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Financial Statements

for the Half Year Ended 31 December 2022

ACN 621 122 905

The Interim Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any announcements distributed to shareholders by Torque Metals Limited during the half year.



ASX:TOR
torquemetals.com

Corporate Directory

Board of Directors

Patrick N. Burke, Non-Executive Chairman
Cristian Moreno, Managing Director
Ian D. Finch, Non-Executive Director
Antony L. Lofthouse, Non-Executive Director

Company Secretary

Neil W. McKay

Principal Place of Business

Unit 8, 16 – 18 Nicholson Road, Subiaco WA 6008
Postal Address: PO Box 27, West Perth, WA 6872

Auditors

Hall Chadwick WA Audit Pty. Ltd.
283 Rokeby Road, Subiaco WA 6008

Share Register

Advanced Share Registry Services Pty. Ltd.
110 Stirling Highway, Nedlands, WA 6010

Stock Exchange Listing

Australian Stock Exchange
Perth Exchange:
Code: TOR

Banker

Westpac Banking Corporation
1257 Hay Street, West Perth, WA 6005

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Directors Report

The directors of Torque Metals Limited (“Torque” or “the Company”) present their report on Torque for the half year ended 31 December 2022 (“the Half Year”).

Directors

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

Patrick N. Burke

Cristian Moreno (appointed 10 October 2022)

Ian D. Finch

Antony (Tony) L. Lofthouse

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

Principal Activities

The principal activities during the half year were mineral exploration. There were no significant changes in the principal activities during the half year.

Review of Operations

The loss of the Company for the Half Year after providing for income tax, amounted to a loss of \$616,815 (31 December 2021 loss of \$511,449). The expenditure incurred during the half year related to corporate and administration expenditure.

Torque Metals recently conducted a review of their operations, focusing on the highly prospective Paris project located in Western Australia. The company is confident about the potential of this project and aims to repeat the successful drilling results achieved in the past five campaigns. Torque Metals is committed to utilizing the latest technology and exploration techniques to unlock the full potential of the Paris project and deliver long-term value for their shareholders.

Project Background

1. The Paris Project comprises nine pre-native titles granted mining licenses, two prospecting licences and three exploration licences, and covers a large area of approximately 200km² in the Western Australian Goldfields. The project lies within the Boulder-Lefroy Fault Zone, a prolific gold-bearing structure host to numerous mines that have produced many millions of ounces of gold. The project lies along strike to the south of the highly successful St Ives GoldMine and is close to infrastructure including ready access to Higginsville and St Ives Mills.

Torque’s Paris Project area remains vastly underexplored, with past drilling generally restricted to the top 50 metres, highlighting significant opportunities for discovery of gold mineralisation by the application of modern-day exploration techniques and the undertaking of more extensive, and deeper drilling.

2. The Bullfinch Project comprises five exploration licenses and one prospecting license and lies in a region that is highly prospective for gold mineralisation; the project lies just 5km NE of the historical Copperhead mine (not owned by Torque).

During the half-year ended 31 December 2022, the Company progressed its flagship Paris Gold Project near Kalgoorlie in Western Australia, with a campaign of drilling to in-fill and further extend the high-grade gold structure at the Paris Prospect and identify new mineralised systems for “Big Pit” potential.

Torque also announced the results of its first drilling program at the Bullfinch Project near Southern Cross in Western Australia, where highly encouraging rare earth elements results were returned.

Paris Project

Investigation of 2,500m mineralised structure and Paris Prospect drilling^{1 2 3 4 5 6}

During the period, Torque completed two phases of reverse circulation (RC) drilling over its high-grade gold prospects at the Paris Gold Project, with two aims:

- Investigation of the link between the Observation, HHH and Paris prospects, where the Company suspects that the 2,500m NW-SE distance between the two small\shallow open pit mines containing multiple parallel mineralised gold zones (Figure 1).
- Drilling at the Paris Gold Prospect to target extensions to the already identified high-grade gold structure (Figure 2).

Subsequent to the period, Torque reported new assays from the fifth phase of drilling which clearly support the high-grade mineralisation structures and the concept of a potential Gold Camp at Paris.

The Paris Gold camp model consists of 2,500m NW-SE strike between Paris, HHH, and Observation prospects that could contain multiple parallel mineralised gold zones perpendicular to the Boulder-Lefroy fault. The Paris gold camp hosts several attractive structures where significant zones of primary mineralisation have previously been identified including some of the following grades:

- 27m @ 10.7 g/t Au from 177m including
 - 6m @ 32.45 g/t Au from 183m; and 12m @ 19.7 g/t Au from 177m (22PRC040)
- 27m @ 8.16 g/t Au from 156m including
 - 6m @ 22.0 g/t Au from 159m (22PRC038)
- 24m @ 10.7 g/t Au from 141m including
 - 6m @ 34.6 g/t Au from 141m (21PRC025)
- 7m @ 1.20 g/t Au from 36m; and 17m @ 3.94 g/t Au from 110m including
 - 2m @ 32.08 g/t Au from 114m (22PRC044)

¹ ASX Announcement 10 August 2022 – Drilling Re-Commences at Paris Gold Project

² ASX Announcement 8 September 2022 – High-Grade Gold Demonstrates Strong Growth at Paris Project

³ ASX Announcement 15 September 2022 – Potential to link up Paris and HHH Gold Mines

⁴ ASX Announcement 29 September 2022 – Paris Gold Zone Grows to 900m in Strike

⁵ ASX Announcement 16 November 2022 – Drilling set to recommence at 2.5km Paris Gold Camp

⁶ ASX Announcement 02 February 2022 – Further high-grade gold intersections at Paris

