction on Use

Without modifying our conclusions, we draw attention to section 5.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

Bentleys has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Bentleys makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Bentleys Audit & Corporate (WA) Pty Ltd is limited to the inclusion of this report in the Prospectus. Bentleys Audit & Corporate (WA) Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Bentleys Audit & Corporate (WA) Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Bentleys Audit & Corporate (WA) Pty Ltd will receive normal professional fees for the preparation of the report.

Yours faithfully

CHRIS NICOLOFF CA
Partner
Appendix A Financial Information

5.1 Introduction

This section sets out the Historical Financial Information of Torque Metals Limited (“Torque Metals Limited” or “the Company”). The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Initial Public Offering (“IPO”) of Torque Metals Limited. Bentleys Audit & Corporate (WA) Pty Ltd (“Bentleys”) has prepared an Independent Limited Assurance Report in respect to the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report, within which an explanation of the scope and limitation of Bentleys’ work is set out in section 5.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Section 5.

5.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by Torque Metals Limited as detailed in note 1 of section 5.7. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of section 5.7 as if those adjustments had occurred as at 30 June 2018.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the Historical Financial Information):

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2018 for Torque Metals Limited;
- The historical Statement of Financial Position as at 30 June 2018 of Torque Metals Limited;

The pro forma financial information comprises (collectively referred to as the Pro Forma Financial Information):

- The pro forma statement of financial position as at 30 June 2018, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 had occurred as at 30 June 2018; and
- the notes to the pro forma financial information,

(collectively referred to as the Financial Information).

The Historical Financial Information of Torque Metals Limited has been extracted from the financial reports for the period ended 30 June 2018. The financial reports for the period ended 30 June 2018 were audited by Bentleys in accordance with Australian Auditing Standards. Bentleys have issued an unqualified audit opinions with emphases of matters for the period audited as a result of a material uncertainty surrounding the ability of the entity to continue as a going concern in the event the IPO does not proceed.
### 5.3 Historical statement of profit or loss and other comprehensive income

**TORQUE METALS LIMITED**

*Audited*

- **For the period 16 August 2017 to 30 June 2018**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from continuing operations</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue and other income</strong></td>
<td>-</td>
</tr>
<tr>
<td>Corporate administrative expenses</td>
<td>(38,109)</td>
</tr>
<tr>
<td>Financial expense interest</td>
<td>(1,192)</td>
</tr>
<tr>
<td><strong>Loss before income tax expense</strong></td>
<td>39,301</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
</tr>
<tr>
<td><strong>Loss for the period</strong></td>
<td>39,301</td>
</tr>
<tr>
<td>Other comprehensive income, net of income tax</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive loss for the period</strong></td>
<td>39,301</td>
</tr>
</tbody>
</table>

**Loss attributable to:**

- Owners of Torque Metals Limited | 39,301 |

**Total comprehensive loss attributable to:**

- Owners of Torque Metals Limited | 39,301 |

---

* Please refer to Section 5.2 with respect to the audit opinion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Section 5.
5.4 Historical statement of financial position

<table>
<thead>
<tr>
<th>Torque Metals Limited</th>
<th>Audited*</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>299,790</td>
<td></td>
</tr>
<tr>
<td>Trade &amp; other receivables</td>
<td>1,392</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>301,182</td>
</tr>
<tr>
<td><strong>Non current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenement Option</td>
<td>130,000</td>
<td></td>
</tr>
<tr>
<td>Exploration and evaluation expenditure</td>
<td>232,548</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>362,548</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>663,730</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade &amp; other payables</td>
<td>62,020</td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>100,411</td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>162,431</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>162,431</td>
</tr>
<tr>
<td><strong>NET ASSETS / (LIABILITIES)</strong></td>
<td></td>
<td>501,299</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital</td>
<td>540,600</td>
<td></td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>(39,301)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>501,299</td>
</tr>
</tbody>
</table>

* Please refer to Section 5.2 with respect to the audit opinion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Section 5.
5.5 Historical statement of cash flows

Torque Metals Limited Audited*
For the period 16 August 2017 to 30 June 2018

$CASH FLOWS FROM OPERATING ACTIVITIES$
Cash paid to suppliers (18,457)
Net cash (used) in Operating Activities (18,457)

CASH FLOWS FROM INVESTING ACTIVITIES
Option for tenement acquisition (130,000)
Exploration and evaluation (157,003)
Net Cash (used) in Investing Activities (287,003)

CASH FLOWS FROM FINANCING ACTIVITIES
Proceeds from share issue 530,000
Directors’ loans 75,250
Net Cash from Financing Activities 605,250

Net increase in cash and cash equivalents 299,790
Cash and cash equivalents at the beginning of the period -
Cash and cash equivalents 30 June 2018 299,790

* Please refer to Section 5.2 with respect to the audit opinion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Section 5.
## Historical and Pro-forma statement of financial position

<table>
<thead>
<tr>
<th>Notes</th>
<th>Torque Metals Limited</th>
<th>Subsequent Event</th>
<th>Pro forma Adjustments</th>
<th>Pro forma balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 June 2018</td>
<td>Minimum</td>
<td>Maximum</td>
<td>Minimum</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>3</td>
<td>299,790</td>
<td>(178,600)</td>
<td>4,035,504</td>
</tr>
<tr>
<td>Trade &amp; other receivables</td>
<td>4</td>
<td>1,392</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>301,182</td>
<td>(153,600)</td>
<td>4,035,504</td>
</tr>
</tbody>
</table>

Non current assets

| Exploration and evaluation expenditure | 5 | 232,548 | 250,000 | - | - | 482,548 | 482,548 |
| Total non-current assets |  | 362,548 | 250,000 | - | - | 612,548 | 612,548 |
| TOTAL ASSETS |  | 663,730 | 96,400 | 4,035,504 | 6,374,911 | 4,795,634 | 7,135,041 |

Current liabilities

| Trade & other payables |  | 62,020 | - | - | - | 62,020 | 62,020 |
| Unsecured loans |  | 100,411 | - | - | - | 100,411 | 100,411 |
| Total current liabilities |  | 162,431 | - | - | - | 162,431 | 162,431 |
| TOTAL LIABILITIES |  | 162,431 | - | - | - | 162,431 | 162,431 |
| NET ASSETS |  | 501,299 | 96,400 | 4,035,504 | 6,374,911 | 4,633,203 | 6,972,610 |

EQUITY

| Issued capital | 6a | 540,600 | 96,400 | 3,454,055 | 5,793,462 | 4,091,055 | 6,430,462 |
| Reserves | 6b | - | - | 581,449 | 581,449 | 581,449 | 581,449 |
| Accumulated losses |  | (39,301) | - | - | - | (39,301) | (39,301) |
| TOTAL EQUITY |  | 501,299 | 96,400 | 4,035,504 | 6,374,911 | 4,633,203 | 6,972,610 |
5.7 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies

(a) Basis of Accounting

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statement have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets. The preparation of the Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Financial Position are disclosed where appropriate.

The pro forma Statement of Financial Position as at 30 June 2018 represents the reviewed financial position and adjusted for the transactions discussed in Note 2 to this report. The Statement of Financial Position should be read in conjunction with the notes set out in this report.

(b) Going Concern

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

The entity’s ability to continue as a going concern is dependent on the success of the Public Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Public Offer be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the entity not continue as a going concern.

(c) Exploration and Evaluation Assets

Exploration and evaluation expenditure costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where:
• the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or

• where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an
allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

These assets are considered for impairment on a six monthly basis, depending on the existence of impairment indicators including:

• the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

• substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

• exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the company has decided to discontinue such activities in the specific area; and

• sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is then tested for impairment and the balance is then transferred to development.

(d) Cash and Cash Equivalents

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

(e) Contributed equity

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

(f) Trade and Other Payable

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

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

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

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

Income Tax

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

Current Tax

Current income tax expense charge to profit or loss is the tax payable on taxable income using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

Deferred Tax

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of asset and liabilities and their carrying amounts in the financial statement. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.
Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

(k) **Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows, are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.
Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Torque Metals Limited as at 30 June 2018 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2018:

(a) The Company raised $100,000 via the issue of 1,000,000 ordinary shares at $0.10 each. The shares are to rank equally in all respects to shares on issue. As part of the raising that was performed 33,334 ordinary shares were issued at $0.10 each and $3,600 cash consideration was paid as capital raising costs.

(b) The Company exercised its option on 18 July 2018 to acquire the Bullfinch tenement in accordance with the Tenement Option and Sale Agreement dated 18 August 2017. The Company exercised the options by cash payment of $250,000 plus GST

And the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(a) The issue of 22,500,000 ordinary shares at $0.20 per share to raise $4,500,000 before costs of $1,045,945 including $581,449 relating to options issued as detailed in part B below (minimum subscription); 35,000,000 ordinary shares at $0.20 per share to raise $7,000,000 before costs of $1,206,538 including $581,449 relating to options issued as detailed in part B below (maximum subscription);

(b) The issue of 5,000,000 unlisted options, exercisable at $0.25 per option with an expiry of three (3) years from issue. These options will be issued to the Lead Manager or its nominees at a price of 0.01 of a cent per option (The Lead Manager or its nominees will pay $100 for each 1 million options with this amount effectively being offset against the fees above).

(c) 12,000,000 Performance Rights has been issued to the directors (4 million each) which will convert to shares on a one for one basis subject to the satisfaction of milestones outlined in section 6 (c) of this report.
Note 3: Cash & Cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>Pro forma after IPO Minimum $</th>
<th>Pro forma after IPO Maximum $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>4,156,694</td>
<td>6,496,101</td>
</tr>
<tr>
<td>Audited balance as at 30 June 2018</td>
<td>299,790</td>
<td>299,790</td>
</tr>
</tbody>
</table>

Subsequent events:
- Proceeds from issue of Shares: 100,000
- Capital Raising Costs: (3,600)
- Less costs of exercising options: (275,000)

Total: (178,600)

Pro-forma adjustments:
- Proceeds from shares issued under the Public Offer: 4,500,000
- Expenses of the offer: (464,496)

Total: 4,035,504

Pro-forma Balance: 4,156,694

Note 4: Trade and Other Receivables

<table>
<thead>
<tr>
<th></th>
<th>Pro forma after IPO Minimum and Maximum $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other receivables</td>
<td>26,392</td>
</tr>
<tr>
<td>Audited balance as at 30 June 2018</td>
<td>1,392</td>
</tr>
</tbody>
</table>

Subsequent events:
- GST on exploration: 25,000

Total: 26,392

Pro-forma adjustments:

Total: -

Pro-forma Balance: 26,392
**Note 5: Exploration and Evaluation Expenditure**

<table>
<thead>
<tr>
<th></th>
<th>Pro forma after IPO</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration and Evaluation Expenditure</td>
<td>482,548</td>
<td>$</td>
</tr>
<tr>
<td>Audited balance as at 30 June 2018</td>
<td>232,548</td>
<td></td>
</tr>
</tbody>
</table>

**Subsequent events:**

<table>
<thead>
<tr>
<th>Event</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exercise of Option</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>250,000</td>
<td></td>
</tr>
</tbody>
</table>

**Pro-forma adjustments:**

<table>
<thead>
<tr>
<th>Event</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pro-forma Balance</strong></td>
<td>482,548</td>
<td></td>
</tr>
</tbody>
</table>

**Note 6: Equity**

<table>
<thead>
<tr>
<th>Event</th>
<th>Pro forma after IPO Minimum</th>
<th>Pro forma after IPO Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Issued capital</td>
<td>4,091,055</td>
<td>6,430,462</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Event</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>After IPO</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of shares</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>After IPO</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minimum</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Event</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>After IPO</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of shares</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>After IPO</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minimum</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Event</th>
<th>Pro forma after IPO Minimum</th>
<th>Pro forma after IPO Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully paid ordinary share capital of Torque Metals Limited as at 30 June 2018</td>
<td>22,933,333</td>
<td>22,933,333</td>
</tr>
<tr>
<td><strong>Number of shares</strong></td>
<td>540,600</td>
<td>540,600</td>
</tr>
</tbody>
</table>

**Subsequent events:**

<table>
<thead>
<tr>
<th>Event</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of ordinary shares</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Issue of ordinary shares for capital raising costs</td>
<td>33,334</td>
<td>33,334</td>
</tr>
<tr>
<td>Capital raising Costs</td>
<td>(6,933)</td>
<td>(6,933)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,033,334</td>
<td>96,400</td>
</tr>
</tbody>
</table>

**Pro-forma adjustments:**

<table>
<thead>
<tr>
<th>Event</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from shares issued under the IPO (minimum)</td>
<td>22,500,000</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from shares issued under the IPO (maximum)</td>
<td>-</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Capital raising costs</td>
<td>(1,045,945)</td>
<td>(1,206,538)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22,500,000</td>
<td>5,793,462</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Event</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro-forma Balance</strong></td>
<td>46,466,667</td>
<td>58,966,667</td>
</tr>
</tbody>
</table>
b) Reserves

Audited balance as at 30 June 2018

Subsequent events:

Total

Pro-forma adjustments:

Issue of Options to Lead Manager

Total

Pro-forma Balance

C) Performance Rights

12,000,000 Performance Rights have been issued to the directors (4 million each) which will convert to Shares on a one for one basis subject to the satisfaction of the following milestones:

<table>
<thead>
<tr>
<th>Tranche</th>
<th>% of Performance Rights</th>
<th>Vesting Condition</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25%</td>
<td>20 Day VWAP equals $0.25 or above</td>
<td>12 months from the date of Admission</td>
</tr>
<tr>
<td>2</td>
<td>33.33%</td>
<td>20 Day VWAP equals $0.30 or above</td>
<td>24 months from the date of Admission</td>
</tr>
<tr>
<td>3</td>
<td>41.66%</td>
<td>Announcement by the Company of the completion of cumulative commercial gold pours of at least 5,000 oz in aggregate</td>
<td>36 months from the date of Admission</td>
</tr>
</tbody>
</table>

The above performance rights have not vested and do not affect the pro forma financial statements.
Note 7: Related Parties

Refer to Section 6 of the Prospectus for the Board and Management Interests.

Note 8: Commitments and Contingent Liabilities

As part of the pro-forma acquisition of the Bullfinch Tenements, Torque grants a 1% net smelter return royalty in respect of any minerals extracted and recovered in a commercial mining operation carried out by or on behalf of the Company from:

(i) the tenements acquired from Talga Resources Limited; and

(ii) any tenements (including their successor tenements) owned in whole or in part or in trust for or by the Company, that have any point of a boundary located within 5km of any point of any boundary of the tenements acquired from Talga Resources Limited.

Other than above, at the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus.

Note 9: Subsequent Events

Subsequent to 30 June 2018 the following events have occurred which have been reflected in the pro-forma adjustments:

(a) The Company raised $100,000 via the issue of 100,000 ordinary shares at $0.10 each. The shares are to rank equally in all respects to shares on issue. As part of the raising that was performed 33,334 ordinary shares were issued at $0.10 each and $3,600 cash consideration was paid as capital raising costs.

(b) The Company exercised its option on 18 July 2018 to acquire the Bullfinch tenements in accordance with the Tenement Option and Sale Agreement dated 18 August 2017. The Company exercised the option by cash payment of $250,000 plus GST

Other than disclosed above there have been no material events subsequent to balance date that we are aware of, other than those disclosed in this Prospectus.
6. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

6.1 Board of Directors

As at the Prospectus Date, the Board comprises of:

(a) Ian D Finch — Managing Director;
(b) Neil W McKay — Executive Director, Chief Financial Officer and Company Secretary; and
(c) Tshung H Chang — Non-Executive Director.

6.2 Directors' profiles

The names and details of the Directors in office at the Prospectus Date are:

Ian D Finch — Managing Director
BSc (Hons) MAusIMM

Mr. Finch’s career spans 49 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 – from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Wiltwatersrand Gold Mines in South Africa.

In 1982 he joined CRA Exploration as a Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987. In these roles he was instrumental in the discovery and development of several new gold and copper/gold resources in Australia.

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

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

Neil W McKay — Executive Director, Chief Financial Officer and Company Secretary
B.Bus (Sec. Admin) & (Accounting)

Mr. McKay is an accountant with more than 40 years in senior accounting, finance and company secretarial roles. His career has concentrated in Australia and the Philippines. After becoming an Associate Member of the Institute of Chartered Accountants in Australia, he ventured into the mineral exploration industry, where at various times he was Company Secretary for a successful oil and gas company and senior accounting positions within the exploration industry.

He was a founding director, Company Secretary and Chief Financial Officer of ASX listed Trafford Resources, Tyranna Resources and IronClad Mining and former Associate of The Institute of Chartered Accountants in Australia.
Tshung H Chang — Non-Executive Director
B.Com GC Banking GradDipAppFin

Mr. Chang’s career spans 23 years with financial institutions in Perth, Sydney and Hong Kong. He has played a key role in the franchise development of several major international banks in North Asia. As well as being bilingual in Chinese/English he is skilled in mining/resources financing, structured finance, credit ratings, debt and capital raising, asset and risk management, with deep expertise across Asia-Pacific.

6.3 Interests of Directors

Except as disclosed in this Prospectus, no Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

(a) the formation or promotion of the Company; or
(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
(c) the Offers, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(d) any Director to induce him to become, or to qualify as, a Director; or
(e) any Director of the Company for services which he (or an entity in which he is a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

6.4 Security holdings of Directors

The Directors and their related entities have the following relevant interests in Securities as at the Prospectus Date:

<table>
<thead>
<tr>
<th>Director</th>
<th>Shares</th>
<th>Options</th>
<th>Performance Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian D. Finch</td>
<td>10,000,000¹</td>
<td>Nil</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Neil W. McKay</td>
<td>10,000,000¹</td>
<td>Nil</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Tshung H Chang</td>
<td>7,300,000²</td>
<td>Nil</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Notes:

1. Mr. Ian Finch and Mr. Neil McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 10,000,000 Shares.
2. 7,150,000 Shares are held by Mr. Chang. Mr. Chang is deemed to have a relevant interest in the remaining 150,000 Shares are held by Mr. Chang’s parents.

Based on the intentions of the Directors at the Prospectus Date in relation to the Offers, the Directors and their related entities will have the following relevant interests in Shares on Admission:
<table>
<thead>
<tr>
<th>Director</th>
<th>Shares</th>
<th>Options</th>
<th>Performance Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian D. Finch</td>
<td>10,000,000</td>
<td>Nil</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Neil W. McKay</td>
<td>10,000,000</td>
<td>Nil</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Tshung H Chang</td>
<td>7,300,000</td>
<td>Nil</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Notes:

1. Mr. Ian Finch and Mr. Neil McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 10,000,000 Shares.
2. 7,150,000 Shares are held by Mr. Chang. Mr. Chang is deemed to have a relevant interest in the remaining 150,000 Shares are held by Mr. Chang’s parents.

6.5 Remuneration of Directors

The Directors have received the following remuneration since incorporation of the Company.

