

15 February 2024

Dear Shareholder

**Extraordinary General Meeting – Notice and Proxy Form**

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

**Time and date:** 10am (Perth time) on Friday, 15 March 2024

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

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

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

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

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

**In Person:** 110 Stirling Highway, Nedlands, WA 6009

**By Fax:** +61 8 6370 4203

**By Email:** [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

Your proxy voting instruction must be received by 10am (Perth time) on Wednesday 13 March 2024, being not later than 48 hours before the commencement of the Meeting.

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

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

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

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

For and on behalf of the Board

**Henko Vos**  
Company Secretary

# **TORQUE METALS LIMITED**

**ACN 621 122 905**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT**

**TIME:** 10.00am (WST)

**DATE:** 15 March 2024

**PLACE:** Nexia Perth, Level 3, 88 William Street, Perth WA 6000

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

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9463 2463

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

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

### **How Shareholders Can Participate**

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Your proxy voting instructions must be received by 10.00am (WST) on 13 March 2024.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at [admin@torquemetals.com](mailto:admin@torquemetals.com). Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (WST) on 13 March 2024. Shareholders who attend the Meeting, will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on (+61 8) 9463 2463 or by email at [admin@torquemetals.com](mailto:admin@torquemetals.com) if they have any queries in relation to the Meeting arrangements.

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

## IMPORTANT INFORMATION

### TIME AND PLACE OF MEETING

Notice is given that the Extraordinary General Meeting of the Company will be held at Nexia Perth, Level 3, 88 William Street, Perth WA 6000 on 15 March 2024 commencing at 10.00am (WST).

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (WST) on 13 March 2024.

### VOTING IN PERSON

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

### VOTING BY PROXY

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

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

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

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

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

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

Further details on these changes are set out below.

#### ***Proxy vote if appointment specifies way to vote***

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

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

***Transfer of non-chair proxy to chair in certain circumstances***

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

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

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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of the Shareholders of Torque Metals Limited (ACN 621 122 905) (**Company**) will be held at Nexia Perth, Level 3, 88 William Street, Perth WA 6000, commencing at 10.00am (WST) on 15 March 2024 to consider, and if thought fit, to pass the Resolutions set out below.

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

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

### AGENDA

#### 1. RESOLUTION 1 – RATIFICATION OF SHARES ISSUED TO VENDORS

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 4,529,442 Shares to the Vendors (or their respective nominees) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (or their respective nominees) and any other person who participated in the issue and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

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

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

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

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (or their respective nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by

reason of being a holder of ordinary securities in the entity) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

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### 3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO EUROZ HARTLEYS

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,000,000 Options issued to Euroz Hartleys Limited on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by Euroz Hartleys Limited and any other person who participated in the issue and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

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### 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO SUB-UNDERWRITERS

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,100,000 Options issued to the Sub-underwriters on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by the Sub-underwriters and any other person who participated in the issue and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

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## 5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO XEC PARTNERS

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,000,000 Options issued to XEC Partners Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by XEC Partners Pty Ltd and any other person who participated in the issue and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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



## 6. RESOLUTION 6 – INCREASE IN NUMBER OF EQUITY SECURITIES TO BE ISSUED UNDER LONG TERM INCENTIVE PLAN

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

*“That, for the purpose of Listing Rule 7.2 Exception 13(b), and for all other purposes, Shareholders approve the increase in the number of Equity Securities that may be issued under the employee incentive scheme known as the “Torque Metals Limited Long Term Incentive Plan”, a summary of which is set out in the Explanatory Statement, and the issue of Equity Securities thereunder, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Torque Metals Limited Long Term Incentive Plan and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

## 7. RESOLUTION 7 – AMENDMENT TO THE CONSTITUTION

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

*“That, pursuant to and in accordance section 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the amendment to the Constitution as set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Dated: 14 February 2024**

**By order of the Board**



**Henko Vos**  
**Joint Company Secretary**

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Extraordinary General Meeting to be held on 15 March 2024 at Nexia Perth, Level 3, 88 William Street, Perth WA 6000 commencing at 10.00am (WST).

