torque metals ltd

ACN 621 122 905

Financial statements for the year ended 30 June 2021

Corporate Directory

Board of Directors	
Ian D. Finch	Managing Director
Antony L. Lofthouse	Non-Executive Director
Patrick N. Burke	Non-Executive Director (appointed 8 February 2021)

Company Secretary
Neil W. McKay

Principal Place of Business
Unit 8
16 – 18 Nicholson Road
Subiaco WA 6008

Postal Address
PO Box 27
West Perth, Western Australia 6872

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

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

Stock Exchange Listing
Australian Stock Exchange
Perth Exchange:
Code : TOR

Banker
Westpac Banking Corporation
1257 Hay Street
West Perth, Western Australia 6005

Contents

Chairman's Report

Dear Members,

This has been a groundbreaking year for your Company.
I am delighted to report that, despite many challenges, it has been the most successful year since incorporation.

With time running out on an agreed option to purchase the signature Paris gold project, and in a soft resource market, we were able to raise sufficient funds to list the Company on the nascent Sydney Stock Exchange (SSX) on July 29th 2020. This enabled us to acquire 100% ownership of this important high grade gold project.
Having acquired the Paris Project we set about consolidating our position in the area, approximately 120 kms South East of Kalgoorlie. To the 68km^2 of, mostly, mining titles that made up the Paris Project we were successful in negotiating a joint venture with Jindalee Resources that accreted a further 75Km^2 of title abutting our Eastern and Southern boundaries. Thus, the "Paris Project" has already, more than doubled in area.
Paris, partnered with our second high grade gold project at Bullfinch, enabled us to seek support for a listing on ASX. This support was duly forthcoming in the form of the major securities and investment firm of Euroz Hartleys in Perth.

They understood the Company's asset value, its strengths and aspirations and were able to raise $5.5 million which formed the backbone of our successful ASX listing – which took place on June 25th, 2021.
With strong support behind us we were able to hit the ground running. Despite an industry-wide shortage of drill rigs, the Company was able to commence drilling a range of gold targets at Paris immediately upon listing. To the 30th June 2021 we had completed 36 holes for 3173m of a 7500m programme. We await the results with eager anticipation.

I would like to take this opportunity to thank all involved in the evolution of the Company this year and welcome on board all new shareholders. With solid support and two magnificent gold assets, the year is certainly set for a period of strong growth.
Yours Sincerely,

Ian Finch
Chairman.

Director's Report

The directors of Torque Metals Limited ("Torque" or "the Company") present their report on Torque for the year ended 30 June 2021 ("the Year").

Directors

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

Ian D. Finch

Antony (Tony) L. Lofthouse

Patrick N. Burke (Appointed 8 February 2021)

Neil W. McKay (Resigned 23 June 2021)

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

Ian D. Finch	Executive Chairman (appointed 16 August 2017)
Qualifications	BSc (Hons) in Geology from the University of Birmingham (England), Member of the Australasian Institute of Mining and Metallurgy.
Experience	Mr. Finch's career spans more than 50 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981—from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa. In 1982 he joined CRA Exploration as a Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987. In 1993 Mr. Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia—when it discovered a resource of approximately 1.0 million ounces at the Paulsen's Project. In 1999 Mr. Finch founded Templar Resources Limited, which became a 100% owned subsidiary of Canadian listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005, Mr. Finch established an extensive exploration portfolio in New South Wales where the Company actively explored for large porphyry copper / gold deposits. During his presidency, Mr. Finch forged strong strategic ties with the major mining houses and financial institutions in Vancouver, Toronto and London.
Interest in Shares	5,000,000 fully paid ordinary shares. 50% beneficial interest in Turf Moor Pty. Ltd. a company in which he is a shareholder.
Directorships held in other listed entities	None.
Antony L Lofthouse	Non-Executive Director
Qualifications	Bachelor of Science (Hons) Geology from the University of London and a Master of Business Administration from the University of Western Australia
Experience	With more than 43 years of working in the resources sector in Australia, Saudi Arabia and the United Kingdom, Mr. Lofthouse has developed expertise in an extensive range of relevant disciplines that together deliver a skillset ideally suited to the particular challenges of an emerging mineral exploration company. Mr. Lofthouse has worked

	as a field geologist, a resources equity analyst in stockbroking, a corporate banker managing a portfolio of resource and infrastructure customers (providing services that included project finance, mezzanine debt, corporate advisory, transactional banking facilities, credit analysis and legal documentation). Mr. Lofthouse has also worked as a provider of internet-based geotechnical information services, and most recently as the CEO of Ora Gold (formerly Thundelarra) an ASX-listed Australian exploration company. He also has previous ASX-listed company non-executive director experience.
Interest in Shares	50,000 fully paid ordinary shares (indirectly held)
Directorships held in other listed entities	None.
Patrick N. Burke	Non-Executive Director (Appointed 8 February 2021)
Qualifications	LLB
Experience	Mr Burke holds a Bachelor of Laws from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 15 years has acted as a director for a large number of ASX, NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law in particular capital raisings and mergers and acquisitions. Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution
Interest in Shares	nil
Directorships held in other listed entities	Western Gold Limited: Appointed 22 March 2021 Province Resources Limited: Appointed 9 November 2020 Mandrake Resources Limited: Appointed 4 August 2019 Meteoric Resources NL: Appointed 1 December 2017 Triton Minerals Limited: Appointed 22 July 2016

Significant changes in state of affairs

There were no significant changes in state of affairs of the Company during the Year except that the Company was admitted to the Australian Securities Exchange on 23 June 2021

Principal Activities

During the financial year the principal activities of the consolidated entity consisted of mineral exploration.

Review of Operations

Highlights.

- Exercised option to acquire 100% of the Paris Project.
- Concluded Sensore Joint Venture adjacent to Paris
- Torque successfully listed on ASX on 23 June 2021.
- Commenced drilling immediately - drilling 36 RC holes for 3,173m by year end.

<u>Projects.</u>

The Paris Gold Project.

During the year Torque exercised its option to purchase the Paris / HHH gold mines (The Paris Gold Project) from Austral Pacific Pty. Ltd. (Austral). The project, which comprises 9 mining leases and two prospecting leases aggregating ~68km^2, is located approximately 100Km South Southeast of Kalgooorlie in Western Australia. (“The Paris Project”), The project lies within the highly prospective Parker and Kambalda geological domains which are noted for high grade gold occurrences. The Kambalda Domain is also a world class Nickel Province.

Mineral Resource Estimates

The Paris Gold Mining Area contains a JORC Code (2012) Mineral Resource Estimate of 314,000 tonnes at 3.24 g/t. Au, for 32,700 oz. of gold has as had previously been reported in the Torque Metals Limited Prospectus dated 14 April 2021, in the Independent Technical Assessment Report prepared by Agricola Mining Consultants Pty Ltd.