<table>
<thead>
<tr>
<th>Director</th>
<th>Remuneration ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian D. Finch</td>
<td>Nil</td>
</tr>
<tr>
<td>Neil W. McKay</td>
<td>Nil</td>
</tr>
<tr>
<td>Tshung H Chang</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Refer to Section 4.3 for a summary of the engagement and appointment agreements between the Company and the Directors. The Directors’ entitlement to receive remuneration will commence with effect from Admission.

6.6 Related party transactions

The Company has entered into the following related party transactions:

(a) engagement and appointment agreements between the Company and the Directors (refer to Section 4.3 for details);

(b) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 4.4) for details); and

(c) unsecured loan agreement with Mr. Tshung H Chang (refer to Section 4.5 for details).

At the Prospectus Date, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

6.7 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.
To the extent applicable, the Company has adopted the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the Prospectus Date are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at www.torquemetsals.com.

(a) **Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

(i) providing leadership and setting the strategic objectives of the Company;

(ii) appointing and when necessary replacing the Executive Directors;

(iii) approving the appointment and when necessary replacement, of other senior executives;

(iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;

(v) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(vi) approving operating budgets and major capital expenditure;

(vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;

(viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and

(x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.
(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of two Executive Directors and one Non-Executive Director (whom the Company considers independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Independent professional advice**

Subject to the Chairperson's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) **Remuneration arrangements**

The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) **Securities trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairperson (or the Board in the case of the Chairperson) must be obtained prior to trading.
(h) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

(i) **Audit and risk**

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

(j) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

6.8 **Departures from Recommendations**

Following admission, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the Prospectus Date are detailed in the table below.

<table>
<thead>
<tr>
<th>Principles and Recommendations</th>
<th>Explanation for Departures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 The board of a listed entity should have a nomination committee.</td>
<td>The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</td>
</tr>
<tr>
<td>2.4 A majority of the board of a listed entity should be independent directors</td>
<td>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</td>
</tr>
<tr>
<td>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</td>
<td>The formation of the Board reflects the founding members. It is not possible at this time to have a majority of Independent Directors, or an Independent Chairman. Therefore, the Board takes the view that the interests of Shareholders are currently best served with the present composition of the Board and has resolved that the situation will be monitored on a regular basis</td>
</tr>
<tr>
<td>Principles and Recommendations</td>
<td>Explanation for Departures</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>as the operations of the Company evolve and appointment of Independent Directors as the necessity and opportunity arise.</td>
<td></td>
</tr>
<tr>
<td>4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.</td>
<td>The full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional non-executive Directors to satisfy this recommendation.</td>
</tr>
<tr>
<td>7.1 The board of a listed entity should have a risk committee.</td>
<td>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</td>
</tr>
<tr>
<td>8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent</td>
<td>The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent non-executive Directors to satisfy this recommendation.</td>
</tr>
</tbody>
</table>
7. ADDITIONAL INFORMATION

7.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) (Ranking of Shares): At the Prospectus Date, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(b) (Voting rights): Subject to any rights or restrictions, at general meetings:

(i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;

(ii) has one vote on a show of hands; and

(iii) has one vote for every Share held, upon a poll.

(c) (Dividend rights): Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive. Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

(d) (Variation of rights): The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) (Transfer of Shares): Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

(f) (General meetings): Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.
(g) (Unmarketable parcels): The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(h) (Rights on winding up): If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid-up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

7.2 Terms and conditions of Performance Rights

The terms and conditions of the Performance Rights are as follows:

(a) (Entitlement): Subject to the terms and conditions set out below, each Performance Right once vested entitles the holder of the Performance Right (Holder), on exercise, to the issue of one Share.

(b) (Vesting Conditions and Expiry Date): Subject to the terms and conditions set out below, the exercise of a Performance Right is subject to the satisfaction of the relevant Vesting Condition specified below and the Holder remaining engaged by the Company at the time the relevant Vesting Condition is satisfied.

<table>
<thead>
<tr>
<th>Tranche</th>
<th>% of Performance Rights</th>
<th>Vesting Condition</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25%</td>
<td>20 Day VWAP equals $0.25 or above</td>
<td>12 months from the date of Admission</td>
</tr>
<tr>
<td>2</td>
<td>33.33%</td>
<td>20 Day VWAP equals $0.30 or above</td>
<td>24 months from the date of Admission</td>
</tr>
<tr>
<td>3</td>
<td>41.66%</td>
<td>Announcement by the Company of the completion of cumulative commercial gold pours of at least 5,000 oz in aggregate</td>
<td>36 months from the date of Admission</td>
</tr>
</tbody>
</table>

(c) (Change of Control): If there is a Change of Control Event in relation to the Company prior to the exercise of the Performance Rights and prior to the Expiry Date, then:

(i) each Vesting Condition will be deemed to have been satisfied; and

(ii) each Performance Right will automatically and immediately convert into Shares, however, if the number of Shares to be issued as a result of the conversion of all Performance Rights due to a Change of Control Event in relation to the Company exceeds 10% of the total Shares on issue at the time of the conversion, then the number of Performance Rights to be converted will be prorated so that the aggregate number of Shares issued upon conversion of the Performance Rights is equal to 10% of the total issued share capital of the Company.

For the purposes of these terms, “Change of Control Event” means:
the occurrence of:

(A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and

(B) that takeover bid has become unconditional; or

(ii) the announcement by the Company that:

(A) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and

(B) the Court, by order, approves the proposed scheme of arrangement.

(d) (Expiry of Performance Rights): A Performance Right will lapse upon the earlier to occur of:

(i) the Vesting Condition becoming incapable of satisfaction due to the cessation of the holder’s employment with the Company;

(ii) the Vesting Condition not being satisfied on or before the Expiry Date.

(e) (Shares issued on exercise): Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.

(f) (No cash consideration): The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after exercise.

(g) (Timing of issue of Shares):

(i) As soon as practicable after the vesting of a Performance Right, the Company shall give written notice of the vesting to the Holder.

(ii) Within 15 Business Days after the later of the following:

(A) vesting of a Performance Right; and

(B) excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceasing to be excluded information,

the Company will:

(C) issue the Shares pursuant to the exercise of the Performance Rights;

(D) subject to paragraph 7.2(g)(iii), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(E) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

(iii) If the Company is unable to give ASX a notice in accordance with paragraph 7.2(g)(ii)(D) within the time required, the Company must issue a disclosure
document as soon as reasonably practicable thereafter, with such disclosures necessary to comply with the criteria in ‘case 2’ of section 708A of the Corporations Act in respect of any the Shares issued pursuant to the exercise of the Performance Rights. Until such time as the disclosure document has been issued, the Holder must only transfer such Shares to a person satisfying the requirements of section 708(8), (10) or (11) of the Corporations Act.

(h) (Quotation): The Company will not apply for quotation of the Performance Rights on ASX. Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Performance Rights.

(i) (Transferability of Performance Rights): The Performance Rights are not transferable, except with the prior written approval of the Board.

(j) (Participation in new issues): There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of unvested Performance Rights.

(k) (Adjustment for bonus issues): 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 which must be issued on the vesting of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.

(l) (Adjustment for entitlements issue): If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph (k) will apply) there will be no adjustment to the number of Shares which will be issued upon the vesting of a Performance Right.

(m) (Adjustments for reorganisation): If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules.

7.3 Terms and conditions of Lead Manager Options

The terms and conditions of the Lead Manager Options are as follows:

(a) (Entitlement): Each Lead Manager Option entitles the holder to subscribe for one Share upon exercise of the Lead Manager Option.

(b) (Exercise Price): Subject to any adjustment in accordance with these terms and conditions, the amount payable upon exercise of each Lead Manager Option will be $0.25 (Exercise Price).

(c) (Expiry Date): Each Lead Manager Option will expire at 5:00pm (WST) on the date which is three years from the date of Admission (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) (Exercise Period): The Lead Manager Options are exercisable at any time from the date of issue and from time to time on or prior to the Expiry Date (Exercise Period).

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

(f) (Exercise Date): A Notice of Exercise is effective on and from the later of the date of receipt of:

(i) the Notice of Exercise; and

(ii) the Exercise Price for each Lead Manager Option being exercised in cleared funds

(Exercise Date).

(g) (Issue of Shares on exercise): Within 5 Business Days after the Exercise Date, the Company must:

(i) issue the Shares pursuant to the exercise of the Lead Manager Options; and

(ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.

Shares issued on exercise of the Lead Manager Options rank equally with the then Shares of the Company. Upon the issue of the Shares pursuant to the exercise of the Lead Manager Options, the Lead Manager Option holder agrees to be bound by the Constitution.

(h) (Quotation of the Lead Manager Options): The Lead Manager Options will be unquoted unless the Board resolves otherwise in its sole discretion.

(i) (Transferability of the Lead Manager Options): The Lead Manager Options are not transferable, except with the prior written approval of the Board. Such consent must not be unreasonably withheld or delayed.

(j) (Participation in new issues): There are no participation rights or entitlements inherent in the Lead Manager Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Lead Manager Options.

(k) (Adjustment for bonus issues of Shares): 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):

(i) the number of Shares which must be issued on the exercise of a Lead Manager Option will be increased by the number of Shares which the Lead Manager Option holder would have received if the Lead Manager Option holder had exercised the Lead Manager Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) (Adjustment for entitlements issue): If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which Section 7.3(k) will apply) there will be no adjustment of the Exercise Price of a Lead Manager Option or the number of Shares over which the Lead Manager Options are exercisable.
(m) (Adjustments for reorganisation): If there is any reorganisation of the issued share capital of the Company, the rights of the Lead Manager Option holders will be varied in accordance with the Listing Rules.

### 7.4 Effect of the Offers on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the Prospectus Date are as follows.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
<th>% of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turf Moor Pty Ltd¹</td>
<td>10,000,000</td>
<td>41.7%</td>
</tr>
<tr>
<td>Tshung H Chang²</td>
<td>7,300,000</td>
<td>30.5%</td>
</tr>
</tbody>
</table>

Notes:

1. Mr. Ian Finch and Mr. Neil McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 10,000,000 Shares.
2. 7,150,000 Shares are held by Mr. Chang. Mr. Chang is deemed to have a relevant interest in the remaining 150,000 Shares are held by Mr. Chang’s parents.

Based on the information known as at the Prospectus Date, and assuming only the Minimum Subscription is achieved, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
<th>% of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turf Moor Pty Ltd¹</td>
<td>10,000,000</td>
<td>21.5%</td>
</tr>
<tr>
<td>Tshung H Chang²</td>
<td>7,300,000</td>
<td>15.7%</td>
</tr>
</tbody>
</table>

Notes:

1. Mr. Ian Finch and Mr. Neil McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 10,000,000 Shares.
2. 7,150,000 Shares are held by Mr. Chang. Mr. Chang is deemed to have a relevant interest in the remaining 150,000 Shares are held by Mr. Chang’s parents.

### 7.5 Interests of Promoters, Experts and Advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the Prospectus Date, or held at any time during the last two years, any interest in:

(i) the formation or promotion of the Company;

(ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or

(iii) the Offers,
and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) **Share registry**

Advanced Share Registry Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) **Auditor**

Bentleys Audit & Corporate (WA) Pty Ltd has been appointed to act as auditor to the Company. The Company estimates it will pay Bentleys Audit & Corporate (WA) Pty Ltd a total of $6,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bentleys Audit & Corporate (WA) Pty Ltd has not provided services to the Company. Please refer to Section 7.5(e) regarding additional fees estimated to be paid to Bentleys Audit & Corporate (WA) Pty Ltd.

(d) **Legal adviser**

Bellanhouse has acted as the Australian solicitors to the Company in relation to the Offers. The Company estimates it will pay Bellanhouse $60,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bellanhouse has not provided services to the Company.

(e) **Investigating Accountant**

Bentleys Audit & Corporate (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 5 of this Prospectus. The Company estimates it will pay Bentleys Audit & Corporate (WA) Pty Ltd a total of $5,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bentleys Audit & Corporate (WA) Pty Ltd has received $6,000 in fees from the Company for audit services (see Section 7.5(c) above).

(f) **Independent Geologist**

Agricola Mining Consultants Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 10 of this Prospectus. The Company estimates it will pay Agricola Mining Consultants Pty Ltd a total of $12,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Agricola Mining Consultants Pty Ltd has not provided services to the Company.

(g) **Lead Manager**

Sanlam Private Wealth Pty Ltd has acted as the Lead Manager to the Public Offer. Details of the payments to be made to the Lead Manager are summarised in Section 4.2. During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not provided services to the Company.
7.6 Consents

(a) Each of the parties referred to below:

(i) does not make the Offers;

(ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

(iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

(iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Advanced Share Registry Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) Auditor

Bentleys Audit & Corporate (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

(d) Legal adviser

Bellanhouse has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Australian legal adviser to the Company in the form and context in which it is named.

(e) Investigating Accountant

Bentleys Audit & Corporate (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

(f) Independent Geologist

Agricola Mining Consultants Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Geologist’s Report in the form and context in which it is included.
(g) **Lead Manager**

Sanlam Private Wealth Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Lead Manager to the Public Offer in the form and context in which it is named.

7.7 **Expenses of Offer**

The total approximate expenses of the Offers payable by the Company are:

<table>
<thead>
<tr>
<th></th>
<th>Minimum Subscription</th>
<th>Maximum Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASX Quotation and ASIC Lodgement Fee</td>
<td>67,996</td>
<td>73,589</td>
</tr>
<tr>
<td>Australian Legal Fees</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Investigating Accountant Fees</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Independent Geologist Fees</td>
<td>12,500</td>
<td>12,500</td>
</tr>
<tr>
<td>Lead Manager Fees</td>
<td>308,000</td>
<td>458,000</td>
</tr>
<tr>
<td>Printing, Postage and Administration Fees</td>
<td>10,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>464,496</strong></td>
<td><strong>625,089</strong></td>
</tr>
</tbody>
</table>

7.8 **Continuous disclosure obligations**

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

7.9 **Litigation**

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

7.10 **Electronic Prospectus**

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application
form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

7.11 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

(a) this Prospectus;
(b) the Constitution; and
(c) the consents referred to in Section 7.6 of this Prospectus.

7.12 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.
8. **AUTHORISATION**

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

Ian D Finch  
Managing Director  
Dated: 8 November 2018
9. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

$ means Australian dollars.

20 Day VWAP means the volume weighted average price of Shares traded on ASX during 20 consecutive trading days on which sales in Shares were recorded.

Admission means admission of the Company to the Official List, following completion of the Offers.

Applicant means a person who submits an Application Form.

Application Form means the application form attached to this Prospectus.

Application means a valid application for Shares pursuant to this Prospectus.

Application Monies means application monies for Securities under the Offers received and banked by the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ACN 008 504 532).

Board means the board of Directors of the Company as at the Prospectus Date.

Business Day has the meaning given in the Listing Rules.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date specified as the closing date in the Indicative Timetable, or such other time and date as the Board determines.

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

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.torquemetals.com.

GST means Goods and Services Tax.

Indicative Timetable means the indicative timetable for the Offers.
Investigating Accountant means Bentleys Audit & Corporate (WA) Pty Ltd.

Investigating Accountant's Report means the report contained in Section 5.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.

Lead Manager means Sanlam Private Wealth Pty Ltd (ACN 136 960 775).

Lead Manager Offer means the offer by the Company, pursuant to this Prospectus, of 5,000,000 Lead Manager Options.

Lead Manager Options means the Options proposed to be issued under the Lead Manager Offer on the terms and conditions in Section 7.3.

Listing Rules means the listing rules of ASX.

Maximum Subscription means the raising of $7,000,000 pursuant to the Public Offer.

Minimum Subscription means the raising of $4,500,000 pursuant to the Public Offer.

Offer Price means $0.20 per Share under the Public Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date in the Indicative Timetable, or such other time and date as the Board determines.

Option means an option to acquire a Share.

Original Prospectus means the Company’s prospectus dated 18 October 2018 and lodged with ASIC on that date.

Original Prospectus Date means the date of the Original Prospectus, being 18 October 2018.

Performance Rights means a right to acquire a Share on the terms and conditions as outlined in Section 7.2.

Prospectus Date means the date of this Prospectus, being 8 November 2018.

Prospectus or Replacement Prospectus means this prospectus.

Public Offer means the offer by the Company, pursuant to this Prospectus, of a minimum of 22,250,000 Shares and a maximum of 35,000,000 Shares at the Offer Price to raise a minimum of $4,500,000 and up to a maximum of $7,000,000 (before costs).

Relevant Interest has the meaning given in the Corporations Act.

Section means a section of this Prospectus.

Securities means any securities, including Shares, Options or Performance Shares, issued or granted by the Company.
Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Advanced Share Registry Limited (ACN 127 175 946).

Shareholder means a holder of one or more Shares.

Talga Tenements means the tenements acquired by the Company from Talga pursuant to the Acquisition Agreement, comprised of: E77/2139, E77/2221, E77/2222, E77/2251, E77/2350, and P77/4106.

WST means Western Standard Time, being the time in Perth, Western Australia.
10. INDEPENDENT GEOLOGIST'S REPORT
INDEPENDENT TECHNICAL ASSESSMENT REPORT
on the MINERAL PROJECTS
held by TORQUE METALS LIMITED

8 November 2018

Georgius Agricola: De Re Metallica, 1556
8 November 2018
The Directors
Torque Metals Limited

Dear Sirs,

Re: INDEPENDENT TECHNICAL ASSESSMENT REPORT

on the MINERAL PROJECTS

held by TORQUE METALS LIMITED

Agricola Mining Consultants Pty Ltd ("Agricola") has been commissioned by the Directors of Torque Metals Group Limited ("Torque" or the "Company") to provide an independent technical assessment report ("Report") on the mineral assets in the Bullfinch area, Western Australia (the "Project") held by the Company. This Report is to be included in a Prospectus to be lodged by the Company with the Australian Securities and Investments Commission ("ASIC") in respect of the Company's initial public offer (the "Offer"). The funds raised under the Offer will be used for undertaking exploration, development and working capital requirements.

Agricola has completed a desktop review of the projects which involved compiling and reviewing the project's technical aspects, including previous work, regional geological setting, local geology, mineralisation, exploration potential and planned exploration. The objectives of this report are to provide a geological overview of the exploration project covering pertinent aspects in detail appropriate to the strategic importance of the project and to provide comments on the exploration potential for further discovery of mineralisation.

In consideration of the definition provided in the VALMIN Code, the Bullfinch mineral assets of Torque are classified as Early Stage Exploration Mineral Assets where no mineral resources have so far been estimated. The mineral properties are considered prospective, although subject to varying degrees of risk, to
warrant further exploration and development of their economic potential consistent with the programs proposed by Torque.


Agricola and its employees and associates are not, nor intend to be, directors, officers or employees of Torque and have no material interest in any of the projects or Torque. The relationship with Torque is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent has been given by the author for the inclusion of this Report in the Prospectus relating to the Offer and distribution of this Report in the form and context in which it appears.