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

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

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

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### 1. BACKGROUND TO RESOLUTIONS 1 AND 2

As announced to ASX on 5 September 2023, the Company entered into agreements (**Agreements**) with Abeh Pty Ltd and its associates (**Vendors**) pursuant to which the Vendors granted the Company an option (**Abeh Option**) to acquire 14 mining tenements (**Tenements**) in the Western Australian Goldfields adjacent to the Company's Paris Project (**Transaction**). The Company obtained Shareholder approval for the consideration payable to the Vendors under the Transaction at an extraordinary general meeting in November 2023.

As announced to ASX on 11 December 2023, the Company and the Vendors subsequently agreed to vary the terms of the Agreements to:

- (a) reduce the cash component payable on exercise of the Abeh Option to \$600,000 (from \$1.5 million) and in turn, issue an additional 4,529,442 Shares at a deemed issue price of \$0.1987 each to the Vendors (**Consideration Shares**); and
- (b) subject to Shareholder approval, to issue 85 million performance shares to be issued to the Vendors (**Performance Shares**) so that there is no cap on the number of Performance Shares that may be converted into Shares should the Performance Shares automatically vest upon a Change of Control Event.

The terms of the Performance Shares as previously approved by Shareholders provided that the maximum number of Performance Shares that may be converted into Shares upon automatic vesting following a Change of Control Event was 10% of the Company's issued capital as at the date of the Change of Control Event.

The Company has exercised the Abeh Option and the Consideration Shares were issued on 16 January 2024 using the Company's capacity under Listing Rule 7.1. The Performance Shares have not as yet been issued to the Vendors.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Consideration Shares.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the Performance Shares on the terms set out above.

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### 2. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES TO VENDORS

#### 2.1 Background

As set out above, Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Consideration Shares to the Vendors.

## 2.2 Regulatory Requirements

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

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

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

The Company confirms that in issuing the Consideration Shares, it did not breach Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, under Resolution 1, the Company seeks from Shareholders approval for, and ratification of, the issue of a total of 4,529,442 Consideration Shares under Listing Rule 7.4.

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

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

## 2.3 Technical information required by Listing Rule 7.5

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

The Consideration Shares were issued to the Vendors (or their respective nominees). Each Vendor received a portion of the Consideration Shares in accordance with the distribution arrangements set out in the Agreements.

None of the Vendors are material investors in the Company.<sup>1</sup>

### (b) The number and class of securities issued and issue date

4,529,442 Consideration Shares were issued on 16 January 2024.

### (c) Issue price

The Consideration Shares were issued at a deemed issue price of \$0.1987 each.

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

<sup>1</sup> ASX consider the following to be material investors:

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

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

The Consideration Shares are fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares.

(e) **Purpose of the issue**

The Consideration Shares were issued as consideration to acquire the Tenements from the Vendors pursuant to the terms of the Agreements. The Consideration Shares were issued to the Vendors following an agreement with the Vendors to reduce the cash component of the consideration payable on exercise of the Abeh Option.

A summary of the material terms of the Agreements is set out in the Notice of Meeting released to ASX on 6 October 2023 and the Company's ASX Announcements of 5 September 2023, 11 December 2023 and 17 January 2024.<sup>2</sup>

(f) **Voting exclusion**

A voting exclusion statement for Resolution 1 is included in the Notice of Meeting preceding this Explanatory Statement.

## **2.4 Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1.

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## **3. RESOLUTION 2 – APPROVAL OF ISSUE OF PERFORMANCE SHARES TO VENDORS**

### **3.1 Background**

As set out at section 1 of the Explanatory Statement, Resolution 2 seeks Shareholder approval to issue the Performance Shares to the Vendors.

The Performance Shares to be issued to the Vendors will be on the same terms as those approved at the general meeting in November 2023 other than following a Change of Control Event, the number of Performance Shares that may automatically vest and be converted into Shares it not capped. The original terms of the Performance Shares (as approved in November 2023) provided that this number was capped at 10% of the Company's issued capital as at the date of the Change of Control Event. The revised terms of the Performance Shares relative to the original terms are set out in Schedule 1.

