TORQ RESOURCES

(Formerly Stratton Resources Inc.)

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

For the six months ended June 30, 2017

Dated: August 29, 2017

HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND THE PERIOD UP TO AUGUST 29, 2017

Corporate highlights

- On March 2, 2017, the Company changed its name to Torq Resources Inc. and the ticker symbol to TORQ.
- On February 27, 2017, the Company completed a non-brokered private placement of 20,300,000 common shares for total gross proceeds of approximately $13.2 million.

Operational highlights

- On June 26, 2017, the Company entered into an agreement to acquire either 75% or 100% interest in certain mineral claims referred to as the Cracker Option and located in northeastern Newfoundland, Canada. The claims complete the southern portion of the Company's Gander block and are adjacent to three high-grade geochemical anomalies identified in the 2016 till survey.
- In June 2017, the Company commenced its 2017 exploration program in Newfoundland consisting of systematic geochemical sampling in Q2 and Q3 of 2017 and follow-up surface work to develop drill targets in Q3 and Q4 of 2017.
- The Company continually reviews and evaluates projects globally in its path to building a world-class exploration portfolio.

< Refer to the page 3 for cautionary wording concerning forward-looking information>

1.1.1 Date and presentation

This Management Discussion and Analysis ("MD&A") of Torq Resources Inc. (formerly Stratton Resources Inc.) (the "Company" or "Torq") has been prepared by management to assist the reader to assess material changes in the financial condition and results of operations of the Company as at June 30, 2017 and for the three and six months then ended. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2017 and 2016 and the notes thereto, as well as the annual audited consolidated financial statements of the Company for the years ended December 31, 2016 and 2015. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is August 29, 2017.

1.1.2 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; 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 web site at www.torqresources.com.

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.

Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.2 Over-all performance

1.2.1 Description of business

Torq is a junior exploration company focused on the acquisition, exploration and development of mineral resource properties. On March 15, 2017, the Company changed its name from Stratton Resources Inc. to Torq Resources Inc. 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.

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

Subsidiary	Place of incorporation	Beneficial Interest
Stratton Resources (Canada) Ltd.	BC, Canada	100%
Gecon OOD	Bulgaria	100%
Archelaus Resources DOOEL (inactive)	Macedonia	100%
Balakros Resources DOOEL (inactive)	Macedonia	100%

1.2.2 Newfoundland projects

Wildwood Option

On October 28, 2016, the Company entered into an option agreement with Wildwood Exploration Inc. to acquire the rights to four separate groups of mineral claims, totalling approximately 4,777 mineral claims and covering approximately 119,000 hectares in Newfoundland, Canada (the "Wildwood Option"). The groups of claims under the Wildwood Option are referred to as Gander, Frenchman, Millertown and Quinn. Under the terms of the Wildwood Option, the Company may acquire a 100% interest, subject to a NSR royalty, in the mineral claims through a combination of work expenditures and cash and share payments as listed in the table below:

Due dates	Cash Payments	Torq Common Shares	Work Expenditures
October 28, 2016 (PAID)	$ 75,000	100,000	$ -
On or before October 28, 2017	150,000	200,000	250,000
On or before October 28, 2018	200,000	250,000	500,000
On or before October 28, 2019	250,000	400,000	500,000
On or before October 28, 2020	175,000	500,000	1,000,000
On or before October 28, 2021	-	1,750,000	-
Total	$ 850,000	3,200,000	$ 2,250,000

The NSR is 2.0% with 50% (being 1.0%) buyable for $3,000,000 any time.

As at June 30, 2017, the Company incurred $861,424 in exploration expenditures on the project thereby fully meeting and exceeding the work expenditures requirement until October 28, 2018.

Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.2.2 Newfoundland projects (continued)

Cracker Option

On June 26, 2017, the Company entered into an option agreement with a private individual to acquire the rights to certain mineral claims in northeastern Newfoundland, Canada (the "Cracker Option"), that are within the Company's Gander block of mineral claims (see Figure 1). The claims complete the southern portion of the Company's Gander block and are adjacent to three high-grade geochemical anomalies identified in the 2016 till survey.