**EXECUTIVE SUMMARY - THE BULLFINCH PROJECT**

The Bullfinch project is situated in the Southern Cross Greenstone Belt located within the Archaean aged Yilgarn craton of Western Australia. The project is located 40 kilometres north of Southern Cross, adjacent to the township of Bullfinch.

The Project covers 405 square kilometres and is located approximately 5 kilometres northeast from the Copperhead gold deposit and is centred on a poorly exposed largely untested belt of greenstone with Banded Iron Formation (“BIF”). Historical exploration was hampered by shallow transported cover, but the prospective greenstone/BIF unit is now accurately traced by modern geophysical surveys that reveal it extending for 15 kilometres length through the project.

**Geological Setting and Mineralisation**

The general stratigraphy of the Southern Cross Province consists of an upper and a lower sequence of greenstones, separated by a major unconformity. The lower sequence contains a quartzite unit at the base, which is overlain by dominantly mafic and ultramafic volcanics. The Bullfinch-Parker Range greenstones are atypical of the Yilgarn Craton in that they have generally undergone amphibolite facies metamorphism as compared to the more usual lower grade greenschist facies of the Eastern Goldfields ie, Kalgoorlie, Leonora.

The project lies to the immediate east of the outcropping Southern Cross greenstone belt and encloses a 10km wide sequence of interfolded,
metamorphosed, granitic gneisses, interfolded mafic granulites, schists and meta - BIFs and remnant greenstones which represent the root zone complex of the main belt.

The Bullfinch project has two types of potential host units to mineralisation – that found in the typical volcano-sedimentary portion of a greenstone belt and that found in the granitic intrusives which occur in the north and were emplaced after the greenstone sequence but prior to gold mineralisation. Gold mineralisation throughout the Yilgarn Craton is known to have occurred post formation of both of these units and the majority of the gold that has been found is within the volcanic sequences due to the structural, chemical and lithological contrasts that occur within the heterogenous sequences. It is possible for spatially associated granites to host gold deposits, as has been proven at various deposits through the Yilgarn

Previous Exploration

The Bullfinch area is dominated by the Copperhead mine which has proved to be one of the most productive mines in the Southern Cross Province and is surrounded by many smaller gold occurrences within both greenstone, BIF, granite and gneissic rocks. The Copperhead mine finally closed in 1997, after three periods of production.

The most recent exploration of the Bullfinch area was by Talga Resources Ltd in 2009 to 2016. Work included acquisition of new aeromagnetic data, analysis and reinterpretation of geological structures, and the compilation of previous work into modern database form. This was followed by field reconnaissance of new areas of interest to confirm the greenstone/BIF belt and test several gold areas of interest with rock chip geochemistry. The most significant gold grades were returned from the newly discovered Harold Holt prospect, where a recent prospecting pit highlighted lateritised weakly ferruginous and veined granitoid. Further work at the project in 2010 focused in the north at the Harold Holt, Jumbuck and Reynold’s Find prospects.

Prior to exercising its option to acquire its interest in the Project from Talga Resources Ltd, Torque undertook technical due diligence on the tenements. The results of this due diligence were positive and provide sufficient justification to undertake further exploration activities within the area.

Exploration Potential

Gold exploration to date has been focused in elevated areas of topography where gold hosting structures come to the surface and are thus exploitable using informal mining techniques. The prospective geology, particularly in the southern two thirds, is likely to be a deeper portion of the Southern Cross greenstone belt which hosts the Copperhead and Radio mines and others to the south which have produced or contain multiple millions of ounces of gold. The
weaker signal may indicate the same sequence at a deeper level, possibly downthrown due to thrust faulting.

The number of gold occurrences and deposits and the fact that Copperhead is one of the highest historical gold producing mines in the Southern Cross belt indicates there is a preferable structural situation for gold within this portion of the belt. The presence of the greenstone belt underling Bullfinch Project, as suggested by the geophysics therefore is crucial.

Agricola considers that there are a number of prospects worthy of further exploration. The historic database covers much of the area within the Project licences area but most of the work comprises shallow drill holes that focussed on the Regolith profile.

Planned Expenditure

Torque has provided to Agricola its proposed exploration expenditure for the two year period following the capital raising as detailed in the Report. The Company is intending to focus their expenditure on surface exploration and follow up drilling on the Harold Holt, Copperhead East and Withers Find South areas.

Agricola considers that the exploration strategy and programs proposed by the Company are consistent with the mineral potential and status of the projects. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.

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The status of the tenements has been verified based on a recent independent inquiry of the Department of Mines and Petroleum, WA, Mineral Titles On Line database (source: www.dmp.wa.gov.au) by Agricola, pursuant to section 7.2 of the Valmin Code, 2015. The tenements are believed to be in good standing based on this inquiry.

\[\text{Note: The Company acquired 100\% legal and beneficial ownership of the Tenements from Talga Resources Ltd on 18 July 2018, the date of completion of the Acquisition Agreement. The Acquisition Agreement has been lodged with the Western Australian Office of State Revenue for the assessment of duty and stamping.}\]

\section*{THE BULLFINCH PROJECT}

The Bullfinch project is situated in the Southern Cross Greenstone Belt located within the Archaean aged Yilgarn craton of Western Australia. The project is located 40 kilometres north of Southern Cross, adjacent to the township of Bullfinch. Access to the tenement area is provided by the Bullfinch-Evanston road and the Bullfinch to Turkey Hill road. Much of the area is covered by agricultural wheat paddocks so numerous station tracks and fence lines provide ready access to much of the tenement.

The Bullfinch project is located approximately 5 kilometres northeast from the Copperhead gold deposit and is centred on a poorly exposed largely untested belt of greenstone with Banded Iron Formation ("BIF"). Historical exploration was hampered by shallow transported cover, but the prospective greenstone/BIF unit is now accurately traced by modern geophysical surveys that reveal it extending for 15 kilometres length through the project.
Several areas of gold workings have also been identified within rocks of gneissic and granitic composition in the project and most of the gold occurrences have not been subject to any modern exploration. Identified gold prospects within the project area include the Matilda, Jumbuck and Bottom Group prospects.

![Location of the Bullfinch Project](image)

**Regional Geology**

The general stratigraphy of the Southern Cross Province consists of an upper and a lower sequence of greenstones, separated by a major unconformity. The lower sequence contains a quartzite unit at the base, which is overlain by dominantly mafic and ultramafic volcanics. Clastic sedimentary rocks (with minor felsic volcanics) occur at the top of this lower sequence. The upper sequence consists of clastic sedimentary rocks (Diemals Formation) and felsic volcanic rocks (Marda Complex) which unconformably overlies the mafic dominated lower sequence.

The Bullfinch-Parker Range greenstones are atypical of the Yilgarn Craton in that they have generally undergone amphibolite facies metamorphism as compared to the more usual lower grade greenschist facies of the Eastern Goldfields ie, Kalgoorlie, Leonora. The higher grade metamorphism causes loss of the original fabric and textures of the rocks making identification of the primary host rocks more difficult. The reason for the higher grade metamorphism is unclear, but is likely to be related to the depth of burial and deformation history.
In the Bullfinch project a complexly folded, faulted and partially resorbed greenstone +/- BIF unit has been identified that is prospective for the discovery of Copperhead-style gold deposits. Aeromagnetic surveys and fieldwork show the belt extends for up to 15 kilometres total strike under shallow cover through the centre of the tenement. This belt of interpreted amphibolite facies greenstone and silicate facies iron formation is deformed as it drapes contact zones in the Ghooli Dome granitoid complex where intruded by younger stocks. Similar late stage intrusives have been identified to be important in localising gold deposits in the enveloping greenstone belts.

To the northeast of the belt a large linear northwest- striking structural corridor is interpreted from aeromagnetic surveys to extend for 16 kilometres through the project area. Some of the new gold prospects identified such as Harold Holt, and Jumbuck are spatially related to this feature, with the highest gold grades from sampling to date being from closer to the centre of the corridor.

Shear zones and associated multi-phase quartz veining occur near the metamorphosed greenstone/ BIF package at some prospects. Similar geological settings host significant gold deposits in the district associated with sheared lithologic contacts at the limb or in the hinge of regional folds deformed during batholith emplacement.

Local Geology

The project lies to the immediate east of the outcropping Southern Cross greenstone belt and encloses a 10km wide sequence of interfolded, metamorphosed, granitic gneisses, interfolded mafic granulites, schists and meta- BIFs and remnant greenstones which represent the root zone complex of the main belt. This complexly folded, faulted and partially resorbed belt of amphibolite facies greenstone and silicate facies banded iron formation extends up to 15 kilometres total strike under shallow cover through the centre of the tenement as interpreted from aeromagnetic data and reconnaissance mapping. The belt is deformed as it drapes contact zones in the Ghooli Dome granitoid/gneiss complex where it is intruded by younger stocks. Similar late stage intrusives have been identified to be important in localising gold deposits in the enveloping greenstone belts (Qiu et al., 1999). In the northeast portion of the tenement a large linear northwest - striking magnetic low is interpreted to be a suture zone between the contact of the Ghooli Dome complex and a monzogranitic phase of the Lake Deborah Dome. This northwest structural imprint is observed in rare outcrops of foliated granite and gneiss throughout the project.

Regolith

Much of the tenement is covered by various types of transported overburden, with only occasional isolated outcrops, many of which contain quartz reefs,
which due to their exposure were targeted by early prospectors and miners. Overburden types comprise yellow granitic sands to the east, interspersed with areas of ironstone gravels and extensive areas of transported, heavy red clays which form the substrate used for agricultural purposes. Areas of lateritisation and hardpan are developed in the regolith capping granite breakaways in some areas.

Exploration drilling has defined areas of deep overburden, up to 79 metres being reported southeast of Wither’s Find, indicating that a deeply buried palaeo topography is present in this area.

Structure

Several fault systems are interpreted. The main set is NNW trending, parallel to the greenstone belt, with a secondary NE trending cross cutting set. A third set of late stage WNW trending tensional fractures is indicated by the persistent strike in this direction of widely distributed gold bearing quartz veins which comprise the various historic gold prospects within the tenement area.

Mineralisation

The Bullfinch project has two types of potential host units to mineralisation – that found in the typical volcano-sedimentary portion of a greenstone belt and that found in the granitic intrusives which occur in the north and were emplaced after the greenstone sequence but prior to gold mineralisation. Gold mineralisation throughout the Yilgarn Craton is known to have occurred post formation of both of these units and the majority of the gold that has been found is within the volcanic sequences due to the structural, chemical and lithological contrasts that occur within the heterogenous sequences. It is possible for spatially associated granites to host gold deposits, as has been proven at various deposits through the Yilgarn.

Gold mineralization in the district is commonly located along contacts where there is a ductility contrast between rock types. Sediment/ultramafic and mafic/ultramafic contacts provide such a contrast and in the granitic domains variations in compositions of the intrusives also provides contrasts. The major gold deposits are predominantly quartz sulphide lodes in shear zones and lithological contacts, and can attain significant size.

It is conceivable that silicification about the veins had consolidated their host rocks to the extent that they formed palaeo-topographic highs, and hence their tendency to outcrop in areas of otherwise extensive transported overburden. Some of the vein systems have considerable strike lengths (>2km at Withers Find) though most are 100 m to 200 m in strike, and average less than 0.5 m in width. Gold values are reportedly associated with kaolinised and pyritic selvedges to the veins rather than with the quartz itself.
Prominent Gold Mines in the Bullfinch Area – Marvel Loch Area

Copperhead and Radio Mines\(^1\)

The first lease on the Copperhead deposit was taken up soon after in 1910 and a mine and battery was constructed. The mine is one kilometre east of Bullfinch. An underground mine operated here between 1910-1944, and then by Western Mining Corporation (under a subsidiary name Great Western Consolidated) between 1952-1962.

It is part of the Bullfinch Greenstone Belt, only 150 metres from the eastern contact of the belt with coarse granitoids. The mineralization is within the lower units of the mafic-ultramafic rocks. The gold is hosted in high Mg basalt and tuff, banded iron formations and minor sediments, all altered to fine grained tremolite-actinolite, chlorite and talc carbonate schist. Also found are banded iron formations containing pyrite, pyrrhotite, ferromagnesian minerals and quartzite.

\(^1\) Not included in the Company’s portfolio
Two forms of mineralization occur. Firstly the Southern Cross Series banded iron lode associated with two lightly folded Au bearing banded iron formations, less than 10 metres thick to 35 metres thick. Secondly dolomite lodes of the Northern Series up to 50 metres thick, in a lightly folded zone of tremolite-actinolite-chlorite schist.

The Radio Mine lies on the eastern side of the Southern Cross Greenstone Belt, overlapping onto the western margin of the granitoid Ghooli Dome. The host rock to the mineralized lodes is a foliated heterogeneous granitoid containing abundant rafts of partially assimilated greenstones adjacent to the main greenstone belt.

Gold mineralization occurs in 2 sub-parallel quartz lodes that occur in shears that strike north east and dip to the south east. The lodes are referred to as the Foot wall (West and Main Reefs) and the Hanging wall (East Reef). The lodes appear to be continuous over a strike length of 130m and can be traced, although discontinuously on the surface for a total strike length of 720m. The host rocks to the lodes are generally granitic gneiss/migmatite which is intercalated with mafic rocks. Usually a thin sericite alteration zone is present.

**Historical Production**

Historical gold exploration and mining commenced in the Southern Cross district in 1887 with the discovery of gold at Ansteys Find in the Eenuin area by prospectors. This was closely followed by further discoveries at Southern Cross and then Bullfinch. In the Eenuin area gold was associated with banded iron (BIF) lithologies cut by quartz veins.

The Bullfinch area is dominated by the Copperhead mine which has proved to be one of the most productive mines in the Southern Cross Province and is surrounded by many smaller gold occurrences within both greenstone, BIF, granite and gneissic rocks. The Copperhead mine finally closed in 1997, after three periods of production.

**Previous Exploration**

A large portion of the Bullfinch area is soil covered and interpreted to be underlain by granitic rocks has in the past hampered its perceived prospectivity. However early prospectors did locate gold in the project area where sparse outcrops revealed mineralised lodes, either in greenstone or granitoid and gneissic rocks.

During 1985–1995 a number of listed companies including Perilya Mines, Aberfoyle Exploration, and Broken Hill Minerals explored the area. Their work consisted mainly of rock chip sampling of mullock about old workings, broadly spaced reconnaissance auger and soil sampling, and a few holes of exploratory
RAB drilling. The most systematic drilling programme for which records have been cited was that carried out by New Holland Mines at Reynolds Find.

In 1988 New Holland Mining NL explored the area of Reynolds Find and completed wide spaced composite soil and laterite sampling with some shallow (5m) RAB drilling. This identified three zones of anomalous gold and arsenic, independent of the historic workings but these were not followed up. RC drilling was carried out at the workings.

In 1989 Mawson Pacific flew an aeromagnetic survey over portions of the project area that revealed the underlying geology of the project area to be more prospective than previously thought. They identified structural dislocations in the intrusive granite complex and importantly an interpreted resorbed greenstone belt. About the same time the discovery of the granite hosted Golden Cities gold deposits, located just 20 kilometres north of Kalgoorlie Boulder revealed that granitic rocks can be prospective for gold mineralization (along with the known greenstone belts) and opened up a new chapter of exploration specifically targeting gold in granites.

Between 1994 and 1996 Comet Gold, in joint venture with Equatorial Mining commenced an exploration program over the southern portions of the Bullfinch project area consisting of aerial photo interpretation and aeromagnetics followed up by auger, RAB drilling and limited reverse circulation drilling. The initial focus was paleochannel hosted gold eroded from the Copperhead deposit but a number of hard rock gold areas of interest were also identified and subject to first pass drill testing. Depth to bedrock in the areas of interest ranged from 12 to >40 metres with sticky puggy clays and ferruginous gravels intersected. A number of samples were submitted for analysis with no significant results returned. Comet withdrew from the project before further fieldwork by Equatorial discovered many groups of unmapped historic gold workings occurring in wheat paddocks and thickly wooded areas, including the Bottom, Matilda and Jumbuck prospects.

Image Resources NL 2001 - 2002

Image Resources NL conducted exploration for gold in joint venture with MPI Gold Ltd using broadly spaced reconnaissance auger and soil sampling, rock chip sampling and a few holes of exploratory RAB drilling on part of the southern half of the project area. Some moderate gold anomalies were outlined but follow up work was not conducted until in early 2002-2003 when Meteoric Resources NL carried out several programs of RAB and RC on old workings in the area. At Reynolds Find RC drilling was completed down dip of previous RC drill intercepts by New Holland. MPI applied a regional approach using aeromagnetic and reconnaissance mapping to define areas of interest associated with folded magnetic stratigraphy. These were subsequently downgraded by broad-spaced
auger soil sampling and 643m of vertical RAB and aircore reconnaissance drilling.

Auger soil geochemistry was also carried out northwest and south of the excised Wither’s Find leases for extensions of known soil gold geochemistry in those areas. This work downgraded areas associated with magnetic stratigraphy but did indicate weak to moderate soil gold anomalism south and northwest of Wither’s Find and near Mornington. These areas were tested by 30 inclined RAB holes during.

No bedrock anomalism was encountered in the Mornington and Wither’s Find northwest areas where the soil anomalies were found to lie at the top of deep transported overburden profiles up to 35m thick. Weak gold anomalism was intersected in several holes at Wither’s Find, but its low tenor discouraged follow-up.

*Meteoric Resources NL 2002 - 2008*

With the entry of Meteoric Resources NL as the new joint venture partner and operator, the exploration objective shifted from blind targets to drilling of areas associated with known historic groups of old workings within the tenements.

Base maps and data were compiled both from archival records of earlier exploration, and by field mapping of old workings that lay within the tenements. The excised Withers Find and Reynolds Find prospects were also included through farm-in agreements with the owners. Drill sites were laid out to test most of the known prospects, which included Wither’s Find South, Perilya, Rutherford’s Find, Bedstead, Golden Frog South, Golden Frog North, Bottom and Sheds.

*Talga Resources Ltd 2009 - 2016*

Talga Resources Ltd’s work included acquisition of new aeromagnetic data, analysis and reinterpretation of geological structures, and the compilation of previous work into modern database form. This was followed by field reconnaissance of new areas of interest to confirm the greenstone/BIF belt and test several gold areas of interest with rock chip geochemistry. The most significant gold grades were returned from the newly discovered Harold Holt prospect, where a recent prospecting pit highlighted lateritised weakly ferruginous and veined granitoid. Further work at the project in 2010 focused in the north at the Harold Holt, Jumbuck and Reynold’s Find prospects. This included rock chip and soil sampling using the Ionic Leach assaying method. Low level Au-Bi-Te at Harold Holt and Jumbuck was discovered with Au-As association at Reynold’s Find.

