TORQ RESOURCES

(An exploration stage company)

Torq Resources Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

TORQ RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

	Note		**September 30, 2023**		December 31, 2022
Assets					
Current assets					
Cash		**$**	**3,749,884**	$	12,470,543
Amounts receivable			**37,277**		65,899
Prepaid expenses and deposits	8		**526,854**		466,094
			4,314,015		13,002,536
Non-current assets					
Equity investment	3		**107,297**		127,024
Equipment	4		**289,300**		463,816
Mineral property interests	5		**2,496,305**		2,012,368
Total assets		**$**	**7,206,917**	$	15,605,744
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	8	**$**	**1,323,453**	$	1,637,551
Current loan facility	7		**2,201,757**		-
			3,525,210		1,637,551
Non-current liability					
Loan facility	7		**-**		1,966,710
Total liabilities		**$**	**3,525,210**	$	3,604,261
Equity					
Share capital	9	**$**	**73,329,032**	$	68,160,093
Shares to be issued			**-**		70,862
Share option and warrant reserves	10		**13,151,269**		10,547,271
Accumulated other comprehensive income			**88,768**		89,777
Deficit			**(82,887,362)**		(66,866,520)
Total equity		**$**	**3,681,707**	$	12,001,483
Total liabilities and equity		**$**	**7,206,917**	$	15,605,744

Going concern (Note 1(c)), Commitment (Note 3), Subsequent Events (Notes 7, 14)

Approved on behalf of the Board of Directors:

"Steve Cook"
Lead Independent Director

"Jeffrey Mason"
Director & Chair of the Audit Committee

TORQ RESOURCES INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars, except number of shares - Unaudited)

	Note		Three months ended September 30, 2023		Three months ended September 30, 2022		Nine months ended September 30, 2023		Nine months ended September 30, 2022
Operating expenses									
Exploration and evaluation	6	**$**	**3,662,447**	$	2,115,663	**$**	**11,526,137**	$	5,048,587
Fees, salaries and other employee benefits	8		**572,216**		542,794		**2,307,615**		1,465,092
Legal and professional			**111,457**		49,833		**385,628**		192,628
Marketing and investor relations			**283,681**		399,539		**940,094**		982,767
Office and administration			**178,032**		164,808		**517,370**		512,013
Project investigation			**25,116**		70,808		**94,460**		173,143
Regulatory and transfer agent			**27,637**		11,490		**90,138**		48,502
			4,860,586		3,354,935		**15,861,442**		8,422,732
Other expenses (income)									
Accretion expense	7		**84,303**		40,556		**235,047**		40,556
Foreign exchange (gain) loss			**(149,482)**		(182,219)		**92,194**		(115,438)
Interest income			**(76,440)**		(41,849)		**(354,069)**		(58,485)
Interest expense	7		**56,713**		36,000		**168,288**		36,000
Net loss from equity investment	3		**2,017**		9,209		**19,727**		44,043
			(82,889)		(138,303)		**161,187**		(53,324)
Net loss for the period		**$**	**4,777,697**	$	3,216,632	**$**	**16,022,629**	$	8,369,408
Other comprehensive (income) loss									
Unrealized (gain) loss on translation of foreign operations			**147,509**		(53,946)		**(778)**		(92,563)
Total comprehensive loss for the period		**$**	**4,925,206**	$	3,162,686	**$**	**16,021,851**	$	8,276,845
Basic and diluted loss per share		**$**	**0.04**	$	0.04	**$**	**0.15**	$	0.10
Basic and diluted weighted average number of shares			**110,368,130**		87,136,133		**107,650,634**		83,857,801

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

TORQ RESOURCES INC.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars, except number of shares - Unaudited)