Under the terms of the Cracker Option, the Company may acquire a 75% or 100% interest in the mineral claims through a combination of work expenditures and cash or share payments as outlined in the table below:

Due dates	Cash Payments	Cash or Share payments	Work Expenditures
On June 26, 2017 (PAID)	$ 25,000	$ -	$ -
On or before June 26, 2018	50,000	-	100,000
On or before June 26, 2019	-	-	250,000
On or before June 26, 2020	-	175,000	650,000
Cumulative totals to earn a 75% interest in the claims	**75,000**	**175,000**	**1,000,000**
On or before June 26, 2021	-	250,000	1,000,000
Cumulative totals to earn a 100% interest in the claims	**$ 75,000**	**$ 425,000**	**$ 2,000,000**

Should the Company elect to make share payments instead of cash, the shares would be subject to a four month resale restriction in Canada and the per share value would be the 5-day volume weighted average trading price calculated for the five trading days prior to the date such payment is made.

2017 Newfoundland exploration program

The Company initiated its exploration program on the Newfoundland projects in June 2017. The program consists of systematic geochemical sampling across Torq's land position. The 2016 exploration program sampling covered 15% of the area of the Gander block with the remaining 85% to be sampled during Q2/Q3 of 2017 as well as additional infill sampling is planned for Quinn, Millertown, and Frenchman blocks. Over 2,000 till samples have been collected since the start of the 2017 program. Assay results are still pending. Follow-up surface work to develop drill targets will be scheduled for Q3 and Q4 of 2017.

2016 Newfoundland exploration program results

During Q4 of 2016, the Company conducted an initial survey of the mineral claims that included:

- A reconnaissance-scaled glacial till sampling program designed to provide systematic geochemical coverage over areas of the properties considered prospective for buried mineralized systems; and
- Preliminary boulder float and in-place outcrop documentation including random grab sample collection for analytical work.

A total of 1,027 glacial till samples were collected and the initial results from the 2016 sampling identified a number of robust gold-in-till anomalies across each of Torq's claim blocks. In the Gander Block, four gold-in-till anomalies have been identified within a crustal scale structural corridor that is targeting high-grade gold vein deposits (see Figure 1). Sampling is 15% complete across the Gander Block and Torq is highly encouraged with these initial results. Within the Quinn, Millertown, and Frenchman Blocks the newly identified gold-in-till anomalies are targeting bulk tonnage style mineralization (see Figure 2).

For full results of the 2016 program, please refer to the Company's technical report dated March 1, 2017 available on SEDAR.

1.2.2 Newfoundland projects (continued)

Figure 1: Results from the 2016 till survey on Gander block and location of the Cracker Option claims