Further Ionic Leach soils and auger sampling was carried out as an orientation survey with Ionic Leach soils proving the most effective. In 2012 nine drill holes for 726m were drilled to test the geochemical areas of interest with the results
failing to explain the soil anomalies and further work being recommended. A regional standard soils survey was carried out over the northern portion of the tenement package on a 500x500m grid. Following a historic data compilation and review by Southern Geoscience Consultants of magnetic, gravity and radiometric data, 17 holes for 1,684m were also drilled into areas of interest within the magnetic stratigraphy in the western portion of the project area to test for economic iron ore intersections, though no significant results were returned. This review also provided inversion models and geology interpretations as well as conceptual targets ranked in order of priority – many of which are yet to be tested.

Further soil sampling, this time using the SGS equivalent to Ionic Leach – MMI (Mobile Metal Ions) was carried out on 500m centres along access tracks and two grids within E77/2139. Gold anomalism was detected in proximity to the Copperhead mine. Later in 2016 a further 397 samples were collected around the Bottom prospect which were not analysed or tabulated.

**Torque Metals Ltd 2017 - 2018**

Systematic geochemical sampling has been carried out throughout the Bullfinch project area since the mid 1980's in the form of rock chip, soil, laterite and auger sampling. Various areas of interest have been identified and drill tested as a result, however no new prospects have been defined, only confirmation of those that were already identified through the presence of old workings.

As part of its technical due diligence activities, Torque undertook certain soil sampling using the Partial Leach assaying methodology within the Bullfinch project area. The results of were positive and provide sufficient justification to undertake further exploration activities within the area. It is Torque’s intention to undertake further such activities following its capital raising and admission to ASX. The results of such work will be reported in accordance with the JORC Code once finalised.

**PROSPECTIVITY AND EXPLORATION POTENTIAL**

Gold exploration to date has been focused in elevated areas of topography where gold hosting structures come to the surface and are thus exploitable using informal mining techniques. It is clear from the gravity imaging that the geology – particularly in the southern two thirds, is likely to be a deeper portion of the Southern Cross greenstone belt which hosts the Copperhead and Radio mines and others to the south which have produced or contain multiple millions of ounces of gold. The weaker signal may indicate the same sequence at a deeper level, possibly downthrown due to thrust faulting.

The presence of “rafts” of the greenstone sequence is further evidenced in the magnetic and gravity data interpretation which interpret the presence of various
greenstone related units, including BIFs - one of the known hosts for mineralisation at Copperhead.

The number of gold occurrences and deposits and the fact that Copperhead was one of the highest gold producing mines in the Southern Cross belt indicates there is a preferable structural situation for gold within this portion of the belt. The presence of the greenstone belt underlying the Bullfinch Project, as suggested by the geophysics therefore is crucial. The implications for a subsumed greenstone belt under cover would be extremely significant with regards to exploration potential and simple inversion modelling of the current gravity and magnetic data is an effective way to initially assess the potential – both for structural areas of interest and for comparison to the sequence to the west.

**Harold Holt**

In 2010 Talga Resources trialled the Ionic Leach soil sampling method, which is similar to regular soil sampling but uses a partial leach digest to acquire low level detection via ICP-MS for all elements, it is especially useful for gold. In theory it should also define anomalies related to underlying bedrock rather than showing elevated values from transported material due to the nature of the gold ions that are detected. The grids targeted areas which had been identified from low level surface workings, including a new area of interest called Harold Holt. The results of this survey showed an Au-Te-Bi association within the Harold Holt and Jumbuck areas – a signature which has not been recognised in any other parts of the Bullfinch project area but is associated (along with other elements) with significant gold deposits such as Federal/Golden Cities and Granny Smith among others. Mineralisation at Harold Holt, if present, is likely to be similar to that seen at these deposits where gold occurs up to 6km from the nearest outcropping greenstone sequence. It is posited that mineralisation is derived from fluids generated from metamorphic devolatilization of greenstone sequences (possibly underlying) through structures propagating into the granite terrain. Mineralisation is found within structural or chemical niches.

The technical due diligence carried out by Torque was intended to confirm the elevated Te and Bi at Harold Holt and Jumbuck with the hope of delineating new areas of interest (described below) in the broader grid. Surprisingly though, the sampling did not highlight the Harold Holt or Jumbuck areas as being anomalous in Au, Bi or Te but did highlight other areas. The lack of gold returned in these previously identified areas is not too worrisome as the results from the 2010 survey were of a comparably low tenor. However, rock chip sampling at Harold Holt carried out by Torque failed to replicate the high values from Talga sampling. The presence of low grade coincident Au-Bi is encouraging, particularly Area of Interest 1 where the magnetics shows it crosses a lithological boundary. This area in particular requires further attention, perhaps
in the form of deeper auger drilling or some first pass RAB or aircore holes. More
detailed assay data should also be collected from hereon in at Harold Holt with
optimal digest and analytical methods being used for collecting Au, As, Ag, Bi, Cu,
Pb,, Sb, Te, W and Zn.

Four potential areas of interest have been identified from the results: 1. Low
level coincident Au-As-Ag-Bi anomalism in south; 2. Au-Bi-As anomalism in
middle of grid; 3. Au-Bi-As anomalism in north of grid, possibly similar to Matilda
prospect 3km to NW; and 4. Au-Bi anomalism within granite in the east. The
coincidence of Au with Bi and As is encouraging and may indicate the presence of
a suppressed mineralised system below. Areas of Interest 2 and 4 are
particularly interesting as the Au results show a trend cross-cutting the gneiss-
granite boundary which might indicate a late, reactivated structure and thus an
area of interest for Au mineralisation.

Copperhead East

An accurate DTM is required before any further interpretation of results here
can be achieved. The regional DTM data suggests that the north-south trending
anomalism is possibly coincident with a topographic low which might explain
the anomaly however, it does not explain the areas of more intense coincidental
Au-As-Ag at Areas of Interest 1 and 2. If a more accurate DTM shows the anomaly
to be real then infil sampling along this trend at 50m or 100m centres will be
required to define the areas of interest. Likewise, the detail of the current DTM
does not explain the presence of Area of Interest 3 which also appears to be
coincident with a SSE trending dyke. This structure may be linked to that defined
at Withers Find South.

Four areas of interest were identified:

Area of Interest 1. Au-As (which shows coincidence of both elements elevated)
shows anomaly to south of Copperhead mine coincident with ENE trending
magnetic structure

Area of Interest 2. Similar to Area of Interest 1 - further along strike to south

Area of Interest 3. Elevated Au-As-Cu trend running sub-parallel to Copperhead
host greenstone sequence may indicate underlying prospective stratigraphy

Area of Interest 4. Au-Ag (with minor Cu) anomaly in NE possibly associated
with SE trending dyke shown in magnetics

Results were successful in that a north-south trending Au-As-Cu anomaly
running sub-parallel to the western greenstone sequence was delineated as well
as a few other potential areas of interest

Withers Find South

Previous sampling in this area was carried out using an auger rig and subsequent
RAB drilling was based on the results. Anomalous gold was returned and six
individual RC holes were drilled to test down dip of each of the anomalous zones. For Torque this is encouraging as the mineralisation in BRC-11 was confirmed in the field when drill spoil was panned and assayed. Furthermore, this structure is open in all directions as the erratic nature of the RC holes drilled here did not test strike.

There is scope to improve significantly on previous drilling at this area with a series of drill fence patterned RC holes recommended around BRC-11 and further drill testing at the other zones defined by RAB anomalism.

The presence of parallel workings north of this Area of Interest might indicate the possibility for further parallel lodes in this area. An anomalous result can be seen in the historic auger results and so an extension of the soil sampling grid is recommended.

<table>
<thead>
<tr>
<th>Hole_ID</th>
<th>MGA_East</th>
<th>MGA_North</th>
<th>MGA_RL</th>
<th>Max_Depth</th>
<th>Inclination</th>
<th>Mag Azimuth</th>
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<td>709430</td>
<td>6574635</td>
<td>400</td>
<td>120</td>
<td>-55</td>
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<tr>
<td>BRC-12</td>
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<td>6574184</td>
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<td>-60</td>
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<tr>
<td>BRC-26</td>
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<tr>
<td>BRC-27</td>
<td>709419</td>
<td>6574441</td>
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<tr>
<td>BRC-28</td>
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<td>6574350</td>
<td>331</td>
<td>83</td>
<td>-55</td>
<td>210</td>
</tr>
</tbody>
</table>

**Withers Find South RC Drill Hole Locations**

The anomalous shows the potential for extension to the west and the higher values in the east might suggest that the drilling in this area did not reach an adequate depth and that the assays in hole BRC-11 may be related to an extensive structure at depth. A total of six RC holes for 622 metres were drilled at this Area of Interest and most of those were located at a displacement to the strike.

<table>
<thead>
<tr>
<th>Hole_ID</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Int. (m)</th>
<th>Au g/t</th>
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<tbody>
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<td>BRC-11</td>
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<tr>
<td>BRC-13</td>
<td>24</td>
<td>28</td>
<td>4</td>
<td>0.17</td>
</tr>
</tbody>
</table>

BRC-26 No significant results
BRC-27 No significant results
BRC-28 No significant results

All Assay results >0.1g/t

**Withers Find South RC Drill Hole Assay Results**
All intervals are down hole widths and may not be true width

SGC14

As at Copperhead, it is crucial to confirm the nature of the anomaly of Area of Interest 1 at SGC14 by collecting DTM data. The drilling at Area of Interest 2 should also be investigated in detail as it does not appear to have fully tested the anomalism. This is of lower importance however as the trend appears to pass out of the project tenement package.

PROPOSED EXPLORATION PROGRAM

Harold Holt

The Harold Holt area requires further attention as interpretative work in 2012 highlighted a fault structure which cuts through the granite to the north with which the gold in soil anomalism is coincident. If the fault continues across the lithological boundary - as suggested by the gold in soils, cross-cutting the gneiss-granite boundary this may indicate a late, reactivated structure and thus an area of interest for gold mineralisation. At the very least it shows gold bearing fluids have passed through these units and can lead to where economic concentrations may have accumulated.

A high priority for the next stage of work is an extension of the soils geochemistry grid to the northeast and southeast to test how far the anomalism extends at Areas of Interest 1, 2 and 3. First pass RAB drilling along this area should also be considered. More detailed assay data should also be collected from hereon in at Harold Holt with optimal digest and analytical methods being used for collecting Au, As, Ag, Bi, Cu, Pb, Sb, Te, W and Zn.

Copperhead East

Previous, broad spaced Partial Leach sampling that followed the track showed a possible low-level gold trend that runs north-south – sub-parallel to the greenstone package to the west within which Copperhead and other deposits are located. Sampling by Torque was intended to infill this area as well as sampling over northeast trending, cross-cutting features visible in the magnetics that may be related to the gold mineralising system trending between the mines in the west and the workings in the east.

An accurate DTM is required before any further interpretation of results here can be achieved. The regional DTM data suggests that the north-south trending anomalism is possibly coincident with a topographic low which might explain the anomaly, however, it does not explain the areas of more intense coincidental Au-As-Ag at Areas of Interest 1 and 2. If a more accurate DTM shows the anomaly to be real then infill sampling along this trend at 50m or 100m centres will be required to define the areas of interest.

Wither’s Find South
Assays from the sampling confirmed the presence of a WNW trending gold anomaly which is slightly coincident with arsenic. No other elements show association with gold.

An accurate DTM is required before any further interpretation of results here can be achieved. The regional DTM data suggests that the north-south trending anomalism is possibly coincident with a topographic low which might explain the anomaly, however, it does not explain the areas of more intense coincidental Au-As-Ag at Areas of Interest 1 and 2. If a more accurate DTM shows the anomaly to be real then infil sampling along this trend at 50m or 100m centres will be required to define the areas of interest.

1. Potential continuation of trend already identified through drilling
2. Higher Au and As values to east of drilled area show potential that the main structure was missed in the shallow historic drilling

Previous sampling in this area was carried out using an auger rig and subsequent RAB drilling was based on the results. Anomalous gold was returned and six individual RC holes were drilled to test down dip of each of the anomalous zones. BRC-11 returned 1m@49.3g/t Au but no other holes returned significant grade and the area was discarded. For Torque this is encouraging as the mineralisation in BRC-11 was confirmed in the field when drill spoil was panned and assayed. Furthermore, this structure is open in all directions as the erratic nature of the RC holes drilled here did not test strike.

There is scope to improve significantly on previous drilling at this area with a series of drill fence patterned RC holes recommended around BRC-11 and further drill testing at the other zones defined by RAB anomalism.

The presence of parallel workings north of this area might indicate the possibility for further parallel lodes in this area. An anomalous result can be seen in the historic auger results and so an extension of the soil sampling grid is recommended.

It covers a conceptual geophysical area of interest that was highlighted by Southern Geoscience in 2015 which is a fold interpreted from magnetics - thought to indicate a BIF unit within the greenstone sequence. The fold hinge is considered a possible structural focus point for gold mineralisation.

1. Potential continuation of Copperhead trend anomalous here in Au-Ag-Cu
2. Highly anomalous Au cluster (with minor Bi) in southern corner of sample grid 3. Au-Ag-Cu anomalism trending to west through axial plane of fold hinge

Area of Interest 1 will need to be compared to an accurate DTM to determine if the anomaly is real, as at Copperhead East – if real though it will extend the prospective geology significantly. Area of Interest 2 has had a fence of RAB holes drilled in the area but further attention is warranted.
As at Copperhead, it is crucial to confirm the nature of the anomaly of Area of Interest 1 at SGC14 by collecting DTM data. The drilling at Area of Interest 2 should also be investigated in detail as it does not appear to have fully tested the anomalism. This is of lower importance however as the trend appears to pass into P77/04215, which is not part of the project tenement package.

**Proposed Exploration Budget**

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Minimum Subscription</th>
<th>Maximum Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year 1 $</td>
<td>Year 2 $</td>
</tr>
<tr>
<td>Regional Geophysics Upgrade</td>
<td>180,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Prospect Geochemistry Surveys</td>
<td>240,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Drilling / Bulk Sampling - &quot;Withers&quot;</td>
<td>305,000</td>
<td>675,000</td>
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<tr>
<td>Drilling / Bulk Sampling - &quot;Rutherford&quot;</td>
<td>235,000</td>
<td>305,000</td>
</tr>
<tr>
<td>Drilling / Bulk Sampling - &quot;Reynolds &quot; + Other</td>
<td>240,000</td>
<td>305,000</td>
</tr>
</tbody>
</table>

**TOTAL** $1,200,000 $1,500,000 $2,700,000 $2,000,000 $2,000,000 $4,000,000

The budget will be spent on the granted tenements. The exploration budget will be subject to modification on an on-going basis depending on the results obtained from exploration and development activities as they progress.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of mineralization.

**REFERENCES**


DECLARATIONS, RISK AND INDEPENDENCE

Declarations

Relevant codes and guidelines

This Report has been prepared as a technical assessment in accordance with the Australasian Code for Public Reporting of Technical Assessment of Mineral Assets (the “VALMIN Code”, 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (“AusIMM”) and the Australian Institute of Geoscientists (“AIG”), as well as the rules and guidelines issued by the ASIC which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011). Agricola regards RG112.31 to be in compliance whereby there are no business or professional relationships or interests, which would affect the expert’s ability to present an unbiased opinion within this report.

If exploration results and mineral resources have been quoted or referred to in this report, they were prepared pursuant to the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“the JORC Code”).

This Report is not a Valuation Report (as defined in the VALMIN Code) and does not express an opinion as to the value of the mineral assets or make any comment on the fairness and reasonableness of any transactions related to the Offer. Aspects reviewed in this Report may include commodity prices, socio-political issues and environmental considerations; however, the author does not express an opinion regarding the specific value of the assets and tenements involved.

Status of Tenure

The present status of the tenements is based on information made available by the Company and independently verified by Agricola. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation. A determination of the 'Status of Tenure' is necessary and must be

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based on a sufficiently recent inquiry to ensure that the information is accurate for the purposes of the Report. Tenure that is material must be or recently have been verified independently of the Commissioning Entity. Adapted from VALMINC Code 2015, Clause 7.2.

**Reporting of Exploration Results**

Public Reports of Exploration Results must contain sufficient information to allow a considered and balanced judgement of their significance. Public Reports of Exploration Results must not be presented so as to unreasonably imply that potentially economic mineralisation has been discovered. Where assay and analytical results are reported, they must be reported either by listing all results or by reporting weighted average grades of mineralised zones. Adapted from JORC Code 2012, Clause 19.

**Sources of Information**

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by the Company, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. Agricola has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this Report, Agricola did not carry out a site visit to the Project areas. Based on its professional knowledge and experience, familiarity with the general area, previous technical visits to the area and the availability of extensive databases and technical reports made available by various government agencies, Agricola considers that sufficient current information was available to allow an informed appraisal to be made without such a visit. Agricola has no reason to doubt the authenticity or substance of the information provided.

The information contained in the Independent Technical Assessment Report was compiled by Agricola Mining Consultants Pty Ltd and is based on, and fairly represents, information and supporting documentation prepared by the Company and reviewed by Malcolm Castle who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

The information contained in the Independent Technical Assessment Report was compiled by Agricola Mining Consultants Pty Ltd and is based on, and fairly represents, information and supporting documentation prepared by the Company and reviewed by Malcolm Castle who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Information in Table 1 that relates to exploration results has been compiled by the Company and is based on information provided by Daniel Greene, the Senior Geologist of the Company, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). All information of this type is expressed in terms of the JORC Code 2012. Daniel Greene has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the JORC
Code. Mr Greene consents to the inclusion in this Report of the matters based on the information in the form and context in which they appear.

This Report contains statements that are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. These statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72 (clauses 6 and 7). ³

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given by the author for the inclusion of this Report in the Prospectus relating to the Offer and distribution of this Report in the form and context in which it appears.

Risks for Exploration Companies

Agricola has identified a range of risk elements or risk factors, which may affect the exploration outcomes of the Company's Projects. Some of the risk factors are completely external, which is beyond the control of management. However, advance planning can mitigate the project specific risks.

- Risks inherent in exploration and mining include, among other things, successful exploration and identification of mineral Resources; satisfactory performance of mining operations if a mineable deposit is discovered; and competent management;

Security of Tenure

Exploration and mining companies are subject to the regulatory environments in which they operate and exploration and mining companies throughout the world are subject to the inherent risks of the minerals industry. In broad terms, the types of mining licences which are granted will include:

(a) Prospecting Licence, allowing the holder to prospect for minerals and gives priority for a grant of a mining or general purpose lease;

(b) Exploration Licence, which, as with the Prospecting Licence, allows the holder to explore for minerals and thereafter gives the miner priority for a grant of a mining or general purpose lease;

(c) Retention Licence, allowing the holder to further explore for minerals and gives priority for a grant of a mining or general purpose lease;

(d) Mining Lease, providing a miner with a right to work and extract minerals from the land;

(e) General Purpose Lease, usually granted for the purpose of erecting, placing and operating machinery related to mining operations, depositing or treating minerals, or other specified purposes directly connected with mining operations; and

(f) Miscellaneous Licences, generally granted for the purposes of providing infrastructure in support of mining operations.