Resources for both HHH and Paris have been classified as Indicated Mineral Resources. The Paris Mineral is reported above a block grade of 0.5 g/t Au using a 35 g/t Au top cut. The HHH Mineral Resource is reported above a block grade of 0.5 g/t Au using a 50 g/t Au top cut.

Depleted Mineral Resource Estimate				
Deposit	***Category***	***Tonnes***	***g/t Au***	***Ounce***
Paris	*Indicated*	*81,000*	*4.50*	*11,700*
HHH	*Indicated*	*233,000*	*2.80*	*21,000*
Total		*314,000*	*3.24*	*32,700*

Torque Metals confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning any resource estimates quoted herein continue to apply and have not materially changed

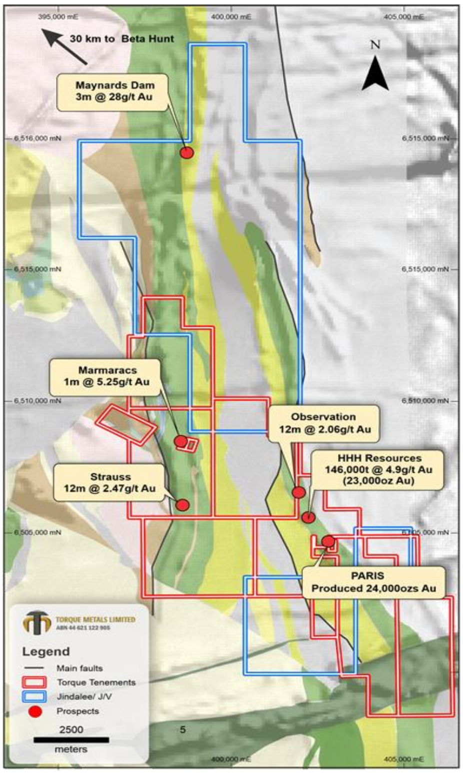

Fig 1: Torque Leases, incorporating Jindalee Joint Venture Leases

The Company commenced RC drilling at the Paris Project on 25 June 2021.

The programmes were designed to test the potential for gold resource extensions below, along strike and adjacent to the Paris and HHH open pits. Additional drilling was also planned at the advanced exploration prospects of Observation, Strauss and Marmaracs. In all, 8 areas of resource prospectivity are to be tested.

As at 30 June 2021, 36 RC holes have completed for an aggregate of 3,173m.

Fig 2. First drilling at the Paris Project – 25 June 2021

Sensore (Paris Gold Project)

The Company entered into a Farm-In – Joint Venture Agreement with Yilgarn Exploration Ventures Pty Limited is a wholly owned subsidiary company of SensOre Limited on EL15/1752. On this single tenement Yilgarn wish to earn a 51% stake, by expending $3 Mill over a three (3) year period with guaranteed minimum expenditures of $300K in the first year and $700K in year 2. Thereafter they may earn up to a 70% stake by completing a comprehensive mining feasibility study. Torque may subsequently buy back 10% from Yilgarn for $500,000.

The Bullfinch Project

Torque controls approximately 600 Km2 of highly prospective, contiguous title within the Bullfinch Goldfield, centered 34kms north of the mining town of Southern Cross in Western Australia.

The Company also holds a 100% interest in five Exploration licences centred approximately 34km north of Southern Cross in Western Australia. They are collectively known as the **Bullfinch Project**.

During the year several site visits were made in order to assess and rate the, over 200 pits, shafts and old mine workings present within the tenements.

Compilation of an extensive database was commenced including all available Geophysical, Geological and Geochemical data sets.

The database was then interrogated, and prospects evaluated with a view to compiling a drilling programme aimed at the 3 or 4 prospects likely to yield high grade gold resources. It is estimated that drilling at Bullfinch will commence in the 3rd or 4th quarter of 2021.

Tribal Mining Tenement Acquisition (Bullfinch)

The Company exercised the Acquisition Agreement with Tribal to wholly acquire the Tribal Tenement (EL77/2607) in consideration for $50,000 cash and 10% of any gold recovered from the Tribal Tenement during an approved bulk sampling programme.

Directors Remuneration Report- Audited

This report details the nature and amount of remuneration for each director of the Company.

Remuneration Policy (Audited)

The remuneration policy of Torque has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The further tailoring of goals between shareholders and the Directors and executives is achieved through the issue of equity to the directors and executives to encourage the alignment of personal and shareholder interest.

The Board of the Company believes the remuneration policy is below accepted industry standards but appropriate and effective while the Company is in the initial phase of being listed on a Stock Exchange.
The remuneration policy, setting the terms and conditions for the Directors and executives was developed by the Directors and approved by the Board.

The Board recognises that the remuneration rates are below competitive remuneration rates of local and international trends among comparative companies and industry generally.

The Group is exploration and development focussed, and therefore speculative in terms of performance. The Directors and executives are paid below market rates associated with individuals in similar positions, within the same industry.

Options and performance incentives will be issued, and key performance indicators such as share price, profits and market value can be used as measurements for assessing Board and executive performance.
All remuneration paid to Directors and executives is valued at the cost to the Company and expensed or carried forward on the balance sheet for time that is attributable to exploration and evaluation.

The Board policy is to remunerate, where possible, non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Chairman's with independent advisors as necessary, determine payments to the non-executive Directors and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Company. However, remuneration of non-executive directors at this present time are below comparable market expectations.

Details of remuneration for the years ended 30 June 2021 and 30 June 2020

The remuneration for each key management personnel of the Company during the year was as follows

Remuneration Policy (Audited) cont'd

2021	fixed Remuneration			Variable Remuneration		
	Salaries Director/ Consulting Fees	**Super**	**Total**	**Performance Rights***	**Total**	**Value of Rights as % of remuneration**
Directors						
Ian Finch	50,536	526	51,062	-	51,062	-
Neil McKay*	38,397	3,668	42,065	-	42,065	-
Tony Lofthouse**	861	86	947	-	947	-
Pat Burke***	947	0	947	-	947	-
Total	**90,741**	**4,280**	**95,021**	-	**95,021**	

*Performance Rights were cancelled on 28 May 2021 as part of ASX listing requirements

2020	fixed Remuneration			Variable Remuneration		
	Salaries Director/ Consulting Fees	**Super**	**Total**	**Performance Rights**	**Total**	**Value of Rights as % of remuneration**
Directors						
Ian Finch	-	-	-	42,374	42,374	100%
Neil McKay	-	-	-	42,374	42,374	100%
Tony Lofthouse	-	-	-	6,549	6,549	100%
Tshung Chang****	-	-	-	(45,881)	- (45,881)	(100)%
Total	**-**	**-**	**-**	**45,416**	**45,416**	