The Performance Shares, as approved in November 2023, have not been issued to the Vendors and subject to Resolution 2 being passed, will not be issued to the Vendors.

### **3.2 Regulatory Requirements**

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

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

If Resolution 2 is passed the Performance Shares will be issued to the Vendors on the terms set out in this Explanatory Statement.

If Resolution 2 is not passed, the issue of the Performance Shares will not be able to proceed as an exception to Listing Rule 7.1.

### **3.3 Technical information required by Listing Rule 7.3**

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

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<sup>2</sup> See ASX Announcements "Torque to Acquire Lithium and Gold Exposure in WA", "Amendment to Acquisition Terms" and "Project Acquisition Completed, Drill Campaign Commences".

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

The Performance Shares are to be issued to the Vendors (or their respective nominees). Each Vendor will receive a portion of the Performance Shares in accordance with the distribution arrangements set out in the Agreements.

None of the Vendors are material investors in the Company.<sup>3</sup>

(b) **The number and class of securities to be issued**

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

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

A summary of the terms of the Performance Shares is set out in Schedule 1. The changes in the proposed revised terms relative to the terms previously approved by Shareholders are indicated.

(d) **Issue date**

The Performance Shares will be issued as soon as possible after the Meeting and in any event no later than 3 months after the date of the Meeting.

(e) **Issue price**

The Performance Shares are proposed to be issued for a nil issue price as they are issued as consideration under the Agreements.

(f) **Purpose of the issue**

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

A summary of the material terms of the Agreements is set out in the Notice of Meeting released to ASX on 6 October 2023 and the Company's ASX Announcements of 5 September 2023, 11 December 2023 and 17 January 2024.<sup>4</sup>

(g) **Voting exclusion**

A voting exclusion statement for Resolution 2 is included in the Notice of Meeting preceding this Explanatory Statement.

### 3.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTIONS 3 TO 5 – RATIFICATION OF ISSUE OF OPTIONS

Resolutions 3 to 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the following options that were issued without Shareholder approval:

- (a) 1,000,000 Options (**Euroz Options**) issued to the underwriter Euroz Hartleys Limited (**Euroz**) (Resolution 3);
- (b) 2,100,000 Options (**Sub-underwriter Options**) issued to Euroz's nominees as sub-underwriters to Euroz (**Sub-underwriters**) (Resolution 4); and
- (c) 1,000,000 Options (**XEC Options**) issued to XEC Partners Pty Ltd (**XEC**) (Resolution 5).

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<sup>3</sup> ASX consider the following to be material investors:

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

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

<sup>4</sup> See ASX Announcements "Torque to acquire lithium and gold exposure in WA"; "Amendment to Acquisition Terms" and "Project Acquisition Completed, Drill Campaign Commences".

The Euroz Options were issued to Euroz pursuant to an underwriting agreement dated 12 December 2023 (**Underwriting Agreement**). The Sub-underwriter Options were issued to the Sub-underwriters for sub-underwriting services provided to Euroz pursuant to the Underwriting Agreement.

The XEC Options were issued to XEC pursuant to an arrangement between the Company and XEC for the delivery of ongoing monthly marketing services, commencing in June 2023.

#### 4.1 Regulatory Requirements

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

The issue of the Euroz Options, the Sub-underwriter Options and the XEC Options do not fit within any of these exceptions and, as they have not yet been approved by Shareholders, they effectively use up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Euroz Options, the Sub-underwriter Options and the XEC Options.

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

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

If any of Resolutions 3 to 5 are passed, the issue of the Options under that Resolution will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 effectively increasing the number of Equity Securities the Company can issue without shareholder approval over the 12-month period following the date of issue of those Options.

If any of Resolutions 3 to 5 are not passed, the issue of the Options under that Resolution will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without shareholder approval over the 12-month period following the date of issue of those Options.

#### 4.2 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3 to 5:

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

The Euroz Options were issued to Euroz.

The Sub-underwriter Options were issued to the Sub-underwriters.

The XEC Options were issued to XEC.

