TORQ RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

Dated: November 19, 2024

HIGHLIGHTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND THE PERIOD UP TO NOVEMBER 19, 2024

Operational highlights

- On April 18, 2024, Torq Resources Inc. ("Torq" or the "Company") announced the first set of results from the phase II drill program at its Santa Cecilia project. Drill hole 24SC-DDH-003 intercepted 0.36 g/t gold (Au) and 0.078% copper (Cu) over 502 m from 98 m down hole, including a higher-grade interval of 0.69 g/t Au and 0.10% Cu over 20 m from 354 m down hole at Pircas Norte. The drill hole ended in mineralized intrusive diorite breccia due to logistical limitations and the reported intercept remains open. These results represent a new discovery of significant gold-copper porphyry mineralization and confirm the Company's exploration thesis for the broader Santa Cecilia project.

- On May 23, 2024, the Company announced the second set of results from the recently completed Phase II drilling program at its Santa Cecilia project. The second discovery hole, 24SC-DDH-005, intercepted an interval of 120 meter ("m") with 1.33 g/t gold (Au), 0.096% copper (Cu) at a depth of 376 m to 496 m (end of hole) ending in mineralization. A high-grade quartz vein was included within the broader interval, which returned 2.0 m of 47.90 g/t gold from 414 m. A selective sample of a 27 cm wide quartz vein from 484.63 m assayed 39.70 g/t gold. Drill hole 24SC-DDH-005 intercepted four other zones of significant gold and copper mineralization including 118 m of 0.26 g/t gold and 0.034% copper from surface. The reported intercepts from the Pircas Norte discovery demonstrate both the overall potential scale and grade of the mineralized body which remains open in all directions. The Company is encouraged by the results to date from the limited drilling at both Pircas Norte and Gemelos Norte and is currently planning additional drilling with a particular focus on the high-grade broad gold mineralization seen at Pircas Norte. At the Gemelos Norte drill hole 24SC-DDH-004 intercepted 98 m of 0.18 g/t gold and 0.043% copper (Cu) were obtained at a depth of 274 m and, 10 m of 0.36 g/t Au and 0.004% Cu at a depth of 12 m. The entire drill hole was anomalous in both copper and gold mineralization and the Gemelos Norte target remains open.

Corporate highlights

- On January 4, 2024, the Company completed a public and private offering for gross proceeds of $5,337,578 through the issuance of 23,206,860 units at a price of $0.23 per unit. Three directors of the Company purchased an aggregate of 575,000 units in the offering for gross proceeds of $132,250. For further information see the Liquidity and Capital Resources section, below.

- On March 25, 2024, the Company announced that director, Jeffrey Mason, and Chief Geological Officer ("CGO"), Michael Henrichsen, resigned their respective positions with the Company effective immediately to pursue other business interests. The Company will not in the near term appoint a replacement CGO given the strength of the Chilean technical team.

- On March 25, 2024, the Company allowed its option on the Andrea Project to lapse in order to focus and prioritize its capital allocation to its more advanced Margarita and Santa Cecilia projects. As a result, the Company recognized a $438,891 impairment charge related to the Andrea project.

- On March 25, 2024, the Company implemented cash preservation measures including an immediate 50% pay cuts for all salaried North American senior executives, a payment deferral of those reduced salaries until a financing permits payment, and deferral of all directors' cash compensation. The Company will reduce all non-essential employees and contractors and close its Vancouver office. Operations will be lead from the Santiago offices, where the Company's technical team, physical assets and exploration activities are centered.

- On March 28, 2024, the Company announced the appointment of Waldo Cuadra, Torq's General Manager in Chile, as a director of the Company. Mr. Cuadra has been leading Torq's technical team in Chile since he joined the Company in 2020. He brings over 40 years of experience both as a geologist and an executive within the mining industry.

- On July 2, 2024, the Company completed a non-brokered private placement for gross proceeds of $464,530 through the issuance of 4,645,300 units at a price of $0.10 per unit. For further information see the Liquidity and Capital Resources section, below.

- On August 5, 2024, the Company amended its Margarita Project Option Agreement to extend the option by one year and to defer each of the property payments by one year. Under the terms of the amended agreement, an additional US$300,000 (to a total of US$1,500,000), was added to the August 22, 2025 option payment and an increase of US$200,000 (to a total of US$2,200,000) was added to the August 22, 2026 option payment. In addition, Torq is required to spend at least US$1,000,000 in exploration and evaluation expenses before August 22, 2025 and an additional US$1,000,000 (to a total of USD $2,000,000) in exploration and evaluation expenses before August 22, 2026.

