

TORQUE METALS LIMITED
(ACN 621 122 905)
("COMPANY")

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

1. PURPOSE

The Company recognises that its responsibilities are long term in nature, and that the long term prosperity of the economy and the wellbeing of members depend on a healthy environment, social cohesion and good governance within the Company's operations. The purpose of this Environmental, Social and Governance ("**ESG**") Policy ("**Policy**") is to document the processes that the Company employs to support these views, and document the ESG principles under which the Company will be managed.

The Policy should be read in conjunction with other corporate governance policies adopted by the Company.

2. RESPONSIBLE OFFICERS

The Board is responsible for ensuring the appropriateness of the ESG framework.

The Managing Director is responsible for ensuring that any operational or investment decision which is being considered by the Company meets the requirements of this Policy to the extent it is reasonably able to.

3. ESG DEFINED

3.1 ESG – refers to Environmental, Social and Governance factors.

- (a) Environmental Factors: refers to issues affecting the natural environment incorporating such issues as greenhouse gas emissions, climate change, resource use, waste management, water scarcity and damage to biodiversity.
- (b) Social Factors: refers to issues, policies and processes affecting individuals whether they are employees, customers, suppliers or members of the local or broader community. Social issues include human and labour management, occupational health and safety, supply chain management, bribery and corruption and the issues relating to conflict zones and community relations.
- (c) Governance Factors: refers to the system of internal controls, policies and procedures regarding how companies or assets are run or 'governed' and in particular the alignment of a company's board and management with the ultimate owners of the company, its shareholders. Governance issues include board composition and skills, executive remuneration, accounting and audit practices.
- (d) These factors tend to share a number of characteristics that tend to distinguish them from the more mainstream financial and business considerations such as:

- (i) They are generally qualitative in nature and not easily quantifiable in a monetary sense;
- (ii) They reflect externalities not as yet readily captured by markets or risk models;
- (iii) They tend to manifest over the medium to longer-term;
- (iv) They tend to emerge as high profile issues of public concern; and
- (v) They are increasingly becoming the focus of both government regulation and intervention.

4. ENVIRONMENTAL

4.1 Purpose

This Policy defines the Company's commitment to attaining an outstanding level of environmental performance.

4.2 Application of Policy

- (a) The Policy applies to all directors, officers and employees of the Company, and all subsidiaries, contractors, secondees, consultants, agents and other individuals or entities that are effectively controlled by the Company or act on its behalf (either directly or indirectly) ("**Company Personnel**"). It is the responsibility of all Company Personnel to understand and comply with this Policy and to follow the reporting requirements set out in this Policy.
- (b) Any queries regarding how to apply this Policy to a particular event or circumstance should be directed to the Managing Director and Company Secretary.
- (c) Overall responsibility for the administration of this Policy lies with the Company's Board.

4.3 Policy

- (a) As mineral resources exploration company the Company acknowledges that its operations have the potential to impact on environmental, community and heritage values. For this reason, the Company will adopt a systematic approach to understanding and managing potential impacts and to meet its commitments under applicable legislation. Our environmental care and culture will be formed on the basis of:
 - (i) Commitment to this Policy, with supportive funding and a belief that the majority of environmental incidents are preventable and controllable with foresight, relevant training, purposeful attitude and appropriate equipment;
 - (ii) Accountability of Management with the support of all Company Personnel to ensure that the workplace and the practices comply with statutory and license conditions;
 - (iii) The Company will strive to implement leading industry practices and environmental management systems at all levels including

- exploration, development, operations, decommissioning, closure and rehabilitation as applicable;
- (iv) Regular assessment of the environmental performance of the Company's activities will be undertaken to comply with the Company's commitments and conditions and to report findings to stakeholders, the community and regulatory authorities;
 - (v) Continually striving to identify opportunities to effectively manage energy and water whilst minimising waste and reducing the Company's environmental footprint;
 - (vi) Increasing awareness of Company Personnel on the potential environment impacts of activities in which the Company is involved and how those impacts can be minimised; and
 - (vii) The Company undertakes to maintain appropriate emergency and response programs and to notify the relevant authority in the event of any reportable environmental incident; and
 - (viii) Contribute to conservation of biodiversity and integrated approaches to land use.
- (b) Under this Policy the Company will:
- (i) Develop and implement environmental management systems, which enable it to conduct its business in a responsible and appropriate manner;
 - (ii) Continually improve its environmental performance through setting environmental objectives and targets that are endorsed by senior management;
 - (iii) Provide adequate resources for managing environmental performance;
 - (iv) Comply with all applicable legislation, standards and codes of practice;
 - (v) Use its resources efficiently, minimise waste generation and appropriately dispose of all waste to prevent pollution;
 - (vi) Understand and acknowledge the expectations of all stakeholders in the Company's operations for diligent Environmental management and fully and regularly communicate the Company's environmental performance;
 - (vii) Engaging with local and Indigenous communities on the protection of their cultural heritage;
 - (viii) Respect the rights of Indigenous Peoples and acknowledge their right to maintain their culture, identity, traditions and customs; and