None of these parties are material investors in the Company.<sup>5</sup>

**The number and class of securities issued**

1,000,000 Euroz Options, 2,100,000 Sub-underwriter Options and 1,000,000 XEC

<sup>5</sup> ASX consider the following to be material investors:

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

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

Options were issued pursuant to Listing Rule 7.1.

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

A summary of the material terms of the Euroz Options, the Sub-underwriter Options and XEC Options is set out at Schedule 2.

(c) **Issue date**

The Euroz Options and Sub-underwriter Options were issued on 8 January 2024.

The XEC Options were issued on 6 July 2023.

**Issue price**

All of the Options were issued for nil consideration.

The Euroz Options and Sub-underwriter Options are exercisable at \$0.25 and expire on 7 May 2026.

500,000 XEC Options are exercisable at \$0.275 each and expire on 23 June 2024.

500,000 XEC Options are exercisable at \$0.35 each and expire on 23 June 2025.

(d) **Purpose of the issue**

The Euroz Options and Sub-underwriter Options were issued as consideration for underwriting and sub-underwriting services pursuant to the Underwriting Agreement, a summary of which is set out at Schedule 3.

The XEC Options were issued as consideration for monthly marketing services provided to the Company by XEC, pursuant to arrangements between the Company and XEC which commenced in June 2023.

(e) **Voting exclusion**

A voting exclusion statement for each of Resolutions 3 to 5 is included in the Notice of Meeting preceding this Explanatory Statement.

#### **4.3 Board Recommendation**

The Board recommends that Shareholders vote in favour of each of Resolutions 3 to 5.

### **5. RESOLUTION 6 – INCREASE IN MAXIMUM NUMBER OF SECURITIES TO BE ISSUED UNDER LONG TERM INCENTIVE PLAN**

#### **5.1 Background**

At the Company's general meeting on 28 April 2023, the Company obtained Shareholder approval to adopt the new "Torque Metals Limited Long-Term Incentive Plan" (**New Plan**). In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the notice of meeting for approval of the New Plan stipulated that a maximum of 15,000,000 securities would be issued under the New Plan (**Current Maximum**).

Since adoption of the New Plan in April 2023, the Company has issued a total of 10,600,000 securities thereunder. Accordingly, the maximum number of securities that may be issued under the New Plan may be met in the future. Accordingly, the Company now seeks Shareholder approval to increase the maximum number of securities to up to 30,000,000 (**New Maximum**) and issue further securities under the New Plan in accordance with the New Maximum.

#### **5.2 Regulatory Requirements**

Listing Rule 7.1 provides that, unless an exception applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves, or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2 Exception 13(b) sets out an exception to Listing Rule 7.1. It provides that issues of securities under an employee incentive scheme are not included in a company's 15% limit under Listing Rule 7.1, if within three years before the date of issue, shareholders have approved the issue of securities thereunder as an exception to Listing Rule 7.1. As the Company may meet the Current Maximum, it must obtain Shareholder approval to be able to issue further securities under the New Plan above the Current Maximum. Accordingly, Resolution 6 seeks approval from Shareholders to issue further securities under the New Plan up to the New Maximum.

If Resolution 6 is passed, the Company will be able to issue securities up to the New Maximum under the New Plan to eligible participants over a period of three years from the date of the Meeting without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

If Resolution 6 is not passed, the issue of further securities under the New Plan above the Current Maximum will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the securities. Accordingly, the Company will no longer be able to utilise the exception to Listing Rule 7.1 that is provided in Listing Rule 7.2 Exception 13(b).

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the New Plan to a related party or a person whose relationship with the Company or the related party, is in ASX's opinion, such that Shareholder approval should be obtained.

### 5.3 Technical information required by Listing Rule 7.2 Exception 13(b)

The following information is provided to Shareholders for the purpose of Listing Rule 7.2 Exception 13(b):

(a) **Summary of the material terms of the New Plan**

A summary of the material terms of the New Plan is set out in Schedule 4.