- On August 26, 2024, the Company completed a non-brokered private placement for gross proceeds of $85,000 through the issuance of 850,000 units at a price of $0.10 per unit, all of which were purchased by a director of the Company. For further information see the Liquidity and Capital Resources section, below.

- On August 26, 2024, the Company drew down $300,000 from its loan facility (the "Loan Facility") with 191010 Investments Limited and issued 3,750,000 share purchase warrants exercisable at $0.08 per common share of the Company until July 11, 2025.

- On October 18, 2024, the Company entered an interim loan and facility agreement with an affiliate of Gold Fields Limited ("Gold Fields") for up to an aggregate amount of US$1,810,000 (CAD$2,496,100) (the "Goldfields Loan"). The Goldfields Loan will be drawn in tranches. The Goldfields Loan is to be funded in an immediate amount of US$600,000 (CAD$830,100) with an additional credit facility allowing Torq to draw-down further amounts to a maximum additional amount of US$1,210,000 currently approximately (CAD$1,666,000) to advance the approved programs on the Santa Cecilia Project. The Goldfields Loan is intended to bridge the period until Torq and Gold Fields complete the option and joint venture agreement ("Earn-in Option"). Under the Earn-in Option, Gold Fields will be granted a two-stage option to acquire up to a 75% interest in the Santa Cecilia Project in exchange for incurring an aggregate US$48 million in project expenditures over a maximum of 6 years.

- On October 21, 2024, the Company completed the first draw down on the Goldfields Loan for US$600,000 ($830,100) to make an option payment of US$600,000 ($830,100) on the Santa Cecilia Project.

- On October 28, 2024, the Company completed the second draw down on the Goldfields Loan for US$345,000 ($479,550), the proceeds will be used to advance the exploration and development of the Santa Cecilia Project in accordance with programs approved by Gold Fields.

- On November 14, 2024, the Company completed the third draw down on the Goldfields Loan for US$527,000 ($737,800), the proceeds will be used to advance the exploration and development of the Santa Cecilia Project in accordance with programs approved by Gold Fields.

DATE OF INFORMATION AND CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This management's discussion and analysis ("MD&A") has been prepared by management to assist the reader in assessing material changes in the financial condition and results of operations of the Company as at September 30, 2024. Commentary is made on the results of the period under review. This MD&A should be read in conjunction with the Company's consolidated financial statements and related notes for the three and nine months ended September 30, 2024 and 2023 (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, including International Accounting Standard 34 *Interim Financial Reporting*. In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2023 and 2022 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted in the Financial Statements.

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine months ended September 30, 2024 and 2023 are referred to as "YTD 2024" and "YTD 2023", respectively.

All monetary amounts in the MD&A are expressed in Canadian dollars, the presentation currency of the Company, except number of shares or as otherwise indicated. References to "US$" are to United States dollars. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.torqresources.com. This MD&A has been prepared effective as of November 19, 2024 (the "MD&A Date").

United States readers should be aware that the Company uses mineral terminology based on the Canadian Institute of Mining and Metallurgy ("CIM"). CIM standards are not the same as those accepted by the US Securities Exchange Commission for US domestic mining company disclosure. Further details of these differences can be found in the Company's Annual Information Form filings.

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 TSX Venture Exchange ("TSX-V"); 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 adversely affect any of the Company's forward-looking statements.

Readers should refer to the risks discussed herein and in the Company's Annual Information Form for the year ended December 31, 2023, dated April 26, 2024, and subsequent disclosure filings with the Canadian Securities Administrators, available on SEDAR+ at www.sedarplus.ca 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.

DESCRIPTION OF THE BUSINESS

Torq Resources Inc. was 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 OTCQB under the US symbol TRBMF. The Company is principally engaged in the acquisition and exploration of mineral property interests with a focus in the Americas, particularly Chile.