- Risks are associated with obtaining the grant of any or all of the mining tenements or permits which are applications, or renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground;
- The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the tenements applied for will be granted;
- Applications are also subject to additional processes and requirements under the Native Title Act in Australia. The right to negotiate process under Native Title matters can result in significant delays to the implementation of any project or stall it. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed;

Land Access

- Risks arising because of the rights of indigenous groups in domestic and overseas jurisdictions which may affect the ability to gain access to prospective exploration areas and to obtain exploration titles and access, and to obtain production titles for mining if exploration is successful. If negotiations for such access are successful, compensation may be necessary in settling indigenous title claims lodged over any of the tenements held or acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements;
- The risks associated with being able to negotiate access to land, including by conducting heritage and environmental surveys, to allow for prospecting, exploration and mining, is time and capital consuming and may be over budget and is not guaranteed of success;

Government Policy and Environment

- The risk of material adverse changes in the government policies or legislation of the host country affect the level and practicality of mining and exploration activities;
- Environmental management issues with which the holder may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the holder needs to comply for land access, exploration and mining that can lead to significant delays;

Access and Equipment and Management

- Poor access to exploration areas as a result of remoteness or difficult terrain;
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- Unforeseen major failures, breakdowns or repairs required to key items of exploration equipment and vehicles, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- The availability and high cost of quality management, contractors and equipment for exploration, mining, and the corporate and administration functions in the current economic climate and the cost of identifying, negotiating with and engaging the right people.

Qualifications and Experience
Agricola has been consulting to the mining industry since 1987 with services that include valuations, independent technical reporting and exploration management. Its capabilities include reporting for the major securities exchanges and encompass a diverse variety of commodity types.

The people responsible for the preparation of this Report are:
Malcolm Castle, B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM

Malcolm Castle has over 50 years’ experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 30 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including uranium, gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries. He has completed numerous Independent Technical Assessment Reports and Mineral Asset Valuations over the last decade as part of his consulting business.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc.(Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd (ABN: 84 274 218 871), an independent geological consultancy established over 10 years ago. He is a Member of the AusIMM.

Declaration – VALMIN Code 2015: The information in this Report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of AusIMM. Malcolm Castle is not a permanent employee of the Company.'
Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the ‘Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets’. Malcolm Castle consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.’

*Competent Persons Statement – JORC Code 2012:* The information in this Report that relates to Exploration Results and Mineral Resources of the Company has been reviewed by Malcolm Castle, who is a Member of AusIMM. Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code 2012”). Mr Castle consents to the inclusion in this Report of the matters based on the information in the form and context in which they appear.

**Independence**

Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the Project. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees of $12,500 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Offer.

Yours faithfully

Malcolm Castle

B.Sc.(Hons) MAusIMM, GCertAppFin (Sec Inst)

Agricola Mining Consultants Pty Ltd
GLOSSARY OF TECHNICAL TERMS

alluvial  Pertaining to silt, sand and gravel material, transported and deposited by a river.
Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.

alluvium  Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.

alteration  The change in the mineral composition of a rock, commonly due to hydrothermal activity.

andesite  An intermediate volcanic rock composed of andesine and one or more mafic minerals.

anomalies  An area where exploration has revealed results higher than the local background level.

anticline  A fold in the rocks in which strata dip in opposite directions away from the central axis.

auger sampling  A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.

bedrock  Any solid rock underlying unconsolidated material.

carbonate  Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO$_3$. Essential component of limestones and marbles.

chert  Fine grained sedimentary rock composed of cryptocrystalline silica.

chlorite  A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.

clastic  Pertaining to a rock made up of fragments or pebbles (clasts).

conglomerate  A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.

diamond drill hole  Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.

ductile  Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earths surface.

erosional  The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earths surface.

fault zone  A wide zone of structural dislocation and faulting.

feldspar  A group of rock forming minerals.

felsic  An adjective indicating that a rock contains abundant feldspar and silica.

folding  A term applied to the bending of strata or a planar feature about an axis.

foliated  Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.

$g/t$  Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.

geochemical  Pertains to the concentration of an element.

geophysical  Pertains to the physical properties of a rock mass.

granite  A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granodiorite  A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greenschist  A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
gypsum        Mineral of hydrated, or water-containing, calcium sulphate.
hematite      Iron oxide mineral, Fe₂O₃.
hydrothermal fluids  Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous        Rocks that have solidified from a magma.
insitu        In the natural or original position.
intermediate  A rock unit which contains a mix of felsic and mafic minerals.
intrusions     A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact  The zone around the margins of an intrusive rock.
joint venture  A business agreement between two or more commercial entities.
laterite       A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lithological contacts  The contacts between different rock types.
metamorphic    A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
ppb            Parts per billion; a measure of low level concentration.
RC drilling    A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith       The layer of unconsolidated material which overlies or covers insitu basement rock.
residual       Soil and regolith which has not been transported from its point or origin.
rhyolite       Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling  The collection of rock specimens for mineral analysis.
saprolite      Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery  The images produced by photography of the earth’s surface from satellites.
schist         A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree          The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary    A term describing a rock formed from sediment.
sericite       A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale          A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared        A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial sheet wash  Deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
Silcrete        Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>silica</td>
<td>Dioxide of silicon, SiO₂, usually found as the various forms of quartz.</td>
</tr>
<tr>
<td>sills</td>
<td>Sheets of igneous rock which is flat lying or has intruded parallel to</td>
</tr>
<tr>
<td></td>
<td>stratigraphy.</td>
</tr>
<tr>
<td>silts</td>
<td>Fine-grained sediments, with a grain size between those of sand and clay.</td>
</tr>
<tr>
<td>soil sampling</td>
<td>The collection of soil specimens for mineral analysis.</td>
</tr>
<tr>
<td>stocks</td>
<td>A small intrusive mass of igneous rock, usually possessing a circular or</td>
</tr>
<tr>
<td></td>
<td>elliptical shape in plan view.</td>
</tr>
<tr>
<td>strata</td>
<td>Sedimentary rock layers.</td>
</tr>
<tr>
<td>stratigraphic</td>
<td>Composition, sequence and correlation of stratified rocks.</td>
</tr>
<tr>
<td>stream sediment sampling</td>
<td>The collection of samples of stream sediment with the intention of</td>
</tr>
<tr>
<td>strike</td>
<td>Horizontal direction or trend of a geological structure.</td>
</tr>
<tr>
<td>subcrop</td>
<td>Poorly exposed bedrock.</td>
</tr>
<tr>
<td>sulphide</td>
<td>A general term to cover minerals containing sulphur and commonly</td>
</tr>
<tr>
<td></td>
<td>associated with mineralization.</td>
</tr>
<tr>
<td>supergene</td>
<td>Process of mineral enrichment produced by the chemical remobilisation of</td>
</tr>
<tr>
<td></td>
<td>metals in an oxidised or transitional environment.</td>
</tr>
<tr>
<td>syenite</td>
<td>An intrusive igneous rock composed essentially of alkali feldspar and little</td>
</tr>
<tr>
<td></td>
<td>or no quartz and ferromagnesian minerals.</td>
</tr>
<tr>
<td>syncline</td>
<td>A fold in rocks in which the strata dip inward from both sides towards the</td>
</tr>
<tr>
<td></td>
<td>axis.</td>
</tr>
<tr>
<td>talc</td>
<td>A hydrous magnesium silicate, usually formed due to weathering of</td>
</tr>
<tr>
<td></td>
<td>magnesium silicate rocks.</td>
</tr>
<tr>
<td>tectonic</td>
<td>Pertaining to the forces involved in or the resulting structures of</td>
</tr>
<tr>
<td></td>
<td>movement in the earth’s crust.</td>
</tr>
<tr>
<td>thrust fault</td>
<td>A reverse fault or shear that has a low angle inclination to the horizontal.</td>
</tr>
<tr>
<td>tremolite</td>
<td>A grey or white metamorphic mica of the amphibole group, usually</td>
</tr>
<tr>
<td></td>
<td>occurring as bladed crystals or fibrous aggregates.</td>
</tr>
<tr>
<td>veins</td>
<td>A thin infill of a fissure or crack, commonly bearing quartz.</td>
</tr>
<tr>
<td>volcaniclastics</td>
<td>Pertaining to clastic rock containing volcanic material.</td>
</tr>
<tr>
<td>volcanics</td>
<td>Formed or derived from a volcano.</td>
</tr>
<tr>
<td>zinc</td>
<td>A lustrous, blueish-white metallic element used in many alloys including</td>
</tr>
<tr>
<td></td>
<td>brass and bronze.</td>
</tr>
</tbody>
</table>
The information contained in the Independent Technical Assessment Report was compiled by Agricola Mining Consultants Pty Ltd. Information in Table 1 that relates to exploration results has been compiled by the Company and is based on information provided by Daniel Greene, the Senior Geologist of the Company, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). All information of this type is expressed in terms of the JORC Code 2012. Daniel Greene has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the JORC Code.

**Section 1 Sampling Techniques and Data**

(Criteria in this section apply to all succeeding sections.)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
</table>
| **Sampling techniques**   | • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.  
  • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.  
  • Aspects of the determination of mineralisation that are Material to the Public Report.  
  • In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | • The results published are from RC drillholes. Drill hole spacing is variable along strike.  
  • The drillhole location is picked up by handheld GPS. Sampling is carried out following industry standard and applying QA/QC procedures as per industry best practice.  
  • Holes were drilled to target gold mineralisation within regolith and of an orogenic nature within highly deformed gneissic host rock in the fresh zone. Only Au has been assayed.  
  • Samples from RC drilling have been collected by rig mounted cyclone at 1 metre intervals throughout with composting in to 4 metre intervals occurring at the rig. Where results were anomalous for Au the 1 metre samples were then sent in for subsequent analysis. |
<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drilling techniques</td>
<td>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</td>
<td>Reverse circulation drilling from surface.</td>
</tr>
<tr>
<td>Drill sample recovery</td>
<td>Method of recording and assessing core and chip sample recoveries and results assessed.</td>
<td>Drill sample returns are not logged and therefore not possible to ascertain.</td>
</tr>
<tr>
<td></td>
<td>Measures taken to maximise sample recovery and ensure representative nature of the samples.</td>
<td>There is insufficient data available at the present stage to evaluate potential sampling bias.</td>
</tr>
<tr>
<td></td>
<td>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</td>
<td></td>
</tr>
<tr>
<td>Logging</td>
<td>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</td>
<td>Drill chip logging is a qualitative activity with pertinent relevant features recorded: lithology, mineralogy, mineralisation, structural, weathering, alteration, colour and other features of the samples.</td>
</tr>
<tr>
<td></td>
<td>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</td>
<td>Rock chip boxes of all sample intervals were collected. All samples were logged.</td>
</tr>
<tr>
<td></td>
<td>The total length and percentage of the relevant intersections logged.</td>
<td>All drill holes are logged from start to finish.</td>
</tr>
<tr>
<td></td>
<td>No bias has been observed between sample recovery and grade.</td>
<td></td>
</tr>
<tr>
<td>Sub-sampling techniques and sample preparation</td>
<td>If core, whether cut or sawn and whether quarter, half or all core taken.</td>
<td>No core was sampled, reverse circulation drilling only.</td>
</tr>
<tr>
<td></td>
<td>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</td>
<td>Sample preparation for all samples follows industry best practice and was undertaken by ALS Laboratories in Perth.</td>
</tr>
<tr>
<td></td>
<td>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</td>
<td>Sample preparation involving oven drying, fine crushing to 95% passing 4mm, followed by rotary splitting and pulverisation to 85% passing 75 microns.</td>
</tr>
<tr>
<td></td>
<td>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</td>
<td>QC for sub sampling follows ALS procedures.</td>
</tr>
<tr>
<td></td>
<td>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</td>
<td>Field duplicates were taken at a rate of 1:20.</td>
</tr>
<tr>
<td></td>
<td>Whether sample sizes are appropriate to the grain size of the material being sampled.</td>
<td>Blanks were inserted at a rate of 1:40</td>
</tr>
<tr>
<td></td>
<td>Standards were inserted at a rate of 1:40.</td>
<td>Sample sizes are considered appropriate to the grain size of the</td>
</tr>
<tr>
<td>Criteria</td>
<td>JORC Code explanation</td>
<td>Commentary</td>
</tr>
<tr>
<td>----------</td>
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<td>------------</td>
</tr>
</tbody>
</table>
| **Quality of assay data and laboratory tests** | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.  
• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.  
• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | • The methods are considered appropriate to the style of mineralisation. Extractions are considered near total.  
• No geophysical tools were used to determine any element concentrations at this stage.  
• Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the inhouse procedures. Repeat and duplicate analysis for samples shows that the precision of analytical methods is within acceptable limits.  
• Assaying for gold was via fire assay with AAS finish - this is a total assay technique for gold  
• No handheld tools were used.  
• Duplicate samples were collected and represent 5% of the submitted samples. The analysis of the duplicate samples show reproducibility of most assay results with some examples of nugget affect apparent in places of high grade. |
| **Verification of sampling and assaying** | • The verification of significant intersections by either independent or alternative company personnel.  
• The use of twinned holes.  
• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.  
• Discuss any adjustment to assay data. | • The Company’s geologists visually reviewed and re-sampled drill spoil from pertinent intersections in the field for verification.  
• Each sample bag was labelled with unique sample number assigned at point of sampling in field. Sample number is used to match assays from laboratory to in-house database containing drillhole coordinate data, geological log and sample description.  
• No twin holes drilled.  
• Data and related information is stored in a validated Access or Micromine database. Data has been visually checked for import errors. |
<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
</table>
| Location of data points          | • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.  
• Specification of the grid system used.  
• Quality and adequacy of topographic control. | • No adjustments to assay data have been made.  
• All drillholes have been located by handheld GPS with precision of sample locations considered +/- 1m.  
• Drill hole collar surveys and topographic surveys were carried out using a handheld GPS.  
• Location grid of plans and cross sections and coordinates in this release use MGA94, Z50 datum.  
• Topographic data was assigned based on a DEM of the Bullfinch district. |
| Data spacing and distribution    | • Data spacing for reporting of Exploration Results.  
• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.  
• Whether sample compositing has been applied. | • The holes have been variably spaced.  
• Sample compositing has occurred on all samples (4 metre composite samples). |
| Orientation of data in relation to geological structure | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.  
• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | • The orientation of sampling is considered adequate and there is not enough data to determine bias if any.  
• Interpreted lithologies generally strike northwest. Drilling was approximately orthogonal to this apparent strike and comprised angled drill holes  
• The orientation of sampling is appropriate to the orientation of the ore body, though at this stage it is not confirmed if the angle shows the exact true width  
• No bias is known of at this stage |
| Sample security                  | • The measures taken to ensure sample security.                                         | • Chain of custody is managed by the Company and samples are transported to the laboratory via Company staff with samples safely consigned to ALS for preparation and analysis. Whilst in storage, they are kept in a locked yard. Tracking sheets are used track the progress |
Criteria | JORC Code explanation | Commentary
--- | --- | ---

**Audits or reviews**  
• *The results of any audits or reviews of sampling techniques and data.*  
  • No review or audit of sampling techniques or data compilation has been undertaken at this stage

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**Section 2 Reporting of Exploration Results**  
(Criteria listed in the preceding section also apply to this section.)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
</table>
| **Mineral tenement and land tenure status**  
• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.  
• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*  
  • The Bullfinch project comprises five exploration licences E77/2221, E77/2222, E77/2350, E77/2139, E77/2251 and a separate prospecting licence P77/4106 covering an area of 420km²  
  • The tenements are in good standing.  
  • No impediments to operating on the permit are known to exist. |
| **Exploration done by other parties**  
• Acknowledgment and appraisal of exploration by other parties.  
  • Exploration at the Bullfinch project has been completed by Auralia Resources, Mount Edon Gold Mines, New Holland Mining, Comet Gold, Equatorial Mining, MPI Gold, Meteoric Resources and Talga Resources. |
| **Geology**  
• Deposit type, geological setting and style of mineralisation.  
  • Highly oxidized/weathered greenstones, sediments and intrusive felsic rocks, with quartz veining with minor sulphides. |
| **Drill hole Information**  
• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*  
  • easting and northing of the drill hole collar  
  • elevation or RL (Reduced Level – elevation above sea level in  
  • A total of 6 RC drillholes for 622 metres were drilled at Wither’s Find South which focused primarily on the oxide zone.  
  • Full drillhole details for the results from 6 RC drillholes are provided in the tables. |
<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
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<tbody>
<tr>
<td><strong>Criteria</strong></td>
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<tr>
<td></td>
<td>metres) of the drill hole collar</td>
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<tr>
<td></td>
<td>o dip and azimuth of the hole</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o down hole length and interception depth</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o hole length.</td>
<td></td>
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<tr>
<td></td>
<td>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td>
<td></td>
</tr>
<tr>
<td><strong>Data aggregation methods</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</td>
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<tr>
<td><strong>Relationship between mineralisation widths and intercept lengths</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• These relationships are particularly important in the reporting of Exploration Results.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</td>
<td></td>
</tr>
<tr>
<td><strong>Diagrams</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</td>
<td></td>
</tr>
<tr>
<td><strong>Balanced reporting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</td>
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<tr>
<td><strong>Criteria</strong></td>
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<tr>
<td></td>
<td>• Appropriate maps and plans also accompany this announcement.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No averaging or aggregation techniques have been applied.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No top cuts have been applied to exploration results.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No metal equivalent values are used in this report.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• At this stage the dip of the ore body is not clear.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• An accurate dip and strike and the controls on mineralisation are yet to be determined and the true width of the intercepts is not yet known.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Appropriate maps are included in main body of report with gold results and full details are in the tables reported.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• All results for the target economic mineral being gold have been reported.</td>
<td></td>
</tr>
</tbody>
</table>
### Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other substantive exploration data</td>
<td>- Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</td>
<td>- All relevant geological and geochemical data collected so far have been reported.</td>
</tr>
<tr>
<td>Further work</td>
<td>- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</td>
<td>- Future RC and aircore drilling is being considered to further evaluate the areas where significant results have been returned.</td>
</tr>
<tr>
<td></td>
<td>- Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</td>
<td>- Refer to maps in main body of report for areas of interest.</td>
</tr>
</tbody>
</table>
11. SOLICITOR'S REPORT
Dear Sirs

Torque Metals Limited
Solicitor’s Report - Mining Tenements

This report has been prepared for Torque Metals Limited (Company) for inclusion in the Company’s prospectus (Prospectus) issued in connection with the Company’s application for the admission of the ordinary shares of the Company to the Official list of the ASX.

1. **Scope**

   We have been requested to report on:

   (a) five granted exploration licences and one granted prospecting licence located in Western Australia, that the Company has acquired pursuant to the Acquisition Agreement (Acquired Tenements); and

   (b) one exploration licence granted to the Company under the Mining Act.