(b) **Previous issues of securities**

Since the Company adopted the New Plan on 28 April 2023, it has issued the following securities:

Date of Issue	Security Class	Number	Expiry Date
28/04/2023	Performance Rights – Class A	2,000,000	22/11/2024
28/04/2023	Performance Rights – Class B	2,000,000	22/11/2024
13/10/2023	Performance Rights – Class A	800,000	22/11/2024
13/10/2023	Performance Rights – Class B	800,000	22/11/2024
14/11/2023	Performance Rights – Class A	5,000,000	22/11/2024

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

The revised maximum number of securities proposed to be issued under the New Plan following Shareholder approval is 30,000,000. This number is not intended to be a prediction of the actual number of Equity Securities to be issued by the Company, simply a ceiling for the purposes of Listing Rule 7.2 Exception 13(b).

(d) **Voting exclusion statement**

A voting exclusion statement for Resolution 6 is included in the Notice of Meeting preceding this Explanatory Statement.



#### 5.4 Board Recommendation

The Board declines to make a recommendation in respect of Resolution 6 due to the fact that the Directors have a personal interest in the outcome of the Resolution as securities may be issued to the Directors under the New Plan.

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## 6. RESOLUTION 7 – AMENDMENT TO THE CONSTITUTION

### 6.1 Background

A company may modify or repeal its Constitution or a provision of its Constitution by special resolution of Shareholders. A special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Resolution 7 is a special resolution that seeks Shareholder approval to amend the Constitution by inserting new provisions into the Constitution to specify a cap on the number of securities that may be issued for monetary consideration under the New Plan for the purposes of section 1100V of the Corporations Act.

To obtain the disclosure relief for issues under employee incentive schemes under Division 1A of Part 7.12 of the Corporations Act, any issues of securities under an employee incentive scheme for consideration (i.e Shares issued for cash or cash payable on exercise of an Option) must comply with the issue cap in section 1100V of the Corporations Act. Section 1100V(2) provides that the issue cap for listed entities is either:

- (a) the cap set out in the constitution, if any; or
- (b) 5% of the number of fully paid shares the company has on issue as at the date the offer of securities is made to the scheme participant.

There is currently no cap set out in the Constitution. Accordingly, the number of securities that the Company can issue for consideration under the New Plan is currently capped at 5% of the total number of fully paid shares on issue at the date of the offer of the securities. The Company is seeking Shareholder approval to amend the Constitution to introduce a cap of 10% of the total number of fully paid shares on issue as at the date the offer of securities is made, thereby increasing the current cap and the number of securities that may be issued for consideration under the New Plan (**Proposed Amendment**).

The Proposed Amendment will be affected by introducing a new clause 3.11 into the Constitution as follows:

#### 3.11 Employee Share Scheme Cap

For the purposes of section 1100V(2)(a) of the Corporations Act for the offer of securities under the Company's employee share scheme for monetary consideration, the issue cap percentage is 10%.

### 6.2 Board Recommendation

The Board declines to make a recommendation in respect of Resolution 7 due to the fact that the Directors have a personal interest in the outcome of the Resolution as securities may be issued to the Directors under the New Plan in accordance with the Proposed Amendment.

If Resolution 7 is approved, the Proposed Amendment will be adopted and take effect from the close of the Meeting.