Mr. Finch	Executive Chairman	
Mr. McKay*	Director	Resigned 23 June 2021
Mr. Lofthouse**	Director	Appointed 30 January 2020
Mr. Burke***	Director	Appointed 8 February 2021
Mr. Chang ****	Director	Removed 30 January 2020

Directors Remuneration Report (Cont'd)
Key Management Personnel (KMP) Share and Performance Rights
Shares 2020

30 June 2019 Post Consolidation	Balance 1/07/19*	Granted as Remuneration	Performance Rights Exercised (Cancelled)	Balance 30/06/20
Turf Moor Pty. Ltd[1].	5,000,000	-	-	5,000,000
Tshung H. Chang[2]	3,575,000	-	-	-
	8,575,000	-	-	5,000000

30 June 2021	Balance 1/07/20	Granted as Remuneration	Performance Rights Exercised	Balance 30/06/21
Turf Moor Pty. Ltd[1].	5,000,000	-	-	5,000,000

*Shareholdings have been adjusted for the capital consideration of every 2 : 1 which took place on 9 February 2021

1 Mr. Finch and Mr. McKay are equal 50% shareholders in Turf Moor Pty. Ltd. which holds 5,000,000 Shares
2 Mr. Chang ceased to be a director on 30 January 2020.

Performance Rights (cancelled prior to listing on the ASX)

Performance Rights	Granted Number	Grant Date	Fair Value Performance Rights	Expiry Date	Vested Number
Ian D. Finch	500,000	4 Sept. 2018	$0.05918		-
	666,667	4 Sept. 2018	$0.0646		-
	833,333	4 Sept. 2018	$0.10025		-
Total	2,000,000				
Neil W. McKay	500,000	4 Sept. 2018	$0.05918		-
	666,666	4 Sept. 2018	$0.0646		-
	833,334	4 Sept. 2018	$0.10025		-
Total	2,000,000				
Antony L. Lofthouse	250,000	11 May 2020	$0.0556		-
	333,333	11 May 2020	$0.0548		-
	416,667	11 May 2020	$0.1000		-
Total	1,000,000				
Post Consolidated	**5,000,000**				-

Performance Rights were cancelled on 28 May 2021 as part of ASX listing conditions.

Other transaction with Directors of the Company

Unsecured Convertible Notes from the families of two directors (Finch and McKay) on the following terms and conditions were converted 23 December 2020.

Terms	**Catherine A. Finch**	**Giovanna C. McKay**
Date of Issue	3 September 2019	3 September 2019
Sum	$33,000	$15,200
Term	6 months from date of issue	6 months from date of issue
Security	None	None
Interest Rate	7.5 % p.a.	7.5% p.a.

Exercise Price	$0.134 (post consolidation)	$4.134 (post consolidation)
Number	113,433 (post consolidation)	246,268 (post consolidation)
Exercise	Convertible at any time	Convertible at any time

Review of Operation

The loss of the Company for the Year after providing for income tax, amounted to $1,820,026 (year ended 30 June 2020: $221,734. The expenditure incurred during the Year related to corporate and administration expenditure, Initial Public Offering expenses and non-capitalized expenses relating to tenement acquisition.

Australian Accounting Standards Share Based Payments (AASB2-28) requires that the Company shall immediately recognise the amount that would have otherwise been recognised as being received for the remainder of the vesting period. No director/Key Manager Personnel received any benefit from the accounting treatment.

Unlisted options issued during the year to providers of financial services related to capital raising have been valued in accordance with the Black and Scholes and expensed in the year $1,120,372 (2020 : $nil).

Corporate

The Company raised a total of $6,646,148 (after costs):

Description	**Quantity (Post Consolidation)**	**Price $**	**Total $**
Placement	4,500,000	$0.10	450,000
Placement	8,173,253	$0.134	1,095,216
Conversion of Note	583,582	$0.134	78,200
Initial Public Offering	27,500,000	$0.20	5,500,000
Cost of Capital			(477,268)
Rounding Consolidation	(7)		
Total	**40,756,828**		**$6,646,148**

Meeting of Directors

The number of directors' meetings held and conducted during the financial year that each director held office during the financial year and the number of meetings attended by each director is:

	Directors Meetings	
Director	Number Eligible	Number Attended
I. D. Finch	7	7
N.W. McKay	7	7
A.L. Lofthouse	7	7
P. N. Burke	3	3

The Company does not have a formally constituted audit and risk committee or remuneration and nomination committee as the Board considers that the Company's size and type of operation do not warrant the formation of such committees

Likely developments and expected results

Likely developments in the operations of the Company and the expected results of those operations in future financial periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

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

Dividends

No amounts have been paid or declared by way of dividend shares since the date of incorporation

Options

The following options over issued shares in the Company were granted during the Year.

Date	Number	Entity	Terms
28 July 2020*	1,000,000	Martin Place Securities Pty. Ltd.	30 cents 3years to 27 July 2023
23 Dec 2020*	2,250,000	Seed Capital	25 cents 3 years to 22 Dec 2023
2 June 2021	3,875,000	Zenix Nominees Pty. Ltd.	27.5 cents 3 years to 1 June 2024
2 June 2021	5,500,000	Zenix Nominees Pty. Ltd.	30 cents 3 years to 1 June 2024
Total	12,625,000		

- Post 2 : 1 consolidation on 9 February 2021

Indemnification and insurance of directors and officers

The Company has entered into Deeds of Indemnification with the directors and officers of the Company.

The Company has insurance policies in place for Directors and Officers insurance.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the Year.

Events arising since the end of the Year

Paris Tailings

9 August 2021 – A 6 month option to acquire 100% of the Paris Tailings situated on ML15/497, $50,000 option payable upon signing and a further $10,000 for a one month extension and an additional extension of 1 month for the payment of $1. The Company is to complete a review and scoping study at which time the option can be exercised at any time by the payment of $300,000 cash, $200,000 in share of the Company and $500,000 in bullion from production.

Ordinary Shares Released from Escrow

Date	Security	Number
27 July 2021	Ordinary Fully Paid	2,237,093
7 September 2021	Ordinary Fully Paid	8,250

Non-Audit Services

During the period ending 30 June 2021, the Company's Auditor, Hall Chadwick WA Audit Pty Ltd did not perform any non-audit services.

Auditor’s Independence Declaration

The auditor’s independence declaration for the year ended 30 June 2021 forms part of the Director’s Report and can be found on page 13

Signed in accordance with a resolution of directors.

On behalf of the directors

Ian D. Finch
Executive Chairman

Corporate Governance Statement

The Company has established a corporate governance framework, the key features of which are set out in its Corporate Governance statement which can be found on the Company’s website at www.torquemetals.com, under the section marked “Corporate Governance”.