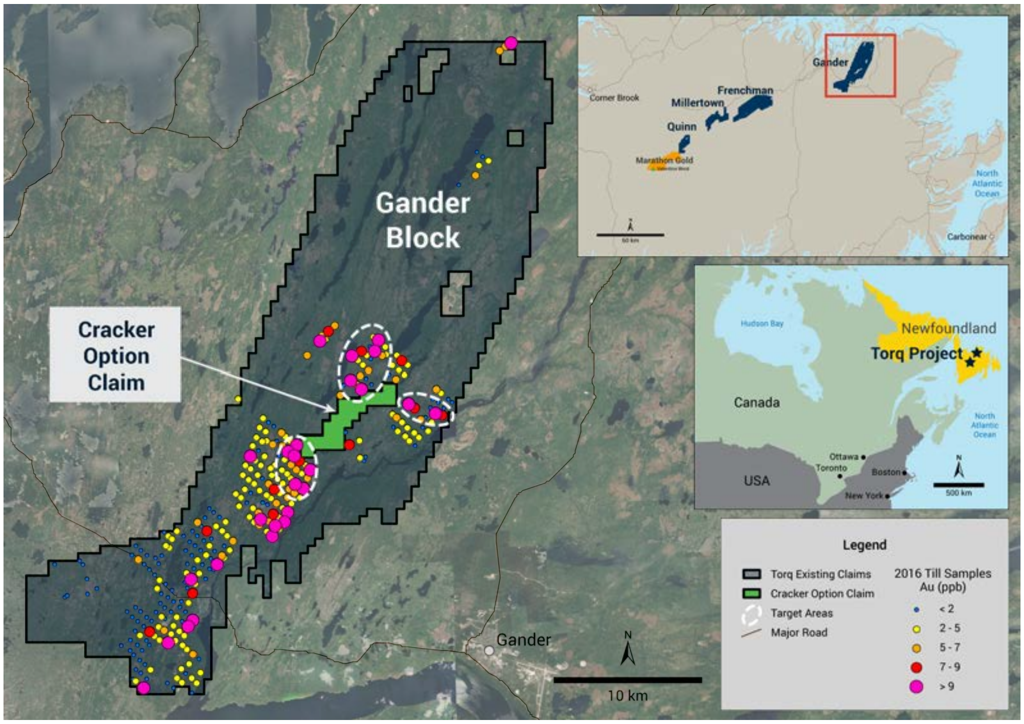
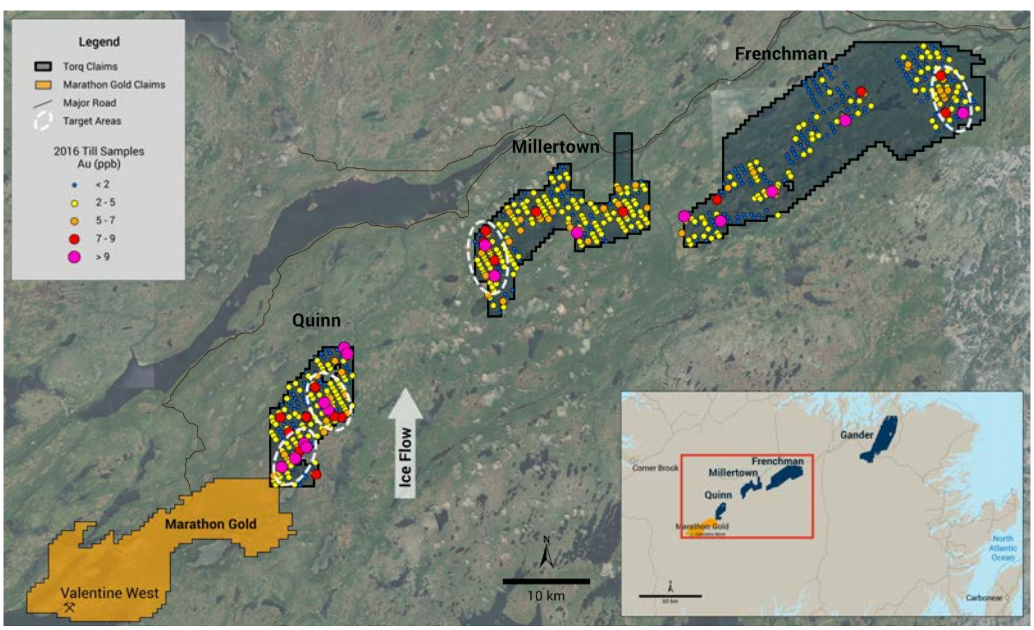


Figure 2: Results from the 2016 till survey on Quinn, Millertown and Frenchman blocks of claims



Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.2.3 Gecon investment agreement

Effective November 16, 2016, pursuant to an investment agreement, the Company acquired a beneficial interest in 100% of the capital of a Bulgarian shell company, Gecon OOD ("Gecon"), for the purposes of establishing mineral exploration operations in the country. Pursuant to the investment agreement between the Company and Gecon's former shareholder, the Company will pay a minimum of USD 50,000 and a maximum of USD 200,000 at any time within a 3-year period of signing the investment agreement in exchange for its beneficial interest in Gecon.