	Number of common shares		**Share capital**		**Shares to be issued**		**Share option and warrant reserves**		**Accumulated other comprehensive income (loss)**		**Deficit**		**Total equity**
Balance, December 31, 2021	77,515,414	$	49,124,432	$	99,031	$	9,284,921	$	(52,263)	$	(55,147,174)	$	3,308,947
Share and share purchase warrants issued pursuant to offering, net of share issue cost	22,033,400		19,007,492		-		812,792		-		-		19,820,284
Share-based compensation	-		-		-		407,529		-		-		407,529
Shares issued as finders' fee	141,667		28,169		(28,169)		-		-		-		-
Other comprehensive income for the period	-		-		-		-		92,563		-		92,563
Net loss for the period	-		-		-		-		-		(8,369,408)		(8,369,408)
Balance, September 30, 2022	99,690,481	$	68,160,093	$	70,862	$	10,505,242	$	40,300	$	(63,516,582)	$	15,259,915
Balance, December 31, 2022	99,690,481	$	68,160,093	$	70,862	$	10,547,271	$	89,777	$	(66,866,520)	$	12,001,483
Shares issued as finders' fee	243,750		70,862		(70,862)		-		-		-		-
Units issued, net of share issue costs and cash finders' fees	10,433,899		5,217,791		-		521,695		-		-		5,739,486
Warrants issued for finders' fees	-		(119,714)		-		119,714		-		-		-
Share-based compensation	-		-		-		1,962,589		-		-		1,962,589
Reclassification of subsidiary other comprehensive income upon dissolution	-		-		-		-		(1,787)		1,787		-
Other comprehensive income for the period	-		-		-		-		778		-		778
Net loss for the period	-		-		-		-		-		(16,022,629)		(16,022,629)
Balance, September 30, 2023	**110,368,130**	**$**	**73,329,032**	**$**	**-**	**$**	**13,151,269**	**$**	**88,768**	**$**	**(82,887,362)**	**$**	**3,681,707**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

TORQ RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Operating activities				
Net loss for the period	**$ (4,777,697)**	$ (3,216,632)	**$ (16,022,629)**	$ (8,369,408)
Adjusted for:				
Interest income	**(76,440)**	(41,849)	**(354,069)**	(58,485)
Non-cash transactions:				
Accretion expense	**84,303**	40,556	**235,047**	40,556
Depreciation	**68,438**	90,818	**215,930**	129,939
Interest expense	**56,713**	36,000	**168,288**	36,000
Net loss from equity investment	**2,017**	9,209	**19,727**	44,043
Share-based compensation expense	**358,157**	160,370	**1,962,589**	407,529
Unrealized foreign exchange (gain) loss	**(262,250)**	(48,450)	**(6,946)**	1,091
Changes in working capital items other than cash:				
Amounts receivable	**49,913**	7,503	**28,980**	121,130
Prepaid expenses and deposits	**26,584**	80,237	**(58,172)**	101,952
Accounts payable and accrued liabilities	**16,602**	633,580	**(251,236)**	850,492
Cash used in operating activities	**(4,453,660)**	(2,248,658)	**(14,062,491)**	(6,695,161)
Investing activities				
Acquisition of equity investment	**-**	-	**-**	(1,000)
Interest income received	**76,440**	41,849	**354,069**	58,485
Mineral properties additions	**(406,560)**	(421,723)	**(487,764)**	(652,213)
Purchase of equipment	**-**	-	**(36,903)**	(45,659)
Cash used in investing activities	**(330,120)**	(379,874)	**(170,598)**	(640,387)
Financing activities				
Interest paid	**(56,713)**	(36,000)	**(168,288)**	(36,000)
Proceeds from the issuance of shares and share purchase warrants, net of costs	**-**	**-**	**5,739,486**	5,044,875
Proceeds from loan and credit facility, net of arrangement fee and costs	**-**	1,951,968	**-**	1,951,968
Proceeds from issue of shares to Gold Fields Limited, net of costs	**-**	14,314,287	**-**	14,314,287
Cash provided by (used in) financing activities	**(56,713)**	16,230,255	**5,571,198**	21,275,130
Effect of foreign exchange rate on changes in cash	**(74,552)**	(22,857)	**(58,768)**	(57,212)
Change in cash	**(4,915,045)**	13,578,866	**(8,720,659)**	13,882,370
Cash, beginning of the period	**8,664,929**	2,202,828	**12,470,543**	1,899,324
Cash, end of the period	**$ 3,749,884**	$ 15,781,694	**$ 3,749,884**	$ 15,781,694

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

NOTE 1 – BUSINESS OVERVIEW

(a) Corporate information

Torq Resources Inc. (the "Company" or "Torq") is incorporated under the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer. The Company's shares trade under the symbol TORQ.V in Canada and on the OTCQX under the US symbol TRBMF. The head office and principal address of Torq is located at 1177 West Hastings Street, Suite 1630, Vancouver, British Columbia, Canada, V6E 2K3.

These unaudited condensed interim consolidated financial statements (the "financial statements") were approved and authorized for issue by the Board of Directors of the Company on November 29, 2023.

(b) Nature of operations

The Company is principally engaged in the acquisition and exploration of mineral property interests with a focus in the Americas, particularly Chile.