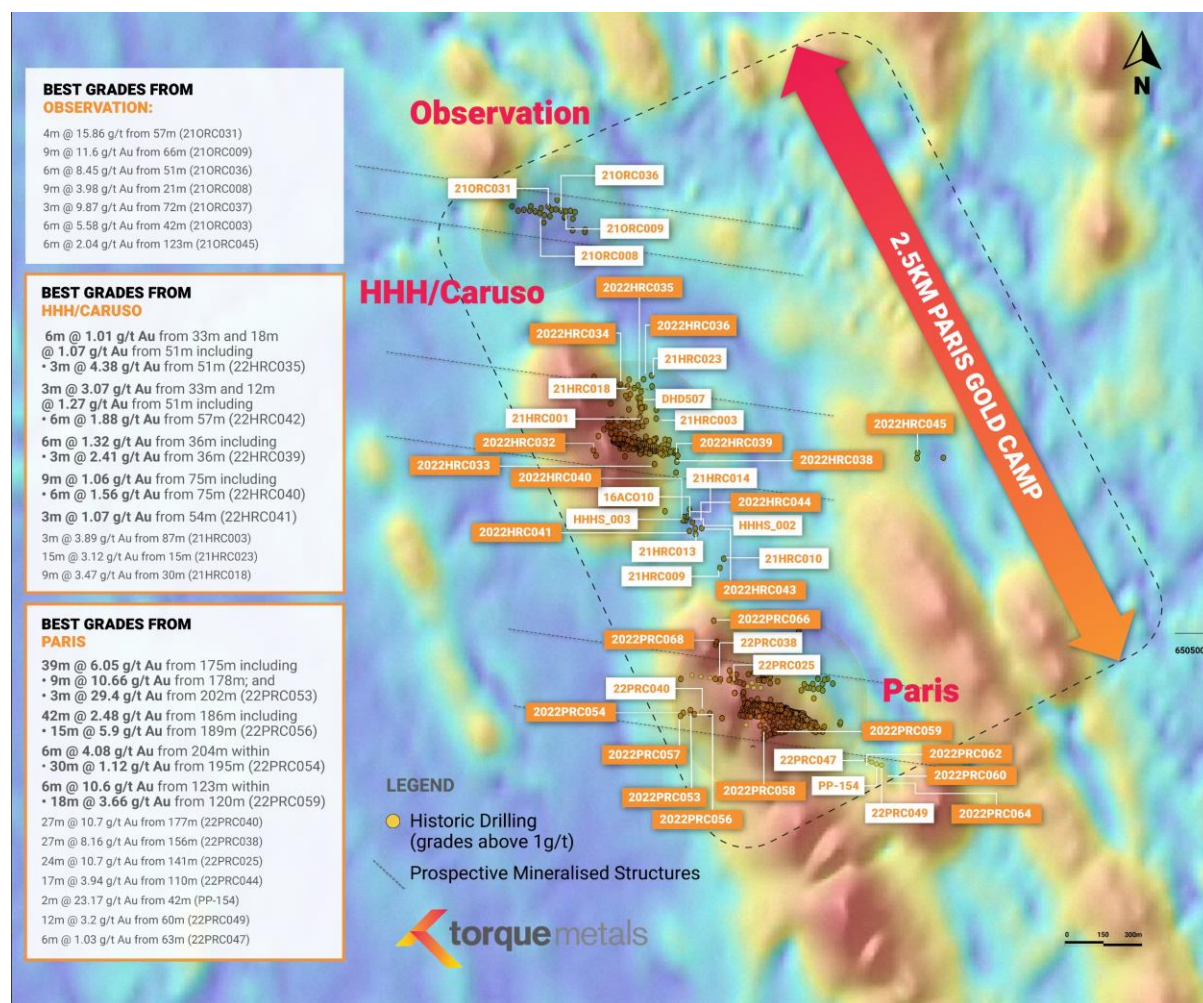


Figure 1: Paris Gold Camp

Torque's latest RC drilling results also continue validating a high-grade, uninterrupted zone, open West and at depth at the Paris deposit. Holes drilled to the west intersected multiple large gold zones including **45m @ 5.26 g/t Au** from 172m (22PRC053), **42m @ 2.48 g/t Au** from 186m (22PRC056), and **30m @ 1.12 g/t Au** from 195m (22PRC054).

The Paris high-grade zone now has a prospective thickness of 60m and a strike length of more than 1000m, which includes 400m west of the Paris pit, 250m of grades beneath the pit, and 350m to the east of the pit (see figure 2).

Torque has sourced a DD/RC rig with >200m capacity for follow-up drilling at multiple prospects in the Paris project, as warranted by these latest excellent drilling results.

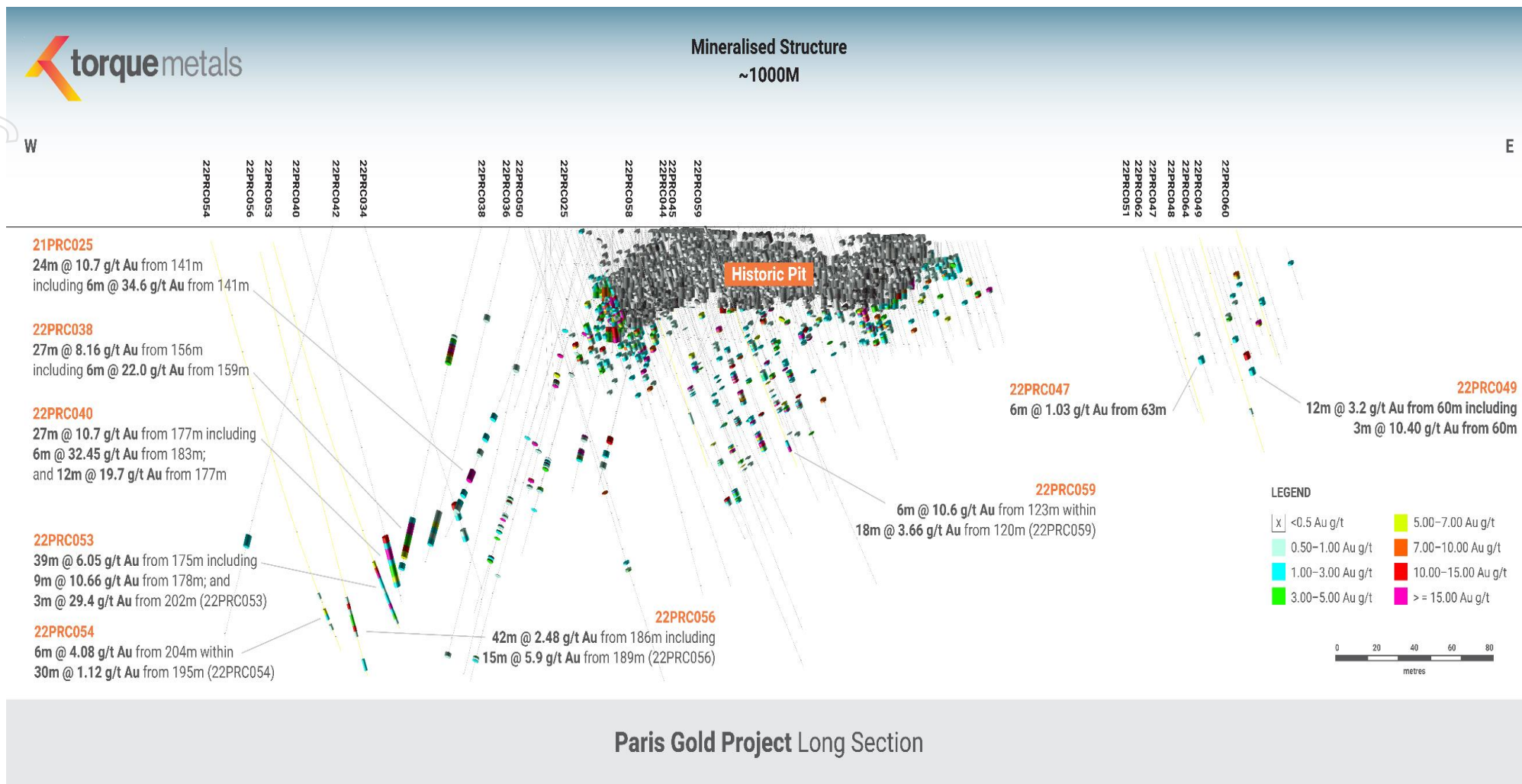


Figure 2 Drilling results at Paris Deposit

Expansion of Paris Gold / Nickel footprint⁷

During the period, Torque was pleased to announce that it completed an 80% earn-in to Jindalee Resources Limited's ("Jindalee") (ASX:JRL) Maynard's Dam Prospect – ELs 15/1736, 15/1747 and 15/1752. Upon final approval by DMIRS the tenements will be transferred to Torque while Jindalee will retain a 20% free carried interest. SensOre has exited Maynard's Dam joint venture as part of a business refocus.

The Maynard's Dam project aggregates approximately 75km² to the existent tenements bringing the total new area of the Paris Project to approximately 176km². Importantly, the acquisition of the 80% interest in EL15/1752 adds a further 14km of prospective strike to the North of the successfully explored areas at the Paris, HHH / Caruso, and Observation prospects where Torque's drilling has generated several new, high grade gold intersections since the Company listed in June 2021.

Previous exploration by SensOre using their AI system along with surface geochemistry identified multiple targets along strike from recent discoveries of Torque at its Strauss and Paris prospects. Significantly, SensOre undertook extensive Heritage work (ethnographic and archaeological clearance survey) in prelude to its drilling. Torque's Paris project now consists of 3 granted exploration, 2 prospecting; and 9 mining licences for a total area of approximately 176km².

