

Amendment to Acquisition Terms

Torque Metals Limited (ASX: **TOR**) (the “Company”), is pleased to advise that it has agreed amended terms to acquire 100% of the extensive and strategic package of tenements adjacent to the Company's Paris Gold Camp, including the New Dawn Lithium Project.

Previous terms, as set out in the ASX Announcement dated 5 September 2023, included a \$1.5m cash payment upon exercise of the Option. This has been renegotiated to comprise a significantly reduced \$600,000 cash component, with the balance of the \$900,000 to be paid in Shares, calculated based on the 5-day VWAP to close of trade on 8 December, being 19.87c per share (4,529,442 Shares). The Company will issue these shares under its listing rule 7.1 placement capacity.

Material details of all amendments are set out in Appendix 1.

Torque's Managing Director, Cristian Moreno commented:

“We are pleased with the strong confidence shown by the project vendors who are comfortable to see their continued exposure to the projects via an increased scrip component for the acquisition and thereby Torque retaining more cash that we can direct towards activity at the expanded Penzance Project.

Drilling at the New Dawn Lithium Project has yielded exceptionally positive results, underscoring the significant potential of this promising project.

*Our most recent drilling (as reported on 7 December 2023) returned a best cumulative intersection of over **35 meters** showcasing the project's robust lithium concentrations, including **10 meters at 1.51% Li₂O** from a depth of 51 meters, **15 meters at 1.17% Li₂O** from 220 meters, and an additional **10 meters at 1.15% Li₂O** from 265 meters. These findings highlight the rich lithium grades within the project area, setting a solid foundation for future exploration and potential development.*

As we reflect on these accomplishments, the team at Torque Metals is eager to return to the field early next year.

“During the coming month Torque Metals' technical team will be actively immersed in preparation of an Exploration Target, which we expect to unveil to the market in January, providing shareholders with an improved appreciation of the project's scale.”

About Torque Metals

Torque Metals (ASX: **TOR**) is a smart exploration company with a proven discovery methodology, combining drilling results with machine learning algorithms and geological interpretation. Torque's Board and management have successful records and extensive experience in the exploration, development, and financing of mining projects in Australia and overseas.

Torque's Penzance Exploration Camp covers over ~600km² which includes 12 wholly owned, granted, pre-native title mining, 4 prospective and 15 exploration licences (3 under application) situated in the heart Western Australian goldfields.

Torque is focused on mineral exploration in well-established mineral provinces in Australia. The Company continues to evaluate and pursue other prospective opportunities in the resources sector in line with a strategy to develop high quality assets.

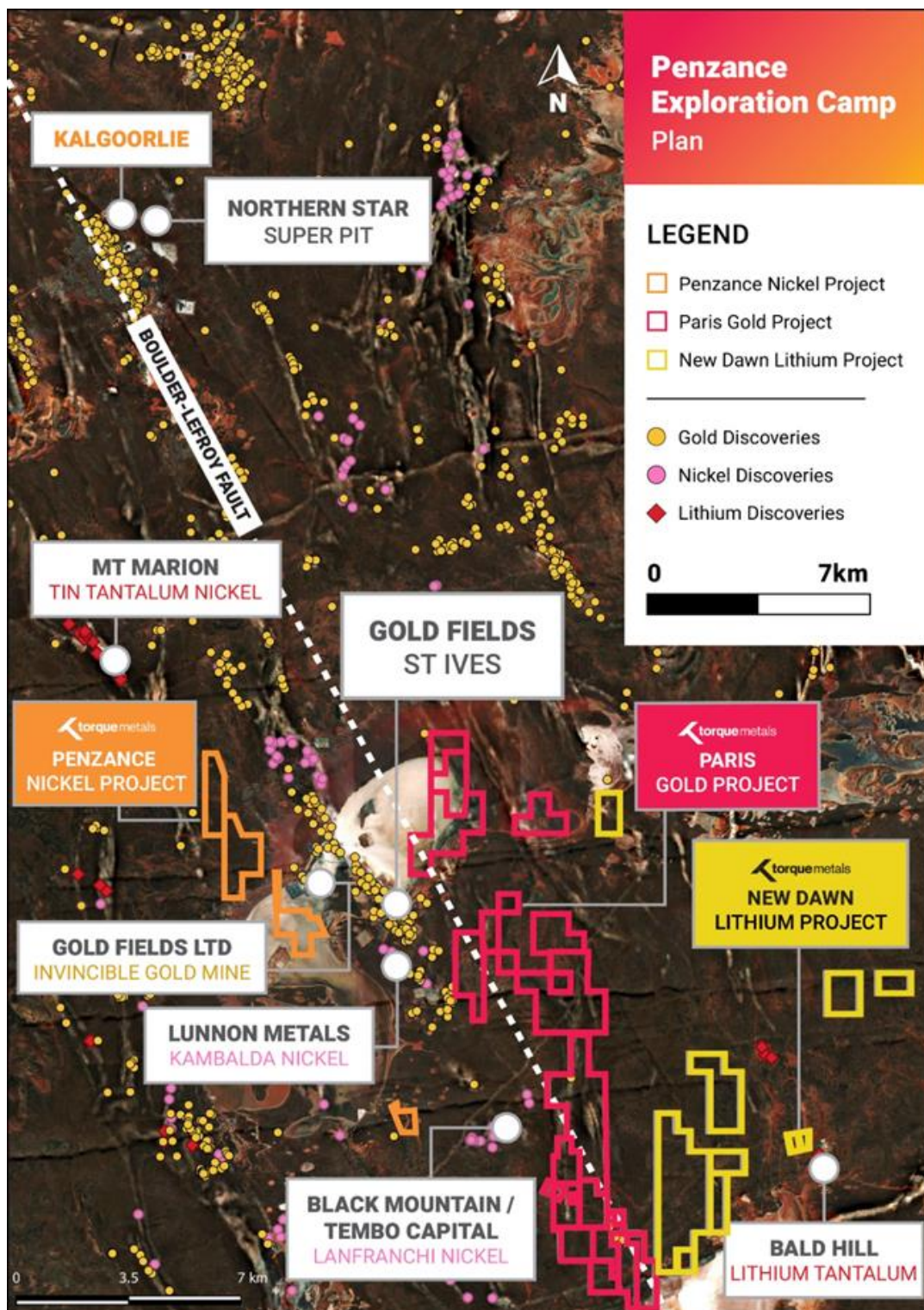


Figure 8 Penzance Exploration Camp including tenements under option.

Competent Person Statement – Exploration Results

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

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.

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APPENDIX 1: Amended Acquisition Terms

The Parties have agreed to amend the Option Agreements by:

- (a) deleting and replacing the requirement that Torque pay \$1.5m in cash on Completion with a requirement that it will:
 - (i) pay \$600,000 in cash; and
 - (ii) issue 4,529,442 Shares at a deemed issue price of \$0.1987 per Share;
- (b) amending the Vendors entitlement upon Completion to appoint a Director, Mr Imants Kins, by making it a condition that in the event that at any time the Vendors (collectively) hold less than 10% of the issued share capital of Torque, then they will immediately procure the resignation of Mr Kins from the board of Torque; and
- (c) subject to shareholder approval, replacing the terms of the Change of Control provisions of Performance Shares with the following:

“(Change of Control):

In the circumstance of a “Change of Control Event” (as defined below) of Torque 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 Torque Share.

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

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

The terms of the Option Agreements remain otherwise as detailed in the ASX Announcement dated 5 September 2023 and the Notice of Meeting dated 6 October 2023.