In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations 4th edition (Principles & Recommendations). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices.

Where the Company’s corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation.

In compliance with the “if not, why not” reporting regime, where, after due consideration, the Company’s corporate governance practices do not follow a recommendation, the Board has explained it reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation

In the period from admission to the Australian Stock Exchange (23 June 2021) to the end of the reporting period (30 June 2021) the Company used the cash it had at the time of admission in a way consistent with its business objectives.

HALL CHADWICK

To the Board of Directors

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

As lead audit Partner for the audit of the financial statements of Torque Metals Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 30th day of September 2021

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Torque Metals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for share based payments As disclosed in note 15 to the financial statements, during the year ended 30 June 2021 the Consolidated Entity incurred share based payments of $1,120,372. Share based payments are considered to be a key audit matter due to • the value of the transactions; • the complexities involved in the recognition and measurement of these instruments; and • the judgement involved in determining the inputs used in the valuations. Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	Our procedures amongst others included: • Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used; • Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; and • Assessing the adequacy of the disclosures included in Note 15 to the financial statements.
Capitalised Exploration and Evaluation Costs As disclosed in note 9 to the financial statements, the Group has incurred significant exploration and evaluation expenditures which have been capitalised in accordance with the requirement of Exploration for and Evaluation of Mineral Resources (AASB 6). As at 30 June 2021, the Group's capitalised exploration and evaluation costs are carried at $3,695,023. The recognition and recoverability of the capitalised exploration and evaluation costs was	Our audit procedures included but were not limited to: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 *Exploration and Evaluation of Mineral Resources* ("AASB 6"); • Confirming rights to tenure for a sample of tenements held and confirming rights to tenure on tenements nearing expiry will be renewed; • Testing the Group's additions to capitalised exploration costs for the year

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>considered a key audit matter due to:
The carrying value of capitalised exploration and evaluation costs represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and
Determining whether impairment indicators exist involves significant judgement by management.
Note 1(a) and 9 to the financial statements contain the accounting policy and disclosures in relation to exploration and evaluation expenditures.</td><td>by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of AASB 6;
By testing the status of the Group's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs:
The licenses for the rights to explore expiring in the near future or are not expected to be renewed;
Substantive expenditure for further exploration in the area of interest is not budgeted or planned;
Decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources;
Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and
Assessing the appropriateness of the related disclosures in the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HALL CHADWICK

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 30th day of September 2021

Director's Declaration

In accordance with a resolution of the directors of Torque Metals Limited, the directors of the Company declare that:

- the financial statements and notes, as set out, are in accordance with the Corporations Act 2001 and comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company;

- in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer

On behalf of the Directors

Ian D. Finch
Executive Chairman
Perth
30 September 2021

Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	Note	Year Ended 30 June 2021 $	Year Ended 30 June 2020 $
Revenue from continuing operations		-	-
Other income		50,000	-
Total revenue and other income			
Corporate administrative expenses	2	(390,892)	(74,124)
Financial expense interest	2	(14,813)	(16,191)
Share based payments	15	(1,291,326)	(45,417)
Exploration expense written off	2	-	(43,567)
Prospectus expense written off	2	(172,995)	(42,435)
Loss before income tax		**(1,820,026)**	**(221,734)**
Income tax expense	5	-	-
Loss for the period		(1,820,026)	(221,734)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		**(1,820,026)**	**(221,734)**
Loss attributable to:			
Owners of Torque Metals Limited		(1,820,026)	(221,734)
Total comprehensive loss attributable to:			
Owners of Torque Metals Limited		**(1,820,026)**	**(221,734)**
Earnings/(loss) per share from continuing and discontinuing operations			
		Cents	**Cents**
Basic weighted average earnings/(loss) per share	19	(0.04)	(0.01)
Diluted weighted average earnings/(loss) per share	19	(0.04)	(0.01)

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

Statement of financial position as at 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
Current assets			
Cash and cash equivalents	7	5,084,472	2,056
Trade and other receivables	8	37,108	69,649
Total current assets		**5,121,580**	**71,705**
Non current assets			
Exploration and evaluation expenditure	9	3,695,023	921,299
Total non-current assets		**3,695,023**	**921,299**
Total assets		**8,816,603**	**993,004**
Current liabilities			
Trade and other payables	10	769,920	165,679
Convertible Notes	11	-	74,615
Unsecured loans	12	-	43,476
Total current liabilities		**769,920**	**283,770**
Total liabilities		**769,920**	**283,770**
Net assets		**8,046,683**	**709,234**
Equity			
Issued capital	13	9,041,144	1,161,404
Option Reserves	14	1,120,372	-
Performance Reserve	16	354,015	183,060
Equity Reserve		-	13,592
Accumulated losses	17	(2,468,848)	(648,822)
Total equity		**8,046,683**	**709,234**

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

Statement of changes in equity for the year ended 30 June 2021

	Issued Capital	Accumulated Losses	Performance Rights Reserve	Option Reserve	Equity Reserve	Total
	$	$	$	$	$	$
Balance as at 1 July 2019	720,300	(427,088)	137,644	-	-	430,856
Total comprehensive Income/loss for the Period	-	(221,734)	-		-	(221,734)
Issue of ordinary shares	462,850	-	-	-	-	462,850
Performance Rights issued	-	-	45,417	-	-	45,417
Option Reserve	-	-	-	-	-	-
Equity Reserve	-	-	-	-	13,592	13,592
Transaction costs	(21,746)	-	-	-	-	(21,746)
Balance as at 30 June 2020	**1,161,404**	**(648,822)**	**183,060**	**-**	**13,592**	**709,234**
Balance as at 1 July 2020	**1,161,404**	**(648,822)**	**183,060**	**-**	**13,592**	**709,234**
Total comprehensive Income/loss for the Period	-	(1,820,026)	-	-	-	(1,820,026)
				-		
Issue of ordinary shares	8,357,008	-	-	-	-	8,357,008
Performance Rights issued	-	-	170,955	-	-	170,955
Option Reserve	-	-	-	1,120,372		1,120,372
Equity Reserve	-	-	-	-	(13 592)	(13,592)
Transaction costs	(477,268)	-	-	-	-	(477,268)
Balance as at 30 June 2021	**9,041,144**	**(2,468,848)**	**354,015**	**1,120,372**	**-**	**8,046,683**

