Torq Resources Inc.
An exploration stage company

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

For the three and nine months ended September 30, 2022

Dated: November 11, 2022

1. HIGHLIGHTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND THE PERIOD TO NOVEMBER 11, 2022

1.1 Operational highlights

- On September 13, 2022, Torq Resources Inc. ("Torq" or the "Company") announced that it has extended its initial discovery 190 metres (m) to the north at the Margarita Iron-Oxide Copper Gold (IOCG) project located in northern Chile, approximately 65 kilometres (km) north of the city of Copiapo. Drill hole 22MAR-014R intercepted 98 m of 0.94 g/t gold and 0.68% copper from 32 m – 130 m depth, successfully following up on the original discovery hole, 22MAR-013R, which intersected 90 m of 0.94% copper and 0.84 g/t gold (see May 2, 2022 news release). The phase II drill program, consisting of 11 drill holes totaling approximately 4,000 m, has been completed and results will be forthcoming in the coming weeks.

- On August 2, 2022, the Company announced the identification of new high priority targets at the Margarita IOCG project. The Remolino and Cototuda east targets have been defined based on the similar geological, geochemical and geophysical characteristics as observed at the Falla 13 discovery drill hole 22MAR-013R, which intersected 90 m of 0.94% copper and 0.84 g/t gold. Collectively, these targets have the potential to define new areas of mineralization beyond the Falla 13 structural corridor.

- On July 14, 2022, the Company announced that it has commenced its follow-up reverse circulation ("RC") drill program at the Margarita IOCG project, where the Company made a new discovery of 90 m of 0.94% copper and 0.84 g/t gold during the first ever drill program on the project. The Company plans to drill approximately 4,000 m in its second phase of drilling along an approximate 1 km length of the Falla 13 structural corridor that exhibits clear geochemical and geophysical signatures corresponding to the mineralization encountered in drill hole 22MAR-013R.

- On May 2, 2022, the Company announced the discovery of a new copper and gold sulphide system as a result of its maiden 4,075 RC drill program at its Margarita IOCG project. Drill hole 22MAR-013R intersected 90 m of 0.94% copper and 0.84 g/t gold at a depth of 50 m – 140 m. This discovery successfully identified the copper and gold sulphide source mineralization to the abundant copper oxide mineralization observed on the southern margin of the project, validating the Company's exploration thesis, and represents the potential for a significant new IOCG discovery in the Cretaceous Coastal Cordillera belt in northern Chile.

- On January 26, 2022, the Company provided an update on the exploration and permitting progress at its Santa Cecilia gold – copper project located in the world-class Maricunga belt in northern Chile, approximately 100 km east of the city of Copiapo. Torq's technical team conducted an initial geological evaluation of the available historical drill core and identified multiple phases of porphyry intrusions and believes that there are several potential high-grade targets within the 10 square km hydrothermal alteration system. In addition, the Company is working closely with the local community on a plan for the first phase of exploration, which would include drilling from existing drill pads and roads. The current goal, subject to financing and availability of drilling rigs, is to commence drilling work in the first quarter of 2023.

1.2 Corporate highlights

- On September 15, 2022, the Company announced that it had closed the $15 million non-brokered private placement with a wholly owned affiliate of NYSE listed international gold mining company, Gold Fields Limited ("Gold Fields") that was previously announced on September 6, 2022. The Company issued an aggregate of 15,000,000 Torq common shares at $1.00 per share, resulting in Gold Fields owning approximately 15.05% of Torq's issued and outstanding shares (undiluted). The funds will be used to advance Torq's portfolio of projects in Chile, primarily its Santa Cecilia gold-copper project.

- On August 19, 2022, the Company announced the voting results for election of its Board of Directors at the Annual General Meeting of Shareholders held on August 18, 2022, in Vancouver, British Columbia. The director nominees, as listed in the Company's Information Circular dated July 6, 2022, and SEDAR filed July 14, 2022, were elected as directors of the Company to serve until the next annual general meeting.