The Gecon financial liability is remeasured at every balance sheet date with the change in fair value recognized in the comprehensive statement of loss.

1.2.4 Mineral property expenditures

During the six months ended June 30, 2017, the Company incurred $25,000 in mineral property acquisition costs (see 1.2.2 – Cracker Option) and $472,372 in exploration and evaluation expenditures for total expenditures for the period of $497,372. During the six months ended June 30, 2017 the Company received $129,705 in grants from the Government of Newfoundland and Labrador. These were recorded as an offset to the exploration and evaluation expenditures incurred on the Newfoundland projects.

	Newfoundland projects
Balance as at December 31, 2016	**$ 605,232**
Acquisition costs	
Additions:	
Option payments	25,000
Exploration and evaluation costs	
Drilling and till sampling	251,432
Equipment rental and maintenance	45,534
Project support cost	81,130
Wages and consultants	94,276
Total additions for the period	**497,372**
Provincial grants received	(129,705)
Balance as at June 30, 2017	**$ 972,899**

1.2.5 Project investigation costs

The Company is continually reviewing and evaluating new precious metals 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 and six months ended June 30, 2017. No project investigation activities were ongoing in the comparative period of the previous year.

Project investigation costs	**Three months ended June 30,**		**Six months ended June 30,**	
	2017	**2016**	**2017**	**2016**
Assays	$ 1,952	$ -	$24,300	$ -
Geological consulting, salaries and wages	130,551	-	196,443	-
Vehicle, equipment and field supplies	23,279	-	25,668	-
Travel, meals, accommodation	12,942	-	34,256	-
	$ 168,724	**$ -**	**$280,667**	**$ -**

Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.3 Selected annual information

The following represents selected information of the Company for the three most recently completed financial years:

	2016	2015	2014
Net loss for the year	$ (660,499)	$ (460,357)	$ (132,887)
Total comprehensive loss for the year	(661,532)	(460,357)	(132,887)
Basic and diluted loss per share	(0.02)	(0.01)	(0.00)
Working capital	5,553,663	(414,442)	(279,419)
Total assets	6,792,568	223,518	687,456
Total long term liabilities	218,472	-	-
Shareholder's equity	(5,940,423)	(414,442)	45,915
Cash dividends per share	-	-	-

The Company generated no revenues from operations during the fiscal periods ended December 31, 2016 and 2015, other than interest income of $10,872 and $1,714 respectively.

1.4 Results of operations

Three months ended June 30, 2017 and 2016

Net loss for the three months ended June 30, 2017 was $393,171 or $0.01 loss per share compared to a net loss of $35,192 or $0.00 loss per share for the same period in the previous year.

Significant variance are discussed as follows:

- During the three months ended June 30, 2017, the Company incurred $226,838 in administrative expenses compared with $33,360 in same period in 2016. This increase is attributable to additional administrative wages and office, administration and legal costs in support of the Newfoundland and Southeastern Europe operations. Costs in the same period of the previous year did not include the ramp up of the Company's activity, which occurred subsequently to Q2 2016.

- Total project investigation costs for the three months ended June 30, 2017 were $168,724 compared to $nil in the comparative period. These costs were incurred in connection with investigation of potential mineral property acquisitions in Canada, US and Southeastern Europe.

- Foreign exchange loss for the there months ended June 30, 2017 increased significantly due to the higher cash balances in foreign currencies that the Company held throughout the period compared to the same period of the previous year.

Six months ended June 30, 2017 and 2016

Net loss for the six months ended June 30, 2017 was $686,109 or $0.01 loss per share compared to a net loss of $60,599 or $0.00 loss per share for the same period in the previous year.