   Key details of the Tenements are set out in Schedule 1 of this Report and must be read in conjunction with this Report.

2. **Searches**

   For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

   (a) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 16 October 2018 (NNTT Searches).
(b) searches of the register maintained by the WA Department pursuant to the Mining Act on 16 October 2018 (DMIRS Searches);

(c) quick appraisal user searches of the Tengraph system maintain by the WA Department on 16 October 2018 (Tengraph Searches); and

(d) searches from the online Aboriginal Heritage Inquiry System (AHIS) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the Tenements on 16 October 2018.

3. Definitions

In this Report:

Aboriginal people has the meaning given in paragraph 7.2(a).

Acquired Tenements means the tenements the subject of the Acquisition Agreement, being E77/2139, E77/2221, E77/2222, E77/2251, E77/2350 and P77/4106.

Acquisition Agreement means the agreement summarised in paragraph 10.1.

Commonwealth Heritage Act means the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth).

Company means Torque Metals Limited ACN 621 122 905.

Department means the Western Australian Department of Mines, Industry Regulation and Safety.

DMIRS Searches has the meaning given in paragraph 2.

Federal Court means the Federal Court of Australia.

Heritage Act means the Aboriginal Heritage Act 1972 (WA).

ILUA has the meaning given in paragraph 7.6(c).

Material Contracts means the agreements summarised in paragraph 10.

Mining Act means the Mining Act 1978 (WA).

Mining Regulations means the Mining Regulations 1981 (WA).

Minister means the Minister under the Mining Act.

Native Title Act means the Native Title Act 1993 (Cth).

Negotiation Parties has the meaning given in paragraph 7.9(a)(ii).

NNTR has the meaning given in paragraph 7.3(a).

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in paragraph 2.

Prospectus has the meaning given in the opening paragraph of this document.
Protected Private Land has the meaning given in paragraph 9(b)(iv).

Report means this document, including any schedule or annexure to this document.

RNTC has the meaning given in paragraph 7.3(a).

S29 Notice has the meaning given in paragraph 7.9(a)(i).

Searches means the searches referred to in paragraph 2.

Tenements means the Acquired Tenements and E77/2522.

Tengraph Searches has the meaning given in paragraph 2.

4. Opinion

As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

(a) Company's Interest: the Company's interest in the Tenements;

(b) Good Standing: the validity and good standing of the Tenements; and

(c) Third party interests: third party interests, including encumbrances, in relation to the Tenements.

5. Risk factors

(a) Title risks

The Company does not have a registered legal interest in any of the Acquired Tenements at the date of this Report because the transfer forms for the Acquired Tenements have not been submitted to the Department. In the interim, the Company holds a 100% equitable interest in the Acquired Tenements under the Acquisition Agreement.

The lodgement of the transfer documents is entirely within the control of the Company, and we are not aware on any reason for the Department to refuse registration of the transfer documents. We are instructed that the Company intends to lodge the transfer documents with the Department for registration prior to lodging the Prospectus with the Australian Securities and Investment Commission. On this basis, we consider the risk that the Company will not become the registered legal holder of the Tenements to be low.

(b) Private Land

Surface rights to Protected Private Land

Three of the Acquired Tenements as well as E77/2522 have not been granted in respect of any Protected Private Land within 30 metres from the natural surface of the land. Accordingly, the Company will have no rights to explore or mine on the surface, and for the 30 metres below the surface, of any part of those Tenements covered by Protected Private Land.
The Company may apply for the grant of rights over the surface of Protected Private Land on those Tenements that exclude surface rights, however this is subject to the prior consent of the owner and occupier of the land.

Our Searches indicate a significant portion of certain Tenements overlap private land (being freehold and leasehold land), however our Searches are not able to identify the location of Protected Private Land or the extent to which it overlaps the Tenements. We recommend the Company make its own enquiries in this regard.

The existence of Protected Private Land within the boundaries of the Tenements, and/or any delay in obtaining the necessary consents in respect of the grant of tenure over such areas, may preclude, limit or delay exploration activities in certain areas of the Tenements.

Compensation

The Company cannot commence activities on the surface or within a depth of 30 metres from the surface of any private land (including, but not limited to, Protected Private Land) until compensation has been agreed with the relevant owner and occupier or paid in accordance with the Mining Act. The Searches indicate that private land overlaps a significant portion of certain Tenements (for example, freehold land covers approximately 99.37% of E77/2251 and 89.48% of E77/2522). See paragraph 9(b)(iii) for details.

Any delay in obtaining agreement in respect of compensation may adversely impact the Company's ability to carry out exploration or mining activities within private land on the Tenements.

(c) Other third party tenure risks

Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third party interests which overlay areas within the Tenements, including private land and pastoral leases, in respect of exploration or mining activities on the Tenements.

In addition to the private land overlapping the Tenements discussed above, our Searches indicate that four of the Tenements overlap pastoral leases (see paragraph 9(a) for details).

Any delay in obtaining necessary consents or in respect of compensation obligations may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(d) Overlapping tenure

The Searches indicate that certain Tenements overlap existing mining tenements (albeit only to a minor extent). Although the size of the overlap is likely immaterial to the Company's activities we suggest the Company contact the Department and seek to rectify the issue.

The Searches indicate that E77/2221 and E77/2350 both overlap miscellaneous licence 77/81. The conditions of grant of E77/2221 and E77/2350 are such that all right of ingress to and egress from L77/81 are preserved to the holder of L77/81 and there can be no interference with the
purpose or installations in connection to L77/81. The area of overlap is very small (less than 1% on each licence).

(e) Native title risks

The Searches indicate that there are no current registered native title claims overlapping any of the Tenements, though there is an un-registered native title claim that covers all the Tenements. There remains a risk that in the future native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity. If this occurs, it may affect the Company’s ability to obtain the grant of future tenure over the Tenements or in their vicinity.

Further, if the Tenements were not been validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company’s activities. Other than as noted below in respect of E77/2251, there is nothing in our enquiries to indicate that the Tenements were not validly granted in accordance with the Native Title Act.

The DMIRS Searches indicate the Department’s position is that Native Title is extinguished over E77/2251 (by reason of it being covered by freehold land) and it appears the Department has, on that basis, not complied with the Future Act provisions of the Native Title Act in respect of the grant of E77/2251.

If native title has in fact been extinguished over the whole area of E77/2251, we agree with the Department’s approach and consider that the grant of E77/2251 will have complied with the Native Title Act. However, on the basis of the information available to us, we are unable to form a definitive view as to whether native title has been extinguished over the whole of E77/2251. We recommend the Company contact the Department to seek clarification as to the basis of the Department’s position that native title has been extinguished over the whole licence area.

See paragraph 7 below for further details.

(f) Aboriginal Heritage risks

Our Searches indicate there are two other heritage places recorded on the Tenements. There also remains a risk that Aboriginal sites and/or other heritage places may exist on the land the subject of the Tenements. The existence of such items may preclude or limit mining activities in certain areas of the Tenements. See paragraph 8 below for further details.

6. Tenements

The Tenements comprise:

(a) six granted exploration licences (prefixed "E"); and

(b) one granted prospecting licence (prefixed "P").

The following provides a description of the nature and key terms of the types of mining tenements (including potential successor tenements) that may be granted under the Mining Act.
6.2 Prospecting Licences

(a) Application

A person may lodge an application for a prospecting licence in accordance with the Mining Act and Mining Regulations. The Mining Registrar or Warden decides whether to grant an application for a prospecting licence. The maximum area for a prospecting licence is 200 hectares.

(b) Land excluded from prospecting licences

Where an application for a prospecting relates to land that is, or was when the application was made, the subject of a granted mining tenement, any prospecting licence granted in respect of that application shall not include that land.

(c) Rights

The holder of a prospecting licence is entitled to enter the land and undertake operations for the purpose of prospecting for minerals. The holder of a prospecting licence may, in accordance with the licence conditions, extract or disturb up to 500 tonnes of material from the ground including overburden, and the Minister may approve extraction of larger tonnages.

(d) Term

A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted, the Minister may extend the term by one period of 4 years and if retention status is granted (see below) by further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

The term of the Acquired Tenement P77/4106 has already been extended to 8 years.

(e) Retention Status

The holder of a prospecting licence may apply to the Minister for approval of retention status for the prospecting licence. The Minister may approve retentions status for the whole or any part of the land subject of a prospecting licence where there is an identified mineral resource within the prospecting licence, but it is impracticable to mine the resource for prescribed reasons. On the approval of retention status the Minister may impose a condition requiring the holder to comply with a specific programme of works or require the holder to apply for a mining lease.

(f) Conditions:

Prospecting licences are granted subject to various standard conditions relating to minimum expenditure, the payment of rent and observance of environment protection and reporting requirements. These standard conditions are not detailed in Schedule 1 (which details significant and non-standard conditions). Non-compliance with these conditions may lead to forfeiture of the prospecting licence.
(g) **Relinquishment**

There is no requirement to relinquish any portion of the prospecting licence.

(h) **Rent and expenditure requirements**

Annual rent for a prospecting licence is $2.75 per hectare or part thereof subject to a minimum rent of $27.50.

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than $40.00 per hectare or a minimum total of $2,000 (based on expenditure requirements current as at the date of this Report).

The holder of a prospecting licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

(i) **Forfeiture**

The Minister may make an order for the forfeiture of a prospecting licence for any of the following reasons:

(i) failure to pay the prescribed rent or royalty is not paid in accordance with the Mining Act;

(ii) failure to comply with a term or condition to which the prospecting licence is subject;

(iii) failure to lodge certain reports required to be filed under the Mining Act;

(iv) failure to comply with certain other requirements in respect of the prospecting licence under the Mining Act;

(v) failure to satisfy a request of the Minister; or

(vi) if the holder is convicted of an offence under the Mining Act.

Rather than forfeiting the prospecting licence, the Minister may impose a penalty no exceeding $10,000 in a case where expenditure conditions have not been complied with, or not exceeding $150,000 (if the holder is a body corporate) in any other case. Alternatively, the Minister may award the whole or part of any such penalty to any person or impose no penalty on the holder.

(j) **Priority to apply for a Mining Lease:**

The holder of a prospecting licence has a right in priority to apply for a mining lease. The application for the mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

(k) **Transfer**

There is no restriction on transfer or other dealing in a prospecting licence.
6.3  Exploration Licences

(a)  Licence area and authority

An exploration licence permits the holder to explore over land up to a maximum 200 graticular blocks in designated areas of WA and a maximum of 70 graticular blocks elsewhere. Graticular blocks range in area from approximately 2.8km² to 3.3km². There is no limit to the number of exploration licences which may be held by any one person.

An exploration licence authorises the holder to enter land to explore using vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land. The holder of an exploration licence may excavate, extract or remove earth, soil, rocks, stone, fluid or mineral-bearing substances not exceeding 1,000 tonnes over the term of the licence.

An exploration licence will not be granted over land the subject of an existing mining tenement other than a miscellaneous licence.

The Tengraph Searches indicate that E77/2350 overlaps prospecting licence P77/4350, with the encroachment being less than 0.01%. Given the very small encroachment it appears that this is a mapping or administrative error in the boundaries of the two licences. Although the size of the overlap is likely to be immaterial to the Company's activities we suggest the Company contact the Department and seek to rectify the issue.

The Searches also indicate that E77/2221 and E77/2350 both overlap miscellaneous licence L77/81. The condition of grant for E77/2221 and E77/2350 are such that all right of ingress to and egress from L77/81 are preserved to the holder of L77/81 and there can be no interference with the purpose or installations in connection to L77/81. The area of overlap is very small (less than 1% on each licence).

(b)  Term and extension

Exploration licences are granted for a term of 5 years. The Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

'Prescribed grounds' for extension include circumstances when the holder experienced difficulties or delays arising from governmental, legal, climatic or heritage reasons, where work carried out justifies further exploration, or where the Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

(c)  Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the sixth year that the licence is held. A failure to lodge
the required partial surrender could render the exploration licence liable to forfeiture.

The Tenements were all applied for after 10 February 2006.

(d) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status, the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of an exploration licence with retention status to show cause why a mining lease or leases should not be applied for over the land.

The Tenements were applied for after 10 February 2006.

(e) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister.

None of the Acquired Tenements are currently within their first year of grant and accordingly Ministerial consent is not required prior to registration of the transfer of any of the Acquired Tenements to the Company.

(f) Right to apply for mining lease

During the term of an exploration licence, the holder may apply for and have granted subject to the Mining Act, one or more mining leases over any part of land subject to the exploration licence. Where an application for a mining lease is made, and the term of the exploration licence is due to expire prior to the mining lease application being determined, the exploration licence will continue in force over the land subject to the mining lease application pending the outcome of that mining lease application.

(g) Rent and expenditure requirements

Annual rent for an exploration licence (graticular) is $136.00 per block for years 1 to 3 of the term of the licence ($341.00 if for only 1 block), $220.00 per block for years 4 and 5, $300.00 per block for years 6 and 7, and $567.00 per block for year 8 and each subsequent year of the term of the licence (based on rental rates current as at the date of this Report).

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than:

(i) $1,000 per block for years 1 to 3 of the term of the licence (subject to minimums of $10,000 for licences of 1 block only, $15,000 for licences of 2 to 5 blocks and $20,000 for licences of 6 or more blocks);
(ii) not less than $1,500 per block for years 4 and 5 of the term of the licence (subject to minimums of $10,000 for licences of 1 block only, $20,000 for licences of 2 to 5 blocks and $30,000 for licences of 6 or more blocks);

(iii) not less than $2,000 per block for years 6 and 7 of the term of the licence (subject to minimums of $15,000 for licences of 1 block only, $30,000 for licences of 2 to 5 blocks and $50,000 for licences of 6 or more blocks); and

(iv) not less than $3,000 per block for years 8 and each subsequent year of the term of the licence (subject to minimums of $20,000 for licences of 1 block only, $50,000 for licences of 2 to 5 blocks and $70,000 for licences of 6 or more blocks),

(based on expenditure requirements current as at the date of this Report).

The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

(h) Forfeiture

The Minister may make an order for the forfeiture of an exploration licence for any of the following reasons:

(i) failure to comply with a condition of an exploration licence such as payment of rent or statutory royalty, or lodgement of a report as required by the Mining Act;

(ii) failure to comply with certain provisions of the Mining Act;

(iii) failure to satisfy expenditure conditions;

(iv) failure by the holder to satisfy a request of the Minister; or

(v) if the holder is convicted of an offence under the Mining Act.

Rather than forfeiting the exploration licence, the Minister may impose a penalty not exceeding $150,000 (if the holder is a body corporate), or award the whole or part of any such penalty to any person or impose no penalty on the holder.

(i) Other conditions

Exploration licences are subject to standard conditions that must be complied with, including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the WA Department prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions (such as the removal of all waste, capping of drill holes, etc.) and prohibitions or restrictions on disturbing existing infrastructure such as roads, powerlines, aerial landing ground, airstrips and geodetic survey stations.
In addition to these standard conditions, certain significant or non-standard conditions affecting the Tenements are set out in Schedule 1.

On the basis of the Searches, we are not aware of any non-compliance with the conditions.

6.4 Mining Leases

(a) Application for a mining lease

Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The grant of mining leases under the Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Since 11 February 2011, the area over which a mining lease may be granted is unrestricted.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

In 2017, the High Court of Australia handed down a decision, Forrest & Forrest Pty Ltd v Wilson [2017] HCA 30, that called into question the validity of a number of mining leases in Western Australia. In overturning the WA Court of Appeal decision, the High Court held that strict compliance with s74 of the Mining Act was a pre-condition to the grant of a mining lease. Specifically in this case, it was held that the failure to lodge a mining proposal or a mineralisation report at the same time as the Mining Lease application meant that the application was invalid. The fact that a mineralisation report was subsequently lodged, prior to the Warden's consideration of the application, made no difference to the validity of the original application. On 28 November 2017, the Minister announced that Cabinet had given approval to draft and introduce the Mining Legislation Amendment and Validation Bill 2017 that will validate those mining leases where the mineralisation report was not submitted concurrently with the mining application. However, at the date of this report the validating bill is yet to be introduced to parliament.

(b) Authority

A mining lease entitles the holder to use, occupy and enjoy the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a programme of work being approved by the WA Department.

(c) Term and extension
A mining lease remains in force for up to 21 years from the date of grant. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent.

(d) Transfer

It is a condition of a mining lease that the holder not transfer or mortgage a legal interest in the land or any part of the land without the prior written consent of the Minister or an officer of the WA Department acting on the authority of the Minister.

(e) Rent and expenditure requirements

Annual rent for a mining lease is $18.70 per hectare (based on rental rates current as at the date of this Report).

Mining leases are subject to minimum annual expenditure requirements of not less than $100 for each hectare, with a minimum of $10,000 per year during each year of the term of the lease. If the mining lease does not exceed 5 hectares the minimum annual expenditure of will be $5,000 (based on expenditure requirements current as at the date of this Report).

(f) Other conditions

Mining leases are granted subject to various other standard conditions, including conditions relating to the survey of the land, and the observance of environmental protection and reporting requirements. A failure to comply with the conditions (including expenditure conditions) may lead to forfeiture of the mining lease or the Minister imposing a penalty not exceeding $50,000 as an alternative.

(g) Royalty

Where minerals of economic significance are discovered, the holder of a mining lease is obliged to report this to the Minister promptly. A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the Mining Act. This is particularly relevant where native title agreement royalties are calculated by reference to the royalty payable to the State of Western Australia. The royalty rates vary according to the product concerned. Western Australia has a three-tiered royalty system which applies one of three royalty rates depending on the form in which the mineral is sold (ore, concentrate or final form), and the extent to which it is processed. In Western Australia, there are two systems used to collect mineral royalties:

specific rate - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2015 and 30 June 2020 are 73 cents per tonne and 117 cents per tonne; and

ad valorem - calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad
The valorem royalty rate takes into account price fluctuations and material grades as follows:

(i) bulk material (subject to limited treatment) - 7.5% of the royalty value;

(ii) concentrate material (subject to substantial enrichment through a concentration plant) - 5% of the royalty value; and

(iii) metal - 2.5% of the royalty value.

The 'royalty value' components used to calculate the 'royalty value' are defined under the Mining Regulations. In some cases, for example in the case of nickel, an alternative value applies.

(h) Mining Rehabilitation Fund

(i) The Mining Rehabilitation Fund (Fund) is a pooled fund to which Western Australian mining operators contribute. Money in the Fund will be used to rehabilitate abandoned mine sites in Western Australia.

(ii) The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the Mining Rehabilitation Fund Regulations 2013 (WA), are required to participate in the Fund. This involves reporting disturbance data and contributing annually to the Fund. Holders of tenements with a rehabilitation liability estimate below a threshold of $50,000 are required to report disturbance data but are not required to pay into the Fund.

