



## **Torq Resources Inc.**

An exploration stage company

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

For the three and nine months ended September 30, 2021

**Dated: November 24, 2021**

## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021, Expressed in Canadian dollars

---

### 1.1 Operational highlights for the three and nine months ended September 30, 2021, and up to November 24, 2021

- On October 21, 2021, the Company announced that it had acquired an option to earn a 100% interest in the 3,250-hectare Santa Cecilia gold-copper project (the "Santa Cecilia Project"), located approximately 100 kilometres (km) east of the city of Copiapo in northern Chile. The project is in the southern region of the world-class Maricunga belt and immediately north of the El Indio belt.
- On October 7, 2021, the Company announced that it had commenced its first drill program at the Margarita Iron-Oxide-Copper-Gold project ("Margarita Project"), which is situated within the prolific Coastal Cordillera belt in northern Chile. The initial phase of drilling is expected to consist of approximately 4,000 metres (m) with the primary target being the copper – gold sulphide source mineralization to the observed widespread copper oxide mineralization in the southern region of the project. Margarita is host to a large-scale alteration system, which hosts three primary target areas that will be tested in the current drill program. These target areas have been defined through geological mapping, rock and soil geochemical surveys and ground-based magnetics and induced polarization geophysical surveys.
- On September 8, 2021, the Company announced that it had identified three primary target areas at the Margarita project in northern Chile that form the basis for the upcoming 4,000 m reverse circulation drill program. The targets were defined using data from recent geophysical and geochemical surveys as well as a geological mapping program.
- On June 30, 2021, the Company announced it had obtained the drill permit for the Margarita Project in Northern Chile.
- On May 25, 2021, the Company announced it had acquired the option to earn a 100% interest in the Andrea copper porphyry project ("Andrea Project") located in Chile.
- On April 21, 2021, the Company announced initial results from the exploration program at the Margarita Project using a ground-based induced polarization geophysical survey which outlined two north-northwest trending chargeability anomalies, approximately 3 km by 500 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 was focused on defining drill targets with the aim of initiating the first drill program at Margarita.
- On March 8, 2021, the Company announced it had acquired the option to earn a 100% interest in the Margarita Project.

### 1.2 Corporate highlights for the three and nine months ended September 30, 2021, and up to November 24, 2021

- On November 24, 2021, the Company confirmed its appointment of Marie-Hélène Turgeon, who served as a Board observer and advisor for the Company, as a Director. She was also appointed her to the Nomination & Governance Committee and Compensation Committee. Ms. Turgeon takes the place of Ivan Bebek, who is retiring from the Board of Directors due to over-boarding. Mr. Bebek will continue to work with Torq as an advisor to the Board of Directors. The Company has also appointed Antonio Arribas as an advisor to the Board of Directors and Wesley Gervais as Information Security Officer.
- On November 24, 2021, the Company granted incentive share options for the purchase of 115,000 common shares to officers of the Company. The options are exercisable at \$0.86 and expire five years from the date of grant.
- On September 10, 2021, the Company announced that its Board of Directors had appointed Carolina Vargas as a Director and Marie-Hélène Turgeon as a Board observer and advisor. Ms. Vargas is a top ranked research analyst with a strong background in the South American natural resource markets. Ms. Turgeon is an ESG advisor with extensive experience working in Latin America.

# TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

- On September 3, 2021, the Company granted incentive share options for the purchase of 375,000 common shares to directors of the Company. The options are exercisable at \$0.82 and expire five years from the date of grant.
- 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.

## 2.1. 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 September 30, 2021, and for the three and nine 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 and nine months ended September 30, 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 IFRS Interpretations Committee ("IFRIC"). Other than as disclosed in the condensed consolidated interim financial statements for the three and nine months ended September 30, 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 November 24, 2021.

## 2.2. 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](http://www.sedar.com) and on the Company's website at [www.torqresources.com](http://www.torqresources.com). These documents are for information purposes only and not incorporated by reference in this MD&A.

# TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

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 and exploration 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"), where its shares trade under the symbol TORQ.V and on the OTCQX the shares trade 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) Inc.	B.C., Canada	100%
Torq Resources Holdings Inc.	B.C., Canada	100%
Candelaria Minerals S.A.C.	Peru	100%
Torq Resources Chile SpA	Chile	100%
Minera Margarita SpA	Chile	100%
Minera Andrea SpA	Chile	100%

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 advanced 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 Project, approximately 65 km north of the city of Copiapo. The Company rapidly advanced to drill stage by conducting geological mapping and geophysical surveying programs at the Margarita Project, and now the first drill program is underway. On May 25, 2021, the Company announced it had acquired the option to earn a 100% interest in the Andrea copper porphyry project, located on the El Indio belt, and on October 21, 2021, the Company announced that it had acquired an option to earn a 100% interest in the 3,250-hectare Santa Cecilia gold-copper project on the Maricunga belt.

#### 3.1. 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 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 with a small-scale mining company.

Under the option agreements 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:

## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

	Cash payments (US\$)	Work expenditure requirements (US\$)
April 20, 2021 (paid C\$62,445)	\$ 50,000	\$ -
August 22, 2021 (paid C\$64,280 work requirements met)	50,000	400,000
August 22, 2022	100,000	1,150,000
August 22, 2023	300,000	1,500,000
August 22, 2024	1,200,000	-
August 22, 2025	2,000,000	-
August 22, 2026	2,500,000	-
	<b>\$ 6,200,000</b>	<b>\$ 3,050,000</b>

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 three years as follows:

	Cash payments (US\$)
February 23, 2021 (paid C\$63,065)	\$ 50,000
February 23, 2022	250,000
February 23, 2023	250,000
February 23, 2024	350,000
	<b>\$ 900,000</b>

In relation to the option arrangement of the Margarita Project, a finder's fee of 466,667 shares (the "Finder's Fee Shares") of the Company are payable. Of this total, 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.

### 3.2. Andrea Project

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 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, through cash payments as follows:

	Cash payments (US\$)
July 23, 2021 (paid C\$132,038)	\$ 105,000
May 24, 2022	135,000
May 24, 2023	185,000
May 24, 2024	300,000
May 24, 2025	1,000,000
May 24, 2026	4,275,000
	<b>\$ 6,000,000</b>

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

### 3.3. Santa Cecilia Project

On October 21, 2021, subsequent to the balance sheet date, the Company announced that it had acquired an option to earn a 100% interest in the 3,250-hectare Santa Cecilia gold-copper project, located approximately 100 km east of the city of Copiapo in northern Chile. The project is in the southern region of the world-class Maricunga belt and immediately north of the El Indio belt.

## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

Under the option agreement the Company can acquire 100% interest in the project through cash payments as follows:

	<b>Cash payments (US\$)</b>
October 21, 2021 (paid C\$123,510)	\$ 100,000
October 21, 2022	300,000
October 21, 2024	600,000
October 21, 2025	1,000,000
October 21, 2026	3,000,000
October 21, 2027	5,000,000
October 21, 2028	15,000,000
	<b>\$ 25,000,000</b>

Under the option agreement, the Company is also committed to the following work expenditures, which are scheduled from the date the Company obtains the necessary permits to start its exploration campaigns, both drill permits and social license from indigenous communities located in the area of interest.

	<b>Work Expenditure Requirements (US\$)</b>
Within 12 months of obtaining permits	\$ 3,000,000
Within 24 months	4,500,000
Within 36 months	8,000,000
	<b>\$ 15,500,000</b>

The option agreement includes an NSR of 3%, half of which (being 1.5%) is buyable once the option is executed for a price that will be based on the fair value of the project, determined by mutual agreement between the parties.

### 3.4. Exploration and evaluation costs

#### *Margarita Project*

The Company is currently exploring and evaluating the Margarita Project following the execution of the option agreement. The table below shows the nature of the exploration and evaluation expenses incurred during the three and nine months ended September 30, 2021.

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Geological consulting, salaries and wages	\$ 198,439	\$ -	\$ 578,765	\$ -
Geophysics, sampling and assays	256,524	-	468,497	-
Share-based compensation	32,274	-	114,169	-
Travel, meals and accommodation	37,366	-	53,875	-
Environmental and permitting	11,758	-	34,996	-
Project support costs	9,366	-	21,605	-
Equipment, vehicles, rent and field supplies	8,291	-	12,684	-
	<b>\$ 554,018</b>	<b>\$ -</b>	<b>\$ 1,284,591</b>	<b>\$ -</b>

During the first nine months of 2021, the Company conducted various exploration activities at the Margarita Project. A ground-based induced polarization geophysical survey was completed, consisting 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 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

## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

of chargeability highs and resistivity lows are aligned in north-northwest structural corridors. This work as well as geochemical sampling of rocks and soils, has driven the delineation of key targets on Margarita to explore.

