MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S CONSOLIDATED INTERIM
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2021

Dated: May 27, 2021

1. Operational and corporate highlights for the three months ended March 31, 2021, and up to May 27, 2021

- On May 25, 2021, the Company announced it had acquired the option to earn a 100% interest in the Andrea copper porphyry project located in Chile.
- On April 21, 2021, the Company announced initial results from the ongoing exploration program at the Margarita Project using a ground-based induced polarization (IP) geophysical survey which have outlined two north-northwest trending chargeability anomalies, approximately 3 km by 500 metres (m) in size, which Torq's technical team believes are associated with sulphide mineralization.
- On April 8, 2021, the Company announced the commencement of work at its Margarita Project. The surface exploration program is focused on defining drill targets with the aim of initiating the first drill program at Margarita in Q3 2021.
- On April 7, 2021, the Company announced the grant of incentive stock options for the purchase of 420,000 common shares to officers of the Company. The options are exercisable at $0.77 and expire five years from the date of grant.
- On March 8, 2021, the Company announced it had acquired the option to earn a 100% in interest in the Margarita Project located in Chile.

2. Date of this document

This Management Discussion and Analysis ("MD&A") of Torq Resources Inc. (the "Company" or "Torq") has been prepared by management to assist the reader in assessing material changes in the interim financial condition and results of operations of the Company as at March 31, 2021 and for the three months then ended. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company and related notes thereto as at and for the three months ended March 31, 2021 and 2020. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Other than as disclosed in the condensed consolidated interim financial statements for the three months ended March 31, 2021, the accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the year ended December 31, 2020. All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is May 27, 2021.

2.1 Forward-looking statements and risk factors

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability; public health crises such as the COVID-19 pandemic and other uninsurable risks; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of base and precious metals; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates, as well as other factors. Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and on the Company's website at www.torqresources.com.

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The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

3. Description of business

Torq is a junior exploration company focused on the acquisition, exploration and development of mineral resource properties. The Company is incorporated under the Business Corporations Act (British Columbia) and is a reporting issuer in British Columbia, Alberta and Ontario. The Company is listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer, and its shares trade under the symbol TORQ.V. On September 18, 2017, the Company commenced trading on the OTCQX under the US symbol TRBMF.

As at the date of this MD&A, the corporate organizational structure of Torq is as follows:

Subsidiary	**Place of incorporation**	**Beneficial Interest**
Stratton Resources (Canada) Ltd.	BC, Canada	100%
Torq Resources Holdings Inc.	BC, Canada	100%
Torq USA Inc.	Nevada, USA	100%
Candelaria Minerals S.A.C.	Peru	100%
Torq Resources Chile SpA	Chile	100%
Minera Margarita SpA	Chile	100%

On May 18, 2021, the Company established a new 100% owned subsidiary, Minera Andrea SpA.

During the latter part of 2020 and into 2021, the Company has been entirely dedicated to project investigation activities and its goal of identifying and acquiring undervalued early stage exploration projects in order to maximize shareholder value. In the latter part of 2020, the Company announced it had focused attention on Chile, and recruited a highly experienced exploration and logistics team in the country with plans to build a portfolio of high potential projects. A key step was achieved in March 2021, when the Company announced it had acquired the option to earn a 100% interest in the Margarita Iron-Oxide-Copper-Gold ("IOCG") project located in Chile, approximately 65 kilometres (km) north of the city of Copiapo. The Company plans to move rapidly to drill stage by conducting geological mapping and geophysical surveying programs at the Margarita project (the "Margarita Project" or "Margarita"), while continuing to add to the Company's portfolio. Furthermore, on May 25, 2021, the Company announced it had acquired the option to earn a 100% interest in the Andrea copper porphyry project located in Chile, approximately 100 km east of the city of La Serena.

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3.1 Ongoing response to COVID-19

The Company continues to actively investigate projects through desktop reviews and continues site visits where appropriate generating several high-potential opportunities to create value for shareholders. The Company is monitoring the COVID-19 situation closely as restrictions are eased, and travel is being utilized where appropriate to support the evaluation of activities in the pursuit of new assets.

3.2 Margarita Project

On March 8, 2021, the Company announced it had acquired the option to earn a 100% interest in the Margarita Project located in Chile, 65 km north of the city of Copiapo. The property is located within the prolific Coastal Cordillera belt. The Company acquired the rights that constitute the Margarita Project through two option agreements: the Margarita claims and the La Cototuda claims.