7. Native title

7.1 General

(a) The law in Australia recognises native title. In particular, it recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.

(b) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (ie be inconsistent with) any native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

7.2 An explanation: Native title

(a) On 3 June 1992, the High Court of Australia held in Mabo v. Queensland (No. 2) (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. Native title rights and interests to land are recognised where the claimants (Aboriginal people) can establish that they have maintained a continuous connection with their land in accordance with their traditional laws and customs, and that their native title rights and interests have not been lawfully extinguished. Native title rights can be lawfully extinguished in different ways, including voluntary surrender, death of the last survivor of a
community entitled to native title, abandonment of the land or the grant of incompatible title (such as the grant of freehold land).

(b) The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.

### 7.3 Native title claims

(a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the Register of Native Title Claims (RNTC). If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (NNTR).

(b) If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a “future act” is proposed. An example of a “future act” is the grant of a mining tenement.

### 7.4 Validation of acts (i.e. grant of a mining tenement)

The Native Title Act sets out when “acts” will be “valid” in the event they affect (i.e. are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The “acts” can be a proposed activity or development on land and waters. A common example in Western Australia is the proposed grants of mining tenements by the WA Department.

### 7.5 "Past Acts" (i.e. grants of mining tenements): Prior to 1 January 1994

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain “acts” which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA). It provides that all “acts” (e.g. grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

### 7.6 "Future Acts" (i.e. proposed grants of mining tenements): After 1 January 1994

(a) Generally, a “future act” is an “act” (e.g. grant of mining tenement) occurring after 1 January 1994 which affects native title.

(b) The Native Title Act sets out the circumstances in which, and procedures by which, “future acts” will be valid should that “act” affect native title.

(c) Such circumstances include if the “act” was done in certain circumstances between 1 January 1994 and 23 December 1996 (called “Intermediate Period Acts”), or if the “act” is permitted by an Indigenous Land Use Agreement (ILUA), or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR.
Such procedures include the "Right to Negotiate Procedure" and the "Expedited Procedure".

7.7 Future Acts Between 1 January 1994 and 23 December 1996

Similarly to Past Acts, the Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain Intermediate Period Acts (e.g. grants of mining tenements) done between 1 January 1994 and to 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted.

7.8 ILUA

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. If the ILUA provides that any one or more mining tenements may be granted, then the relevant mining tenement(s) may be granted without following any other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

7.9 Right to Negotiate Procedure

(a) General

(i) The Right to Negotiate Procedure commences with the relevant State or Territory giving notice of the proposed future act (i.e. proposed grant of a mining tenement) (S29 Notice).

(ii) Then any native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the Negotiation Parties) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

(b) Scope of negotiations

(i) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. The scope can include any matters about which the parties are willing to negotiate. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.

(ii) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such a right may be incompatible with the exercise of some or all native title rights and interest over that portion. It is usual for the resulting agreement to address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation to the native title party.
What if negotiations break down?

(i) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.

(ii) Accordingly, the doing of a future act (i.e. granting of the mining tenement) is dependent on the Negotiation Parties reaching agreement, or the NNTT making a determination that the future act may be done.

7.10 Expedited Procedure

(a) If the relevant State or Territory believes the future act will have minimal impact on native title rights, it may in the S29 Notice elect to use the Expedited Procedure. If the relevant State or Territory gives such notice, any native title party whose details are registered on the RNTC or NNTR may object to the use of the Expedited Procedure.

(b) If no objection is lodged, the mining tenement can be granted without delay. If an objection is lodged, the NNTT must determine the validity of the objection. If the objection is dismissed, the tenement can be granted without delay. If the objection is not dismissed, the Right to Negotiate Procedure outlined at paragraph 7.9 applies.

(c) Current WA Department policy is that it will process applications for exploration and prospecting licences through the Expedited Process of the Native Title Act only once the applicant for the mining tenement provides evidence by way of a statutory declaration/affidavit that a regional standard heritage agreement (RSHA) exists or has been signed by the proponent and sent to any affected registered Native Title Claimant (NTC) group (if any) or that an alternative heritage agreement exists between the NTC group and the explorer. If the explorer either refuses to enter into a RSHA or an alternative heritage agreement or fails to advise DMIRS that an agreement has been signed, the WA Department will process the exploration application under the Right to Negotiate Procedure.

(d) We note there is currently no NTC in respect of any of the Tenements.

(e) In Western Australia, the Right to Negotiate Procedure is generally always used for the processing of mining lease applications, as well as most general purpose lease applications.

7.11 Compensation

(a) In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement
may be liable and directed to pay any compensation determined. To date, few claims have been lodged with the Federal Court for compensation and until recently no award for compensation has been made by the Federal Court. It is due to this potential risk that the applicant for a mining lease will agree to the inclusions of payment of compensation provisions during the negotiations that lead to the grant of the mining lease, as the applicant is able to restrict the level of compensation payable.

(b) On 24 August 2016, the Federal Court handed down the first ever judicial assessment of native title compensation in Australia, in *Griffiths v Northern Territory (No 3) [2016] FCA 900 (Timber Creek)*. The Federal Court ordered the Northern Territory Government to pay over $3.3 million to the Ngaliwurru and Nungali Peoples, as compensation for the impact of certain acts on their native title rights and interests in the town of Timber Creek.

(c) Importantly, as this case is the first ever litigated native title compensation determination, the Federal Court established new principles for valuing native title compensation in accordance with the Native Title Act.

(d) The Federal Court in Timber Creek held that the compensation to be awarded to the Ngaliwurru and Nungali Peoples for the extinguishment and impairment of their native title rights and interests comprised of three distinct components:

(i) $512,400 for economic loss;

(ii) $1.3 million for non-economic loss; and

(iii) $1,488,261 for interest on the economic loss component of the compensation.

(e) Although the area in which compensation was claimed in Timber Creek (approximately 23km2) is relatively small having regard to other areas in relation to which native title has been extinguished in Australia, the Federal Court has made it clear that the potential liability arising out of specific acts will be determined on a case by case basis. It is difficult to predict how much compensation will be awarded in other cases, although the Federal Court has offered general guiding principles for valuing native title compensation.

(f) This decision was appealed to the Full Court of the Federal Court, which handed down its decision on 20 July 2017 in *Northern Territory of Australia v Griffiths [2017] FCAFC 106*. The Full Federal Court largely upheld the primary judge's decision although some of the grounds of appeal were upheld, namely that the discount factor should have been 65% of freehold value (down from 80%), interest on damages awarded for prior extinguishment will not be payable on and from the date of revival and damages for trespass for three invalid future acts should not be awarded. Although this appeal reduces the amount of compensation payable, the figure remains significant.

(g) Applications for special leave to appeal to the High Court from the decision in Timber Creek have recently been granted for each of the claim group, the Northern Territory, and the Commonwealth. These applications seek to re-open effectively all aspects of the Full Court’s decision and will be the first time the High Court has considered a question of native title compensation. The High Court heard the matter in September 2018 and has reserved its decision. It may be several months before a decision is handed down.
(h) Notwithstanding the outcome of the High Court appeal of the Timber Creek case, native title compensation is an evolving area of law and it is likely that the Full Federal Court or High Court will be required to consider and determine another compensation matter.

7.12 Native title claims and determinations affecting the Tenements

The Searches indicate that there is no registered native title claim affecting any of the Tenements. However, the Searches indicate that all of the Tenements are located within the Marlinyu Ghoorlie native title claim, the details of which are as follows:

<table>
<thead>
<tr>
<th>NNTT No.</th>
<th>Federal Court No.</th>
<th>Application Name</th>
<th>Date filed</th>
<th>Status</th>
<th>Registration Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>WC2017/007</td>
<td>WAD647/2017</td>
<td>Marlinyu Ghoorlie</td>
<td>22 Dec 2017</td>
<td>Pre-notification</td>
<td>Not accepted for registration</td>
</tr>
</tbody>
</table>

The Registrar of the NNTT has assessed the Marlinyu Ghoorlie native title claim and has not accepted it for registration on the RNTC. Accordingly, the Marlinyu Ghoorlie claimants have no rights under the Right to Negotiate Procedure (or Expedited Procedure) pending a positive determination of native title by the Federal Court.

The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under those licences if they have been validly granted.

However, if a claim is registered or positively determined over the area of or in the vicinity of the Tenements, then the grant of any future tenure over areas that are covered by such registered claim or determination will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the NTA.

7.13 Validity of granted Tenements

(a) The granted Tenements were all granted after 23 December 2006, and were therefore granted subject to the Native Title Act.

(b) The DMIRS Searches indicate that all Tenements (other than E77/2251, which is discussed further below) were granted through the Expedited Procedure.

(c) The DMIRS Searches indicate the Department's position is that Native Title is extinguished over E77/2251 (by reason of it being covered by freehold land) and it appears the Department has not complied with the Future Act provisions of the Native Title Act in respect of the grant of E77/2251. If indeed native title has been extinguished over the whole of the area of E77/2251, its grant will not be an act that "affects" Native Title and we agree if it likely there is no requirement under the Native Title Act that the Department comply with the Future Act provisions.

(d) The Tengraph Searches confirm that E77/2251 is overlapped 99.37% by freehold land. It is likely that the grant of such freehold land has extinguished native title over that portion of the licence, however the only way that this can be definitively confirmed is by a determination of the Federal Court. Accordingly, on the basis of the information available to us we are unable to form a definitive view as to whether:
(i) native title has in fact been extinguished over 99.37% of the licence by the grant of the freehold titles (although in our view this is likely); or

(ii) native title has been extinguished over the remaining 0.63% of the licence.

(e) Accordingly, we are unable to confirm whether E77/2251 has been validly granted in accordance with the Native Title Act. We recommend the Company contact the Department to seek clarification as to the basis of the Department's position that native title has been extinguished over the whole licence area.

(f) Provided that the Tenements were validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests. Other than as noted above in respect of E77/2251, there is nothing in our enquiries to indicate that the Tenements were not validly granted in accordance with the Native Title Act.

8. Aboriginal heritage

8.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

8.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

8.3 Western Australian legislation

(a) The WA Heritage Act provides for the establishment of a Register of Aboriginal sites in Western Australia and the assessment and registration of Aboriginal sites on that Register.

(b) The WA Heritage Act protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act whether the Aboriginal Site is entered on the Register or not.

(c) The Register includes information on registered Aboriginal sites (which meet the criteria in section 5 of the WA Heritage Act) and “other heritage places”. Other heritage places include places in respect of which information has been
lodge but no assessment completed to determine if it meets section 5 of the WA Heritage Act and also places that have been assessed as not meeting section 5 of the WA Heritage Act.

(d) It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the Registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

(e) The WA Heritage Act accordingly applies to activities on a mining tenement. Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the WA Heritage Act.

(f) A holder of a Western Australian mining tenement has the legislative right to submit an application under the WA Heritage Act seeking approval to disturb or destroy an Aboriginal site.

8.4 Aboriginal sites and other heritage places on the Tenements

The AHIS Searches identified no Aboriginal sites, but two "other heritage places" within the Tenements, as set out in the following table:

<table>
<thead>
<tr>
<th>Other Heritage Places</th>
</tr>
</thead>
<tbody>
<tr>
<td>E77/2522 22811 SX-02 Breakaway Lodged Man-Made Structure, Natural Feature</td>
</tr>
<tr>
<td>E77/2350 and E77/2221 20344 Lake Deborah (KY30) Stored data / Not a Site Mythological</td>
</tr>
</tbody>
</table>

The AHIS Searches indicate that:

(a) "other heritage place" number 22811 is yet to be assessed to determine whether it meets the criteria for Aboriginal sites in section 5 of the WA Heritage Act; and

(b) "other heritage place" number 20344 does not meet the criteria for Aboriginal sites in section 5 of the WA Heritage Act.

The AHIS search results summarised above do not mean that there are no Aboriginal sites or any other heritage places within the area of the Tenements. It is only an indication that no other Aboriginal sites have been registered, or other heritage places recorded, in the area to date.

8.5 No Aboriginal heritage agreements affecting the Tenements

(a) As discussed above at paragraph 7.10, WA Department policy provides that applications for exploration licences will not be processed for grant through the Expedited Procedure unless the applicant for the licence provides
evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered Native Title Claimant (NTC) (if any).

(b) Such Aboriginal heritage agreements will include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal site. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.

(c) The entry into Aboriginal heritage agreements is not a requirement of the WA Heritage Act but is an industry standard means of managing the risk of contravention of the WA Heritage Act where there is a NTC or other claim group with a recognised connection to the relevant land. As noted above, our searches indicate there is currently no NTC in respect of any of the Tenements, though the un-registered Marlinyu Ghoorlie native title claim covers all of the Tenements.

(d) The Company is not party to any Aboriginal heritage agreements in respect of the Tenements.

9. Land access

(a) Pastoral Leases

The TENGRAPH Searches indicate that the following Tenements overlie pastoral leases as set out below:

<table>
<thead>
<tr>
<th>Tenement Affected</th>
<th>Pastoral Lease Name</th>
<th>Lease number</th>
<th>Encroachment</th>
</tr>
</thead>
<tbody>
<tr>
<td>E77/2222</td>
<td>Golden Valley</td>
<td>PL N049818</td>
<td>0.29%</td>
</tr>
<tr>
<td>E77/2350</td>
<td>Golden Valley</td>
<td>PL N049818</td>
<td>14.36%</td>
</tr>
<tr>
<td>E77/2221</td>
<td>Golden Valley</td>
<td>PL N049818</td>
<td>8.49%</td>
</tr>
</tbody>
</table>

The Mining Act:

(i) prohibits the carrying out of mining activities on land:

(A) for the time being under crop, or which is situated within 100 metres of that land;

(B) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;

(C) situated within 100 metres of any land that is in actual occupation and on which a house or other substantial building is erected;

(D) the site of or situated within 100 metres of any cemetery or burial ground; or
(E) land the subject of a pastoral lease which is the site of, or is situated within 400 metres of the outer edge of, any water works, race, dam, well or bore, not being used for mining purposes by a person other than a lessee of that pastoral lease,

without the consent of the lessee, unless ordered by the Warden or if the mining is carried out not less than 30 meters below the lowest point of the natural surface;

(ii) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and

(iii) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land, for example a pastoral lease, in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities.

We have been instructed that the Company does not currently have any access and compensation agreements in place with the pastoral lessees in relation to the Tenements.

Upon commencing mining operations on the Tenements, the Company should consider entering into compensation and access agreements with the pastoral lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines any compensation payable.

(b) Private Land

(i) Generally and subject to certain exceptions and limitations, private land which is not already subject to a mining tenement is considered open for mining under the Mining Act, and a mining tenement may be issued in relation to such land.

(ii) "Private land" for the purposes of the Mining Act will (generally) include freehold and leasehold land. Notably, private land does not include pastoral leases or leases for the use and benefit of Aboriginal inhabitants).

(iii) Our Tengraph Searches indicate that the Tenements overlap private land as follows:

(A) E77/2221 overlaps 7 parcels of freehold land totalling an encroachment of approximately 88.16% on the licence;

(B) E77/2350 overlaps 37 parcels of freehold land and one lease totalling an encroachment of approximately 61.60% on the licence;
(C) E77/2222 overlaps 32 parcels of freehold land and 2 leases totalling an encroachment of approximately 63.67% on the licence;

(D) E77/2522 overlaps 56 parcels of freehold land totalling an encroachment of approximately 89.56% on the licence;

(E) E77/2251 overlaps 5 parcels of freehold land totalling an encroachment of approximately 99.37% on the licence; and

(F) E77/2139 overlaps 9 parcels of freehold land totalling an encroachment of approximately 37.94% on the licence.

(iv) A tenement may not be granted in respect of private land which is:

(A) in bona fide and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation or within 100m of that site;

(B) the site of a cemetery or burial ground or within 100 metres of that site;

(C) the site of a dam, bore, well or spring or within 100 metres of that site;

(D) on which there is erected a substantial improvement or within 100 metres of that improvement; or

(E) a parcel of land with an area of 2,000 square metres or less, (Protected Private Land) unless the written consent of the private landholder and any other occupier is obtained or the tenement is only granted in respect of the land below 30 metres from the surface of the private land. The Searches are not able to confirm what proportion of the area covered by the Tenements are affected by Protected Private Land. We recommend the Company make its own enquiries in this regard.

(v) Three of the Acquired Tenements (E77/2251, E77/2222 and E77/2350) as well as E77/2522 are only granted in respect of the land below 30 metres from the surface of Protected Private Land.

(vi) Where a tenement is only granted in respect of the land below 30 metres from the surface of Protected Private Land, the tenement holder can apply to the Minister for the land between the surface and 30 metres depth to be included in the tenement, which application will be granted provided that the owner and occupier of the Protected Private Land has consented to such land being included in the tenement.

(vii) The owners and occupiers of any private land (including but not limited to Protected Private Land) where mining takes place are entitled to compensation for all loss and damage suffered or likely to be suffered by them resulting or arising from the mining, whether or not lawfully carried out. The tenement holder may not commence mining on the surface or within a depth of 30 metres from the surface of any private land (not just Protected Private Land) until
compensation has been agreed with the private landowner or paid in accordance with the Mining Act. Compensation may be determined by agreement between the tenement holder and private landowner or occupier, or by the warden.

(viii) The owner and any other occupier of private land may be entitled to compensation for:

(A) deprivation of the possession or use of the natural surface or any part of the land;
(B) damage to the land or any part of the land;
(C) severance of the land or any part of the land from other land of, or used by, the owner or occupier;
(D) loss or restriction of a right of way or other easement or right;
(E) loss of, or damage to, improvements;
(F) social disruption;
(G) in the case of private land that is land under cultivation, any substantial loss of earnings, delay, loss of time, reasonable legal or other costs of negotiation, disruption to agricultural activities, disturbance of the balance of the agricultural holding, the failure on the part of a person concerned in the mining to observe the same laws or requirements in relation to that land as regards the spread of weeds, pests, disease, fire or erosion, or as to soil conservation practices, as are observed by the owner or occupier of that land; and
(H) any reasonable expenses properly arising from the need to reduce or control the damage resulting or arising from the mining.

10. Summary of material contracts

10.1 Acquisition Agreement

The Company and Talga Resources Limited (Talga) are party to an agreement dated 18 August 2017, as amended by amendment agreements dated 30 March 2018 and 28 June 2018, providing for the sale and purchase of the Acquired Tenements (Acquisition Agreement).

Under the Acquisition Agreement, Talga granted the Company an option (Option) to purchase the Acquired Tenements. Subject to the Company exercising the Option within the option period, Talga agreed to sell and the Company agreed to purchase, the Acquired Tenements free and clear of all encumbrances.