(c) Going concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2023, the Company had working capital of $788,805 (December 31, 2022 - $11,364,985). For the nine months ended September 30, 2023, and 2022, the Company incurred a net loss of $16,022,629 and $8,369,408, respectively. The Company has incurred operating losses to date and does not generate revenue to support its operating activities. With no source of operating cash flows, there is no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. The Company has had success raising capital in the past, and on March 10, 2023, the Company closed a non-brokered private placement for gross proceeds of $6,260,339 (Note 9(b)). Furthermore, on November 8, 2023, the Company commenced a public equity offering of units, comprised of common shares and share purchase warrants, to achieve minimum gross proceeds of $4 million (note 14). However, the ability to continue as a going concern remains dependent upon Torq's capacity to obtain the financing necessary to continue to fund its mineral properties, including two active exploration projects, 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.

These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

NOTE 2 – BASIS OF PREPARATION

(a) Statement of compliance

These 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") as issued by the International Accounting Standards Board ("IASB"). The accounting policies followed in these financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the years ended December 31, 2022 and 2021 (the "annual financial statements").

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

(c) Basis of consolidation

Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

The Company's functional currency is the Canadian dollar ("CAD", "C$"), which is also the Company's presentation currency. These financial statements are presented in Canadian dollars, unless otherwise noted. Amounts denominated in United States dollars ("USD") are denoted as US$.

The financial statements include the financial statements of the Company, and the following subsidiaries:

Subsidiary	Place of incorporation	Functional Currency	Beneficial Interest
Torq Resources Chile SpA	Chile	US$	100%
Minera Margarita SpA	Chile	US$	100%
Minera Andrea SpA	Chile	US$	100%
Minera Santa SpA	Chile	US$	100%
Torq Operaciones Chile SpA	Chile	US$	100%

Candelaria Minerals S.A.C., a dormant subsidiary of the Company, was dissolved in January 2023.

These financial statements include a 25% investment in Universal Mineral Services Ltd. ("UMS Canada") which is a shared service entity (Note 3).

(d) Critical accounting judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgements and estimates were presented in Note 3 of the annual financial statements and have been consistently applied in the preparation of these financial statements. No new estimates and judgements were applied for the period ended September 30, 2023.

(e) Application of new and revised accounting standards

On May 7, 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The amendments narrow the scope of the initial recognition exemption ("IRE") so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The adoption of the new standard did not impact the financial statements of the Company.

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments, which became effective January 1, 2023, help to distinguish changes in accounting policies from changes in accounting estimates. The adoption of the new standard did not impact the financial statements of the Company.

On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and help companies provide useful accounting policy disclosures. The adoption of the new standard, effective January 1, 2023, did not impact the financial statements of the Company.

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

NOTE 3 – EQUITY INVESTMENT

Investment in associate - UMS Canada

UMS Canada is located in Vancouver, BC, and provides geological, financial and transactional advisory services as well as administrative services to the Company and three other companies on a cost recovery basis. On April 1, 2022, the Company acquired a 25% share interest in UMS Canada and accounts for this as an associate. UMS Canada is a party to an office lease agreement with a total term of ten years, for which certain rent expenses will be payable by the Company. As at September 30, 2023, the Company expects to incur approximately $1.5 million in respect of future lease rent for the remaining 7.75 years.

Summarized financial information of UMS Canada

The Company's share of net loss of UMS Canada for the three and nine months ended September 30, 2023 and 2022, was as follows:

		Three months ended September 30,				Nine months ended September 30,		
		2023		2022		**2023**		2022
Cost recoveries	**$**	(1,056,280)	$	(1,212,261)	**$**	(4,276,612)	$	(2,901,840)
Geological services		361,807		476,403		1,528,706		1,141,426
Administrative services		702,540		772,694		2,826,814		1,936,586
Net loss for the period		8,067		36,836		78,908		176,172
Company's share of net loss of associate	**$**	**2,017**	$	9,209	**$**	**19,727**	$	44,043

The carrying amount of the Company's investment in UMS Canada as at September 30, 2023 was as follows:

		Equity investment
Acquisition of equity investment	$	151,000
Company's share of net loss on investment		(23,976)
Carrying amount as at December 31, 2022		127,024
Company's share of net loss on investment for the period		(19,727)
Carrying amount as at September 30, 2023	**$**	**107,297**

The Company's equity interest in net assets of UMS Canada at September 30, 2023 was as follows:

		2023
Current assets	$	817,118
Non-current assets		2,538,898
Current liabilities		(1,552,219)
Non-current liabilities		(1,374,608)
Net assets - 100%		429,189
Company's equity interest in net assets	**$**	**107,297**

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

NOTE 4 – EQUIPMENT

		Total
Balance as at December 31, 2021	$	383,270
Additions		196,330
Depreciation		(174,073)
Disposals		(7,576)
Foreign currency translation		65,865
Balance as at December 31, 2022		463,816
Additions		36,903
Depreciation		(215,930)
Foreign currency translation		4,511
Balance as at September 30, 2023	**$**	**289,300**

During the three and nine months ended September 30, 2023, the Company recorded $63,097 and $199,497, respectively (2022 - $86,283 and $116,444, respectively) of depreciation in exploration and evaluation expense in the condensed interim consolidated statements of loss and comprehensive loss. Depreciation expense was also included within Office and administration expenses relating to office equipment.

NOTE 5 – 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, 2021	**$**	453,886	$	165,826	$	268,486	$	888,198
Additions		3,435		-		-		3,435
Option payments		477,841		170,937		409,470		1,058,248
Foreign currency translation		35,977		21,000		5,510		62,487
As at December 31, 2022	$	971,139	$	357,763	$	683,466	$	2,012,368
Option payments		406,560		81,204		-		487,764
Foreign currency translation		(2,207)		(660)		(960)		(3,827)
As at September 30, 2023	**$**	**1,375,492**	**$**	**438,307**	**$**	**682,506**	**$**	**2,496,305**

(a) Margarita project

Pursuant to the execution of the Margarita Project option agreement, the Company incurred finders' fees to be paid in shares of the Company and issued in separate tranches; on March 31, 2023, the final tranche of shares was issued in final settlement of the agreement with the finders.

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

Margarita Claims

Under the option agreement, the Company may acquire a 100% interest in the Margarita claims by making cash payments totaling US$6,200,000 over 66 months. To maintain the option, 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), which have been fully incurred as at September 30, 2023.

		Cash payments (US$)		**Work expenditures requirement (US$)**
April 20, 2021 (paid $62,445)	$	50,000	$	-
August 22, 2021 (paid $64,280 and work requirements met)		50,000		400,000
August 22, 2022 (paid $155,013 and work requirements met)		100,000		1,150,000
August 18, 2023 (paid $406,560 and work requirements met)		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**

La Cototuda Claim

Under the La Cototuda option agreement, the Company can acquire a 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 $63,065)	$	50,000
February 23, 2022 (paid $31,745)		25,000
August 23, 2022 (paid $291,083)		225,000
October 23, 2023 (paid subsequent to the period end)		250,000
February 23, 2024		350,000
	$	**900,000**

Two legal claims arose in 2022 regarding the mineral exploration rights over a non-material section (approximately 10 metres wide) at the edge of the Margarita southern property. While the outcome of these legal claims is uncertain, management, after review with legal counsel, believes the claims have no merit. As of September 30, 2023, the issuance of the final court decision is pending.

(b) Andrea project

On May 12, 2023, the Company amended the timing of the option payments to acquire 100% of the Andrea project, and the updated table of payments is as follows:

		Cash payments (US$)
July 23, 2021 (paid $132,038)	$	105,000
May 24, 2022 (paid $170,937)		135,000
May 12, 2023 (paid $81,204)		60,000
May 24, 2024		195,000
May 24, 2025		310,000
May 24, 2026		1,035,000
May 24, 2027		4,160,000
	$	**6,000,000**

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

(c) Santa Cecilia project

In order to maintain the Santa Cecilia project option agreement, the Company needs to make option payments up to October 21, 2028. The Company has made on-time all the required option payments totaling US$400,000 to the date of these financial statements.

		Cash payments (US$)
October 21, 2021 (paid $123,580)	$	100,000
October 21, 2022 (paid $409,470)		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**

The Company also needs to complete total staged work expenditures of US15,500,000 over the period up to October 20, 2025, as well as complete 25,000 m of drilling which is a pre-requisite to exercising the option to earn 100% interest in the project. The first work expenditure requirement by October 20, 2023, is US$3,000,000; as at September 30, 2023, the Company had incurred approximately US$6,900,000 of eligible work expenditures and drilled 2,059 m.