- On July 11, 2022, the Company announced that it agreed to amend the Canadian $3 million two-year credit facility announced June 23, 2022. Under the amended terms, $2 million would be advanced to the Company immediately on execution of the amended credit facility agreement. Amounts drawn under the facility are subject to a 9% annual interest rate. In consideration for the grant of the facility, the Company agreed to pay the lender, 191010 Investments Limited, an entity which is affiliated with a current shareholder, 3,333,333 share purchase warrants exercisable at C$0.60 per common share for a two-year period based on the initial $2 million advance. Additional warrants for 100% coverage would be issued at the time of any future draw down(s) of the remaining $1 million with warrants priced at the prevailing market price. On July 19, 2022, the Company drew down the initial $2 million and issued the purchase warrants.

- On June 21, 2022, the Company announced that two current directors are changing management positions in order to better reflect the expected executive involvement of each person going forward. Shawn Wallace, the current Board Chair, is also taking the position of Chief Executive Officer while Michael Kosowan will assume the office of Vice President, Capital Markets. Mr. Kosowan will continue to serve as a director. The Board created the office of Lead Independent Director and appointed Steve Cook to that office.

- On March 18, 2022, the Company announced that it had completed a non-brokered private equity placement of $5.28 million through the issuance of 7,033,400 units at an offering price of $0.75. Each $0.75 unit consisted of a common share and a three-year share purchase warrant, exercisable at $1.10. The warrant is subject to accelerated expiry if the common shares trade above $1.75 for 20 consecutive trading days after the first 12 months. Customary referral fees of approximately 3% of the aggregate proceeds were paid to eligible persons who referred participating investors.

2. DATE OF INFORMATION AND CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management Discussion and Analysis ("MD&A") of Torq has been prepared by management to assist the reader in assessing material changes in the condensed consolidated interim financial statements and results of operations of the Company as at September 30, 2022. Commentary is made on the results of the period under review. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and related notes thereto as at and for the three and nine months ended September 30, 2022. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standard Board ("IASB") and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is November 11, 2022.

2.1. Forward-looking statements and risk factors

Certain statements made in this MD&A contain forward-looking information within the meaning of applicable Canadian and United States securities laws ("forward-looking statements"). These forward-looking statements are presented for the purpose of assisting the Company's shareholders and prospective investors in understanding management's intentions and views regarding future outcomes and are inherently uncertain and should not be heavily relied upon. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, identify such forward-looking statements. Specific forward-looking statements in this MD&A may include, but are not limited to: the Company's ability to execute on its exploration and financing plans, the likelihood of discovering resources; the potential for access to and exploration of the Company's Margarita, Andrea or Santa Cecilia projects; permitting timelines; government regulation of mining operations; environmental and climate-related risks; the possible impairment of mining interests; any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements; the timing and amount of estimated exploration expenditures and capital raises for the Company; the liquidity of the common shares in the capital of the Company and other events or conditions that may occur in the future; the Company's intention to grow its business and its operations; the Company's competitive position; changes to government regulation, in particular Chilean; and the impact of the COVID-19 pandemic on the Company's operations and the economy generally.

The forward-looking statements contained in this MD&A represent the Company's views as of the date hereof. The assumptions related to these plans, estimates, projections, beliefs and opinions may change without notice and in unanticipated ways. Many assumptions may prove to be incorrect, including the Company's budgeting plans, expected costs, assumptions regarding market conditions and other factors upon which the Company has based its expenditure and funding expectations; the Company's ability to obtain or renew the licenses and permits necessary for exploration; that operations and financial markets will not in the long term be adversely impacted by the COVID-19 pandemic; the Company's ability to complete and successfully integrate acquisitions; the possible effects of climate change, extreme weather events, water scarcity, and seismic events, and the effectiveness of strategies to deal with these issues; the Company's expectations regarding the future demand for, and supply and price of, precious and base metals; the Company's ability to recruit and retain qualified personnel; the Company's ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals.

Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to adversely differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Some of the risks and other factors (some of which are beyond the Company's control) which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this MD&A include, but are not limited to, fluctuations in the current and projected prices for gold, other precious and base metals and other commodities (such as natural gas, fuel oil and electricity) which are needed for exploration activities; risks and hazards associated with the business of mineral exploration (including environmental hazards, potential unintended releases of contaminants, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding); the speculative nature of mineral exploration and development; the estimation of mineral resources, the Company's ability to obtain funding, including the Company's ability to complete future equity financings; the current lack of any estimated mineralized deposit; environmental risks and remediation measures, including evolving environmental regulations and legislation; changes in laws and regulations impacting exploration activities; the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title; legal and litigation risks; statutory and regulatory compliance; insurance and uninsurable risks; the Company's limited business history and history of losses and negative cash flow, which will continue into the foreseeable future; our inability to pay dividends, volatility in the Company's share price, the continuation of our management team and our ability to secure the specialized skill and knowledge necessary to operate in the mining industry; availability of drilling equipment and other exploration equipment; timely receipt of appropriate exploration permits; relations with and claims by local communities and non-governmental organizations, including relations with and claims by indigenous populations; the requirements of being a public company, including maintaining the listing requirements TSXV; risks associated with the significant resources required to maintain regulatory compliance as a public company; the effectiveness of the Company's internal control over financial reporting; cybersecurity risks; risks relating to the Company's public perception; general business, economic, competitive, political and social uncertainties; and public health crises such as the COVID-19 pandemic. This is not an exhaustive list of the risks and other factors that may affect any of the Company's forward-looking statements. 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. These documents are for information purposes only and not incorporated by reference in this MD&A.

3. DESCRIPTION OF THE BUSINESS

Torq is a junior mineral 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, where its shares trade under the symbol TORQ.V and on the OTCQX where its shares trade under the US symbol TRBMF.

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

The information presented consist of the financial statements of the Company, and the following 100% beneficially owned subsidiaries:

Subsidiary (in USD functional currency)	Place of incorporation
Torq Resources Chile SpA	Chile
Minera Margarita SpA	Chile
Minera Andrea SpA	Chile
Minera Santa SpA	Chile
Candelaria Minerals S.A.C	Peru

Candelaria Minerals S.A.C. is a dormant entity in the process of being dissolved. During the nine-month period ended September 30, 2022, the Company dissolved Stratton Resources (Canada) Inc. and Torq Resources Holding Inc. which were also dormant entities. On April 1, 2022, the Company acquired a 25% interest in Universal Mineral Services Ltd ("UMS Canada") a shared-service provider.

3.1. Ongoing response to COVID-19

The situation in Canada and Chile with respect to the management of COVID-19 remains fluid and permitted activities are subject to change. The Company is continually reviewing the situation along with provincial and government guidelines and is allowing work to be undertaken as long as it is confident that its employees and communities are safe to do so.

While remaining compliant with the restrictions arising from the ongoing management of the pandemic, the Company was able to achieve its planned goals during the period ended September 30, 2022. As the situation surrounding COVID-19 continues to develop, albeit to a lesser extent, the Company will continue to monitor the situation closely and respond appropriately.

4. MINERAL PROPERTY INTERESTS

The Company's mineral property interests are composed of the following:

		Margarita Project		Andrea Project		Santa Cecilia Project		Total
As at December 31, 2020	$	-	$	-	$	-	$	-
Finder's Fees shares		159,969		-		-		159,969
Additions		293,537		164,745		265,286		723,568
Foreign currency translation		380		1,081		3,200		4,661
As at December 31, 2021	**$**	**453,886**	**$**	**165,826**	**$**	**268,486**	**$**	**888,198**
Additions		**481,276**		**170,937**		**-**		**652,213**
Foreign currency translation		**44,450**		**24,912**		**10,290**		**79,652**
As at September 30, 2022	**$**	**979,612**	**$**	**361,675**	**$**	**278,776**	**$**	**1,620,063**

4.1. 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 claim, a small-scale mining company.

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 were issued on March 31, 2022, and 243,750 shares are to be issued on March 31, 2023.

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

During the second quarter of 2022, the Company acquired the concession rights for two strategic parcels of land adjacent to the project.