We are instructed that the Company exercised the Option in accordance with the Acquisition Agreement and that completion of the sale and purchase took place in accordance with the Acquisition Agreement on 18 July 2018.
In accordance with the terms of the Acquisition Agreement, the consideration paid by the Company for the sale and purchase of the Acquired Tenements was:

(a) the option fee of $20,000;

(b) a fee for extension of the option period to 31 March 2018 of $85,000;

(c) a fee for the further extension of the option period to 29 June 2018 of $25,000;

(d) exploration expenditure on the Acquired Tenements of $145,000;

(e) a completion payment of $250,000;

(f) the grant of a 1% net smelter return royalty (Royalty) in respect of any minerals extracted and recovered in a commercial mining operation carried out by or on behalf of the Company from:

   (i) the Acquired Tenements; and

   (ii) any tenements (including their successor tenements) owned in whole or in part or in trust for or by the Company, that have any point of a boundary located within 5km of any point of any boundary of the Acquired Tenements.

The Acquisition Agreement requires the parties to agree and enter into a separate royalty deed (Royalty Deed) that more fully sets out the terms on which the Royalty is to be paid, based on the royalty terms that are set out in the Acquisition Agreement (Royalty Terms).

Until the Royalty Deed is executed and becomes unconditional the Royalty will be governed by the Royalty Terms. As at the date of this Report, the parties have not executed the Royalty Deed.

The Company has the right to extinguish the obligation to pay the Royalty by paying Talga $1,700,000.

The Acquisition Agreement includes certain post completion obligations to be completed by the Company including:

(g) lodging the Acquisition Agreement for duty assessment within 10 business days of completion;

(h) paying duty that is payable on the Acquisition Agreement and in respect of the transfer of the Acquired Tenements; and

(i) promptly following lodgement of the Acquisition Agreement for duty, lodging the transfer forms in respect of the Acquired Tenements for registration and paying associated fees.

The DMIRS Searches indicate that the transfer forms have not yet been lodged for registration, pending duty assessment.

The Acquisition Agreement includes no substantive warranties from Talga in favour of the Company in respect of the Acquired Tenements, other than to warrant that Talga was the sole legal and beneficial owner of the Tenements free of encumbrances as at completion. Further, any liability arising for either party in relation to a claim under the Acquisition Agreement is limited to a maximum of $500,000.
The Acquisition Agreement contains other terms and conditions that are considered usual for a tenement sale and purchase agreement of this nature.

11. Qualifications and assumptions

11.1 General

This is a high level Report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

Although nothing has come to our attention to lead us to believe that any of the assumptions are incorrect, we have not made any independent investigations in respect to the matters the subject of our assumptions.

11.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

(a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;

(b) that the registered holder of a Tenement has valid legal title to the Tenement;

(c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in Good Standing;

(d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;

(e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;

(f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;

(g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;

(h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently); and

(i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined.

In relation to the Material Contracts, we have assumed that:

(a) the Material Contracts have been duly executed:
(i) if by the State of Western Australia and by the Minister, in accordance with valid delegated authority; and

(ii) if by a native title party, by a registered native title claimant with valid delegated authority to execute on behalf of the native title party and all persons included in the native title claimant group;

(b) the copies of the Material Contracts made available to us are accurate, complete and conform to the originals of the Material Contracts;

(c) all dates, execution and seals and signatures are authentic;

(d) there are no material documents or information to be provided other than the material contracts referred to in this Report; and

(e) each party to the Material Contracts had, at the time of execution, and continues to have full power and authority to execute, observe and perform all of its obligations under the Material Contracts.

11.3 Qualifications

This Report is subject to the following qualifications:

(a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;

(b) the information in Schedule 1 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;

(c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;

(d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;

(e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;

(f) this Report relates only to the laws of Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;

(g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;

we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;

references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in paragraph 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;

where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;

where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;

we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Environment Conservation;

native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and

Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act, Sacred Sites Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

2. Conclusion

Bellanhouse has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely

Bellanhouse Lawyers
## Schedule 1 - Tenement Summary

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Holder (100%)</th>
<th>Area</th>
<th>Grant date</th>
<th>Expiry date</th>
<th>Expenditure commitment</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>E77/2221</td>
<td>Talga Resources Limited</td>
<td>7 Blocks</td>
<td>1 December 2014</td>
<td>30 November 2019</td>
<td>$30,000</td>
<td>2, 3, 4, 5, 8, 9, 10, 11</td>
</tr>
<tr>
<td>E77/2350</td>
<td>Talga Resources Limited</td>
<td>64 Blocks</td>
<td>17 January 2017</td>
<td>16 January 2022</td>
<td>$64,000</td>
<td>1, 2, 3, 4, 5, 6, 7, 8, 9, 12</td>
</tr>
<tr>
<td>E77/2222</td>
<td>Talga Resources Limited</td>
<td>46 Blocks</td>
<td>1 December 2014</td>
<td>30 November 2019</td>
<td>$69,000</td>
<td>1, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14</td>
</tr>
<tr>
<td>E77/2522</td>
<td>Torque Metals Limited</td>
<td>70 Blocks</td>
<td>17 September 2018</td>
<td>16 September 2023</td>
<td>$70,000</td>
<td>1, 3, 5, 7, 8, 9, 12, 13, 14</td>
</tr>
<tr>
<td>E77/2139</td>
<td>Talga Resources Limited</td>
<td>16 Blocks</td>
<td>21 February 2014</td>
<td>20 February 2019</td>
<td>$30,000</td>
<td>4, 5, 7, 8, 9, 10, 11</td>
</tr>
<tr>
<td>E77/2251</td>
<td>Talga Resources Limited</td>
<td>2 Blocks</td>
<td>9 June 2015</td>
<td>8 June 2020</td>
<td>$20,000</td>
<td>1, 3, 4, 5, 8, 9, 10, 11</td>
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<tr>
<td>P77/4106</td>
<td>Talga Resources Limited</td>
<td>19.945Ha</td>
<td>6 July 2012</td>
<td>5 July 2020</td>
<td>$2,000</td>
<td>8, 10, 11</td>
</tr>
</tbody>
</table>

**Notes**

The notes below refer to particular conditions and endorsements attached to the Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the WA Department register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

1. **Subsurface rights only:** Any private land referred to in Section 29(2) of the Mining Act 1978 (WA) (ie. Protected Private Land as defined above) except that below 30 metres from the natural surface of the land is not included in the grant of the Exploration Licence.
2. Overlapping tenements:
   (a) E77/2221: Miscellaneous Licence 77/81 overlaps the licence (the encroachment being approximately 0.12%), and all right if ingress to and egress from L77/81 are at all times preserved to the holder of L77/81 and there can be no interference with the purpose or installations in connection to the licence.
   (b) E77/2350: Miscellaneous Licence 77/81 overlaps the licence (the encroachment being approximately 0.02%), and all right if ingress to and egress from L77/81 are at all times preserved to the holder of L77/81 and there can be no interference with the purpose or installations in connection to the licence.
   (c) E77/2350: Prospecting Licence 77/4350 overlaps the licence (the encroachment being < 0.01%).
3. Excluded Land:
   (a) E77/2251: The DMIRS Search indicates that the land the subject of the following tenements and graticular blocks are not included in the grant of this licence, however we note that the land the subject of the licence as granted does not overlap these areas in any event:
      (i) Exploration Licences 77/2221 and 77/2222;
      (ii) General Purpose Lease 77/33, 77/34, 77/79, 77/80 and 77/81;
      (iii) Mining Leases 77/46, 77/356, 77/480, 77/633, 77/1129, 77/1130 and 77/1131; and
      (v) Graticular blocks:
          (A) PERTH 2510 g h m n o s t
          (B) PERTH 2582 b c d e h j k n o p t u y z
          (C) PERTH 2583 a e k l o p q r u v w z
          (D) PERTH 2584 a f l q v
          (E) PERTH 2654 d e k
          (F) PERTH 2655 a b c f g h j o p
          (G) PERTH 2656 a f l
   (b) E77/2222: The DMIRS Search indicates that the land the subject of the following tenements are not included in the grant of this licence, however we note that the land the subject of the licence as granted does not overlap these areas in any event:
      (i) Exploration Licences 77/2139 and 77/2170.
      (ii) General Purpose Leases 77/33, 77/34, 77/79, 77/80 and 77/81 (to a depth of 15 metres).
      (iii) Mining Leases 77/46, 77/356, 77/480, 77/633, 77/1129, 77/1130 and 77/1131.

(c) E77/2350: The DMIRS Search indicates that the land the subject of the following tenements are not included in the grant of this licence, however we note that the land the subject of the licence as granted does not overlap these areas in any event:

(i) Mining Leases 77/94, 77/480, 77/633, 77/1033 and 77/1255.
(ii) Prospecting Licence 77/4139.

(d) E77/2221: The DMIRS Search indicates that the land the subject of the Exploration Licence 77/2170 is not included in the grant of this licence, however we note that the land the subject of the licence as granted does not overlap these areas in any event:

(e) E77/2252: The DMIRS Search indicates that the land the subject of the following tenements and graticular blacks are not included in the grant of this licence, however we note that the land the subject of the licence as granted does not overlap these areas in any event:

(i) Mining Leases 77/534, 77/551 and 77/1133; and
(ii) Prospecting Licences 77/4329, 77/4331, 77/4334, 774335, 77/4336, 77/4339 and 77/4341.
(iii) Graticular blocks:

(A) PERTH 2512 f g h l m n q r s v w x y z
(B) PERTH 2513 v w x
(C) PERTH 2584 b c d e g h j k m n o p
(D) PERTH 2585 a b c f g h l

4. Combined reporting group: The licence is part of the Bullfinch Project combined reporting group that includes E77/2139, E77/2221, E77/2222, E77/2251 and E77/2350.

5. Freehold land:

(a) E77/2221 overlaps 7 parcels of freehold land totalling an encroachment of 88.16% on the licence. These freehold titles will likely be considered 'private land' for the purposes of the Mining Act. See paragraph 9(b) for details;

(b) E77/2350 overlaps 37 parcels of freehold land totalling an encroachment of 61.49% on the licence. These freehold titles will likely be considered 'private land' for the purposes of the Mining Act. See paragraph 9(b) for details;

(c) E77/2222 overlaps 32 parcels of freehold land totalling an encroachment of 61.17% on the licence. These freehold titles will likely be considered 'private land' for the purposes of the Mining Act. See paragraph 9(b) for details;

(d) E77/2522 overlaps 56 parcels of freehold land totalling an encroachment of 89.56% on the licence. These freehold titles will likely be considered 'private land' for the purposes of the Mining Act. See paragraph 9(b) for details;
E77/2251 overlaps 5 parcels of freehold land totalling an encroachment of 99.37% on the licence. These freehold titles will likely be considered 'private land' for the purposes of the Mining Act. See paragraph 9(b) for details; and

E77/2139 overlaps 9 parcels of freehold land totalling an encroachment of 37.94% on the licence. These freehold titles will likely be considered 'private land' for the purposes of the Mining Act. See paragraph 9(b) for details.

6. Leasehold land:
   (a) E77/2222 overlaps a General Purpose Leases and a Reserve Lease totalling an encroachment of approximately 2.5% on the tenement.
   (b) E77/2350 overlaps a General Purpose Leases with an encroachment of approximately 0.11% on the tenement.

7. Restriction around Geodetic Stations:
   (a) E77/2139: There can be no interference with Geodetic Survey Station SSM-G 77-26 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
   (b) E77/2350: There can be no interference with Geodetic Survey Station SSM-G 77-27 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
   (c) E77/2522: There can be no interference with Geodetic Survey Station Southern Cross 147, 149 and 16 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

8. Water resource endorsements: The tenement is subject to certain endorsements in respect of Water Resource Management Areas and Proclaimed Ground Water Areas.

9. Surface water endorsement: The tenement is subject to certain endorsements in respect of Proclaimed Surface Water and Irrigation District Areas.

10. Artisan, Aquifers and Wells endorsement: The abstraction of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless a current licence for these activities has been issued by the Department of Water.

11. Waterways endorsement: The holder must seek advice from the Department of Water in respect of proposed exploration within a defined waterway and within specified lateral distances from the outer-most water dependent vegetation of any perennial or seasonal waterway.

12. Prior Ministerial consent over certain Reserves:
   (a) E77/2222: The prior consent of the Minister must be obtained before commencing any exploration activities on the following reserves:
      (i) Mining Purposes CR 23972 (this reserve is not shown on the relevant TENGRAPH Search);
      (ii) Mining Purposes "C" Class Reserve 20778 (<1% encroachment on tenement); and
      (iii) Landscape Protection CR 48939 (this reserve is not shown on the relevant TENGRAPH Search).
   (b) E77/2350: The prior consent of the Minister must be obtained before commencing any exploration activities on the following reserves:
      (i) Water and Parklands "C" Class Reserve 17390 (2.99% encroachment on tenement);
      (ii) Water "C" Class Reserve 34781 (0.11% encroachment on tenement);
      (iii) Water "C" Class Reserve 18852 (0.03% encroachment on tenement);
(iv) Timber "C" Class Reserve 30445 (2.11% encroachment on tenement);
(v) Water "C" Class Reserve 17408 (0.01% encroachment on tenement); and
(vi) Water "C" Class Reserve 1434 (0.67% encroachment on tenement).

(c) E77/2522: The prior consent of the Minister must be obtained before commencing any exploration activities on the following reserves:

(i) Conservation of Flora and Fauna "C" Class Reserve 25801 (2.4% encroachment on tenement);

(ii) Water "C" Class Reserve 19630 (0.02% encroachment on tenement); and

(iii) Recreation and Parklands “A” Class Reserve 1362 (0.79% encroachment on tenement) (concurrence of the Minister for Environment is also required before entering or commencing any prospecting or exploration activities on this reserve).

13. **No interference with Aerial Landing Ground**: There must be no interference with the Aerial Landing Ground and mining thereon must be confined to below a depth of 15 metres from the natural surface.

14. **Restriction around water main**: Mining on a strip of land 20 metres wide with any water mains as the centre line must be confined to a depth of 31 metres form the natural surface and no mining material can be deposited upon such strip and the rights of ingress to and egress from the facility are at all times preserved to the owners thereof.
This is an Application Form for Shares in Torque Metals Limited (Company) and relates to the offer of up to 35,000,000 New Shares made under this Replacement Prospectus dated 8 November 2018 (Prospectus) to the general public with a registered address in Australia or New Zealand to subscribe for Shares at the Offer Price of $0.20 to raise up to approximately $7,000,000. The Offer is scheduled to close at 5:00pm (AEST) on 30 November 2018 (Closing Date) unless extended, closed early or withdrawn. Applications must be received before that time to be valid. A person who gives another person access to this Application Form must at the same time give the other person access to the Prospectus and any additional supplementary prospectuses (if applicable).

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.

1 Number of Shares you are applying for

Applications under the Offer must be for a minimum of 10,000 Shares ($2,000.00) and thereafter, in multiples of $500.00 worth of shares (2,500 Shares).

3 Write the name(s) you wish to register the Shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town State Postcode

5 CHESS Participants only – Holder Identification Number (HIN) Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

X

6 EMAIL ADDRESS (see reverse of form – this is for all communications legally permissible and despatched by the Company)

7 TFN/ABN/EXEMPTION CODE

Applicant 1 Applicant 2 Applicant 3

If NOT an individual TFN/ABN, please note the type in the box

C = Company; P = Partnership; T = Trust; S = Super Fund

8 PAYMENT DETAILS

Payment By BPAY®:

To pay via BPAY® please complete the online form available at www.advancedshare.com.au/ipo.aspx. Payment details will then be forwarded to you.

Payment by cheque:

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Torque Metals Limited– Share Subscription Account” crossed “Not Negotiable” and forwarded to Advanced Share Registry to arrive no later than the Closing Date.

Please enter cheque, bank draft or money order details

<table>
<thead>
<tr>
<th>Drawer</th>
<th>Bank</th>
<th>Branch</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

9 CONTACT DETAILS

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone number Contact name (PRINT)

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</table>

10 DECLARATION AND STATEMENTS

By lodging this Application Form:

• I/We declare that I/we have received a copy of the Prospectus dated 8 November 2018 issued by Torque Metals Limited and that I/we are eligible to participate in the Offer.

• I/We declare that all details and statements made by me/us are complete and accurate.

• I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company.

• I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus.

• I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

• I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Torque Metals Limited and that no notice of acceptance of the Application will be provided.

• I/We acknowledge that the Company retains absolute discretion to allocate any/all of the amount of Shares I/we have applied for the Offer as these terms are defined in the Prospectus.
INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS.

The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares
Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of 10,000 Shares ($0.20) and thereafter, in multiples of $500.00 worth of shares (2,500 Shares).

2 Payment Amount
Enter into section 2 the total amount payable. Multiply the number of Shares applied for by $0.20 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

<table>
<thead>
<tr>
<th>Type of Investor</th>
<th>Correct Form of Registration</th>
<th>Incorrect Form of Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trusts</td>
<td>Mr John Richard Sample &lt;Sample Family A/C&gt;</td>
<td>John Sample Family Trust</td>
</tr>
<tr>
<td>Superannuation Funds</td>
<td>Mr John Sample &amp; Mrs Anne Sample &lt;Sample Family Super A/C&gt;</td>
<td>John &amp; Anne Superannuation Fund</td>
</tr>
<tr>
<td>Partnerships</td>
<td>Mr John Sample &amp; Mr Richard Sample &lt;Sample &amp; Son A/C&gt;</td>
<td>John Sample &amp; Son</td>
</tr>
<tr>
<td>Clubs/Unincorporated Bodies</td>
<td>Mr John Sample &lt;Food Help Club A/C&gt;</td>
<td>Food Help Club</td>
</tr>
<tr>
<td>Deceased Estates</td>
<td>Mr John Sample &lt;Estate Late Anne Sample A/C&gt;</td>
<td>Anne Sample (Deceased)</td>
</tr>
</tbody>
</table>

4 Postal Address
Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.advancedshare.com.au

5 CHESS Holders
If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address
You may elect to receive communications despatched by Torque Metals Limited electronically (where legally permissible), such as the Company’s annual report.

7 TFN/ABN/Exemption
If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN’s is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

8 PAYMENT DETAILS
By making your payment, you confirm that you agree to all of the terms and conditions of the Torque Metals Limited. Offer as outlined in this Application Form and within the Prospectus.

Your cheque should be made payable to “TORQUE METALS LIMITED– SHARE SUBSCRIPTION ACCOUNT” in Australian currency, crossed “NOT NEGOTIABLE” and drawn on an Australian branch of a financial institution. Please complete the cheque with the details overleaf and ensure that you submit the correct amount, as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your Application will be rejected.

9 Contact Details
Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

10 Declaration
Before completing the Application Form the Applicant(s) should read the Prospectus in full. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Application Form.

Privacy Statement
Personal information is collected on this form by ASW, as registrar for securities issuers (“the issuer”), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting ASW.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address
Torque Metals Limited
C/- Advanced Share Registry
PO Box 1156
Nedlands, WA 6909

Hand Delivery (Please do not use this address for mailing purposes)
Torque Metals Limited
C/- Advanced Share Registry
110 Stirling Highway
Nedlands, WA 6009