Under the option agreement the Company can acquire 100% interest in the Margarita claims by making cash payments totalling US$6,200,000 over 66 months. The Company is required to incur work expenditures totalling US$3,050,000 within 30 months of signing the definitive agreement:

	Cash payments (US$)	Work expenditures requirement (US$)
Period from signing of the definitive agreement:		
Within 60 days (paid on April 23, 2021)	$ 50,000	$ -
Within 6 months	50,000	400,000
Within 18 months	100,000	1,150,000
Within 30 months	300,000	1,500,000
Within 42 months	1,200,000	-
Within 54 months	2,000,000	-
Within 66 months	2,500,000	-
	$ 6,200,000	**$ 3,050,000**

The claims are subject to a net smelter return ("NSR") royalty of 1.0% with 50% (being 0.5%) buyable for US$2,000,000.

Under the La Cototuda option agreement, the Company can acquire 100% interest in the La Cototuda claims by making cash payments totalling US$900,000 over 36 months as follows:

	Cash payments (US$)
Period from signing of the definitive agreement:	
Upon signing (paid $63,065 (US$50,000))	$ 50,000
Within 12 months	250,000
Within 24 months	250,000
Within 36 months	350,000
	$ 900,000

In relation to the option arrangement of the Margarita Project, a finders' fee of 466,667 shares (the "Finders Fee Shares") of the Company over two years of which 81,250 shares were issued on April 7, 2021, 141,667 shares are to be issued on March 31, 2022, and 243,750 shares are to be issued on March 31, 2023.

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3.3 Andrea Project

On May 25, 2021, the Company announced it had successfully acquired the option to earn a 100% interest in the Andrea copper porphyry project ("Andrea Project") located in northern Chile, 100 km east of the city of La Serena. The property is located at the western margin of the Miocene aged El Indio belt that hosts the world class El Indio and Pascua Lama epithermal gold and silver deposits.

The Company acquired the rights that constitute the Andrea Project through three option agreements. Under these option agreements the Company can acquire 100% interest in the project, subject to net smelter return (NSR) royalties, through cash payments as follows:

		Cash payments (US$)
Period from signing of the definitive agreement:		
Within 60 days	$	105,000
Within 12 months		135,000
Within 24 months		185,000
Within 36 months		300,000
Within 48 months		1,000,000
Within 60 months		4,275,000
	$	**6,000,000**

The option agreements each include a NSR of 1.5% which is buyable for payments totaling US$3,000,000.

3.4 Exploration and evaluation expenses

The Company is currently exploring and evaluating Margarita. The table below shows the nature of the exploration and evaluation expenses incurred during the three months ended March 31, 2021 and 2020.

	Three months ended March 31,			
		2021		2020
Concession holding costs	**$**	**10,123**	$	-
Equipment, vehicles, rent and field supplies		**1,226**		-
Geological consulting, salaries and wages		**91,677**		-
Project support costs		**12,239**		-
Travel, meals and accommodation		**4,659**		-
	$	**119,924**	$	-

During the first four months of 2021, the Company conducted a ground-based induced polarization (IP) geophysical survey at the Margarita Project which consisted of a total of 49-line km with lines spaced every 250 m. The results of the program have demonstrated two north-northwest trending chargeability anomalies that are approximately 3 km by 500 m in dimension at a threshold of 30 millivolts, which is consistent with the presence of sulphide minerals. Importantly, these chargeability anomalies spatially overlap with resistivity lows that are consistent with hydrothermal alteration and form the basis of geophysical targeting at the project. Torq also recently completed 1:5000 scale geological mapping and has defined two major structural trends, north-northwest and west-northwest. The Company believes these structures control the emplacement of copper oxide mineralization, hydrothermal breccias, intrusive bodies and alteration that is consistent with IOCG/porphyry deposits. The areas of chargeability highs and resistivity lows are aligned in north-northwest structural corridors. Additional data layers of detailed geological mapping and geochemical surveys will complete the targeting process at the project as the Company prepares to drill the project in the third quarter of this year.

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3.5 Project investigation costs

The Company is continually reviewing and evaluating new projects globally on its path to establishing a tier-one mineral portfolio. The table below shows the nature of the project investigation costs incurred during the three months ended March 31, 2021 and 2020.