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

Statement of cash flow for the year ended 30 June 2021

	Notes	30 June 2021 $	30 June 2020 $
Cash flow used in operating activities			
Payments to suppliers and employees		(2,684)	(150,231)
Net cash (used) in operating activities	6	(2,684)	(150,231)
Cash flow used from investing activities			
Tenement acquisition		(601,045)	(219,799)
Exploration and evaluation		(827,099)	(88,959)
Net cash (used) in investing activities		(1,428,144)	(308,758)
Cash flow from financing activities			
Proceeds from share issue		6,646,148	441,104
Directors' loans			
Repayment with Interest		-	(80,600)
Unsecured Advance		(43,476)	1,856
Convertible Notes			
Associates		(48,200)	48,200
Other		(30,000)	30,000
Interest Paid to Other than to a Director		(11,228)	(3,624)
Net cash from financing activities		6,513,244	436,936
Net (decrease) increase in cash and cash equivalents		5,082,416	-22,053
Cash and cash equivalents at the beginning of the period		2,056	24,109
Cash and cash equivalents 30 June 2021		5,084,472	2,056

The above statement of cash flow should be read in conjunction with the accompanying notes

Notes to the financial statements for the Year 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Torque Metals Limited (the Company or Torque). Torque Metals Limited is a listed public company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 30 September 2021 by the Directors of the Company.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out in accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

Going Concern

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

The Company incurred a net loss of ($1,820,026) (2020: $221,734) and experienced net cash outflow from operations of $2,684 (2020: outflow $150,231). The Company has liabilities of $769,920 (2020: $283,770) and cash on hand of $5,084,472(2020: $2,056).

The Directors have prepared a cash flow forecast which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because of the following factors:

- the Company has the ability to curtail discretionary expenditure as and when required in order to manage its cash flows.

Based on the cashflow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate

(a) **Exploration, Evaluation and Development Expenditure**

Costs incurred during exploration and evaluations relating to an area of interest are accumulated. Costs are carried forward to the extent they are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not yet reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

Accumulated costs carried forward in respect of an area of interest that is abandoned are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been estimated of future costs, current legal requirements and technology on an undiscounted basis.

(b) Financial Instruments Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payable and convertible notes. The accounting policy on convertible notes are at (q).

(c) Cash and cash equivalents

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

(d) Trade and Other Receivables

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

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

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

(e) Revenue and Other Income

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(f) **Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives

(g) Trade and other payables

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

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows

(i) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of

the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Income tax

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

<u>Current tax</u>

Current income tax expense charge to profit or loss is the tax payable on taxable income using applicable income tax rates enacted, or substantially enacted, as at reporting date.

Current tax liabilities/ (assets) are therefore at the amounts expected to be paid to/ (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneo31ecognized31ion and settlement of the respective asset and liability will occur.

Deferred tax

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of asset and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is recognised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

(k) Share Based Payments

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(l) Contributed equity

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

(m) Earnings Per Share

Basic earnings per share is calculated as net earnings attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for a bonus element. Diluted earnings per share is calculated as net earnings attributable to members, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that would have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(n) Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the

contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Gr'up's consolidated financial statements only to the extent of other part'es' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party

(o) Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Judgements –Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(a).

Key Judgements -Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

Key Judgments–Environmental issues
Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate

Key Estimate –Taxation
Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

(p) Fair value measurements
The Group measures and recognises the asset, 'Financial assets held for trading' at fair value on a Recurring basis after initial recognition.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(i) Fair Value Hierarchy
AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

(ii) ***Valuation techniques***
The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is the Market approach whereby valuation techniques use prices and other relevant information generated by market transactions for identical or similar assets or liabilities. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best

information available about such assumptions are considered unobservable. The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

(q) Convertible Notes

The component parts of convertible loan notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Consolidated Entity's own equity instruments is an equity instrument. Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the equity component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method. If the embedded derivative is separated from its host contract (because it is not closely related to the host), then it must be accounted for as if it were a standalone derivative. The embedded derivative should be recognised in the statement of financial position at fair value, with changes in fair value recognised in profit or loss as they arise, unless it is designated as an effective hedging instrument in a cash flow or a net investment hedge.

(r) New, revised or amending accounting standards and interpretations adopted.

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

AASB 16: Leases

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

Leases

The Company as lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company as lessor

Upon entering into each contract as a lessor, the Company assesses if the lease is finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component

Initial Application of AASB 16: Leases

The Company has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2018 reporting period have not been restated.

Based on the assessment by the Group, it was determined there was no impact on the Company. As such, the Company has not recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Group is the lessee.

There has been no significant change from prior year treatment for leases where the Company is a lessor.

Lease liabilities are measured at the present value of the remaining lease payments, where applicable. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets, where applicable for the remaining leases have been measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

		30 June 2021	30 June 2020
2. Expenses			
Administrative expenses		390,892	74,124
Exploration written off		-	43,567
Initial Public Offering expenses		172,995	42,435
Interest Paid		14,813	16,191
Share Based Payment Net Movement	2a	1,291,326	45,417
		1,870,026	**221,734**
2a. Share Based Payments			
Performance Rights - Movement for the year		-	45,417
Performance Rights brought to account in accordance with AASB2 (28) upon cancellation		170,954	-
Options issued during the year	15d	1,120,372	-
		1,291,326	**45,417**

	Year Ended 30 June 2021	Year Ended 30 June 2020
4. Key Management Personnel		
Short-term employee benefits	95,021	-
Post-employment benefits	-	-
Share based payments	-	45,416
	95,021	**45,416**

No termination benefits were paid to any Key Management Personnel

4. Auditors Remuneration		
Remuneration of the auditor for: Auditing or reviewing the financial report	15,000	12,000
	15,000	**12,000**
5. Income tax benefit/(expense)		
(a) Current Tax Expense		
Current Year	-	-
Under/(over) provided in prior years	-	-
Total	**-**	**-**

(b) Reconciliation of income tax expense to prima facie tax payable		
Profit before tax	(1,820,026)	(21,734)
Income tax expense/(benefit) using the domestic corporation tax rate of 26% (2020: 27.5%)	(473,207)	(60,977)
Tax effect of permanent differences:		
Non-deductible expenses	336,760	13,625
Capital Raising Costs	124,090)	(12,263)
Capitalised exploration	-	(12,483)

Change in tax rates	8,024	-
	(252,512)	(72,098)
temporary differences not brought to account	**252,512**	**72,098**
	-	-

(c) Deferred tax assets

Tax losses	532,215	193,239
Provisions and Accruals	16,215	3,001
Capital Raising Costs	164,219	39,285
Other	-	-
Total deferred assets	712,650	235,525
Set-off deferred tax liabilities pursuant to set-off provisions	(313,026)	(88,413)
Net deferred tax assets	399,624	147,112
Less: Deferred tax assets not recognised	(399,624)	(147,112)
Net tax assets	**-**	**-**

Income tax benefit/(expense) (Cont'd)

	30 June 2021 $	30 June 2020 $
(d) Deferred tax liabilities		
Exploration Expenditure	313,026	88,413
Other	-	-
Non-recognition of deferred tax assets	(313,026)	(88,413)
	-	**-**

(e) Tax Losses

Unused tax losses for which no deferred tax asset has been recognised	2,046,982	702,686
Potential tax benefit @ 26% (2020:27.5%)	532,215	193,239

The benefit for tax losses will only be obtained if:
(a) The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(b) The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and
(c) No changes in tax legislation adversely affect the ability of the Company to realise these benefits.