The reasons for the significant variance in the expenditures for the two periods are consistent with the reasons discussed for the three-month periods ended June 30, 2017 and 2016.

Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.5 Summary of quarterly results

The Company is a mineral exploration company and currently has no producing properties or operating income. However, the Company records interest earned on cash balances held at financial institutions, which depends upon cash balances 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	Net loss	Total Comprehensive loss	Loss per share
	$	$	$	$
June 30, 2017	27,823	393,171	396,908	0.01
March 31, 2017	15,812	292,938	295,089	0.00
December 31, 2016	9,998	564,802	565,826	0.01
September 30, 2016	321	35,098	35,098	0.00
June 30, 2016	57	35,192	35,192	0.00
March 31, 2016	496	25,407	25,407	0.00
December 31, 2015	550	37,152	37,152	0.00
September 30, 2015	870	342,343	342,343	0.01
June 30, 2015	294	43,916	43,916	0.00

Up until September 30, 2016, the quarters ended in 2016 and 2015, except for the quarter ended September 30, 2015, show decreasing net loss and comprehensive loss over previous periods due to management's efforts to reduce administration expenses. During the quarter ended September 30, 2015, the Company recorded a write-off of $325,334 related to the Company's decision to let lapse the claims of the Lunar project. During the last three quarters the Company incurred increasing net losses, which reflect a ramp up of project investigation activities and support costs. In addition, the quarter end December 31, 2016 included the one-time Gecon startup costs.

1.6 Liquidity and capital resources

The Company finances its operations by raising capital in the equity markets. For the foreseeable future, the Company will need to rely on the sale of its securities to provide working capital and to finance its mineral property acquisition and exploration activities.

As at June 30, 2017, the Company had cash of $17,214,667 and working capital of $17,235,764 compared to cash of $5,864,033 and a net working capital deficit of $5,553,663 as at December 31, 2016.

Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.6 Liquidity and capital resources (continued)

The cash balance of $17,214,667 as at June 30, 2017 is sufficient to meet the cash requirements for the Company's administrative overhead and maintaining its mineral interests for the next twelve months as well as continue with its project generation activities.

Common share issuances

Six months ended June 30, 2017

On February 27, 2017, the Company closed a private placement for gross proceeds of $13,195,000 (the "February 2017 Placement") pursuant to which the Company issued an aggregate of 20,300,000 common shares at a price of $0.65 per common share. Share issue costs related to the February 2017 Private Placement, which included commissions and professional and regulatory fees, totalled $447,036.

Intended Use of Proceeds of February 2017 Private Placement		**Actual Use of Proceeds to June 30, 2017**		**(Over)/under expenditure**
Offering Expenses	$447,036	Offering Expenses	$447,036	-
Project Acquisition and exploration	$10,747,964	Acquisition of Newfoundland project and exploration	-	$10,747,964
		Other project investigation costs (including Gecon startup costs)	-	
Administration and general working capital	$2,000,000	Administration and general working capital	-	$2,000,000
Total	$13,195,000	Total	$447,036	$ 12,747,964
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones		Up until June 30, 2017, the Company's expenditures were from existing treasury including the proceeds from the August 2016 Placement		

Year ended December 31, 2016

On August 30, 2016, the Company closed a private placement for gross proceeds of $7,000,000 (the "August 2016 Placement") pursuant to which the Company issued an aggregate of 20,000,000 common shares at a price of $0.35 per common share. Share issue costs related to the Private Placement, which included professional and regulatory fees, totalled $43,612. There were no commissions or brokerage fees paid in connection with the Private Placement.

Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.6 Liquidity and capital resources (continued)

Intended Use of Proceeds of August 2016 Private Placement		Actual Use of Proceeds from September 1, 2016 to June 30, 2017		(Over)/under expenditure
Offering Expenses	$43,612	Offering Expenses	$43,612	-
Project Acquisition and exploration	$4,956,388	Acquisition of Newfoundland project and exploration	$644,903	$3,756,871
		Other project investigation costs (including Gecon startup costs)	$554,614	
Administration and general working capital	$2,000,000	Administration and general working capital	$ 1,290,168	$709,832
Total	$7,000,000	Total	$2,533,297	$ 4,466,703
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones		The Company has only expended a portion of the funds raised through the placement.		

1.7 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.

1.8 Related party transactions

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Universal Mineral Services Ltd. [1]				
Included in the statement of loss and comprehensive loss:				
Bank charges	$ 535	$ 149	$ 1,106	$ 291
Consulting fees, directors' fees, wages and benefits	44,531	7,530	83,441	16,071
Office, rent and administration	34,966	8,797	69,879	17,864
Project evaluation costs	21,045	-	52,720	-
Regulatory, transfer agent and shareholder information	383	840	995	840
Travel, marketing and investor relations	537	-	537	-
Capitalized to mineral property interests:				
Newfoundland	38,229	-	44,671	-
Total transactions for the period	**$ 140,226**	**$ 17,316**	**$ 253,349**	**$ 35,066**

Results of Operations for the Six Months Ended June 30, 2017 Expressed in Canadian Dollars

1.8 Related party transactions (continued)

1 Universal Mineral Services Ltd., ("UMS") is a private company with directors and officers in common that, pursuant to an agreement dated December 30, 2015, provides office space and administrative services to the Company on a cost recovery basis. The outstanding balance owing at June 30, 2017 was $65,486 (December 31, 2016 - $30,388) and prepaid expenses and deposits balance was $50,000 (December 31, 2016 - $31,000).

Key management compensation

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Short-term benefits	$ 60,155	$ -	$ 113,735	$ -

1.9 Subsequent event

None.

1.10 Proposed transactions

None.

1.11 Critical accounting estimates

This section is not required as the Company is a Venture Issuer, as the term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*.

1.12 Changes in accounting policies

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the year ended December 31, 2016, except for the following: the Company has adopted the narrow scope amendments to IFRS 12 - Disclosure of Interests in Other Entities, IAS 7 - Statement of Cash Flows and IAS 12 - Income Taxes which are effective for annual periods beginning on or after January 1, 2017. The amendments did not have an impact on the Company's condensed interim consolidated financial statements.

1.13 Financial instruments and other instruments

As at June 30, 2017, the Company's financial instruments consist of cash, amounts receivable, trade payables and other and Gecon financial liability. The fair values of cash, amounts receivable, trade payables and other approximate their carrying values due to their short-term to maturity.

As at June 30, 2017 and December 31, 2016, the only financial instruments measured at fair value was the Gecon financial liability, which is classified under level 3 of the fair value hierarchy. The Gecon financial liability was revalued at June 30, 2017 to $212,273 with the change in fair value of $6,199 since December 31, 2016 recognized in the comprehensive statement of loss.

The Company's financial instruments are exposed to certain financial risks including, credit risk, currency risks, liquidity risk, interest rate risk and capital risk management. Details of each risk are laid out in the notes to the Company's condensed consolidated interim financial statements.

1.14 Other requirements

1.14.1 Capital structure

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

Issued share capital:

As at August 29, 2017, there are 77,124,164 common shares of the Company issued and outstanding.

As at June 30, 2017, there were 77,124,164 common shares of the Company issued and outstanding.

As at August 29, 2017 and June 30, 2017 there were no share purchase options and warrants outstanding.

1.14.2 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The condensed consolidated interim financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the years ended December 31, 2016 and 2015.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Note: As a Venture Issuer, the Company is not required to certify the design and evaluation of the issuer's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and has not completed such an evaluation; and there are inherent limitations on the ability of Management to design and implement on a cost effective basis DC&P and ICFR for the Company which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required under securities legislation.

1.14.2 Disclosure controls and procedures (continued)

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
August 29, 2017