Margarita Claims

Under the option agreement, the Company can acquire a 100% interest in the Margarita claims by making cash payments totaling US$6,200,000 over 66 months. The Company is also required to incur work expenditures totaling US$3,050,000 within 30 months of the signing date of the definitive agreement (February 22, 2021), to which approximately US$3.3 million of eligible work expenditures had been incurred as at September 30, 2022

		Cash payments (US$)		Work expenditure requirements (US$)
April 20, 2021 (paid C$62,445)	$	50,000	$	-
August 22, 2021 (paid C$64,280 and work requirements met)		50,000		400,000
August 22, 2022 (paid C$129,890 and work requirements met)		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		-
	$	**6,200,000**	**$**	**3,050,000**

The Margarita claims are subject to a net smelter return ("NSR") royalty of 1.0% with 50% (being 0.5%) which can be repurchased by the Company, at the Company's discretion, for US$2,000,000.

La Cototuda Claim

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

		Cash payments (US$)
February 23, 2021 (paid C$63,065)	$	50,000
February 23, 2022 (paid C$31,745)		25,000
August 23, 2022 (paid C$291,083)		225,000
October 23, 2023		250,000
February 23, 2024		350,000
	$	**900,000**

The schedule of the La Cototuda option payments were amended during the first quarter of 2022, and the table above shows the commitments as agreed at the date of these condensed consolidated interim financial statements.

Certain legal claims have arisen regarding the mineral exploration rights over a non-material section (approximately 10 meters wide) at the edge of the Margarita southern property, comprised of four opposition filings. While the outcome of these legal claims is uncertain, management has reviewed the situation and believes the claims have no merit.

Exploration Activities

A summary of exploration and evaluation costs for the Margarita project during the three and nine months ended September 30, 2022, is as follows:

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

		Three months ended September 30, 2022		2021		Nine months ended September 30, 2022		2021
Drilling	**$**	**579,114**	$	-	**$**	**1,352,879**	$	-
Geological consulting, salaries and wages		**368,862**		198,439		**924,423**		578,765
Geophysics, sampling and assays		**224,037**		256,524		**378,602**		468,497
Project support		**198,247**		9,366		**575,602**		21,605
Travel, meals and accommodation		**100,212**		37,366		**211,764**		53,875
Environmental, permitting and concessions		**2,495**		11,758		**14,950**		34,996
Equipment, vehicles, rent and field supplies		**70,371**		8,291		**81,972**		12,684
Share-based compensation		**44,621**		32,274		**71,301**		114,169
Total	**$**	**1,587,959**	$	554,018	**$**	**3,611,493**	$	1,284,591

On May 2, 2022, the Company completed its maiden 4,075 m RC drill program at the Margarita project, with the discovery of a new copper and gold sulphide system. Drill hole 22MAR-013R intersected 90 m of 0.94% copper and 0.84 g/t gold at a depth of 50 m – 140 m. This discovery successfully identified copper and gold sulphide mineralization, validating the Company's exploration thesis that sulphide mineralization is present on the project as a potential source to the abundant copper oxide mineralization observed on the southern margin of the project. On July 14, 2022, the Company announced that it had commenced a follow-up RC drill program ("phase II"), which consisted of approximately 4,000 m along a 1 km length of the Falla 13 structural corridor, which exhibits clear geochemical and geophysical signatures corresponding to the mineralization encountered in the discovery drill hole, 22MAR-013R. As previously mentioned, on August 2, 2022, the Company announced the identification of new high priority targets, Remolino and Cototuda, at the Margarita IOCG project and on September 13, 2022, the Company announced it had extended its initial discovery 190 m to the north at the Margarita IOCG project. Drill hole 22MAR-014R intercepted 98 m of 0.94 g/t gold and 0.68% copper from 32 m – 130 m depth. The phase II drill program, consisting of 11 drill holes, has been completed and the remainder of the results are forthcoming.

4.2. 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 which 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 (paid C$170,937)		135,000
May 24, 2023		185,000
May 24, 2024		300,000
May 24, 2025		1,000,000
May 24, 2026		4,275,000
	$	**6,000,000**

The Andrea Project option agreements include an NSR of 1.5%, which can be repurchased by the Company, at the Company's discretion, for US$3,000,000.