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

	30 June 2021	**30 June 2020**
Net (loss) Loss for the period	(1,820,026)	(221,736)
Interest expense	12,901	16,191
Exploration expense written off	-	43,567
Performance Rights Net Movement	170,955	45,417
Option Reserve Movement	1,120,372	-
Issue of Shares	20,000	-

Operating loss before changes in working capital	**(495,798)**	**(116,561)**
Decrease / (Increase) in receivables and prepayments	32,542	(68,812)
Increase / (Decrease) in payables and accruals	460,572	35,142
Net cash used in operating activities	**(2,684)**	**(150,231)**

Non-cash financing and investing activities

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

7. Cash on Hand and Equivalents	**5,084,472**	**2,056**

8. Trade Receivables

G.S.T. receivables	17,374	26,535
Other	19,734	43,114
	37,108	**69,649**

		30 June 2021	**30 June 2020**
		$	$
9. Tenements			
Tenement Acquisition		3,695,023	921,299
Represented by:			
Acquisition of Bullfinch Project from Talga Resources Ltd		397,493	397,493
Acquisition of Bullfinch Project from Tribal Mining Pty Ltd.	(a)	52,090	-
Acquisition of Paris Gold Project from Austral Pacific Pty Ltd	(b)	2,031,306	192,116
Joint Venture from Jindalee Resources Ltd.		10,190	10,190
		2,491,079	**599,799**
Exploration and evaluation expenditure			
Opening Balance		321,500	276,108
Expenditure for the period		882,444	88,959
Expenditure written off		-	(43,567)
Closing Balance		**1,203,944**	**321,500**
Total Exploration and Expenditure		**3,695,023**	**921,299**

9 (a) Acquisition of Bullfinch Project from Tribal Mining Pty. Ltd.

The Company exercised an Acquisition Agreement with Tribal to acquire 100% of EL77/2607 in consideration for $50,000 cash and 10% of any gold recovered from the Tenement during an approved bulk sampling programme

9 (b) Acquisition of Paris Gold from Austral Pacific Pty. Ltd.

<u>Option Conditions</u>

The Option was exercised on 29 July 2020

i. Consideration

The consideration for the purchase of the Tenements was the:

a. Payment by Torque to Austral of the Option Fee of $100,000.

b. Payment of $650,000, less the Option Fee, within 5 business days of Torque listing on an accredited stock exchange;

c. The issue of $1,200,000 in ordinary fully paid shares in Torque within 5 business days of Torque listing on an accredited stock exchange;

ii. Milestone / Performance Payments

Torque will pay Austral the following amounts upon successfully reporting additional resources, in any JORC category:

a. The first 50,000 ozs - $100,000:- 50% in cash and 50% in shares, calculated at the previous 7 day VWAP:
b. Total 100,000 ozs - $200,000:- 50% in cash and 50% in shares, calculated at the previous 7 day VWAP;
c. Total 200,000 ozs - $400,000:- 50% in cash and 50% in shares, calculated at the previous 7 day VWAP;
d. Total 500,000 ozs - $1,000,000:- 50% in cash and 50% in shares, calculated at the previous 7 day VWAP;

iii. Royalty

Torque and Austral entered into a Royalty Deed that sets out the terms on which the Royalty is to be paid.

a. The Royalty commences after the first 2,500 ozs of gold produced;
b. A 1.75% Net Smelter Royalty on gold and an agreed industry recognized royalty on all valuable minerals if the Net Smelter Royalty is not applicable. In total up to $2.9 million;
c. The Royalty may be purchased by the Company by way of a lump sum, or at any time after the payment of $2.9 million for $1,000

	30 June 2021	30 June 2020
10. Trade and other payables		
Trade Creditors	555,000	154,767
Other creditors and accrued expenses	214,920	10,912
	769,920	**165,679**

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

11. Convertible Notes		
(a) Associates of Directors	-	48,200
(b) Other	-	30,000
Less Equity Reserve	-	(13,592)
	-	**64,608**

Unsecured, interest at 7.5% p.a. repayable in cash or conversion to shares at 6.7 cents (post consolidation) at the election of the Note Holder.

Opening Balance	74,615	-
2019 Notes Issued	-	64,608
Financial Liability	-	-
Conversion into equity	(74,615)	10,007
	-	**74,615**

12. Unsecured Loans		
(i) Advances from Directors	-	43,476
	-	**43,476**

(i) Working capital advances, with no fixed term of repayment and without interest

13. Issued Capital

a. Ordinary Shares	Year ended 30 June 2021 No.	$	Year ended 30 June 2020 No.	$
Opening balance for the period	31,824,876	1,161,404	24,916,667	720,300
Placement at $0.067	16,346,506	1,095,216	6,908,209	462,850
Convertible Note at $0.067	1,167,164	91,792	-	-
Placement at $0.05	9,000,000	450,000	-	-
Placement to Vendor	12,000,000	1,200,000	-	-
Cost relating to share issue	-	-	-	(21,746)
	70,338,546	3,998,412	31,824,876	1,161,404
2 : 1 Consolidation	35,169,266	3,998,412		
Issue to MPS	149,253	20,000	-	-
Placement at $0.20	27,500,000	5,500,000	-	-
Cost relating to share issue	-	(477,268)	-	-
	62,818,519	**9,041,144**	**31,824,876**	**1,161,404**

b. Capital risk management

The Board controls the capital of the Company in order to provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital. There are no externally imposed capital requirements.

The Working Capital position of the Company for year endings 30 June 2021 and 2020 are as follows:

Working Capital	**30 June 2021**	**30 June 2020**
Cash and Cash Equivalents	5,084,472	2,056
Trade and Other Receivables	37,108	69,649
Current Liabilities	(769,920)	(283,770)
Working Capital (Deficit) Position	**4,351,660**	**(212,065)**

14.Option Reserve	**$**	**$**
Opening Balance	-	-
Issuance of Options Financial Services	1,120,372	
Closing Balance	**1,120,372**	**-**

15 Share Based Payments

(a) Unlisted Options

i) 1,000,000 (post consolidation) options with an expiry date of 27 July 2023 were issued on 28 July 2020 pursuant to the Martin Place Securities Pty. Ltd. Corporate Advisory letter dated 22 April 2020 at an exercise price of $0.30 each

The options were valued at $0.0534 and during the year ended 30 June 2021 $106,857 was expensed as share based payments.

ii) 3,875,000 (post consolidation) options with an expiry date of 1 June 2024 were issued on 2 June 2021 pursuant to the Euroz Harletys I.P.O. Capital Raising Mandate dated 17 December 2020.