## GLOSSARY

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

<b>Abex Option</b>	has the meaning in section 1 of the Explanatory Statement;
<b>Agreements</b>	has the meaning in section 1 of the Explanatory Statement;
<b>Associate</b>	the meaning given to that term in the Listing Rules;
<b>ASX</b>	ASX Limited or the securities market operated by ASX Limited, as the context requires;
<b>Board</b>	board of Directors;
<b>Chair</b>	chair of the Meeting;
<b>Change of Control Event</b>	has the meaning given to that term in Schedule 1, paragraph 4;
<b>Consideration Shares</b>	the 4,529,442 Shares to be issued the Vendors, the subject of Resolution 1;
<b>Company</b>	Torque Metals Limited (ACN 621 122 905);
<b>Constitution</b>	constitution of the Company;
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth);
<b>Current Maximum</b>	has the meaning given in section 5.1 of the Explanatory Statement;
<b>Director</b>	director of the Company;
<b>Equity Securities</b>	has the meaning given to that term in the Listing Rules;
<b>Euroz</b>	means Euroz Hartleys Limited (ACN 104 195 057);
<b>Euroz Options</b>	has the meaning given in section 4 of the Explanatory Statement;
<b>Explanatory Statement</b>	the explanatory statement that accompanies this Notice of Meeting;
<b>Listing Rules</b>	means the listing rules of the ASX;
<b>Meeting or Extraordinary General Meeting</b>	the extraordinary general meeting convened by this Notice of Meeting;
<b>New Maximum</b>	has the meaning given in section 5.1 of the Explanatory Statement;
<b>New Plan</b>	has the meaning given in section 5.1 of the Explanatory Statement;
<b>Notice of Meeting or Notice</b>	this notice of Extraordinary General Meeting;
<b>Option</b>	means an option to subscribe for a Share;

## SCHEDULE 1 – SUMMARY OF TERMS AND CONDITIONS OF PERFORMANCE SHARES

A summary of the proposed revised terms of the Performance Shares is set out below. Changes relative to the terms previously approved by Shareholders are shown in red below.

### 1. Vesting conditions

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

Tranche	Number of Performance Shares	Vesting Condition/Performance Milestones	Expiry Date
1	30 million	On announcement of an indicated or measured JORC compliant resource estimate greater than 5 million tonnes at a minimum grade of 1% Li <sub>2</sub> O equivalent <sup>6</sup> at the Projects.	5 years from the date of issue.
2	30 million	On announcement of an indicated or measured JORC compliant resource estimate greater than 10 million tonnes at a minimum grade of 1% Li <sub>2</sub> O equivalent at the Projects.	5 years from the date of issue.
3	25 million	On announcement of an indicated or measured JORC compliant resource estimate greater than 15 million tonnes at a minimum grade of 1% Li <sub>2</sub> O equivalent at the Projects.	5 years from the date of issue.

### 2. Notification to holder

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

### 3. Conversion

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

### 4. Change of Control

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

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

- (A) the occurrence of:
  - i. the offeror under a takeover bid pursuant to Chapter 6 of the Corporations Act in respect of the Shares announcing that it has achieved acceptances in respect of more than 50% of all Shares; and
  - ii. that takeover bid being, or having become or been declared, unconditional; or

<sup>6</sup> Li<sub>2</sub>O equivalent includes rubidium, caesium, tin and tantalum as equivalent elements.

- (B) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the court made under section 411(4)(b) of the Corporations Act in respect of a members scheme of arrangement under Part 5.1 of the Corporations Act under which all Shares are to be either cancelled or transferred to a third party (but not a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of Torque).

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

5. **Lapse of a Performance Share**

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

6. **Share ranking**

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

7. **Application to ASX**

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

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

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

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

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

9. **Transfer of Performance Shares**

The Performance Shares are not transferable.

10. **Participation in new issues**

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

11. **Reorganisation of capital**

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

12. **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Share will be increased by the number of Shares or other securities which the Vendor would have received if the Vendor had converted the Performance Share before the record date for the bonus issue.

13. **Dividend and Voting Rights**

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

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

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

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

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

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

16. **Rights on winding up**

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

17. **ASX Listing Rule compliance**

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

18. **No other rights**

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

## SCHEDULE 2 – SUMMARY OF TERMS AND CONDITIONS OF OPTIONS

A summary of the terms of the Euroz Options, Sub-underwriter Options and XEC Options is set out below.

### 1. Entitlement

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

### 2. Exercise Prices

The exercise price of each of the Options is set out below (**Exercise Price**):

- (i) Euroz Options: \$0.25 each;
- (ii) Sub-underwriter Options: \$0.25 each; and
- (iii) XEC Options: 500,000 exercisable at \$0.275 each and 500,000 exercisable at \$0.35 each.

### 3. Expiry Date

Each Option may be exercised at any time before 5.00pm (WST) on the set out in the table below (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically expire.