<u>Exploration Activities</u>

A summary of exploration and evaluation costs for the Andrea project during the three and nine months ended September 30, 2022 is as follows:

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Geological consulting, salaries and wages	**$ 53,962**	$ 75,185	**$ 241,608**	$ 75,185
Geophysics, sampling and assays	**2,021**	-	**8,354**	-
Project support	**8,351**	-	**67,574**	-
Travel, meals and accommodation	**321**	3,445	**19,359**	3,445
Environmental, permitting and concessions	**-**	5,450	**15,128**	8,740
Equipment, vehicles, rent and field supplies	**17,290**	653	**20,130**	653
Share-based compensation	**7,784**	1,866	**14,829**	9,544
Total	**$ 89,729**	$ 86,599	**$ 386,982**	$ 97,567

During the three and nine months ended September 30, 2022, the Company continued to focus on geochemical sampling and comprehensive mapping at the Andrea project, integrating these with the results of previous geophysics, with the goal of updating targeting at the property for future drill testing. Surface analysis has been completed and targets have been delineated.

4.3. Santa Cecilia project

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, 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.

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

	Cash payments (US$)
October 21, 2021 (paid C$123,580)	$ 100,000
October 21, 2022 (paid subsequent to the period end)	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
	$ 25,000,000

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, which includes both drill permits and social license from indigenous communities located in the area of interest, to start its exploration campaigns. The option agreement also includes the requirement to achieve 25,000 m of drilling during the exploration campaign.

Within 12, 24 and 36 months from achieving permits, which occurred on October 21, 2022:	Work Expenditures Requirements (US$)
October 21, 2023	$ 3,000,000
October 21, 2024	4,500,000
October 21, 2025	8,000,000
	$ 15,500,000

The option agreement includes an NSR of 3%, half of which 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.

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

Subsequent to the nine month period ended September 30, 2022, the Company paid on time the option cash payment due by October 21, 2022, and agreed with the optionor that the date of obtaining necessary permits for exploration had been achieved on October 21, 2022, and any exploration expenditure incurred prior to that date could be included in the work expenditure requirements for the period ended October 21, 2023. The Company has incurred approximately US$560,000 of eligible work expenditures up to September 30, 2022.

Exploration Activities

A summary of exploration and evaluation costs, which do not count towards exploration spending targets, for the Santa Cecilia project during the three and nine months ended September 30, 2022, is as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Geological consulting, salaries and wages	**$ 132,072**	$ -	**$ 521,564**	$ -
Geophysics, sampling and assays	**8,716**	-	**25,742**	-
Project support	**57,835**	-	**119,490**	-
Travel, meals and accommodation	**25,048**	-	**41,022**	-
Environmental, permitting and concessions	**3,386**	-	**54,236**	-
Equipment, vehicles, rent and field supplies	**22,809**	-	**28,279**	-
Share-based compensation	**13,334**	-	**22,894**	-
Community relations	**174,775**	-	**236,885**	-
Total	**$ 437,975**	$ -	**$ 1,050,112**	$ -

During the three and nine months ended September 30, 2022, the Company continued to focus its efforts on advancing dialogue and negotiation with the local Colla community, which culminated in the execution of a seven-year agreement on September 1, 2022. Furthermore, the team has been reviewing available historical data from prior exploration activities, including the re-logging and re-habilitation of existing historical drill cores available from previous drilling campaigns by a major mining company and the property owners. This work is driving the development of drill targets for future drill campaigns at Santa Cecilia, planned for early 2023.

4.4. Project investigation

The Company continues to review and evaluate new projects to potentially add to its top tier mineral portfolio. A summary of project investigation costs during the three and nine months ended September 30, 2022, is as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Geological consulting, salaries and wages	**$ 64,281**	$ 6,692	**$ 161,462**	$ 216,070
Project support	**4,647**	474	**9,282**	9,200
Share-based compensation	**1,880**	10,025	**2,399**	46,475
Environmental, permitting and concessions	**-**	-	**-**	9,062
Equipment, vehicles, rent and field supplies	**-**	-	**-**	2,249
Total	**$ 70,808**	$ 17,191	**$ 173,143**	$ 283,056

4.5. 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 vary, 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 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 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 the property and work effectively throughout the year at the Margarita project.