The options were valued at $0.1102 cents and during the year ended 30 June 2021 $426,939 was expensed as share based payments at an exercise price of $0.275 each

iii) 5,500,000 (post consolidation) options with an expiry date of 1 June 2024 were issued on 2 June 2021 pursuant to the Euroz Harleys I.P.O. Capital Raising Mandate dated 17 December 2020.

The options were valued at $0.1067 cents and during the year ended 30 June 2021 $586,576 was expensed as share based payments at an exercise price of $0.30 each

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

(b) Option valuation assumptions

The fair value of the options granted we estimated as at the date of grant using a Black-Scholes option valuation model and a Monte Carlo simulation valuation model. The following table lists the inputs to the models:

	Dividend Yield %	Expected Volatility (%)	Risk Free interest Rate (%)	Expected life (years)	Share price at grant date	Exercise Price
Financial Services Options						
Options issued 27 July 2020	nil	100	25	3	$0.20	$0.30
Options issued 2 June 2021	nil	100	7	3	$0.20	$0.275
Options issued 2 June 2021	nil	100	7	3	$0.20	$0.30

(c) Options outstanding at end of year

The following table illustrate the number and weighted average exercise prices (WAEP)of share options granted as share based payments on issue during the year

	2021 Number	2021 WAEP $	2020 Number	2020 WAEP
Outstanding at 1 July				
Granted during the year	12,625,000	$0.283	-	-
Outstanding 30 June	**12,625,000**		**-**	**-**

The weighted average remaining contractual life for options outstanding as at 30 June 2021 is 2.5years (2020 nil)

(d) Share based Payments Summary

Class	Quantity	Grant Date	Value recognised during year $	Exercise Price $	Vesting Date	Value recognised in future years $
2021						
Options	1,000,000	28/07/2020	106,857	0.300	27/07/2023	-
Options	2,500,000	23/12/2020	-	0.250	22/12/2023	-
Options	5,500,000	2/06/2021	586,576	0.300	1/06/2024	-
Options	3,875,000	2/06/2021	426,939	0.275	1/06/2024	-
			1,120,372			**-**

16 Performance Rights

The Company issued (post consolidation) 6,000,000 performance rights to the Directors on 4 September 2018.The share rights were divided into three classes of 1,500,000, 2,000,000 and 2,500,000 respectively where each class will convert into ordinary shares upon satisfaction of the relevant milestone as set out below and in accordance with the terms and conditions.

10,000,000 (5,000,000 post consolidation) performance rights were cancelled.

	Year ended 30 June 2021		Year ended 30 June 2020	
Performance Rights	**No.**	**$**	**No.**	**$**
Balance at beginning of reporting period	5,000,000	183,060	6,000,000	137,644
Adjustment for the year		-		84,748
Performance rights cancelled	(5,000,000)	170,955	-	-
Performance Rights forfeited	-		(2,000,000)	(45,881)
Performance rights issued to directors	-	-	1,000,000	6,549
	-	**354,015**	**5,000,000**	**183,060**

	2021	2020
17. Accumulated Losses	**$**	**$**
Opening Balance	(648,822)	(427,088)
Net Loss attributable to members	(1,820,026)	(221,734)
Closing Balance	**(2,468,848)**	**(648,822)**

18 Financial Risk Management

The Company's principal financial instruments comprise receivables, payables, and cash

The Board of Directors has overall responsibility for the oversight and management of the Company's exposure to a variety of financial risks (including fair value interest rate risk, credit risk, liquidity risk and cash flow interest rate risk).

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Interest rate risks

The Company's exposure to market interest rates relates to cash deposits held at variable rates. The Board constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions

Credit risk

The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A+.

Liquidity risk
The responsibility for liquidity risk management rests with the Board of Directors. The Company's liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return

Maturity profile of financial instruments
The following tables detail the Company's exposure to interest rate risk as at 30 June 2021 and 30 June 2020:

30 June 2021	**Floating Interest Rate**	**Fixed Interest Maturing in 1 year or less**	**Non Interest Bearing**	**2021 Total**
	$	**$**	**$**	**$**
Financial Assets				
Cash and Cash Equivalents	-	-	5,084,472	5,084,472
Trade and Other Receivables	-	-	37,108	37,108
	-	**-**	**5,121,580**	**5,121,580**
Weighted average effective interest rate	nil			
Financial Liabilities				
Trade and Other Payables	-	-	769,920	769,920
Unsecured Loans	-	-	-	-
Convertible Notes	-	-	-	-
	-	-	**769,920**	**769,920**

30 June 2020	**Floating Interest Rate**	**Fixed Interest Maturing in 1 year or less**	**Non Interest Bearing**	**2020 Total**
	$	**$**	**$**	**$**
Financial Assets				
Cash and Cash Equivalents	-	-	2,056	2,056
Trade and Other Receivables	-	-	69,649	69,649
	-	**-**	**71,705**	**71,705**
Weighted average effective interest rate	nil			
Financial Liabilities				
Trade and Other Payables	-	-	165,679	165,679
Unsecured Loans	-	-	43,476	43,476
Convertible Notes	-	74,615	-	74,615
	-	**74,615**	**209,155**	**283,770**

Net Fair Value

The carrying value and net fair values of financial assets and liabilities at balance date are:

	2021		2020	
	Carrying Value $	Net Fair Value $	Carrying Value $	Net Fair Value $
Financial Assets				
Cash and Deposits	5,084,472	5,084,472	2,056	2,056
Receivables	37,108	37,108	69,649	69,649
	5,121,580	**5,121,580**	**71,705**	**71,705**
Financial Liabilities				
Payables	769,920	769,920	165,679	165,679
Unsecured Loans	-	-	43,476	43,476
Convertible Notes	-	-	74,615	74,615
	769,920	**769,920**	**283,770**	**283,770**

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. All financial instruments measured at fair value are level one, meaning fair value is determined from quoted prices in active markets for identical assets.

Sensitivity Analysis

Interest Rate Risk

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks

Sensitivity

	30 June 2021 $	30 June 2020 $
Change in Loss		
- Increase in interest rate by 100 basis points	50,845	21
- Decrease in interest rate by 100 basis points	(50,845)	(21)
Change in Equity		
- Increase in interest rate by 100 basis points	50,845	21
- Decrease in interest rate by 100 basis points	(50,845)	(21)

19. Earnings per Share

a) Reconciliation of earnings to profit or loss:		
Loss for the year	(1,820,025)	(221,734)
Loss used to calculate the basic and diluted EPS	(1,820,025)	(221,734)
b) Basic and diluted weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	2,360,509	43,985,566

20. Commitments

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

	30 June 2021 $	30 June 2020 $
Tenement Commitments		
Not longer than one year	1,010,534	288,000
Longer than one year but not longer than five years	3,280,468	642,378
Longer than five years	4,138,600	-
	8,429,602	**930,378**

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

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

	30 June 2021 $	30 June 2020 $
Tenement Capital Commitments		
Not longer than one year	-	50,000

21. Operating Segments

The Company operates in Western Australia, Australia

22. Contingencies

The directors are not aware of any contingent liabilities or assets as at 30 June 2021.