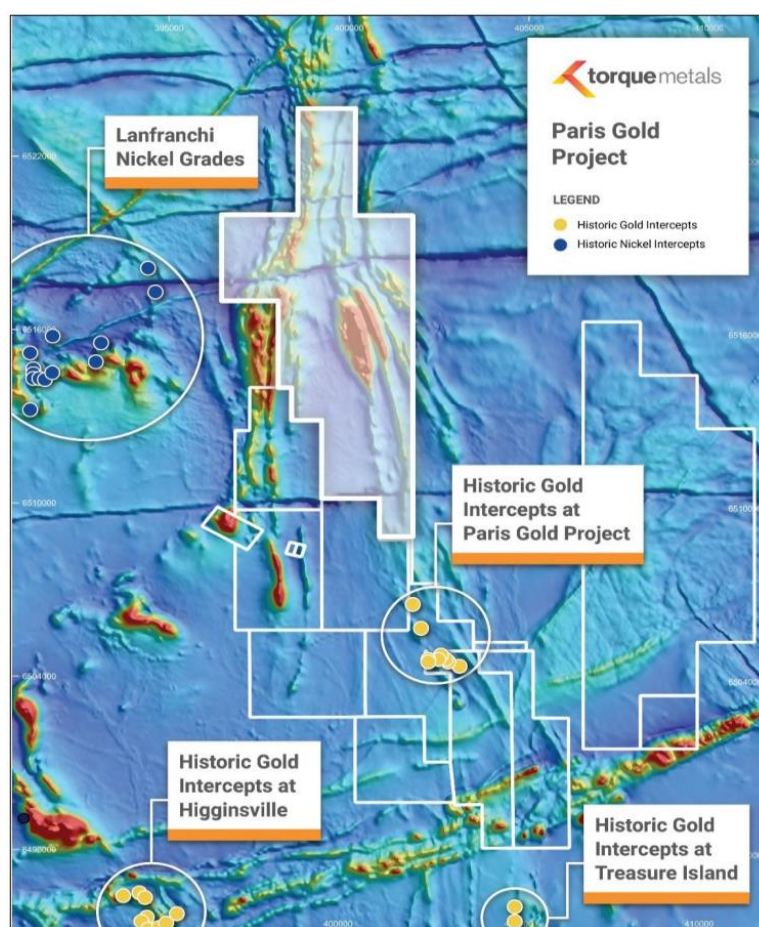


Figure 3: Paris Project highlighting tenement EL15/1752

⁷ ASX Announcement 23 November 2022 – Torque expands Paris Gold/Nickel footprint

Nickel exploration commenced at Paris⁸

During the reporting period, Torque commenced a moving loop electromagnetic (MLEM) survey to test for conductive nickel sulphides at its Paris Project.

Torque planned an initial MLEM survey across two focal regions within the Paris Project tenements - the Domingo and Melchior anomalies – intended to test for conductive nickel sulphides.

Furthermore, Torque elevated the interest of an additional target “Melchior West” south of Domingo as result of improvements to the initial survey (Figure 4). Melchior West was also tested by the MLEM survey.

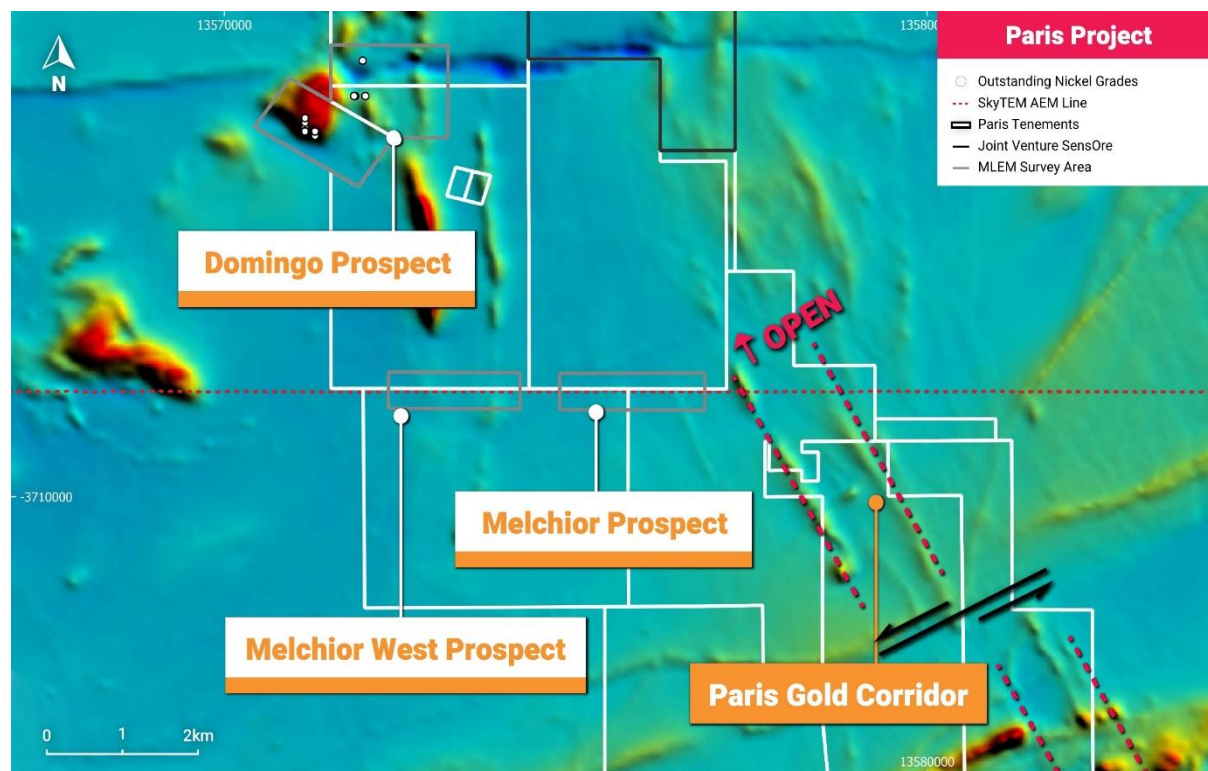


Figure 4: Potential conductive anomalies at the Paris Project

The Melchior Prospect has two airborne electromagnetic (AEM) anomalies which resemble the AEM anomaly seen at Mincor Resources’ Cassini prospect approximately 25km to the West.

The ground EM programme further tested for the presence of conductive nickel sulphides at Melchior. At the Domingo Prospect, several historical drill holes have recorded substantial near surface nickel results such as 8m @ 0.85% Ni from 12m in hole DHD247 and 8m @ 0.75% Ni from 8m in hole DHD246.

The ground EM survey at Domingo was to test for subsurface, massive nickel sulphide conductors. The surveys have been completed and Torque awaits the final report.