Due to the position and altitude of the Andrea project, it is less accessible than Margarita. The Company began its reconnaissance work in September 2021, once access was granted. The project is expected to be accessible for field work for at least eight months of the year (September to April).

In the case of the Santa Cecilia project, although it has a similar altitude to Andrea, it is slightly more accessible. The Company is able to carry out field activities at Santa Cecilia in the fourth quarter of 2022.

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

5. DISCUSSION OF OPERATIONS

5.1. Three months ended September 30, 2022 and 2021 (Q3 2022 vs Q3 2021)

The loss for Q3 2022 was $3,216,632 or $0.04 loss per share, compared to $1,612,254 or $0.02 loss per share for Q3 2021. Overall costs increased to support the additional exploration activities at the Margarita, Santa Cecilia and Andrea projects.

Significant variances are discussed as follows:

- During Q3 2022, exploration and evaluation expenses increased to $2,115,663 compared to $640,617 in Q3 2021 as a result of increased exploration activities on the properties acquired in 2021, particularly due to the ramp up of targeting activities in preparation for the RC drill campaign at the Margarita project which commenced part-way through the quarter in July and community relations costs associated with obtaining the seven year access agreement with the Colla community near to the Santa Cecilia project.

- During Q3 2022, marketing and investor relations increased to $399,539 from $207,662 in Q3 2021. The increase is due to the Company's increased marketing and investor relations efforts to communicate the exploration progress and results, as well as key corporate developments with the Loan Facility and Gold Fields investment, to the investor community.

- During Q3 2022, fees, salaries and other employee benefits increased to $542,794 from $390,522 in Q3 2021 due to an increase in consulting fees and administrative salaries needed to support the higher level of exploration and corporate development activities.

- Project investigation costs increased to $70,808 in Q3 2022 from $17,191 in Q3 2021, as management continues to explore new opportunities.

- During Q3 2022, the Company recorded interest expenses of $76,556 associated to the Loan Facility, no similar expense has been recorded in the comparable period as the facility was initiated in July 2022.

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

- In Q3 2022 the Company recorded a loss of $9,209 on its equity investment in UMS Canada. This is the second quarter that the Company has had ownership in this entity and accordingly there is no similar 2021 comparative figure.

- In Q3 2022, foreign exchange gain of $182,219 was recognized compared to a loss of $57,824 in Q3 2021. The gain in the current period is driven by the fluctuation of the US dollar against the Chilean peso during the quarter. The Company's exposure to fluctuations in the Chilean peso has increased in correlation to the Company's continued ramp up activities since acquiring its projects in 2021.

5.2. Nine months ended September 30, 2022 and 2021 (YTD 2022 vs YTD 2021)

Loss for the nine months ended September 30, 2022, was $8,369,408 compared to a loss of $4,536,238 for the nine months ended September 30, 2021.

Significant variance for the comparable nine-months period was driven by the same factors discussed for the three-month period, primarily the increase of $3,666,429 in the exploration and evaluation expenses, accompanied by a $385,062 increase in fees, salaries and other employee benefits as a result of the recruitment of additional support personnel for the expanded exploration team in Chile and a decrease of $109,913 in project investigation costs as the Company moved its focus to the exploration of the properties acquired in 2021.

5.3. Summary of quarterly results

A summary of quarterly results is shown below:

Quarter ended	Interest and other income	Loss	Total comprehensive loss	Loss per share
September 30, 2022	$ 41,849	$ 3,216,632	$ 3,162,686	$ 0.04
June 30, 2022	8,980	2,556,757	2,520,764	0.03
March 31, 2022	7,656	2,596,019	2,593,395	0.03
December 31, 2021	4,143	1,941,866	1,962,501	0.03
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

The summary of last eight quarters reflects a significant increase in losses as the Company entered Chile and set-up corporate entities, built a key portfolio of projects, and began surface exploration on the Andrea and Santa Cecilia projects and drilling activities at the Margarita project which expanded in the third quarter of 2022. There were related increases in salaries and office and administration costs, as well as marketing and investor relations costs, which were a consequence of this ramp up in exploration activities.