No.	Options	Expiry Date
1	Euroz Options	7 May 2026
2	Sub-underwriter Options	7 May 2026
3	XEC Options – 500,000 exercisable at \$0.275	23 June 2024
4	XEC Options – 500,000 exercisable at \$0.35	23 June 2025

### 4. Exercise Period

The 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**).

### 5. Notice of Exercise

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

### 6. Exercise Date

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

### 7. Issue of Shares on exercise

Within 5 business days after the Exercise Date, the Company will:

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

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

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

8. **Quotation of Options**

The Options will unquoted unless the Board resolves otherwise in its sole discretion.

9. **Transferability**

The Options are not transferable, except with the prior written approval of the approval of the Board. Such consent must not be unreasonably withheld or delayed.

10. **Participation in new issues**

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

11. **Adjustments 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 an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

12. **Adjustments for reorganisation**

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

13. **Deferral of exercise if resulting in a prohibited acquisition of Shares**

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

- (i) holders may give written notification to the Company if they consider that the exercise of an Option may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of an Option will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph 13(i) within seven days if the Company considers that the exercise of an Option may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of an Option will not result in any person being in contravention of the General Prohibition.

## SCHEDULE 3 - SUMMARY OF UNDERWRITING AGREEMENT

A summary of the material terms of the Underwriting Agreement is set out below.

### 1. **Background**

The Company had on issue 2,100,000 Options, with an exercise price of \$0.25 each that were due to expire at 5.00pm (WST) on 22 December 2023 (**Expiry Date**). The Company requested that Euroz underwrite the exercise of those Options that were not exercised by their holders prior to the Expiry Date, up to a maximum value of \$525,000. For the purposes of the agreement and this summary, the Shares which Euroz agreed to underwrite are the **Shortfall Shares**.

### 2. **Underwriting**

The Company appoints Euroz on an exclusive basis to lead manage and underwrite the subscription and sale of the Shortfall Shares, subject to the requirements of the Corporations Act. Euroz will have the right to allot the Shortfall Shares in consultation with the Company.

### 3. **Conditions**

The Underwriting Agreement is subject to certain conditions (**Conditions**), which include the Company notifying Euroz of the number of Shortfall Shares by the relevant time and ASX not indicating that it will not grant quotation of the Shortfall Shares.

### 4. **Fees**

Subject to Euroz subscribing for the Shortfall Shares, the Company has agreed to pay Euroz the following fees:

- (i) 6% of the maximum underwriting amount paid to Euroz for the subscription of the Shortfall Shares, being a fee of \$31,500 (plus GST);
- (ii) 1,000,000 Options (**Euroz Options**);
- (iii) 2,100,000 Options to be issued to Euroz's nominee (**Sub-underwriter Options**).

The Company has also agreed to reimburse Euroz for other reasonable costs and expenses incurred by Euroz in relation to the underwriting of the Shortfall Shares, including marketing, promotional materials and travel expenses. Any item over \$2,000 requires written approval of the Company for reimbursement.

### 5. **Sub-underwriters**

Euroz may appoint sub-underwriters to sub-underwrite the Shortfall Shares and Euroz will be responsible for paying any commission and other fees payable to the sub-underwriters.

### 6. **Indemnity**

The Company will indemnify Euroz against all reasonable costs and expenses of and incidental to the underwriting of the Shortfall Shares.

### 7. **Termination**

The Underwriting Agreement may be terminated by Euroz prior to the issue date of the Shortfall Shares following a "Termination Event", which include:

- (i) non-satisfaction of the Conditions;
- (ii) certain market changes;
- (iii) the Company is unable to issue the Shortfall Shares;
- (iv) ASIC or any other person proposes to commence proceedings or take regulatory action in connection with the offer of Shortfall Shares;
- (v) an order is made under section 1324B or any other provision of the Corporations Act;
- (vi) a director of the Company is charged with an indictable offence;
- (vii) the Company ceases to be capable of issuing, at the date of issue of any Shortfall Shares, a notice under Section 708A(5)(e) of the Corporations Act to allow secondary trading of any



Shortfall Shares and does not comply with the requirements of the Underwriting Agreement to issue a cleansing prospectus; or

(viii) the Company is in default under the Underwriting Agreement.