⁸ ASX Announcement 13 July 2022 – Nickel Exploration commences at Paris Project

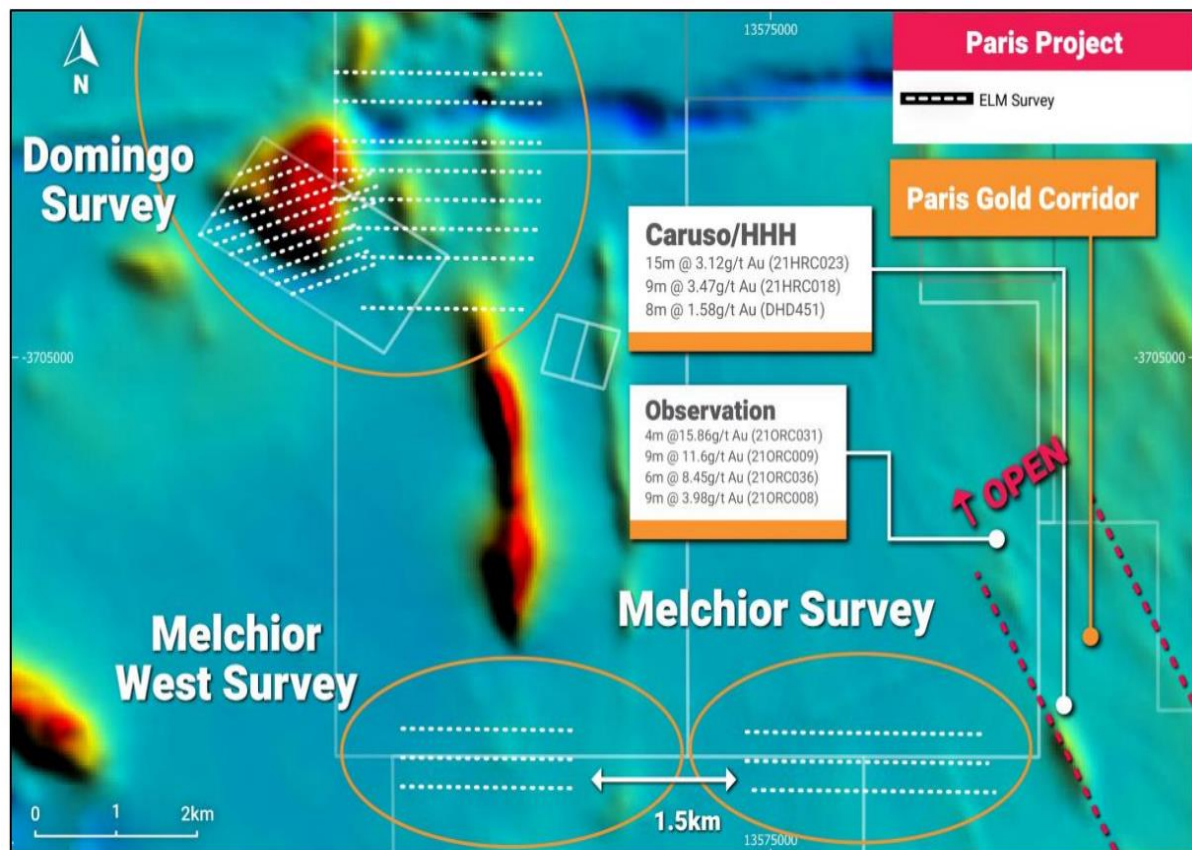


Figure 5: Ground Electromagnetic Survey Design

Bullfinch Project

During the period, Torque commenced a maiden RC drilling program⁹ at the Withers Find prospect, within the Bullfinch Project area in Western Australia. The Project is located on Archaean greenstone lithologies prospective for gold deposits, massive sulphide nickel-copper deposits, iron ore and lithium.

Significant Potential for Rare Earth Elements¹⁰

The Company received encouraging rare earth elements (REE) and gold results from drilling and sampling activities at the Withers Find prospect. Bullfinch is a vastly unexplored but prospective project, located over Archaean greenstone lithologies prospective for gold, massive nickel-copper sulphides, REE, and lithium-pegmatitic deposits.

Torque's first shallow RC drilling campaign at Bullfinch (21 holes for 1,260m) was focused entirely on Withers Find prospect and confirmed the presence of hard-rock pegmatite hosted REE, with the best drillhole BRC001 returning 3m @ 0.107% TREO with 187ppm NdPr from 15m. Additional drillholes also presented anomalous REE grades in other holes warranting further exploration for these critical materials.

Best REE intercepts from Bullfinch drilling as follows (Figures 6 & 7):

⁹ ASX Announcement 6 July 2022 – Drilling starts at Bullfinch Gold Project

¹⁰ ASX Announcement 12 December 2022 – Significant Rare Earth Potential Discovered at Bullfinch

- 3m @ 0.107% TREO with 187.15ppm NdPr from 15m (22B2RC01)
- 3m @ 0.076% TREO with 118.14ppm NdPr from 57m (22B2RC07) ending in mineralised zone
- 6m @ 0.042% TREO with 105.34ppm NdPr from 9m (22B2RC11)
- 12m @ 0.0412% TREO with 77.24ppm NdPr from 48m (22B2RC15) ending in mineralised zone
- 3m @ 0.037 TREO with 59.46ppm NdPr from 24m (22B2RC21)