	Three months ended March 31,	
	2021	2020
Assays	**$ -**	$ 25,587
Equipment, vehicles, rent and field supplies	**-**	19,659
Geological consulting, salaries and wages	**110,309**	129,945
Project support costs	**2,049**	6,376
Share-based compensation	**8,200**	-
Travel, meals and accommodation	**428**	46,641
	$ 120,986	$ 228,208

4. Discussion of operations

Three months ended March 31, 2021 and 2020 (Q1 2021 vs Q1 2020)

Loss for Q1 2021 was $1,317,192 or $0.02 loss per share, compared to a loss of $328,586 or $0.00 loss per share for Q1 2020. Overall costs increased to support the focus on exploration on the Margarita Project as well as an increase in marketing and investor relations efforts.

Significant variances are discussed as follows:

- For Q1 2021, fees, salaries and other employee benefits increased to $231,883 from $169,957 in Q1 2020 as a result of the exploration team recruited in Q4 2020 in Chile. Included within these costs for the three months ended March 31, 2021, are share-based compensation costs of $8,026 compared to $7,006 for the same period in 2020.
- For Q1 2021, exploration and evaluation expenses increased to $119,924 from $nil in Q1 2020 and the project investigation costs decreased to $120,986 compared to $228,208 in Q1 2020. The increase in exploration and exploration expenses and decrease in project investigation costs in the current period reflects the Company's transition to exploration and evaluation of Margarita during Q1 2021.
- For Q1 2021, marketing and investor relations increased to $465,466 from $52,428 in Q1 2020 relating to the Company's increased efforts to market the focus on Chile, the Margarita Project, the seasoned exploration team and other accretive acquisition opportunities.
- For Q1 2021, foreign exchange loss of $79,206 was recognized compared to a foreign exchange gain of $175,795 in Q1 2020. The loss in the current period is realized and driven by the depreciation of the US dollar against the Canadian dollar during the quarter and the resulting decrease in the Canadian dollar equivalent of the US dollar funds translated at March 31, 2021. With greater activities in Chile during Q1 2021, the Company has a new exposure to fluctuations in the Chilean peso.

Results of Operations for the Three Months Ended March 31, 2021 Expressed in Canadian dollars

5. Summary of quarterly results

The Company is a mineral exploration company and currently has no producing properties or operating income. The Company holds all of its cash on hand with financial institutions and earns interest on the cash balances it has available to fund its acquisition and exploration activities and administrative expenses. A summary of quarterly results is shown below:

Quarter ended	Interest and other income	Loss	Total Comprehensive loss	Loss per share
	$	$	$	$
March 31, 2021	11,356	1,317,192	1,320,180	0.02
December 31, 2020	12,177	683,016	683,925	0.01
September 30, 2020	12,609	535,629	535,935	0.01
June 30, 2020	13,062	540,605	541,859	0.01
March 31, 2020	46,856	328,586	327,445	0.00
December 31, 2019	56,823	421,059	421,078	0.01
September 30, 2019	60,515	268,719	264,600	0.00
June 30, 2019	63,201	510,299	510,311	0.01

The summary of quarterly results for the last eight quarters reflects the relatively consistent loss from 2019 through 2020 as the Company focuses solely on project investigation, compared to a significant increase in loss in Q1 2021 as the Company began exploration and evaluation on Margarita Project with related increases in salaries, and office and administration costs. The higher loss in Q1 2021 also arose due to a significant increase in marketing and investor relations costs.

6. Exploration Plans for 2021

In addition to launching the exploration program at the Margarita Project, and establishing the exploration plan for the Andrea Project, the Company is advancing its due diligence process on a variety of top tier mineral prospects. The list of properties under review continues to be refined and represents high priority targets with strong technical and geological merit that the Company believes would be accretive to shareholder value.

As a result of ongoing health concerns related to the COVID-19 pandemic the Company has been and will continue to advance its desktop reviews while employees work remotely. Site visits to potential acquisitions are limited and follow strict adherence to local guidelines.

The Company expects that these dynamic and uncertain times may lead to an increase in the quality of opportunities and will continue to maintain its focus on identifying high value mineral projects.