At the end of the second quarter, the Company received its environmental permit allowing drilling from up to 39 drill platforms across the 1,045-hectare project area. Additional data layers of detailed geological mapping and geochemical surveys completed the targeting process at the project, and assisted in targeted drilling which commenced in October 2021, with an initial 4,000 m of drilling planned.

### Andrea Project

A summary of exploration and evaluation costs for the Andrea Project during the three and nine months ended September 30, 2021 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Geological consulting, salaries and wages	\$ 75,185	\$ -	\$ 75,185	\$ -
Share-based compensation	1,866	-	9,544	-
Environmental and permitting	5,450	-	8,740	-
Travel, meals and accommodation	3,445	-	3,445	-
Equipment, vehicles, rent and field supplies	653	-	653	-
	<b>\$ 86,599</b>	<b>\$ -</b>	<b>\$ 97,567</b>	<b>\$ -</b>

During the three and nine months ended September 30, 2021, the Company primarily focused on desk-top geophysical analytics work on the Andrea Project.

### 3.5. Project investigation costs

The Company is continually reviewing and evaluating new projects globally on its path to establishing a top tier mineral portfolio. The table below shows the nature of the project investigation costs incurred during the three and nine months ended September 30, 2021 and 2020.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Geological consulting, salaries and wages	\$ 6,692	\$ 117,634	\$ 216,070	\$ 346,265
Share-based compensation	10,025	20,875	46,475	50,831
Environmental and permitting	-	-	9,062	-
Project support costs	117	6,194	5,568	18,128
Travel, meals and accommodation	357	127	3,632	58,232
Equipment, vehicles, rent and field supplies	-	12,281	2,249	40,392
Assays	-	2,290	-	28,397
	<b>\$ 17,191</b>	<b>\$ 159,401</b>	<b>\$ 283,056</b>	<b>\$ 542,245</b>

Costs on project investigation work have reduced from comparative periods, as the management team focuses on the newly optioned projects discussed above.

### 3.6. Climate related risks

The Company recognizes the impact of climate change on weather patterns in its recently acquired projects. The Company's projects (Margarita, Andrea and Santa Cecilia) are all located in northern Chile, but in different geographical and altitude conditions. For this reason, local conditions are different, and specific care and protocols must be applied accordingly. It is also evident that there have been climatic changes that affect the entire national territory, including a persistent drought and a change of climate for the seasons that were clearly defined more than a decade ago. This has produced two fundamental effects: less

## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

water resources in rivers, lakes and lagoons, and changing consequences of rain events in desert lands, producing mud currents, which in recent years have had a significant impact on some rivers in the northern part of the country.

At Margarita, due to its position and altitude, no major climate-related challenges are being experienced or expected imminently. There is a general decrease in water availability and a risk of mud currents in the lower sectors, especially those related to smaller courses such as the Salado River (60 km north of Inca de Oro) or the Copiapo River (100 km to the south of the project). However, it is possible to access and work effectively throughout the year at the Margarita Project.

Due to the position of the Andrea Project and the altitude of the project it is less accessible than Margarita. The Company began its reconnaissance work in September, once access was granted. The project is expected to be available and accessible for field work for at least eight months of the year (September to April).

In the case of the Company's latest acquisition, the Santa Cecilia Project, although it has similar altitude to Andrea, is more accessible. The Company is having discussions with the local Colla indigenous community in order to gain access to the project by the end of this year. Due to weather limitations, the Company expects to be able to carry out field activities at Santa Cecilia until May or June at the latest.

The Company is taking all measures to prioritize safe access to the three projects, as well as the well-being of people and equipment while working in each area. The field experience of the local teams and the knowledge of neighboring projects plays a fundamental role in this care, and in the proactive management of the risks associated with working in remote exploration areas, and in the cases of the Andrea and Santa Cecilia projects, with access limitations due to their particular weather conditions.

### 4. Discussion of operations

#### Three months ended September 30, 2021 and 2020 (Q3 2021 vs Q3 2020)

Loss for Q3 2021 was \$1,612,254 or \$0.02 loss per share, compared to a loss of \$535,629 or \$0.01 loss per share for Q3 2020. Overall costs increased to support the focus on exploration on the Margarita Project, the acquisition of the Andrea Project as well as an increase in marketing and investor relations efforts.