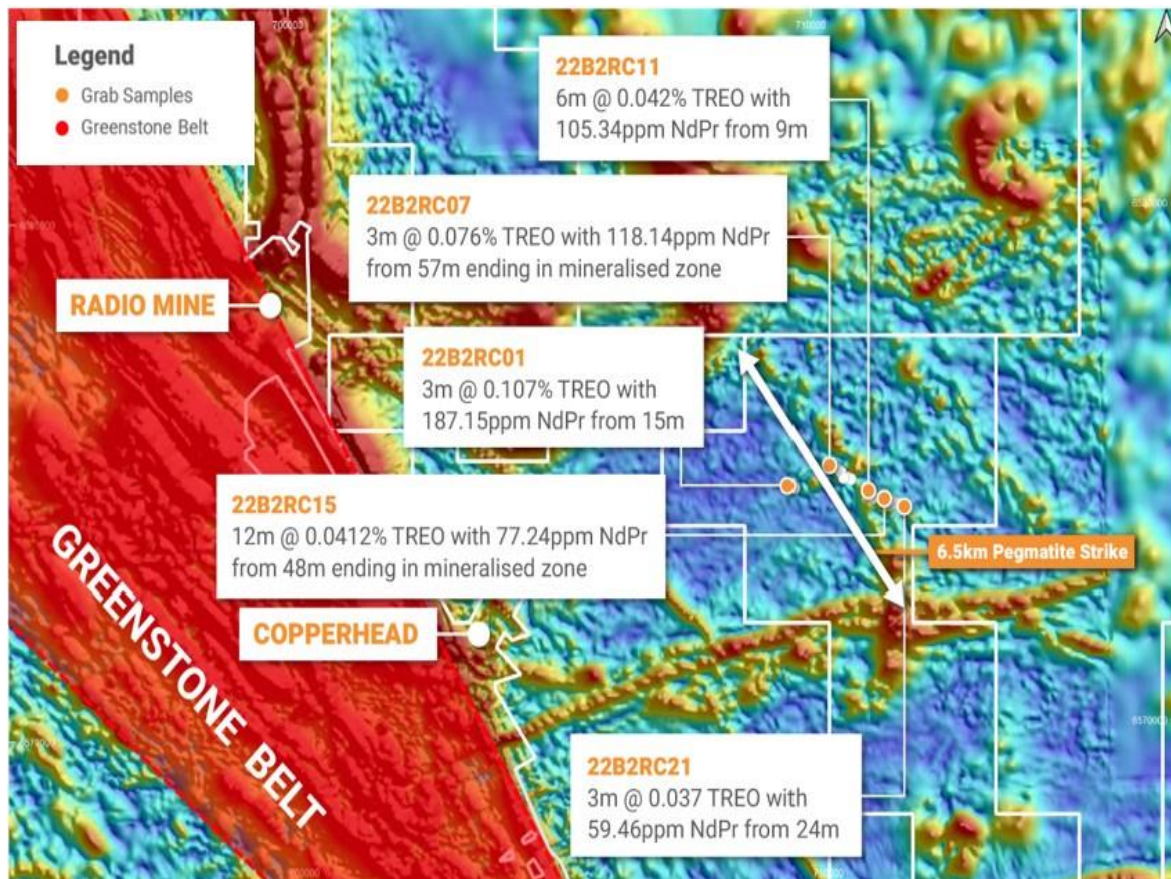


Figure 6: Bullfinch best drillhole results

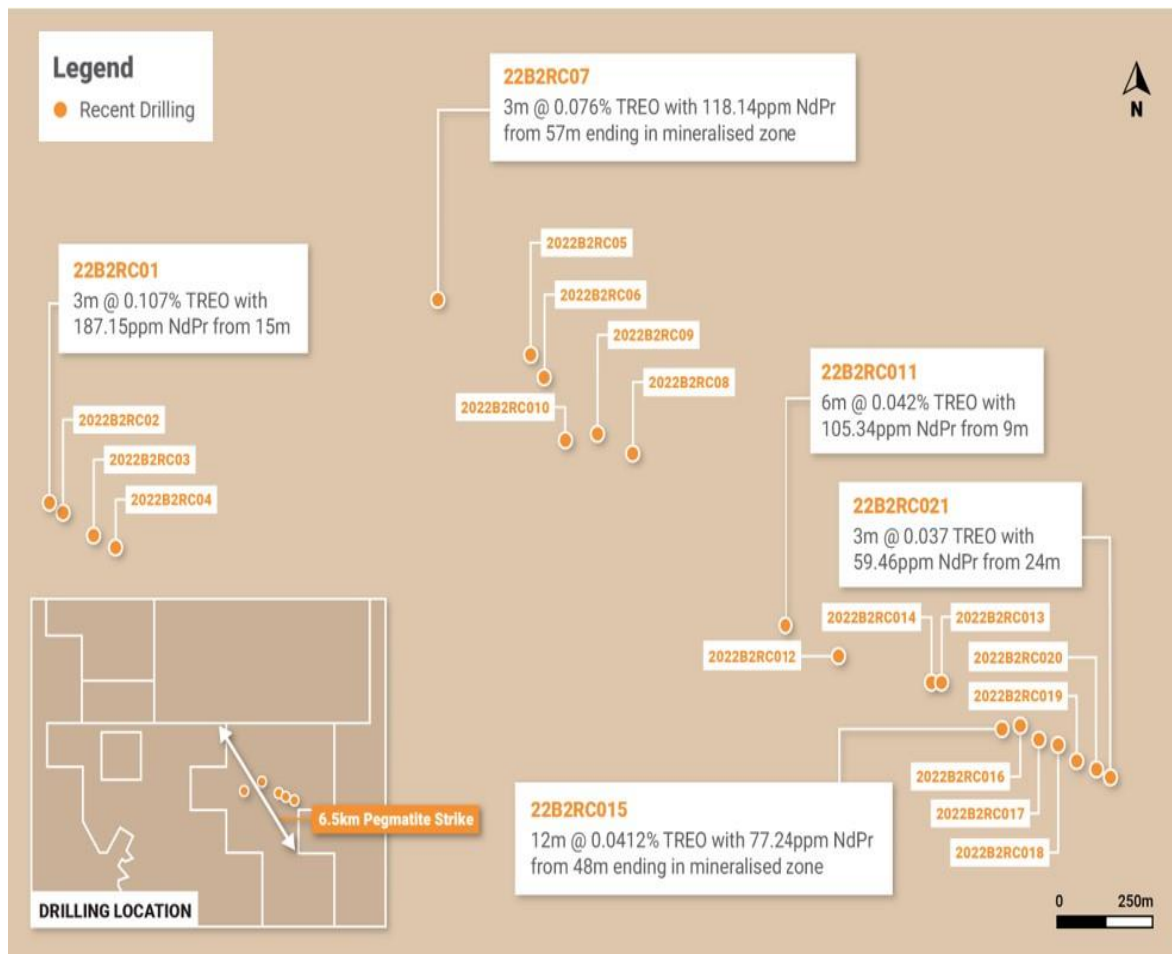


Figure 7: Bullfinch plan view

Probable high-grade gold structures located at depth

The Company intended the drill campaign to investigate gold prospects near a pegmatitic structure, however it is now considered that the gold mineralisation extends deeper than 60m (deepest hole) and could be located at a depth of around 120m. Deeper drilling is now being considered by the technical team.

Outstanding grab-sample results suggest probable high-grade gold structures in some of the already identified geophysical anomalies (Figure 8). These gold results indicate significant potential for additional gold discoveries for the Company and they command further investigation.

Summary of the grab-sample results presented as follows:

- (TMGS10001) → grab sample (Old workings) 16 g/t Au
- (TMGS10005) → grab sample (Quartz-pegmatite waste) 5.76 g/t Au
- (TMGS10009) → grab sample (Old workings) 9.98 g/t Au
- (TMGS10011) → grab sample (Old workings) 2.05 g/t Au
- (TMGS10016) → grab sample (Mafic sequence outcrop) 9.79 g/t Au

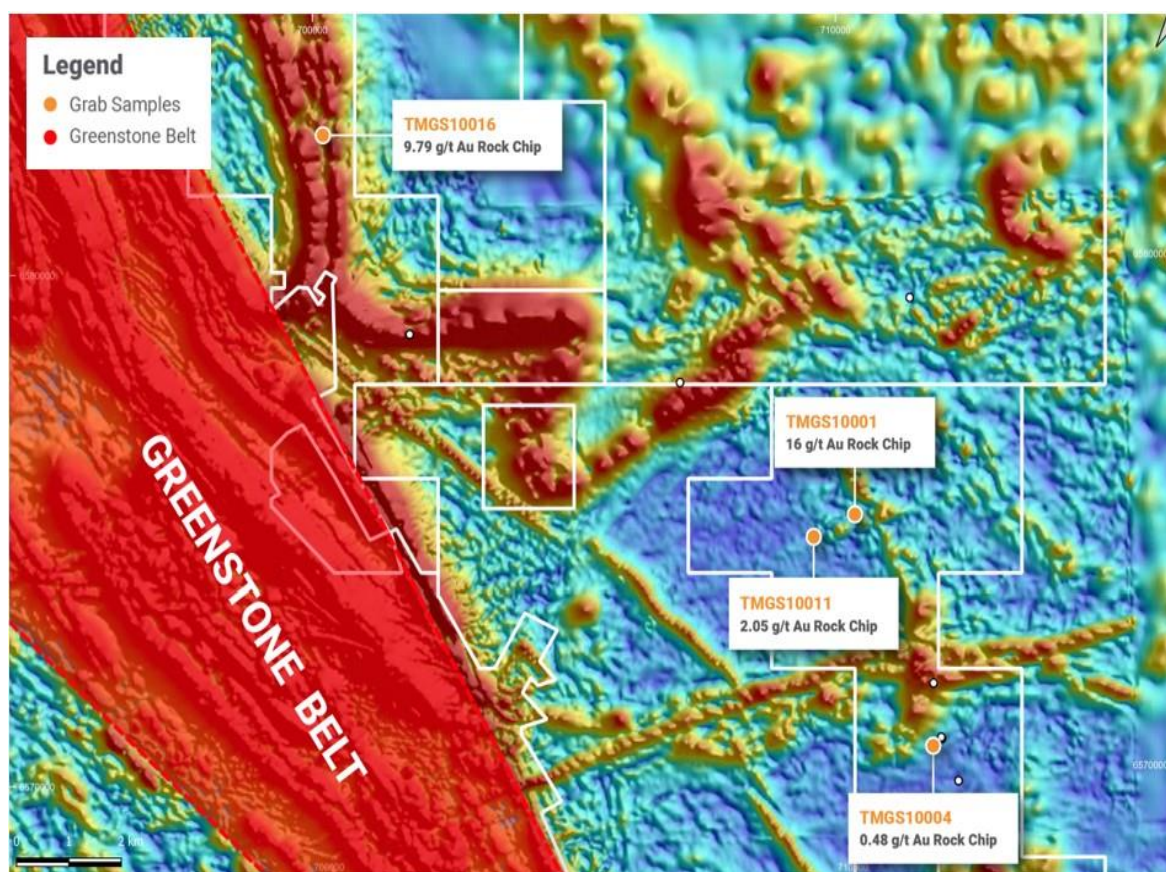


Figure 8: Bullfinch grab sample locations

Corporate

Managing Director appointed

Torque was pleased to announce the appointment of Mr Cristian Moreno as Managing Director¹¹.