A summary of the Company's subsidiaries as at September 30, 2024 are as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Torq Resources Chile SpA	Chile	100%	USD	Holding company
Minera Margarita SpA	Chile	100%	USD	Mineral exploration
Minera Andrea SpA	Chile	100%	USD	Mineral exploration
Minera Santa SpA	Chile	100%	USD	Mineral exploration
Torq Operaciones Chile SpA	Chile	100%	USD	Mineral exploration

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

The Company's performance and quarterly results include a 25% investment in Universal Mineral Services Ltd. ("UMS Canada") which is a shared service entity.

Qualified persons and technical disclosures

Bryan Atkinson. P.Geol., is the qualified person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* with respect to the technical disclosures in this MD&A.

MINERAL PROPERTY INTERESTS

A summary of the Company's mineral property interests is as follows:

	Margarita Project	Andrea Project	Santa Cecilia Project	Total
	$	$	$	$
Balance, December 31, 2022	971,139	357,763	683,466	2,012,368
Option payments	748,460	81,204	-	829,664
Foreign currency translation	(37,559)	(9,480)	(12,720)	(59,759)
Balance, December 31, 2023	1,682,040	429,487	670,746	2,782,273
Option payments	472,920	-	-	472,920
Impairment	-	(438,891)	-	(438,891)
Foreign currency translation	28,750	9,404	10,920	49,074
Balance, September 30, 2024	**2,183,710**	**-**	**681,666**	**2,865,376**

Margarita Project

On March 8, 2021, the Company announced it had acquired the option to earn a 100% interest in the Margarita iron-oxide-copper-gold project (the "Margarita Project") located in Chile, 65 km - s/b north of the city of Copiapo. The Company acquired the rights that constitute the Margarita Project through two option agreements: the Margarita claims and the La Cototuda claim.

Pursuant to the execution of the Margarita Project option agreement, the Company incurred finders' fees requiring the issuance of 466,667 common shares of the Company in separate tranches as follows: 81,250 shares were issued on April 7, 2021; 141,667 shares were issued on March 31, 2022; and the final 243,750 shares were issued on March 31, 2023.

Margarita claims

On August 5, 2024, the Company amended its Margarita Project Option Agreement to extend the option by one year and to defer each of the property payments by one year. Under the terms of the amended agreement, an additional US$300,000 (to a total of US$1,500,000), was added to the August 22, 2025 option payment and an increase of US$200,000 (to a total of US$2,200,000) was added to the August 22, 2026 option payment. In addition, Torq is required to spend at least US$1,000,000 in exploration and evaluation expenses before August 22, 2025 and an additional US$1,000,000 (to a total of USD $2,000,000) in exploration and evaluation expenses before August 22, 2026.

Under the amended agreement, the Company may acquire a 100% interest in the project by making cash option payments totaling US$6,700,000 and incurring work expenditures totaling US$5,050,000 as summarized in the table below. To the date of this MD&A, the Company has made all scheduled option payments totaling US$500,000.

A summary of the Company's total required cash payments and work expenditures under the amended agreement is as follows:

	Cash payments	**Work expenditures requirement**
	US$	US$
April 20, 2021 (paid $62,445)	50,000	-
August 22, 2021 (paid $64,280 and work expenditures requirement met)	50,000	400,000
August 22, 2022 (paid $155,013 and work expenditures requirement met)	100,000	1,150,000
August 18, 2023 (paid $406,560 and work expenditures requirement met)	300,000	1,500,000
August 22, 2025	1,500,000	1,000,000
August 22, 2026	2,200,000	1,000,000
August 22, 2027	2,500,000	-
	6,700,000	**5,050,000**

La Cototuda Claim

On February 23, 2024, the Company made a $472,920 (US$350,000) final cash payment thereby acquiring a 100% interest in the La Cototuda claim.

Two legal claims arose in 2022 regarding the mineral exploration rights over a non-material section (approximately 10 m 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, 2024, the issuance of the final court decision is pending.

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 (the "Andrea Project") located in northern Chile, 100 km east of the city of La Serena. The Company acquired the rights that constitute the Andrea project through three option agreements.

On March 25, 2024, the Company allowed its option on the Andrea Project to lapse in order to focus and prioritize its capital allocation to its more advanced Margarita and Santa Cecilia projects. As a result, the Company recognized a $438,891 impairment charge related to the project for the nine months ended September 30, 2024.

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, (the "Santa Cecilia 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.

In order to maintain the Santa Cecilia Project option agreement, the Company needs to make option payments up to October 21, 2028. To the date of this MD&A, the Company has completed all required option payments and the option agreement is in good standing.