6. EXPLORATION PLANS FOR 2022 AND INTO 2023

The Company is anticipating the remainder of the results from the phase II drill program at Margarita throughout Q4 2022. In an effort to delineate additional targets on the project, a multi-element geochemical soil survey is planned and will focus on the delineation of gold and trace element anomalies associated with the mineralization discovered to date. Additional mapping of road cuts in the area of drilling will be completed in an effort to better understand the geometry of the mineralization encountered.

At the Andrea project, the Company systematically completed early-stage exploration activities, including surface sampling and geological mapping, and then integrated these results with the historical geophysical results to further refine targets for a potential future drill program.

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

At Santa Cecilia, following the signing of a seven-year social agreement in September 2022, the Company is able to commence surface exploration work and anticipates field work to begin in the fourth quarter of 2022. This will include a multi-element geochemical soil survey, detailed alteration mapping through short wave infrared analysis and detailed geological mapping, with drilling potentially in Q1 2023, subject to permitting, drill rig availability and adequate funding.

7. LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company has net working capital of $14,691,759 while it incurred a loss for the period of $8,369,408. The Company has incurred operating losses to date and does not generate revenue from operations to support its activities. With no source of revenue, 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 on the Company's ability to continue as a going concern.

September 2022 Gold Fields Investment

On September 6, 2022, the Company announced a C$15 million non-brokered private placement with a wholly owned affiliate of NYSE listed international gold mining company, Gold Fields, at a purchase price of C$1.00 per share.

September 2022 Gold Fields Investment	**Number of common shares**		**Proceeds**
Units issued at $1.00 per unit	15,000,000	$	15,000,000
Share issuance costs			(685,713)
Net proceeds of 2022 Gold Fields Investment		**$**	**14,314,287**

March 2022 Share Offering

On March 18, 2022, the Company announced it had completed a non-brokered equity private placement for gross proceeds of $5,275,050, which has improved the Company's liquidity and provided the capital to finance the drilling activities and to conduct further exploration on the newly optioned properties. Share issue costs including commissions and professional and regulatory fees, totaled $230,175. These funds have now been fully spent.

March 2022 Private Placement	**Number of common shares**		**Proceeds**
Units issued at $0.75 per unit	7,033,400	$	5,275,050
Share issuance costs			(230,175)
Net proceeds of 2022 Private Placement		$	5,044,875
Actual use of proceeds:			
Exploration activities			(4,362,747)
General working capital			(682,128)
Funds remaining at September 30, 2022		**$**	**-**

Net proceeds from the March 18, 2022 Private Placement were used as intended by the Company, to carry on the drill campaign at Margarita, perform a comprehensive review of those results and subsequently plan for the next phase of drilling. The funds were also used to perform targeting exploration activities at the Andrea and Santa Cecilia projects and collaborate with the local communities toward the access agreement for Santa Cecilia, which was obtained on September 1, 2022.

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

February 2017 Share Offering

On February 27, 2017, the Company closed a private equity placement for gross proceeds of $13,195,000 and issued an aggregate of 20,300,000 common shares at a price of $0.65 per common share. Share issue costs including commissions and professional and regulatory fees, totaled $447,036. These funds have now been fully spent.

February 2017 Private Placement	**Number of common shares**		**Proceeds**
Price per common share $0.65	20,300,000	$	13,195,000
Share issuance costs			(447,036)
Net proceeds of 2017 Private Placement		$	12,747,964
Actual use of proceeds:			
Project investigation and acquisition costs			(6,084,600)
General working capital			(6,663,364)
Funds remaining at September 30, 2022		$	-

The Company used the funds from the February 2017 Private Placement to complete the work required to leave its abandoned properties in good standing, acquire the Margarita, Andrea and Santa Cecilia concessions, finance exploration activities, including the first phase of drilling at Margarita, continue with project investigation activities and to cover administration and general working capital needs.

The Company will continue to require additional working capital for the foreseeable future to fund its ongoing activities. As an exploration company that does not generate revenue, the most likely source of additional capital will be further equity financings, which are not assured and will depend on, among other things, financial market conditions, metal prices and the Company's exploration results.