Since becoming the Company's CEO in April 2022, he has played a significant role in the development of Torque's highly successful drilling campaigns at the Paris Gold Project in Western Australia. He was also instrumental in the recent identification of potential nickel targets within the Company's tenements.

Torque Metals Board changes

Mr Patrick Burke assumed the role of Non-Executive Chairman as Mr Ian Finch ceased in the role of Executive Chairman. Ian was a founder of Torque and instrumental in securing its flagship Paris Gold Project and the listing of the Company on the ASX in June 2021, he continues his involvement with the company as a Non-Executive Director¹².

¹¹ ASX Announcement 10 October 2022 – Torque appoints Managing Director

¹² ASX Announcement 26 October 2022 – Board Changes

Capital Structure

Securities	Exercise Price \$	Number
Ordinary Fully Paid Shares		77,818,519
Unlisted Options		
Expiring 27 July 2023	0.30	1,000,000
Expiring 30 November 2023	0.30	12,634,092
Expiring 22 December 2023	0.25	2,250,000
Expiring 23 June 2024	0.275	3,875,000
Expiring 23 June 2024	0.30	5,500,000
Expiring 17 February 2024	0.30	2,000,000
Expiring 28 December 2023	0.30	11,250,000

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the Half Year.

Events arising since the end of the Half Year

No matters or circumstances have arisen since the end of the reporting half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the Company in subsequent financial periods except that:

- On 1 March 2023, Mr. Andrew Woskett was appointed a Non-Executive Director of the company;
- On 9 March 2023 the Company issued 17,518,519 Ordinary shares at 13.5 cents and subject to shareholder approval 8,759,260 (1 for 2) attaching options together with 4,379,630 broker options on the same terms and conditions being exercisable at 25 cents each at any time prior to 3 years of being issued; and
- A further 1,000,000 Ordinary shares at 13.5 cents and 500,000 (1 for 2) attaching options also exercisable at 25 cents at any time prior to 3 years of being issued was also announced on 1 March 2023.

Environmental Issues

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

Indemnification and insurance of directors and officers

The Company has entered into Deeds of Indemnification with the directors and officers of the Company. Proceedings on behalf of the Company No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the Period.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is set out on page 31 for the half year ended 31 December 2022.
Signed in accordance with a resolution of directors.

On behalf of the directors



Patrick N. Burke
Non-Executive Chairman
Dated 15 March 2023

Competent Persons Statement – Exploration Results

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

Mineral Resources

The Company confirms it is not aware of any new information or data that materially affects the information reported in the Company’s Prospectus dated 14 April 2021 and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to the resource in the Prospectus dated 14 April 2021.

Forward Looking Statements

This report may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

This announcement has been authorised by the board of directors of Torque Metals.

For more information contact:

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Managing Director

Torque Metals

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Statement of profit or loss and other comprehensive income for the half year ended 31 December 2022

		6 Months 31 December 2022	6 Months 31 December 2021
	Note	\$	\$
Revenue from continuing operations		-	-
Other income		104,000	-
Total revenue and other income		104,000	-
Corporate administrative expenses	2	(433,568)	(492,927)
Exploration expenses written off		(125,955)	-
Financial expense interest	2	(1,901)	-
Initial public offering expenses	2	-	7,078
Share based payments	13	(159,391)	(25,600)
Loss before income tax		(616,815)	(511,449)
Income tax expense		-	-
Loss for the period		(616,815)	(511,449)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		(616,815)	(511,449)
Loss attributable to:			
Owners of Torque Metals Limited		(616,815)	(511,449)
Total comprehensive loss attributable to:		-	-
Owners of Torque Metals Limited		(616,815)	(511,449)
		Cents	Cents
Basic weighted average earnings/(loss) per share		(0.79)	(0.09)

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

Statement of financial position as at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents	4	1,500,133	3,440,943
Trade and other receivables	5	72,279	21,893
Total current assets		1,572,412	3,462,836
Non current assets			
Property ,Plant and Equipment	6	125,178	99,966
Right of use assets	7	48,838	59,253
Exploration and evaluation expenditure	8	8,602,751	6,665,101
Total non-current assets		8,776,767	6,824,320
Total assets		10,349,179	10,287,155
Current liabilities			
Trade and other payables	9	714,925	302,880
Provisions		37,843	-
Lease Liabilities	7	20,974	26,859
Unsecured Loan		79,370	180
Total current liabilities		853,112	329,919
Non Current liabilities			
Lease Liabilities	7	30,265	34,010
Total non current liabilities		30,265	34,010
Total liabilities		883,377	363,929
Net assets		9,465,802	9,923,226
Equity			
Issued capital	11	11,491,768	11,491,768
Options	12	126,341	126,341
Performance Reserve	13	1,382,975	1,223,584
Option Reserve	14	1,704,885	1,704,885
Accumulated losses		(5,240,167)	(4,623,352)
Total equity		9,465,802	9,923,226

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

Statement of changes in equity for the half year ended 31 December 2022

	Issued Capital	Options	Accumulated Losses	Performance Rights Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2021	9,041,144	-	(2,468,848)	354,015	1,120,372	8,046,683
Total comprehensive Income/loss for the Period	-	-	(511,449)	-	-	(511,449)
Option Issued	-	126,341	-	-	-	126,341
Performance Rights issued	-	-	-	25,600	-	25,600
Balance as at 31 Dec 2021	9,041,144	126,341	(2,980,297)	379,615	1,120,372	7,687,175
Balance as at 1 July 2022	11,491,768	126,341	(4,623,352)	1,223,584	1,704,885	9,923,226
Total comprehensive Income/loss for the Period	-	-	(616,815)	-	-	(616,815)
Performance Rights Valuation	-	-	-	159,391	-	159,391
Balance as at 31 Dec 2022	11,491,768	126,341	(5,240,167)	1,382,975	1,704,885	9,465,802

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

Statement of cash flow for the half year ended 31 December 2022

		6 months 31 December 2022 \$	6 months 31 December 2021 \$
	Notes		
Cash flow from operating activities			
Payments to suppliers and employees		92,860	(582,983)
Net cash (used) in operating activities	3	92,860	(582,983)
Cash flow used in investing activities			
Tenement acquisition		-	(89,373)
Exploration and evaluation		(2,063,605)	(1,906,292)
Plant and Equipment		(33,618)	(22,127)
Net cash (used) in investing activities		(2,097,223)	(2,017,792)
Cash flow from financing activities			
Proceeds from option issue		-	126,341
Senior Management Loans		79,190	-
Repayment of leasing liabilities		(3,745)	(11,502)
Rent Paid		(11,892)	-
Net cash from financing activities		63,553	114,839
Net (decrease) increase in cash and cash equivalents		(1,940,810)	(2,485,936)
Cash and cash equivalents at the beginning of the period		3,440,943	5,084,472
Cash and cash equivalents 31 December 2022		1,500,133	2,598,536

The above Statement of Cash Flow should be read in conjunction with the accompanying notes

Notes to the financial statements for Half Year 31 December 2022

1. Statement of Significant Accounting Policies

a) General Information

The financial statements and notes thereto represent those of Torque Metals Limited ("Torque" or "the Company") for the Half Year ended 31 December 2022 ("the Half Year"). The Company is involved in the minerals exploration industry.