Within 12, 24 and 36 months from achieving permits, which occurred on October 21, 2022:		**Work Expenditures Requirements (US$)**	**Eligible Expenditures Incurred (US$)**
October 20, 2023	$	3,000,000	3,000,000
October 20, 2024		4,500,000	3,900,000
October 20, 2025		8,000,000	-
	$	15,500,000	6,900,000

NOTE 6 – EXPLORATION AND EVALUATION

During the three and nine months ended September 30, 2023 and 2022, summary of the Company's exploration and evaluation costs is as follows:

Margarita Project		**Three months ended September 30,**				**Nine months ended September 30,**		
		2023		2022		**2023**		2022
Drilling	**$**	**840,399**	$	579,114	**$**	**840,399**	$	1,352,879
Geological consulting, salaries and wages		**389,029**		368,862		**955,425**		924,423
Geophysics, sampling and assays		**223,853**		224,037		**284,453**		378,602
Project support		**437,298**		198,247		**756,346**		575,602
Travel, meals and accommodation		**88,570**		100,212		**246,471**		211,764
Environmental, permitting and concessions		**34,272**		2,495		**158,342**		14,950
Equipment, vehicles, rent and field supplies		**3,815**		70,371		**10,864**		81,972
Share-based compensation		**46,039**		44,621		**293,152**		71,301
Total	**$**	**2,063,275**	$	1,587,959	**$**	**3,545,452**	$	3,611,493

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

Andrea Project		Three months ended September 30, **2023**		2022		Nine months ended September 30, **2023**		2022
Geological consulting, salaries and wages	**$**	**9,876**	$	53,962	**$**	**25,482**	$	241,608
Geophysics, sampling and assays		**-**		2,021		**-**		8,354
Project support		**11,675**		8,351		**43,135**		67,574
Travel, meals and accommodation		**1,363**		321		**18,493**		19,359
Environmental, permitting and concessions		**-**		-		**18,162**		15,128
Equipment, vehicles, rent and field supplies		**21**		17,290		**79**		20,130
Share-based compensation		**2,643**		7,784		**16,240**		14,829
Total	**$**	**25,578**	$	89,729	**$**	**121,591**	$	386,982

Santa Cecilia Project		Three months ended September 30, **2023**		2022		Nine months ended September 30, **2023**		2022
Drilling	**$**	**230,472**	$	-	**$**	**1,836,755**	$	**-**
Geological consulting, salaries and wages		**544,583**		132,072		**2,014,646**		521,564
Geophysics, sampling and assays		**86,758**		8,716		**564,079**		25,742
Project support		**227,917**		57,835		**1,402,819**		119,490
Travel, meals and accommodation		**71,739**		25,048		**902,357**		41,022
Environmental, permitting and concessions		**177,968**		3,386		**438,509**		54,236
Equipment, vehicles, rent and field supplies		**7,556**		22,809		**62,458**		28,279
Share-based compensation		**64,774**		13,334		**388,973**		22,894
Community relations		**161,827**		174,775		**248,498**		236,885
Total	**$**	**1,573,594**	$	437,975	**$**	**7,859,094**	$	1,050,112

NOTE 7 – LOAN FACILITY

As at September 30, 2023, the carrying value of the Loan Facility is as follows:

		Loan Facility
Upon recognition of the loan draws	$	1,872,729
Interest expense		83,466
Payments of interest expense		(83,466)
Accretion expense		93,981
Balance as at December 31, 2022	$	1,966,710
Interest expense		168,288
Payments of interest expense		(168,288)
Accretion expense		235,047
Balance as at September 30, 2023	**$**	**2,201,757**

During the three and nine months ended September 30, 2023, the Company incurred interest expense of which all has been paid in cash.

As at September 30, 2023, the Loan Facility was due for repayment in July 2024 and therefore the carrying value was reclassified to current liabilities. Subsequent to the end of the period, on November 27, 2023, the Company and the lender amended the Loan Facility agreement, extending the repayment deadline from July 11, 2024, to July 11, 2025. In consideration of the extension, the Company has agreed to cancel the lender's 4,102,564 share purchase warrants that were issued in relation to the Loan Facility and have an expiry date of July 11, 2024, (3,333,333 at exercise price $0.60 and 769,231 at exercise price $0.65) and issue 7,500,000 share purchase warrants with an exercise price of $0.35 with expiry date of July 11, 2025. This is subject to customary TSX Venture Exchange approval.

