



TORQUE METALS LIMITED
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Member Update

Dear Member,

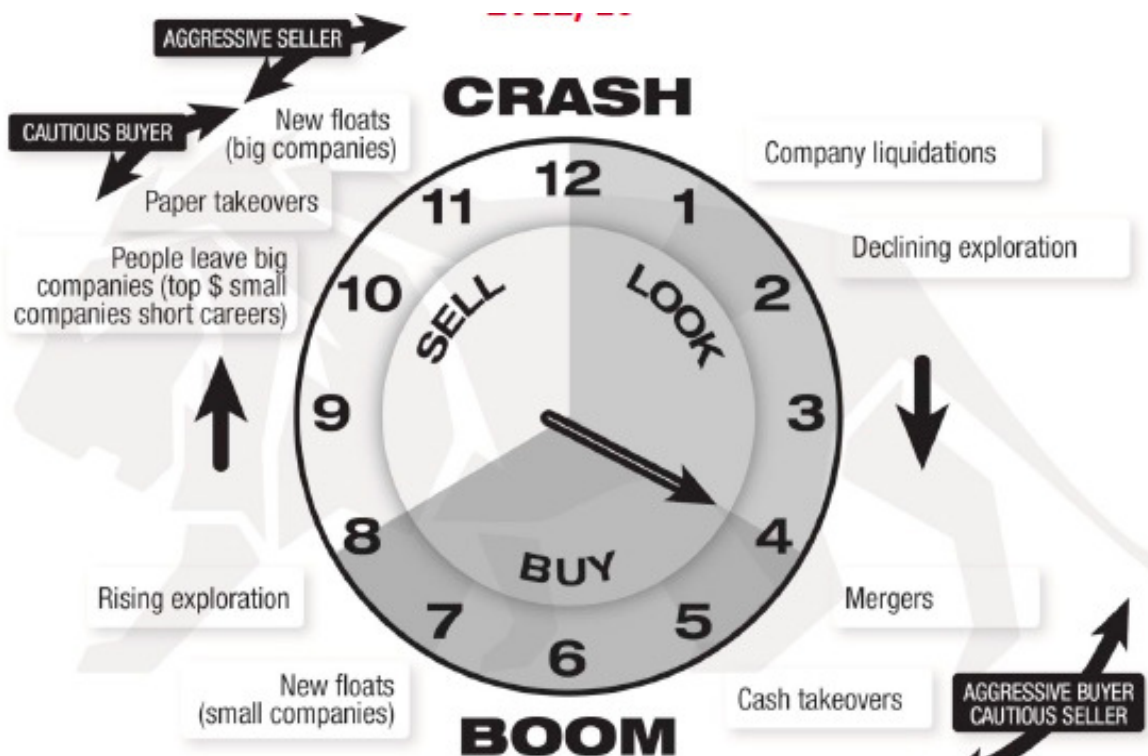
It's Nearly Seven O'clock

For those of you unfamiliar with the Lion Selection Resource Clock, it is a graphic indicator devised by Robin Widdup (one of Australia's leading resource analysts) of Lion Selection in the late 1990's, of the changing sentiments in the resource industry cycle. As such, it allows us a peek into the future. Once we can position the industry activities in time, then basically, the resource clock tells us what to expect next.

Of course not all cycles are the same - or of similar duration.

The current "mergers and takeover" period, this time around, has been somewhat protracted and our listing date target of October has had to be deferred. Nevertheless, with available resources for acquisition, mergers and takeovers rapidly diminishing:

7 O'clock is fast approaching!!



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With this in mind, on Friday 1st November, Torque Metals, signed an Option Agreement with Austral Pacific Pty Ltd, a privately owned company, to acquire 100% of the Paris / HHH gold mining centre (**The Paris Project**). Approximately 100 km south of Kalgoorlie (Location Plan attached).

Should the option be exercised, as envisaged, the project will add significantly to the Company's gold asset base and, undoubtedly, increase its attractiveness to the market.

The following is a brief synopsis of the project:

Paris Project Highlights.

- Current JORC (2012) Gold Resource of ~ **159,000 tonnes @ 4.82g/t for ~25,000 ozs.** (post mining operations).
- Recent (2016/17) operations produced ~**187,000 tonnes @ 3.04 for ~18,000 ozs.** from two shallow pits – The “Paris” and “HHH” (< 50m depth).
- Large tenement footprint ~**68Km²** ~100 Kms South of Kalgoorlie in the Highly Prospective Parker and Kambalda Domains, Western Australia.
- **Nine, pre Native Title, Mining Leases** and two Prospecting Leases.
- Adjacent to the Boulder / Lefroy Fault zone which controls gold deposition at:
 - St Ives (Goldfields) ~ *13 Mill ozs gold*
 - Beta Hunt – *Major new discovery.*
 - South Kalgoorlie (Northern Star).
 - Kalgoorlie Superpit (Newmont and Barrick)
- **Large Tier1 historical database** ex Western Mining Corporation and Gold Fields Limited.
- February 2019 scoping study confirms potential for **ongoing profitable operations.**
- Outstanding opportunity to **increase gold inventory** via brownfields exploration and by drilling of existing, walk up targets.
- Three toll treating options available through:
 - Higginsville (Westgold Resources Ltd.)
 - Greenfields (FMR Investments Pty Ltd)
 - Lakewood (Golden Mile Milling Pty Ltd)
- Torque has an option to acquire 100% of the project from the, privately owned company, Austral Pacific Pty Ltd.