Torque Metals Limited is a company limited by shares, incorporated and domiciled in Australia. Torque Metals Limited is a for-profit entity for the purpose of preparing financial statements under the Australian Accounting Standards. Its shares are publicly traded on the Australian Stock Exchange.

b) Statement of compliance

The interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS34: Interim Financial Reporting. The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Torque during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

c) Basis of preparation

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of the standards and interpretations below in note 1(e). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The financial statements are for the entity Torque Metals Limited. The financial report has also been prepared on an historical cost basis. The financial report is presented in Australian Dollars, which is the Company's functional currency.

d) Accounting standards that are mandatorily effective for the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an annual accounting period that begins on or after 1 July 2022.

e) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this half-year report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2022.

f) Capitalised exploration costs carried forward

The future recoverability of capitalised exploration costs carried forward has been reviewed by the directors. They are dependent on a number of factors, including whether the Company decides to exploit the related lease/licence itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, sovereign risk, future technological changes, availability of funds, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration expenditure is determined not to be recoverable in the future, results and net assets will be reduced in the period in which this determination is made.

Notes to the financial statements (Continued)

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable resources. To the extent it is determined in the future that this capitalised expenditure should be written off, results and net assets will be reduced in the period in which this determination is made.

g) Going Concern

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

The Company incurred a net loss of \$616,815 (31 December 2021 \$511,499) and experienced net cash inflow from operations of \$92,860 (31 December 2021 outflow of \$582,983). The Company has liabilities of \$883,377 (30 June 2022 \$363,929) and cash on hand of \$1,500,133 (30 June 2022 \$3,440,943).

After the half year end the Company announced a placement to raise \$2,500,000. The balance of the placement (1,000,000 ordinary shares), representing \$135,000 is to be raised, subsequent to shareholders approval, in a second tranche.

The Directors have prepared a 12 month forecast that includes future fundraising in order for the Company to continue as a going concern and therefore able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

These interim financial statements were approved by the Board on 15 March 2023.

Notes to the financial statements (Continued)

2. Segment Information

a. Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the full Board of Directors

The Company operates in predominantly one business and geographical segment, being mineral exploration in Australia

	6 months 31 December 2022 \$	6 months 31 December 2021 \$
b. Expenses		
Administrative expenses	(433,568)	(492,927)
Exploration expenses written off	(125,955)	-
Financial expense interest	(1,901)	-
Initial Public Offering expenses	-	7,078
Share Based Payments	(159,391)	(25,600)
	(720,815)	(511,449)

3. Reconciliation of loss for the Period to net cash flows from Operating Activities

Net (loss) Loss for the period	(616,815)	(511,449)
Exploration written off	125,955	-
Interest expense	1,901	2,543
Depreciation/Amortisation	18,821	10,315
Performance Rights Net Movement	159,391	391
Operating loss before changes in working capital	(310,747)	(472,991)
Decrease / (Increase) in receivables	(50,387)	(5,783)
Increase / (Decrease) in payables	453,994	(104,209)
Net cash used in operating activities	92,860	(582,983)

Non-cash financing and investing activities

No non-cash financing and investing activities occurred during the Period.

Financing facilities available

As at 31 December 2022 the Company had no financing facilities.

4. Cash on Hand and Equivalents	1,500,133	3,440,943
5. Trade Receivables		
G.S.T. receivables	55,173	19,911
Other	17,106	1,982
	72,279	21,893

Notes to the financial statements (Continued)

6. Plant and equipment

6 months ended 31 December 2022

Opening net book amount

Additions

Depreciation Charged

Closing book amount

As at 31 December 2022

Cost

Accumulated Depreciation

Net book amount

Year ended 30 June 2022

Opening net book amount

Additions

Depreciation Charged

Closing book amount

As at 30 June 2022

Cost

Accumulated Depreciation

Net book amount

	Vehicle \$	Camp \$	Total \$
Opening net book amount	17,825	82,141	99,966
Additions	26,354	7,264	33,618
Depreciation Charged	(7,348)	(1,058)	(8,406)
Closing book amount	36,831	88,347	125,178
As at 31 December 2022			
Cost	48,481	89,405	137,886
Accumulated Depreciation	(11,650)	(1,058)	(12,708)
Net book amount	36,831	88,347	125,178
Year ended 30 June 2022			
Opening net book amount	-	-	-
Additions	22,127	82,141	104,268
Depreciation Charged	(4,302)	-	(4,302)
Closing book amount	17,825	82,141	99,966
As at 30 June 2022			
Cost	22,127	82,141	104,268
Accumulated Depreciation	(4,302)	-	(4,302)
Net book amount	17,825	82,141	99,966

31 December 2022
\$

30 June 2022
\$

7. Right of use assets - Leases

a. Amounts recognised in the balance sheet

Right of use asset

Opening Balance

Less Depreciation

Closing balance

Opening Balance	83,321	83,321
Less Depreciation	(34,483)	(24,068)
Closing balance	48,838	59,253

Lease Liabilities

Opening Balance - Current

Opening Balance - Non-Current

Opening Balance - Total

Add : Interest

Less : Payments

Closing balance - Total

Closing Balance - Current

Closing Balance - Non-Current

Opening Balance - Current	26,859	22,071
Opening Balance - Non-Current	34,010	61,250
Opening Balance - Total	60,869	83,321
Add : Interest	2,543	4,771
Less : Payments	(12,173)	(23,784)
Closing balance - Total	51,239	64,308
Closing Balance - Current	20,974	26,859
Closing Balance - Non-Current	30,265	34,010

Notes to the financial statements (Continued)

	31 December 2022 \$	30 June 2022 \$
a. Amounts recognised in the balance sheet		
Depreciation of right of use asset	34,483	10,315
Interest expense on lease liabilities	2,543	2,543
8. Tenements	8,602,751	6,655,101
Tenement Acquisition	2,373,964	2,450,518
Represented by:		
Acquisition of Bullfinch Project From Talga Resources Ltd.	327,560	397,493
Less written off	(76,554)	(69,933)
	251,006	327,560
Acquisition of Bullfinch Project From Tribal Mining Pty. Ltd.	51,045	51,045
Acquisition of Paris Gold Project from Austral Pacific Pty. Ltd.	2,031,306	2,031,306
Joint Venture from Jindalee Resources Ltd.	40,607	40,607
	2,373,964	2,450,518
Exploration and evaluation expenditure		
Opening Balance	4,214,583	1,203,944
Expenditure for the period	2,063,605	3,112,542
Expenditure written off	(49,401)	(101,903)
Closing Balance	6,228,787	4,214,583
Total Exploration and Expenditure	8,602,751	6,665,101

Paris Project

The Company entered into an Option Agreement on 1 November 2019, to acquire The Paris Gold Project, 100km south of Kalgoorlie by way of a \$20,000 non refundable deposit followed by a further \$80,000 within 14 days of signing the Option Agreement. as amended 9 April 2020. The Option was exercised 29 July 2020.

Milestone/Performance

Torque to make a payment to Austral	Total	Cash
First 25,000 ozs in excess of 24,558 ozs	\$50,000	\$50,000
Next 25,000 ozs	\$50,000	\$50,000
Next 50,000 ozs	\$200,000	\$200,000
Next 100,000 ozs	\$400,000	\$400,000
Next 300,00 ozs	\$1,000,000	\$1,000,000
There after ½% on each ounce		

Royalties

The Net Smelter Royalty was amended to reflect a staged NSR payment of an unchanged \$2.9 million royalty with a right for Torque to purchase the Royalty for \$1,000 at any time after the payment of \$2.9 million

Paris Tailings

The Option to exercise the Paris Tailings within ML15/497 was terminated on 27 May 2022.