Significant variances are discussed as follows:

- For Q3 2021, exploration and evaluation expenses increased to \$640,617 from \$nil in Q3 2020 and the project investigation costs decreased to \$17,191 from \$159,401 in Q3 2020. The increase in exploration and evaluation expenses is a result of exploration focus on the Margarita Project as well as share-based compensation expense of \$34,140. Project investigation costs have inversely decreased from the same period in 2020 as management shifted their focus to exploring the projects acquired earlier in the year. Project investigation costs include share-based compensation expenses of \$10,025 in the three months ended September 30, 2021, which is lower than the \$20,875 expense for the three months ended September 30, 2020, again as a result of the shift in the strategic focus on these activities.
- For Q3 2021, fees, salaries and other employee benefits increased to \$390,522 from \$214,206 in Q3 2020 as a result of the team recruited in Q4 2020 in Chile. Included within these costs for the three months ended September 30, 2021, are share-based compensation costs of \$128,827 compared to \$22,722 for the same period in 2020.
- For Q3 2021, marketing and investor relations increased to \$207,662 from \$53,006 in Q3 2020 relating to the Company's focus on increased marketing and investor relations efforts as it promotes the focus on Chile with a seasoned exploration team and builds a greater investor profile from the progress on the Margarita Project, acquisition of the Andrea Project as well as advances in pursuing other opportunities.
- For Q3 2021, foreign exchange loss of \$57,824 was recognized compared to a loss of \$40,664 in Q3 2020. The loss in the current period is realized and driven by the appreciation of the US dollar against the Chilean peso during the quarter. With greater activities in Chile beginning in 2021, the Company has a new exposure to fluctuations in the Chilean peso.



## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

### Nine months ended September 30, 2021 and 2020 (YTD 2021 vs YTD 2020)

Loss for the nine months ended September 30, 2021 was \$4,536,238 or \$0.06 loss per share compared to a loss of \$1,404,820 or \$0.02 loss per share for the nine months ended September 30, 2020. Overall costs increased to support the focus on exploration on the Margarita Project, the acquisition of the Andrea Project as well as an increase in marketing and investor relations efforts.

Significant variances are discussed as follows:

- For the nine months ended September 30, 2021, exploration and evaluation expenses increased to \$1,382,158 from \$nil in the nine months ended September 30, 2020, and the project investigation costs decreased to \$283,056 from \$542,245 in the nine months ended September 30, 2020. The increase in exploration and evaluation expenses is a result of exploration activities on the Margarita Project. The decrease in project investigation costs is a result of the Company focus transitioning to exploration and evaluation of the Margarita Project and Andrea Project, as well as lower share-based compensation expense allocated to project investigation activities.
- For the nine months ended September 30, 2021, fees, salaries and other employee benefits increased to \$1,080,030 from \$566,230 for the nine months ended September 30, 2020, as a result of the team recruited in Q4 2020 in Chile. Included within these costs for the nine months ended September 30, 2021, are share-based compensation costs of \$367,973 compared to \$55,764 for the same period in 2020.
- For the nine months ended September 30, 2021, marketing and investor relations increased to \$880,374 from \$157,504 in the nine months ended September 30, 2020 relating to the Company's focus on increased marketing and investor relations efforts as it promotes the focus on Chile with a seasoned exploration team and builds a greater investor profile from the progress on the Margarita Project, acquisition of the Andrea Project as well as advances in pursuing other opportunities.
- For the nine months ended September 30, 2021, foreign exchange loss of \$108,228 was recognized compared to a foreign exchange gain of \$55,519 in the nine months ended September 30, 2020. The loss in the current period is driven by the appreciation of the US dollar against the Chilean peso during the period. With greater activities in Chile beginning in 2021, the Company has a new exposure to fluctuations in the Chilean peso.

### 5. Summary of quarterly results

Torq 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
September 30, 2021	\$ 6,523	\$ 1,612,254	\$ 1,626,874	\$ 0.02
June 30, 2021	17,269	1,606,792	1,619,465	0.02
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

The summary of quarterly results for the last eight quarters reflects the relatively consistent loss from 2019 through 2020 as the Company focused solely on project investigation, compared to a significant increase in loss in 2021 as the Company began

## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

---

exploration and evaluation on the Margarita Project and the Andrea Project. There were related increases in salaries and office and administration costs, as well as a significant increase in marketing and investor relations costs, which were a consequence of this ramp up in exploration activities.