23. Events after the reporting period

Paris Tailings

9 August 2021 – A 6 month option to acquire 100% of the Paris Tailings situated on ML15/497, $50,000 option payable upon signing and a further $10,000 for a one month extension and an additional extension of 1 month for the payment of $1. The Company is to complete a review and scoping study at which time The Option can be exercised at any time by the payment of $300,000 cash, $200,000 in share of the Company and $500,000 in bullion from production

Ordinary Shares Released from Escrow

Date	Security	Number
27 July 2021	Ordinary Fully Paid	2,237,093
7 September 2021	Ordinary Fully Paid	8,250

Additional Shareholders Information

Information required by Australian Stock Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is provided as at 24 September 2021.

DETAILS OF HOLDERS OF EQUITY SECURITIES

ORDINARY SHAREHOLDERS

There are 62,818,519 fully paid ordinary shares on issue, held by 369 individual shareholders. Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held

20 LARGEST SHAREHOLDERS AS AT 24 SEPTEMBER 2021

Rank	Name	Units	% of Units
1	AUSTRAL PACIFIC PTY LTD	5,820,000	9.26%
2	TURF MOOR PTY LTD	5,000,000	7.96%
3	MR TSHUNG HUI CHANG	3,352,500	5.34%
4	MR PHILLIP RICHARD PERRY	2,300,000	3.66%
5	TWO TOPS PTY LTD	1,750,000	2.79%
6	BEARAY PTY LTD <BRIAN CLAYTON S/F A/C>	1,492,537	2.38%
7	MR SEAGER REX HARBOUR	1,166,801	1.86%
8	BLUE COASTERS PTY LTD	930,000	1.48%
9	FAIRBROTHER HOLDINGS PTY LTD	900,000	1.43%
10	OCEANIC CAPITAL PTY LTD	797,323	1.27%
11	LADYMAN SUPER PTY LTD <LADYMAN SUPER FUND A/C>	773,134	1.23%
12	OCEAN REEF HOLDINGS PTY LTD	750,000	1.19%
13	MANDOLIN NOMINEES PTY LTD <TJ COWCHER FAMILY A/C>	750,000	1.19%
14	CERTANE CT PTY LTD <BC1>	715,500	1.14%
15	KHE SANH PTY LTD <TRADING NO 2 A/C>	650,000	1.03%
16	MR WILLIAM EWAN SANDOVER	625,000	0.99%
17	MR NEIL FRANCIS STUART	624,999	0.99%
18	PATINA RESOURCES PTY LTD	623,134	0.99%
19	TRIBAL MINING PTY LTD <TRIBAL MINING DISCRETIONARY>	620,149	0.99%
20	JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C>	562,500	0.90%
	Totals: Top 20 holders of TOR ORDINARY FULLY PAID	30,203,577	48.08%
	Total Remaining Holders Balance	32,614,942	51.92%
	Total Holders Balance	62,818,519	100%

Stock Exchange Information as at 24 September 2021

DISTRIBUTION OF SHAREHOLDERS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 - 1,000	8	2,103	0.00%
1,001 - 5,000	23	76,988	0.12%
5,001 - 10,000	34	321,077	0.51%
10,001 - 100,000	175	9,736,278	15.50%
100,001 and over	129	52,682,073	83.86%
TOTAL	**369**	**62,818,519**	**100%**

As at report date, the following shareholders are recorded as Substantial Shareholders

Austral Pacific Pty. Ltd.	5,820,000	9.26%
Turf Moor Pty. Ltd.	5,000,000	7.96%
Mr. Tshung Hui Chang	3,352,500	5.34%

VOTING RIGHTS
Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:
(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the shares.

HOLDERS OF NON-MARKETABLE PARCELS
There are 8 shareholders who hold less than a marketable parcel of shares.

UNLISTED OPTIONS

Date	Number	Entity	Terms
28 July 2020	1,000,000	Martin Place Securities Pty. Ltd.	30 cents 3years to 27 July 2023
23 Dec 2020	2,250,000	Seed Capital	25 cents 3 years to 22 Dec 2023
2 June 2021	3,875,000	Zenix Nominees Pty. Ltd.	27.5 cents 3 years to 1 June 2024
2 June 2021	5,500,000	Zenix Nominees Pty. Ltd.	30 cents 3 years to 1 June 2024
Total	12,6250,000		

SHARE BUY-BACKS
There is no current on-market buy-back scheme.

OTHER INFORMATION

Torque Metals Limited is incorporated and domiciled in Australia and is a Public Listed Company limited by Shares.

Tenements

INTEREST IN MINING TENEMENTS as at 24 September 2021

Tenement	Registered Holder [2]	Tenement Name	Beneficial Interest
M 15/1175	Torque Metals Limited	Paris Gold Project	100%
M 15/479	Torque Metals Limited	Paris Gold Project	100%
M 15/480	Torque Metals Limited	Paris Gold Project	100%
M 15/481	Torque Metals Limited	Paris Gold Project	100%
M 15/482	Torque Metals Limited	Paris Gold Project	100%
M 15/496	Torque Metals Limited	Paris Gold Project	100%
M 15/497	Torque Metals Limited	Paris Gold Project	100%
M 15/498	Torque Metals Limited	Paris Gold Project	100%
M 15/1719	Torque Metals Limited	Paris Gold Project	100%
P 15/5992	Torque Metals Limited	Paris Gold Project	100%
P 15/6149	Torque Metals Limited	Paris Gold Project	100%
E15/1736	Jindalee Resources Ltd [1]	Paris Gold Project	0%
EL15/1747	Jindalee Resources Ltd [1]	Paris Gold Project	0%
EL15/1752	Jindalee Resources Ltd [1]	Paris Gold Project	0%
E77/2522	Torque Metals Limited	Bullfinch	100%
E77/2222	Torque Metals Limited	Bullfinch	100%
E77/2251	Torque Metals Limited	Bullfinch	100%
E77/2350	Torque Metals Limited	Bullfinch	100%
E77/2607	Torque Metals Limited	Bullfinch	100%

Note 1	**Jindalee Resources Limited**
	1st year Farm-In earning interest
Note 2	Torque Metals Limited is the Manager of all Tenements
P	Prospecting Licence
E	Exploration Licence
M	Mineral Licence