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

NOTE 8 – RELATED PARTY TRANSACTIONS

(a) Services rendered and balances

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

		Three months ended September 30, 2023		2022		Nine months ended September 30, 2023		2022
Exploration and evaluation	**$**	**128,727**	$	77,532	**$**	**449,800**	$	233,993
Project investigation		**728**		32,839		**9,684**		45,863
Marketing and investor relations		**50,728**		26,288		**148,698**		70,061
General and administration		**223,474**		217,240		**965,374**		635,356
Total transactions for the periods	**$**	**403,657**	$	353,899	**$**	**1,573,556**	$	985,273

As at September 30, 2023, accounts payable and accrued liabilities included $141,117 (December 31, 2022 - $161,900) and prepaid expenses and deposits included $220,000 (December 31, 2022 - $240,000) relating to transactions with UMS Canada.

(b) Key management compensation

The Company provided the following total compensation to key management members, being its four executives, and five non-executive directors:

		Three months ended September 30, 2023		2022		Nine months ended September 30, 2023		2022
Fees paid to non-executive directors	$	**36,547**	$	18,795	$	**99,160**	$	56,384
Salaries and other employee benefits		**267,348**		236,244		**872,328**		696,579
Share-based compensation		**220,404**		23,937		**1,378,364**		93,378
Total	$	**524,299**	$	278,976	$	**2,349,852**	$	846,341

As at September 30, 2023 the Company had an outstanding accounts payable balance with key management personnel of $24,282 (December 31, 2022 - $355,135).

The Company issues options to certain UMS employees, including key management personnel of the Company. The Company recognized a share-based compensation expense of $113,924 and $709,819, respectively during the three and nine months ended September 30, 2023 (2022 - $70,794 and $166,391, respectively) in respect of share options granted to UMS employees.

NOTE 9 – SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Common share issuances

<u>During the nine months ended September 30, 2023:</u>

On March 31, 2023, the Company issued 243,750 common shares with a $70,862 fair value, in relation to the Margarita Project finders' fee agreement (Note 5(a)).

On March 10, 2023, the Company closed a non-brokered private placement for gross proceeds of $6,260,339 consisting of 10,433,899 units of the Company (the "Units") at a price of $0.60 per Unit. Each unit consisted of one Torq common share and one half of a share purchase warrant, two half-warrants being required to exercise and acquire a full share at $0.80 until March 10, 2026. The securities were issued under the listed issuer financing exemption, pursuant to National Instrument 45-106 - Prospectus Exemptions, and therefore no hold period applied to these securities in Canada, except where required by the TSX Venture Exchange.

The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed a residual value of $521,695 to the warrants issued. In relation to the private placement, the Company issued 601,034 warrants ("Broker Warrants") to the agents with a fair value of $119,714. The Company determined the fair value of the Broker Warrants using the Black-Scholes options valuation model under the following assumptions: risk-free rate of 3.97%, expected life of 2 years, volatility of 67.09%, and dividend yield of 0.00%. Each Broker Warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price equal to $0.60 until March 10, 2025. The fair value of the Broker Warrants was treated as a cost of share issuance; the total share issuance costs associated with the private placement was $640,567.

<u>During the year ended December 31, 2022:</u>

On September 15, 2022, the Company completed a $15,000,000 non-brokered private placement with a wholly owned affiliate of a NYSE listed international gold mining company, Gold Fields Limited ("Gold Fields"), at a purchase price of $1.00 per common share. The Company issued 15,000,000 common shares on September 15, 2022. Torq and Gold Fields have signed an investment agreement that, amongst other things:

- Entitles Gold Fields to a pre-emptive right to maintain its share ownership percentage, subject to certain conditions,
- Subjects Gold Fields to a customary share purchase standstill regarding increasing its position without approval from the Company, apart from customary release conditions such as a third-party bid or similar transaction,
- Creates an advisory technical committee of which Gold Fields will be and is now a member,
- Binds Gold Fields to a voluntary one-year share hold period and customary limits on share resales thereafter, and
- Contains certain limited share voting restrictions on Gold Fields' shares.

Torq will primarily use the net proceeds for exploration and development activities at its Santa Cecilia project, as well as for exploration and development activities at the Company's Margarita project. The total cost of issuing the shares was $685,713 which has been recognized within share capital.

On March 31, 2022, the Company issued 141,667 common shares with a $28,169 fair value, pursuant to the Margarita Project finders' fee agreement.

On March 18, 2022, the Company closed a non-brokered private placement of 7,033,400 units at a price of $0.75 per unit for gross proceeds of $5,275,050. Each unit consisted of a common share and a three-year share purchase warrant, exercisable at $1.10. Share issuance costs including customary referral fees totaled $230,175.