The summary of total required cash payments and work expenditures under the option agreement is as follows:

	Cash payments	**Work expenditures requirement**
	US$	US$
October 21, 2021 (paid $123,580)	100,000	-
October 21, 2022 (paid $409,470)	300,000	-
October 21, 2023 (work expenditures requirement met)	-	3,000,000
October 21, 2024 (paid $830,100 and work expenditures requirement met)	600,000	4,500,000
October 21, 2025	1,000,000	8,000,000
October 21, 2026	3,000,000	-
October 21, 2027	5,000,000	-
October 21, 2028	15,000,000	-
	25,000,000	**15,500,000**

The Company needs to complete total staged work expenditures of US$15,500,000 over the period up to October 20, 2028, as well as complete 25,000 metres of drilling which is a pre-requisite to exercising the option to earn 100% interest in the project. The Company has met the first two work expenditure commitments totaling US$7,500,000 by October 21, 2024. As at September 30, 2024, the Company had incurred approximately US$11,587,000 of eligible work expenditures and drilled 3,548 meters.

On July 31, 2024, the Company entered into a non-binding term sheet with an affiliate of Gold Fields with respect to a proposed Earn-in Option to advance the exploration and development of the Santa Cecilia Project. Under the Earn-in Option, Gold Fields will be granted a two-stage option to acquire up to a 75% interest in the Santa Cecilia Project in exchange for incurring an aggregate US$48 million in project expenditures over a maximum of 6 years.

EXPLORATION AND EVALUATION EXPENSES

A summary of the Company's exploration and evaluation expenses for the three months ended September 30, 2024 is as follows:

	Margarita Project	**Andrea Project**	**Santa Cecilia Project**	**Total**
	$	$	$	$
Community relations	-	-	141,814	141,814
Environmental, permitting and concessions	(10,773)	-	8,122	(2,651)
Equipment, vehicles, rent and field supplies	953	-	957	1,910
Geological consulting, salaries, and wages	128,034	406	374,449	502,889
Geophysics, sampling, and assays	139	-	8,833	8,972
Project support	39,231	6,891	112,901	159,023
Share-based compensation	584	60	1,188	1,832
Travel, meals and accommodation	15,937	1,099	25,519	42,555
	174,105	**8,456**	**673,783**	**856,344**

A summary of the Company's exploration and evaluation expenses for the three months ended September 30, 2023 is as follows:

	Margarita Project	**Andrea Project**	**Santa Cecilia Project**	**Total**
	$	$	$	$
Community relations	-	-	161,827	161,827
Drilling	840,399	-	230,472	1,070,871
Environmental, permitting and concessions	34,272	-	177,968	212,240
Equipment, vehicles, rent and field supplies	3,815	21	7,556	11,392
Geological consulting, salaries, and wages	389,029	9,876	544,583	943,488
Geophysics, sampling, and assays	223,853	-	86,758	310,611
Project support	437,298	11,675	227,917	676,890
Share-based compensation	46,039	2,643	64,774	113,456
Travel, meals and accommodation	88,570	1,363	71,739	161,672
	2,063,275	25,578	1,573,594	3,662,447

A summary of the Company's exploration and evaluation expenses for the nine months ended September 30, 2024 is as follows:

	Margarita Project	**Andrea Project**	**Santa Cecilia Project**	**Total**
	$	$	$	$
Community relations	131	-	186,290	186,421
Drilling	-	-	1,456,253	1,456,253
Environmental, permitting and concessions	16,137	-	89,920	106,057
Equipment, vehicles, rent and field supplies	7,619	33	33,620	41,272
Geological consulting, salaries, and wages	613,172	17,063	1,428,966	2,059,201
Geophysics, sampling, and assays	5,411	-	159,068	164,479
Project support	165,265	21,979	772,056	959,300
Share-based compensation	21,825	1,263	34,087	57,175
Travel, meals and accommodation	109,123	3,569	260,920	373,612
	938,683	**43,907**	**4,421,180**	**5,403,770**

A summary of the Company's exploration and evaluation expenses for the nine months ended September 30, 2023 is as follows:

	Margarita Project	Andrea Project	Santa Cecilia Project	Total
	$	$	$	$
Community relations	-	-	248,498	248,498
Drilling	840,399	-	1,836,755	2,677,154
Environmental, permitting and concessions	158,342	18,162	438,509	615,013
Equipment, vehicles, rent and field supplies	10,864	79	62,458	73,401
Geological consulting, salaries, and wages	955,425	25,482	2,014,646	2,995,553
Geophysics, sampling, and assays	284,453	-	564,079	848,532
Project support	756,346	43,135	1,402,819	2,202,300
Share-based compensation	293,152	16,240	388,973	698,365
Travel, meals and accommodation	246,471	18,493	902,357	1,167,321
	3,545,452	121,591	7,859,094	11,526,137

Exploration activities

Margarita Project

During the year ended December 31, 2023, the Company drilled two new discoveries, which included 42 m of 1.1 g/t gold and 0.48% copper in sulphide mineralization on a structure parallel to Falla 13, and 132 m of 0.48% copper in oxide mineralization on the southern portion of the project at the Cototuda target. This was following the completion of a multi-element soil geochemistry survey that identified multiple new targets and structures, which were the focus for the phase III RC drill program that began on August 17, 2023.

New Targets

Several geochemical targets were identified proximal to the Falla 13 discovery on the Margarita Project, which included intercepts of 90 m of 0.94% copper and 0.84 g/t gold (22MAR-013R) and 98 m of 0.68% copper and 0.94 g/t gold (22MAR-014R) within a defined 800 m long mineralized body. The results of the phase II drill program demonstrated that the mineralized system is open along strike to the north-northwest, with the most northerly drill hole, 22MAR-022R, intersecting 48 m of 0.37 g/t gold and 0.26% copper (including 20 m of 0.47 g/t gold and 0.35% copper). Gold geochemistry results have supported the potential to expand mineralization along strike to the north-northwest by 500 m, with gold values in soils observed to the north being comparable to those observed over the Falla 13 discovery.

The Company believes there is the potential for flat lying Manto-style mineralization immediately to the west of the Falla 13 discovery area, where drilling and mapping have defined a mineralized permeable contact horizon between the volcanics and intrusives, located at a depth of approximately 100 m. In this case, the sub-vertical Falla 13 structure acts as a feeder where ascending mineralized hydrothermal fluids can flow laterally along the permeable contact between the volcanics and intrusives, demonstrating the potential to extend the known mineralization considerably. In addition, a second parallel structure has been recognized 300 m to the east of Falla 13 structural corridor. Gold geochemistry results from the parallel structure are consistent with results observed along the Falla 13 discovery and provide a 500 m long north-northwest oriented target that is undrilled. Finally, the west-northwest structures that link the two parallel structures are all deemed to be targets, with drill hole 22MAR-023 intersecting 130 m of 0.36 g/t gold and 0.28% copper (including 30 m of 1.02 g/t gold and 0.57% copper) across one of the west-northwest oriented structures.

The gold geochemistry results delineated five target areas that had not been previously drill tested. This included three of the five targets, namely: the Remolino; Margarita North; and Cototuda targets, which were all focuses of the phase III drill program. The additional two targets are prominent gold-in-soil anomalies that are in the northern third of the project, within areas of generally poor outcrop exposure, and are currently considered early-stage. The Company plans to conduct additional mapping to advance these targets to drill stage.

Phase III Drill Program

On October 18, 2023, the Company announced the first set of results from its phase III drill program, which consisted of 14 drill holes over 3,862 m, and successfully accomplished the Company's main objectives of: 1) expanding on the original Falla 13 discovery area and 2) discovering a new mineralized body to demonstrate the scale and potential of the mineralized system that encompasses the Margarita Project.

The phase III drill program identified a new parallel mineralized structure 200 m west of the original Falla 13 discovery, intersecting 42 m of 1.1 g/t gold and 0.48% copper of sulphide mineralization in drill hole 23MAR-031R and in addition, a new zone of copper oxide mineralization was discovered in the southern area of the project at the Cototuda target, where 132 m of 0.48% copper was intersected in drill hole 23MAR-035R. Finally, broad zones of copper oxide mineralization were encountered at the historically drilled Margarita structural corridor, at the southwest limit of the property, where Torq drilled 62 m of 0.49% copper and 134 m of 0.29% copper in drill hole 23MAR-036R.

The Company is currently planning a set of follow-up drill holes to explore along the north-northwest trending structure, as well as to test for adjacent flat-lying manto-style mineralization both to the east and west of drill hole 23MAR-031R.