The Company may terminate the Underwriting Agreement if Euroz is in default under the agreement.

**Other**

The Underwriting Agreement also contains a number of other terms including representations and warranties that are considered customary and usual for an agreement of its type.

## SCHEDULE 4 - SUMMARY OF TERMS AND CONDITIONS OF LONG TERM INCENTIVE PLAN

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

### 1. **Eligible Participant**

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

Eligible Participant means a person that:

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

### 2. **Purpose**

The purpose of the Plan is to:

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

### 3. **Plan administration**

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

### 4. **Eligibility, invitation and application**

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

### 5. **Grant of Securities**

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

### 6. **Terms of Convertible Securities**

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

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

### 7. **Vesting of Convertible Securities**

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

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

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

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

9. **Cashless exercise**

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

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

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

11. **Forfeiture of Convertible Securities**

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

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

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

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

12. **Change of Control:**

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

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

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

14. **Disposal restrictions on Plan Shares**

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

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

15. **Adjustment of Convertible Securities:**

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

If Shares are issued by the Company by way of bonus issue ( other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

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

16. **Participation in new issues**

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

17. **Compliance with Applicable Laws**

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

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

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

does not exceed:

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

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

18. **Amendment of Plan**

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

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

<b>Performance Shares</b>	has the meaning in section 1 of the Explanatory Statement;
<b>Proposed Amendment</b>	has the meaning given in section 6.1 of the Explanatory Statement;
<b>Proxy Form</b>	the proxy form enclosed with this Notice of Meeting;
<b>Resolution</b>	resolution contained in this Notice of Meeting;
<b>Schedule</b>	schedule to this Notice of Meeting;
<b>Share</b>	fully paid ordinary share in the capital of the Company;
<b>Shareholder</b>	holder of a Share in the Company;
<b>Sub-underwriter Options</b>	has the meaning given in section 4 of the Explanatory Statement;
<b>Sub-underwriters</b>	has the meaning given in section 4 of the Explanatory Statement;
<b>Tenements</b>	has the meaning in section 1 of the Explanatory Statement;
<b>Transaction</b>	has the meaning in section 1 of the Explanatory Statement;
<b>Underwriting Agreement</b>	has the meaning given in section 4 of the Explanatory Statement;
<b>Vendors</b>	Abbeh Pty Ltd and its associates;
<b>WST</b>	Australian Western Standard Time;
<b>XEC</b>	means XEC Partners Pty Ltd (ACN 606 502 649);
<b>XEC Options</b>	has the meaning given in section 4 of the Explanatory Statement.


**ONLINE PROXY APPOINTMENT**
[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)

**MOBILE DEVICE PROXY APPOINTMENT**

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

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

**EXTRAORDINARY GENERAL MEETING PROXY FORM**

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

**APPOINT A PROXY**


The Chair of the Meeting

**OR**



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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Extraordinary General Meeting of the Company to be held at **Nexia Perth, Level 3, 88 William Street, Perth WA 6000 on Friday, 15 March 2024 at 10:00 am (WST)** and at any adjournment or postponement of that Meeting.

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

**VOTING DIRECTIONS**
**Resolutions**

**For Against Abstain\***

1	Ratification of Shares issued to Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval of issue of Performance Shares to Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of prior issue of Options to Euroz Hartleys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of prior issue of Options to Sub-Underwriters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of prior issue of Options to XEC Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Increase in Number of Equity Securities to be issued under Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Amendment to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

Email Address

☐

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

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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

### CHANGE OF ADDRESS

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

### APPOINTMENT OF A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### VOTING DIRECTIONS – PROXY APPOINTMENT

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

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### COMPLIANCE WITH LISTING RULE 14.11

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

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

### CORPORATE REPRESENTATIVES

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

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

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

#### Joint Holding:

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

#### Power of Attorney:

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

#### Companies:

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

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:00 am (WST) on 13 March 2024, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

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



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033