### 6. Exploration plans for 2021 and into 2022

In addition to continuing the exploration programs at the Margarita and Andrea Projects as described above, the Company is also developing a plan for its recently optioned Santa Cecilia Project. In October, the Company commenced its first drill program at Margarita, and is rapidly advancing Andrea to a drill ready stage. The Company intends to begin exploration at Santa Cecilia in the first quarter of 2022 including a maiden drill program.

### 7. Liquidity and capital resources

As at September 30, 2021, the Company has net working capital of \$3,950,245 while it incurred a loss for the period of \$4,536,238 for the nine months ended September 30, 2021. The Company has incurred operating losses to date and does not generate cash flows from operations to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. The ability to continue as a going concern remains dependent upon Torq's ability to obtain the financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

#### Common share issuances

During the nine months ended September 30, 2021, the Company issued 81,250 common shares with a fair value of \$60,938, pursuant to the Margarita Project finder's fee agreement.

During the nine months ended September 30, 2021, the Company issued 75,000 common shares pursuant to share options exercised at a weighted average price of \$0.56 for gross proceeds of \$42,300.

No shares were issued during the nine months ended September 30, 2020.

### 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.

## TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Universal Mineral Services Ltd. ("UMS")				
Included in the statement of loss and comprehensive loss:				
Exploration and evaluation costs	\$ 12,898	\$ -	\$ 18,982	\$ -
Fees, salaries and other employee benefits	55,439	58,842	171,034	152,521
Marketing and investor relations	14,371	13,958	47,921	37,535
Office and administration	51,118	41,042	144,862	112,481
Project investigation costs	7,618	115,774	54,778	333,295
Legal and professional fees	4,329	541	10,887	12,918
Regulatory, transfer agent and shareholder information	52	61	94	123
<b>Total transactions for the period</b>	<b>\$ 145,825</b>	<b>\$ 230,218</b>	<b>\$ 448,558</b>	<b>\$ 648,873</b>

UMS is a private company with one director in common with the Company. UMS provides geological, financial and transactional advisory services as well as administrative and office 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 September 30, 2021, the Company's accounts payable and accrued liabilities include an amount owing to UMS of \$50,963 (December 31, 2020 - \$121,576). In addition, the Company has \$457,879 on deposit with UMS, recognized within prepaid expenses and deposits as at September 30, 2021 (December 31, 2020 - \$150,000), and paid to UMS \$3,375 as deferred acquisition costs (December 31, 2020 - \$nil) related to the acquisition of the Santa Cecilia option.

### Key management compensation

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Salaries and other employee benefits	\$ 265,612	\$ 122,367	\$ 659,802	\$ 327,912
Directors' fees paid to non-executive directors	21,713	7,802	57,837	23,406
Share-based compensation	100,096	42,965	211,303	102,319
	<b>\$ 387,421</b>	<b>\$ 173,134</b>	<b>\$ 928,942</b>	<b>\$ 453,637</b>

### 10. Financial instruments and other instruments

As at September 30, 2021, the Company's financial instruments consist of cash, accounts receivable, and 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 September 30, 2021, are laid out in the notes to the Company's September 30, 2021 condensed consolidated interim financial statements.

# TORQ RESOURCES INC.

Management's Discussion and Analysis of the Financial Condition and  
Results of Operations for the Three and Nine Months Ended September 30, 2021

Expressed in Canadian dollars

---

## 11. Other required disclosure

### 11.1. Capital structure

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

#### Issued share capital:

As at November 24, 2021, there are 77,515,414 common shares of the Company issued and outstanding.

As at September 30, 2021, there were 77,515,414 common shares of the Company issued and outstanding.

As at November 24, 2021, there were 7,745,000 share purchase options and nil warrants outstanding.

As at September 30, 2021, there were 7,192,500 share purchase options and nil warrants outstanding.

### 11.2. 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 three months ended September 30, 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](http://www.sedar.com). These documents are for information purposes only and not incorporated by reference in this MD&A.

On behalf of the Board of Directors,

"Michael Kosowan"

**Michael Kosowan**

President and Chief Executive Officer

November 24, 2021