The Paris Project Deal

- \$20k deposit upon signing of the Option Agreement. (Completed).
- \$80k final option payment after 2 weeks Due Diligence period (underway).
- Option period - 6 months from signing the Option Agreement.
- Upon listing on ASX:
 - **\$550k in cash**
 - \$1.2 Million in shares

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Milestone / Performance Payments

Torque will pay Austral the following amounts upon successfully reporting a Resource in any JORC category:

- a. The first 25,000 ozs. in excess of 24,558 - \$50,000 in cash and \$50,000 in shares, calculated at the previous 7 day VWAP;
- b. The next 25,000 ozs. - \$50,000 in cash and \$50,000 in shares, calculated at the previous 7 day VWAP;
- c. The next 50,000 ozs - \$100,000 in cash and \$100,000 in shares, calculated at the previous 7 day VWAP;
- d. The next 100,000 ozs. - \$200,000 in cash and \$200,000 in shares, calculated at the previous 7 day VWAP;
- e. The next 300,000 ozs - \$500,000 in cash and \$500,000 in shares, calculated at the previous 7 day VWAP;
- f. Upon commencement of mining of the HHH and/or Paris Deposits, a production bonus of \$50,000 in cash and \$50,000 in shares, calculated at the previous 7 day VWAP;
- g. Royalty for gold and Valuable Minerals commencing after the first 2,500 ozs. gold of 1.5% Net Smelter Return capped at a total of \$2,900,000.

The Paris Project provides the potential for early gold production, since most of the area has already been approved for mining (9 Mining licences). In addition, the project also offers the possibility of significant increases in gold inventory through targeted brownfields exploration beneath, and along strike from, the existing shallow pits at Paris and HHH. There are also numerous advanced exploration targets elsewhere on the leases which provide further opportunities to discover additional gold resources. Combined with the high grade gold potential at Bullfinch and the planned bulk sampling programme at that project, the prospect of early cash flows becomes an increasing likelihood.

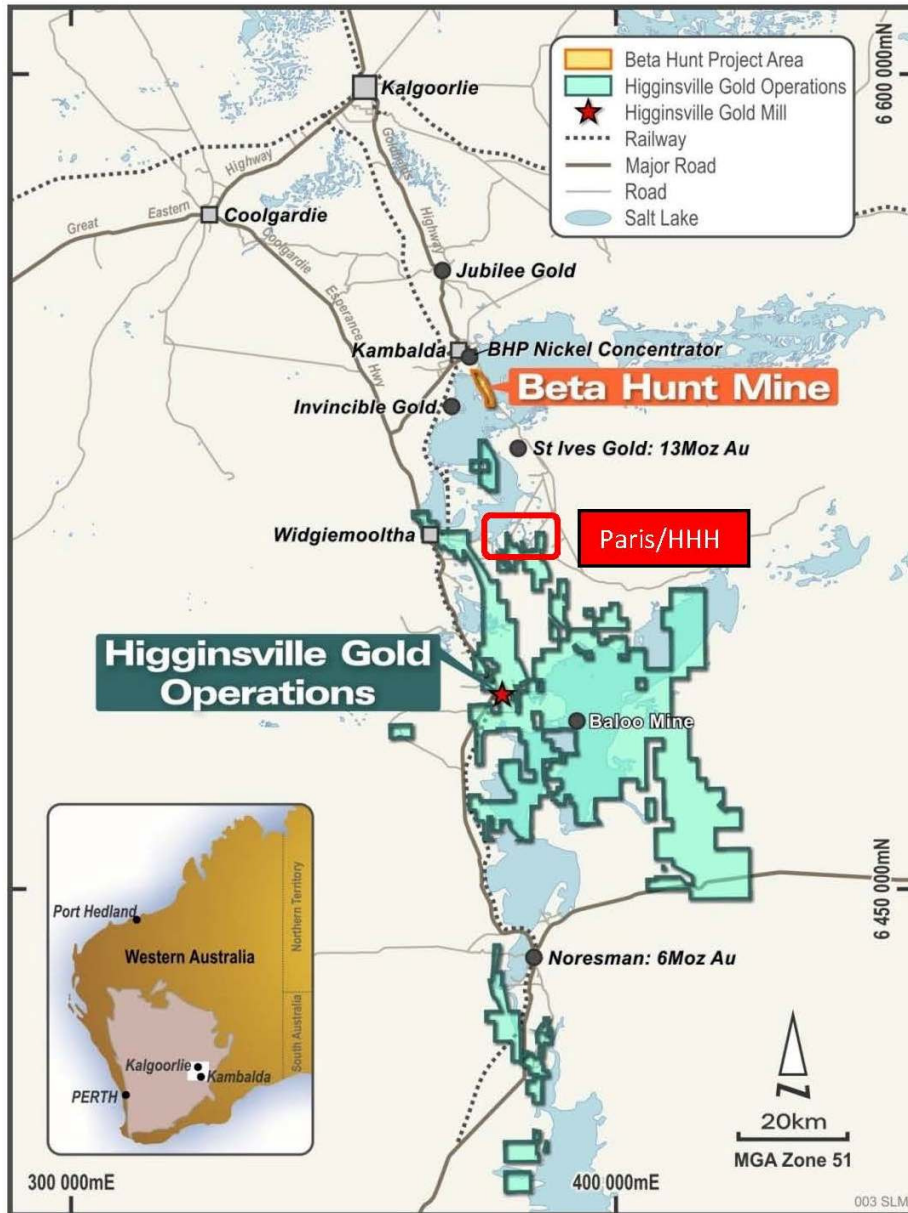
There will, no doubt, be numerous challenges ahead of us. However, with a somewhat difficult past now mostly behind us and an ever improving gold market, I remain confident that the Company can establish itself as a significant player in the gold sector

Yours Sincerely,



Ian Finch
Managing Director
3 November 2019

HHH & Paris Gold Location



003 SLM