- (ix) Treat all employees and stakeholders with dignity, care and respect and recognise achievements and promote successful outcomes of work groups and individuals.

5. SOCIAL

5.1 Purpose

The Company seeks to work with the communities in which it operates to achieve their future aspirations. As a member of the communities in which the Company operates, the Company strives to make a positive difference and to earn the trust of all with whom it interacts. The Company strives to achieve sustainable societal value through its business operations by contributing towards lasting solutions to the wide spectrum of sustainability challenges facing today's global society.

5.2 Application of Policy

The Policy applies to all directors, officers and employees of the Company, and all subsidiaries, contractors, secondees, consultants, agents and other individuals or entities that are effectively controlled by the Company or act on its behalf (either directly or indirectly) ("**Company Personnel**"). It is the responsibility of all Company Personnel to understand and comply with this Policy and to follow the reporting requirements set out in this Policy.

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Overall responsibility for the administration of this Policy lies with the Company's Board.

5.3 Policy

5.3.1 Community Principles

- (a) The Company will work to address local societal challenges in the regions and communities in which the Company operates, contributing towards lasting and sustainable development through our business activities;
- (b) The Company will continue our wide-ranging philanthropic commitments while regularly adapting our approach in line with ever-evolving societal needs and challenges;
- (c) The Company will fully respect human rights and indigenous peoples' rights;
- (d) The Company will fully respect fundamental labor rights and endeavor to ensure the provision of proper working environments with consideration for safety, health, and other aspects;
- (e) The Company will not engage in corruption of any kind and will take appropriate preventative measures to safeguard against such practices; and
- (f) The Company will continue to actively engage and work with our various stakeholders openly and transparently and disclose information on the social impacts of our business operations in an appropriate and timely manner.

5.3.2 Individual Responsibility

Every person covered by this policy recognises, understands and accepts their individual responsibility to:

- (a) Comply with all applicable laws, internal policies and other commitments to our stakeholders to which the Company subscribes. For example, commitments relating to safety, environment, cultural heritage, Native Title, land access (neighbouring properties), Indigenous land use, and use of community facilities;
- (b) Avoid any behaviour that could harm the Company's reputation or relationship with our local communities;
- (c) Respect the cultural heritage of the communities in which the Company operates and attend cultural heritage training where required;
- (d) Consider the community impact with each decision that is made;
- (e) Immediately record any incidents they become aware of that have (or may have) a negative impact on the community; and
- (f) Support the Company's aim of sharing the economic benefit with our local communities by, where possible, maximising local procurement.

6. GOVERNANCE

6.1 Purpose

The Company conducts its business ethically, maintaining good corporate governance, compliance and risk management and promoting responsible business practices. The Company has an understanding that good corporate governance and effective management are vital to the successful implementation of our corporate objectives.

6.2 Application of Policy

- (a) The Policy applies to all directors, officers and employees of the Company, and all subsidiaries, contractors, secondees, consultants, agents and other individuals or entities that are effectively controlled by the Company or act on its behalf (either directly or indirectly) ("**Company Personnel**"). It is the responsibility of all Company Personnel to understand and comply with this Policy and to follow the reporting requirements set out in this Policy.
- (b) Any queries regarding how to apply this Policy to a particular event or circumstance should be directed to the Managing Director and Company Secretary.
- (c) Overall responsibility for the administration of this Policy lies with the Company's Board.

6.3 Policy

- (a) Good governance and effective management are vital to the successful implementation of the Company's objectives. The governance assessment forms part of the analysts' overall sustainable competitive advantage assessment.

- (b) Factors that are considered in this process are:
- (i) Integrity of management's actions;
 - (ii) Adherence to standard business principles of transparency, honesty and fair dealing;
 - (iii) Scrutiny of related party transactions to ensure they are kept to a minimum and accompanied by full disclosure; and
 - (iv) Effective functioning of an independent board.