Notes to the financial statements (Continued)

Jindalee Joint Venture

The Company earned its 80% interest during the period ended 31 December 2022.

Since year end, Jindalee Resources Limited transferred its 20% free carried interest to completion of a pre-feasibility study and 1.5% Net Smelter Royalty to Dynamic Metals Limited and Yilgarn Exploration Ventures Pty Limited withdrew from the Farm-In Agreement it had with the Company on EL15/1752.

Tribal Mining Pty. Ltd.

On 13 May 2020 the Company entered into a Tenement Sales Agreement with Tribal Mining Pty. Ltd. to acquire 100% of EL77/2607 for a cash payment of \$50,000 and Tribal to receive 10% of gold recovered by Torque from any bulk sampling programme.

	31 December 2022 \$	30 June 2022 \$
9. Trade and other payables		
Trade Creditors	588,958	226,514
Other creditors and accrued expenses	125,967	76,366
	714,925	302,880

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

10. Unsecured Loans

Advances from Directors & Senior Management	79,370	180
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Working capital advances, with no fixed term of repayment and without interest.

11. Issued Capital

	6 Mths ended 31 December 2022		Year ended 30 June 2022	
	No.	\$	No.	\$
Ordinary Shares				
Opening balance for the period	77,818,519	11,491,768	62,818,519	9,041,144
Placement @ 20 cents	-	-	15,000,000	3,000,000
Cost relating to share issue	-	-	-	(549,376)
	77,818,519	11,491,768	77,818,519	11,491,768

Notes to the financial statements (Continued)

12. Unlisted Options

	31 December 2022 \$	30 June 2022 \$
Unlisted Entitlement Options issued to Shareholders at \$0.01 cent each 1 December 2021	126,341	126,341

Pro rata non-renounceable entitlement offer of 12,634,092 Options to eligible shareholders to acquire one (1) option for every four (4) shares held by those Shareholders at an issue price of \$0.01 per Option. The Options have an exercise price of \$0.30 each and an expiry date of 30 November 2023

13. Performance Rights

The Company issued 10,000,000 performance rights to the Directors on 23 November 2021. The share rights are divided into two classes of 5,000,000 each, where each class will convert into ordinary shares upon satisfaction of the relevant milestone as set out below and in accordance with the terms and conditions.

	31 December 2022		30 June 2022	
Performance Rights	No.	\$	No.	\$
Balance at beginning of reporting period	13,000,000	1,223,584	-	354,015
Movement During the period	-	159,391	13,000,000	869,569
	13,000,000	1,382,975	13,000,000	1,223,584
Performance rights issued to directors	10,000,000		10,000,000	
Performance rights issued to employees	3,000,000		3,000,000	
	13,000,000	1,382,975	13,000,000	1,223,584

Class	Number of Performance Rights	Grant Date	Milestone	Expiry Date	Share based payment
A	6,500,000	23 November 2021	The VWAP of the Company's shares over a consecutive period of 20 trading days being not less than \$0.40.	3 years from date of issue	159,391
B	6,500,000	23 November 2021	The Company delineates a JORC 2012 Compliant Mineral Resource of not less than 250,000 oz of Au	3 years from date of issue (probability 40% to 50%)	-
					\$159,391

These rights have not met the vesting criteria and have not been converted to ordinary shares during the period

Notes to the financial statements (Continued)

14. Option Reserve

Corporate Advisors

31 December 2022 \$	30 June 2022 \$
1,704,885	1,704,885

(a) Seed Capital Options

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

15. Operating Segments

The Company operates in one geographical area being Australia and one industry, being exploration, for the half year ended 31 December 2022 which was the same as reported in the financial report for the year ended 30 June 2022. The Chief Operating Decision Makers are the Board of Directors and the management of the Group. There is currently only one operating segment identified, being exploration activities based in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources.

16. Contingencies

The directors are not aware of any contingent liabilities or assets as at 31 December 2022.

17. Tenement Commitments

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

	31 December 2022	30 June 2022
Tenement Commitments		
Not longer than one year	1,010,534	1,010,534
Longer than one year but not longer than five years	3,056,600	3,373,764
Longer than five years	4,138,600	3,531,823
	8,205,734	7,916,121

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

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

Notes to the financial statements (Continued)

16. Events after the reporting period

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the Company in subsequent financial periods except that:

- a. On 1 March 2023, Mr. Andrew Woskett was appointed a Non-Executive Director of the company;
- b. On 9 March 2023 the Company issued 17,518,519 Ordinary shares at 13.5 cents and subject to shareholder approval 8,759,260 (1 for 2) attaching options together with 4,379,630 broker options on the same terms and conditions being exercisable at 25 cents each at any time prior to 3 years of being issued; and
- c. A further 1,000,000 Ordinary shares at 13.5 cents and 500,000 (1 for 2) attaching options also exercisable at 25 cents at any time prior to 3 years of being issued was also announced on 1 March 2023.

Directors' Declaration

The Directors' of the Company declare that:

(a) the financial statements and notes as set out on pages 17 to 29 are in accordance with the Corporations Act 2001 and:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) In the Director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors, made pursuant to section 303(5)(a) of the Corporations Act 2001.



Patrick N. Burke
Non-Executive Chairman
Perth
Dated 15 March 2023

To the Board of Directors

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

As lead audit Director for the review of the financial statements of Torque Metals Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated 15th day of March 2023
Perth, Western Australia

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

Conclusion

We have reviewed the accompanying half-year financial report of Torque Metals Limited ("the Company") which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Torque Metals Limited does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain 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.



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated 15th day of March 2023
Perth, Western Australia

Tenement Information

Tenement	Project Name	Registered Holder	Area	Status	Beneficial Interest
M 15/1175	Paris Gold	Torque Metals Ltd	9,299 ha	Granted	100%
M 15/479	Paris Gold	Torque Metals Ltd	965.2 ha	Granted	100%
M 15/480	Paris Gold	Torque Metals Ltd	976.65 ha	Granted	100%
M 15/481	Paris Gold	Torque Metals Ltd	930.85 ha	Granted	100%
M 15/482	Paris Gold	Torque Metals Ltd	855.6 ha	Granted	100%
M 15/496	Paris Gold	Torque Metals Ltd	911.5 ha	Granted	100%
M 15/497	Paris Gold	Torque Metals Ltd	989.85 ha	Granted	100%
M 15/498	Paris Gold	Torque Metals Ltd	998.55 ha	Granted	100%
M 15/1719	Paris Gold	Torque Metals Ltd	120.15 ha	Granted	100%
P 15/5992	Paris Gold	Torque Metals Ltd	8.84 ha	Granted	100%
P 15/6149	Paris Gold	Torque Metals Ltd	30 ha	Granted	100%
E 15/1736	Paris Gold	Jindalee Resources Ltd*	1 bl	Granted	80%
E 15/1747	Paris Gold	Jindalee Resources Ltd*	4 bl	Granted	80%
E 15/1752	Paris Gold	Jindalee Resources Ltd*	20 bl	Granted	80%
E 77/2522	Bullfinch	Torque Metals Ltd	70 bl	Granted	100%
E 77/2222	Bullfinch	Torque Metals Ltd	27 bl	Granted	100%
E 77/2251	Bullfinch	Torque Metals Ltd	2 bl	Granted	100%
E 77/2350	Bullfinch	Torque Metals Ltd	64 bl	Granted	100%
E 77/2607	Bullfinch	Torque Metals Ltd	16 bl	Granted	100%

**Torque completed 80% earn-in during the December quarter and on final approval from DMIRS the tenements will be transferred to Torque, while Jindalee Resources Ltd will retain at 20% free carried interest*

Torque Metals Limited is the Manager of all Tenements

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