A summary of planned option payments in the coming years are as follows:

	Margarita Project	**Andrea Project**	**Santa Cecilia Project**	**Total USD**
From October 1, 2022	$ -	$ -	$ 300,000	$ 300,000
2023	550,000	185,000	-	735,000
2024	1,550,000	300,000	600,000	2,450,000
2025	2,000,000	1,000,000	1,000,000	4,000,000
2026	2,500,000	4,275,000	3,000,000	9,775,000
2027	-	-	5,000,000	5,000,000
2028	-	-	15,000,000	15,000,000

<u>Common share issuances</u>

During the three and nine months ended September 30, 2022, the Company issued the following common shares:

- 15,000,000 common shares with a fair value of $15 million in connection with the non-brokered private equity placement announced on September 15, 2022;
- 141,667 common shares with a fair value of $28,169 pursuant to the Margarita project finder's fee agreement; and
- 7,033,400 units at an offering price of $0.75 in connection with the non-brokered private equity placement financing completed March 18, 2022; each unit includes one common share and one three-year share purchase warrant, exercisable at $1.10. The warrant is subject to an accelerated expiry if the common shares trade above $1.75 for 20 consecutive trading days after the first 12 months.

Results of Operations for the three and nine months ended September 30, 2022 Expressed in Canadian dollars

8. OFF-BALANCE SHEET ARRANGEMENTS

Other than the commitment described in Note 10 in the condensed consolidated interim financial statements, 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

(a) Services rendered and balances

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

				Three months ended September 30,				**Nine months ended September 30,**
		2022		2021		**2022**		2021
Exploration and evaluation	**$**	**77,532**	$	12,898	**$**	**233,993**	$	18,982
Project investigation		**32,839**		7,618		**45,863**		54,778
Marketing and investor relations		**26,288**		14,371		**70,061**		47,921
General and administration		**217,240**		110,938		**635,356**		326,877
Total transactions for the period	**$**	**353,899**	$	145,825	**$**	**985,273**	$	448,558

As at September 30, 2022, $116,219 (December 31, 2021 - $115,446) was included in accounts payable and $240,000 (December 31, 2021 - $420,000) in prepaid expenses and deposits relating to transactions with UMS Canada. Upon the acquisition of the share of UMS Canada in April 2022, $150,000 of the deposit balance was reclassified to the investment in associate balance.

(b) 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 four non-executive directors:

				Three months ended September 30,				**Nine months ended September 30,**
		2022		2021		**2022**		2021
Salaries and other employee benefits	**$**	**236,244**	$	265,612	**$**	**696,579**	$	659,802
Fees paid to non-executive directors		**18,795**		21,713		**56,384**		57,837
Share-based compensation		**23,937**		100,096		**93,378**		211,303
	$	**278,976**	$	387,421	**$**	**846,341**	$	928,942

On April 1, 2022, the Company entered into a shared services agreement with UMS Canada. Under the agreement, the Company's CFO and Chief Geological Officer terminated their direct employment status with the Company, became employed by UMS Canada and entered into secondment employment arrangements between the Company and UMS Canada.

10. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of 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 consolidated 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. Actual outcomes may differ from these estimates.

In preparing the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, the Company applied the critical accounting estimates and judgements disclosed in Note 2 of its audited consolidated financial statements for the year ended December 31, 2021.

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 audited consolidated financial statements for the year ended December 31, 2021, except for the following:

Equity investment

The Company conducts a portion of its business through equity interest in an associate. An associate is an entity over which the Company has significant influence and is neither a subsidiary nor a joint venture. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policy decisions.

The Company accounts for its investment in associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of earnings and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings and losses of its associate are recognized in net loss during the period.

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at September 30, 2022, the Company's financial instruments consist of cash, accounts receivable, deposits, 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 risks including liquidity risk, credit risk, market risk and currency risk. Details of the primary risks that the Company is exposed to are laid out in the notes to the Company's unaudited 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 September 30, and November 11, 2022, there were 99,690,481 common shares of the Company issued and outstanding.

As at September 30, and November 11, 2022, there were 7,782,500 share purchase options and 10,366,733 share purchase 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, 2021.

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 September 30, 2022, 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,

"Shawn Wallace"
Shawn Wallace
Chief Executive Officer and Chair
November 11, 2022