The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed a residual value of $351,670 to the warrants issued.

NOTE 10 – SHARE OPTION AND WARRANT RESERVES

(a) Share-based options

The Company maintains a Rolling Share-Based Option Plan providing for the issuance of share purchase options up to 10% of the Company's issued and outstanding common shares. The Company may grant from time to time share options to its directors, officers, employees and other service providers. The share options typically vest 25% on the date of the grant and 12½% every three months thereafter for a total vesting period of 18 months.

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

The continuity of the number of share options issued and outstanding is as follows:

	Number of share options	Weighted average exercise price
Outstanding, December 31, 2021	7,745,000	$ 0.80
Granted	700,000	0.65
Forfeited	(70,000)	0.78
Cancelled/Expired	(4,523,125)	0.85
Outstanding, December 31, 2022	3,851,875	0.72
Granted	5,550,000	0.73
Forfeited	(122,500)	0.69
Cancelled/Expired	(404,375)	0.65
Outstanding, September 30, 2023	**8,875,000**	**$ 0.73**

As at September 30, 2023, the number of share options outstanding and exercisable is as follows:

	Outstanding			Exercisable		
Expiry date	Number of share options	Exercise price	Remaining contractual life (years)	Number of share options	Exercise price	Remaining contractual life (years)
Apr 1, 2024	250,000	$ 0.50	0.50	250,000	$ 0.50	0.50
May 25, 2025	400,000	0.58	1.65	400,000	0.58	1.65
Jun 25, 2025	150,000	0.66	1.74	150,000	0.66	1.74
Apr 7, 2026	1,290,000	0.77	2.52	1,290,000	0.77	2.52
Sep 3, 2026	375,000	0.82	2.93	375,000	0.82	2.93
Nov 24, 2026	490,000	0.86	3.15	490,000	0.86	3.15
Jul 19, 2027	467,500	0.65	3.80	350,625	0.65	3.80
Jan 19, 2028	5,307,500	0.73	4.31	2,574,205	0.73	4.31
Feb 7, 2028	45,000	0.62	4.36	22,500	0.62	4.36
Mar 3, 2028	100,000	0.60	4.43	50,000	0.60	4.43
	8,875,000	**$ 0.73**	**3.63**	**5,952,330**	**$ 0.73**	**3.31**

The fair value of all share-based payments to directors, officers, employees and others service providers was calculated using the Black-Scholes option valuation model. During the three and nine months ended September 30, 2023, and 2022 the Company recognized the following share-based compensation amounts within:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Exploration and evaluation	**$ 113,455**	$ 65,739	**$ 698,365**	$ 109,023
Fees, salaries and other employee benefits	**224,380**	88,672	**1,137,058**	274,311
Marketing and investor relations	**15,497**	4,079	**98,224**	21,796
Project investigation	**4,825**	1,880	**28,942**	2,399
	$ 358,157	160,370	$ **1,962,589**	$ 407,529

During the nine months ended September 30, 2023, the Company granted 5,550,000 share purchase options to directors, officers, employees, and other service providers who are consultants that provide on-going services to the Company, representative of employee services. The weighted average fair value per option of these share options was calculated as $0.44 using the Black-Scholes option valuation model at the grant date.

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

During the prior year ended December 31, 2022, the Company granted 700,000 share options to directors, officers, employees, and certain consultants who provide on-going services to the Company, representative of employee services. The weighted average fair value per option of these share options was calculated as $0.32 using the Black-Scholes option valuation model at the grant date.

The fair values of the share-based options granted during the nine months ended September 30, 2023 and 2022, were based on the following weighted average assumptions:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Risk-free rate	**2.84%**	**3.13%**
Expected life	**5 years**	**5 years**
Expected volatility	**70.93%**	**71.46%**
Dividend yield	**0.00%**	**0.00%**

(b) Share purchase warrants

The continuity of the share purchase warrants issued and outstanding is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2021	-	-
Issued	11,135,964	$ 0.92
Outstanding, December 31, 2022	11,135,964	0.92
Issued	5,817,983	0.78
Outstanding, September 30, 2023	**16,953,947**	**$ 0.87**

A summary of the Company's warrants issued and outstanding as at September 30, 2023 is as follows:

Expiry date	Warrants outstanding	Weighted average exercise price
July 11, 2024	3,333,333	$ 0.60
July 11, 2024	769,231	0.65
March 1, 2025	7,033,400	1.10
March 10, 2025	601,034	0.60
March 10, 2026	5,216,949	0.80
	16,953,947	**$ 0.87**

NOTE 11 – FINANCIAL INSTRUMENTS

Financial instruments are evaluated under a fair value hierarchy that reflects the significance of inputs in making fair value measurements as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (market prices) or indirectly (derived from market prices).
Level 3 – Inputs for the asset or liability are not based upon observable market data.