7. Liquidity and capital resources

As at March 31, 2021, the Company had cash of $7,318,028 and working capital of $7,279,069 compared to cash of $8,748,073 and working capital of $8,891,931 as at December 31, 2020. The cash balance of $7,318,028 as at March 31, 2021, is sufficient to meet the cash requirements for the Company's operating expenses as well as continue with its project investigation and exploration activities. The Company does not foresee the requirement to raise additional capital in the next twelve months but may do so if the Company's operations materially change.

Common share issuances

The Company has only had one share issuance arising from an exercise of 40,000 share options during the three months ended March 31, 2021, for proceeds of $24,800.

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8. Off-balance sheet arrangements

The Company has not engaged in any off-balance-sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

9. Related party transactions

All transactions with related parties have occurred in the normal course of operations. All amounts payable and receivable are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended March 31,	
	2021	2020
Universal Mineral Services Ltd. ("UMS")		
Included in the statement of loss and comprehensive loss:		
Fees, salaries and other employee benefits	**$ 42,345**	$ 46,527
Investor relations and marketing	**9,038**	11,593
Office, rent and administration	**43,421**	44,103
Project investigation costs	**24,456**	126,157
Regulatory, transfer agent and shareholder information	**42**	-
Total transactions for the period	**$ 119,302**	**$** 228,380

UMS is a private company with two directors and two officers in common with the Company. UMS provides geological, financial and transactional advisory services as well as administrative services to the Company on an ongoing, cost recovery basis. Having these services available through UMS on an as needed basis, allows the Company to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees and engaging outside professional advisory firms less frequently. The agreement has an indefinite term and can be terminated by either party upon providing due notice.

As at March 31, 2021, the Company's accounts payable and accrued liabilities include an amount owing to UMS of $71,380 (December 31, 2020 - $121,576). In addition, the Company has $150,000 on deposit with UMS, recognized within prepaid expenses and deposits, as at March 31, 2021 (December 31, 2020 - $150,000).

<u>Key management compensation</u>

In addition to the transactions disclosed above, the Company provided the following compensation to key management members, being its five executives and four directors:

	Three months ended March 31,	
	2021	2020
Salaries and other employee benefits	**$ 200,463**	$ 102,213
Directors' fees paid to non-executive directors	**17,813**	7,802
Share-based compensation	**13,492**	4,435
	$ 231,768	$ 114,450

10. Critical accounting estimates

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

10.1 Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

The Company does not have any provisions recorded as at March 31, 2021 and December 31, 2020.

10.2 Reclamation obligations

Management assesses its reclamation obligations annually and when circumstances suggest that a material change to the obligations may have occurred. Significant estimates and assumptions are made in determining the provision for rehabilitation and site restoration, as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent, the timing and the cost of reclamation activities, regulatory change, cost increases, and changes in discount rates. Those uncertainties may result in actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the reclamation asset and liability.

Management estimated the provision to be $nil as at March 31, 2021 and December 31, 2020.

10.3 Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

10.4 Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

11. Changes in accounting policies including initial adoption

The Company confirms that it has adopted and continued the same accounting policies that were disclosed in the consolidated financial statements for the year ended December 31, 2020 and 2019, except for a new accounting policy for equipment.

Equipment is stated at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method over the estimated useful lives of five years.

12. Financial instruments and other instruments

As at March 31, 2021, the Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities. The fair values of these financial assets and liabilities approximate their carrying values due to their short-term maturity. The Company's financial instruments are exposed to certain financial statement risks including credit risk, liquidity risk and market risks, which include foreign currency risk and interest rate risk. Details of the primary risks to which the Company is exposed at March 31, 2021, are laid out in the notes to the Company's March 31, 2021, condensed consolidated interim financial statements.

13. Other required disclosure

13.1 Capital structure

Authorized share capital consists of: Unlimited number of common shares without par value.

Issued share capital:

As at May 27, 2021, there are 77,490,414 common shares of the Company issued and outstanding.

As at March 31, 2021, there were 77,399,164 common shares of the Company issued and outstanding.

As at May 27, 2021 there were 7,735,000 share purchase options and nil warrants outstanding.

As at March 31, 2021 there were 6,290,00 share purchase options and nil warrants outstanding.

13.2 Disclosure controls and procedures

Details relating to disclosure controls and procedures, and internal control over financial reporting, are disclosed in the Company's MD&A for the year ended December 31, 2020.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining effective internal control over financial reporting. All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

During the quarter ended March 31, 2021, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Michael Kosowan"
Michael Kosowan
President and Chief Executive Officer
May 27, 2021