As at September 30, 2023, the Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities, and the Loan Facility; all of these financial instruments are measured at amortized cost. The fair values of cash, amounts receivable, deposits, accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturity.

(Expressed in Canadian Dollars, unless otherwise stated - Unaudited)

The Company's financial instruments are exposed to liquidity risk, credit risk and currency risk. As at September 30, 2023, the primary risks were as follows:

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt, as required. As at September 30, 2023, the Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue with planned exploration operations for the upcoming 12 month period.

(b) Credit risk

The Company's cash and amounts receivable are exposed to credit risk, which is the risk that the counterparties to the Company's financial instruments will cause a loss to the Company by failing to pay for their obligations. The amount of credit risk to which the Company is exposed is considered insignificant as the Company's cash is held with highly rated financial institutions in interest-bearing accounts and the amounts receivable primarily consist of sales taxes receivable from the Government of Canada.

(c) Currency risk

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to significant market risk from currency risk by having balances and transactions in currencies that are different from its functional currency.

The Canadian parent company is exposed to US$ foreign currency risk with functional currency and the Chilean subsidiaries with US$ functional currency are exposed to CLP foreign currency risk. As at September 30, 2023, the Company's foreign currency exposure related to its financial assets and liabilities held in US$ and CLP is as follows:

In C$	**September 30, 2023**	December 31, 2022
Period end exchange rate C$ per US$	**$ 1.3520**	$ 1.3544
Cash	**$ 171**	$ 1,192
Accounts payable and accrued liabilities	**(93)**	-
	$ 78	$ 1,192

In US$	**September 30, 2023**	December 31, 2022
Period end exchange rate CLP per US$	**$ 895.60**	$ 848.50
Cash	**$ 545,377**	$ 215,907
Amounts receivable	**61,500**	-
Accounts payable and accrued liabilities	**(794,688)**	(675,711)
	$ (187,811)	$ (459,804)

A 10% increase or decrease in the US$ and CLP exchange rates would result in an impact of approximately $25,403 to the Company's loss and comprehensive loss for the three and nine months ended September 30, 2023.

NOTE 12 – SEGMENTED INFORMATION

The Company operates as one operating segment, being the acquisition and exploration of mineral resource properties. The Company's primary exploration and evaluation assets are located in Chile, and its corporate assets, comprising mainly cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results. Most corporate expenses are incurred in Canada.

NOTE 13 – MANAGEMENT OF CAPITAL

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue additional common shares. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity and debt markets to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable, given the relative size of the Company. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed from the prior periods.

NOTE 14 – SUBSEQUENT EVENT - PUBLIC EQUITY OFFERING

On November 8, 2023, subsequent to the period end, the Company announced a public offering of up to 24,000,000 Units of the Company for gross proceeds of up to C$6,000,000. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant will be exercisable to purchase one common share of the Company at a price of C$0.35 for a period of three years from the closing date. The net proceeds from the Offering will be used for exploration of the Company's Santa Cecilia project and for general corporate and working capital purposes.

In connection with the Offering, the Company entered into an agreement with Paradigm Capital Inc. and Red Cloud Securities Inc. to act as co-lead agents and joint bookrunners on behalf of a syndicate of agents (collectively, the "Agents"). The Company will grant the Agents an option, exercisable, in whole or in part, for up to 30 days following the closing of the Offering, to sell the number of Units equal to up to an additional 15% of the Units sold pursuant to the Offering at the Offering Price to cover over-allotments, if any. The Offering is subject to Torq receiving all necessary regulatory approvals, including the acceptance of the Offering by the TSX Venture Exchange.

The Company filed a prospectus supplement (the "Supplement") to its short form base shelf prospectus dated February 10, 2023 (the "Base Shelf Prospectus") on November 10, 2023. The Supplement is filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Quebec. Copies of the Supplement and accompanying Base Shelf Prospectus are available under the Company's profile on SEDAR+ at www.sedarplus.com.

Gold Fields, an existing investor in the Company, has indicated its intention to participate in the Offering at an amount that is to be determined.