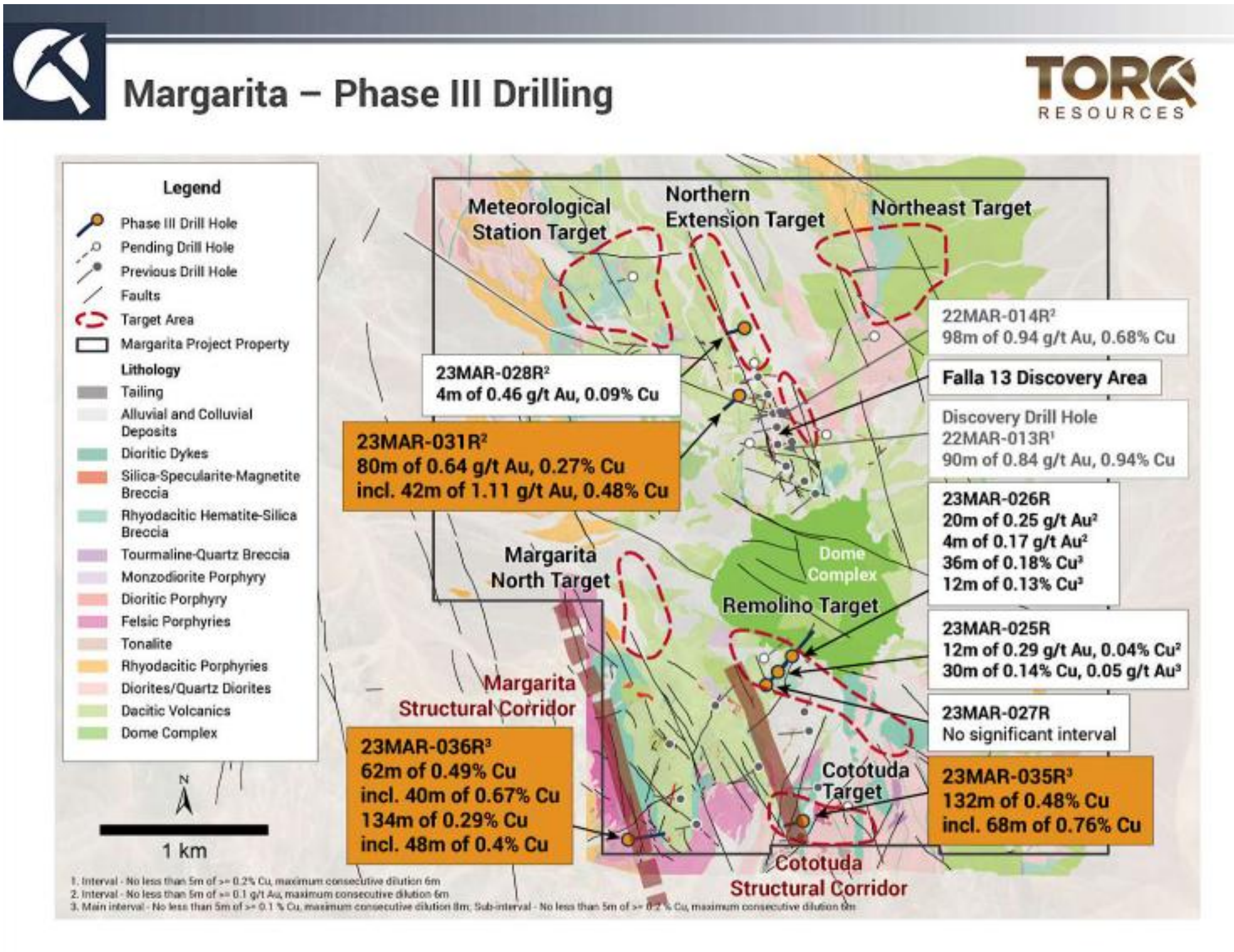

Figure 1: illustrates the position of the discovery holes, 23MAR-031R and 23MAR-035R, at the Falla 13 and Cototuda target areas, respectively, as well as the significant copper oxide mineralization encountered in drill hole 23MAR-036R at the Margarita structural corridor.

Margarita RC Drilling - sample methodology

Analytical samples were taken using 1/8 of each 2 m interval material (chips) and sent to ALS Lab in Copiapo, Chile for preparation and then to ALS Labs in Santiago, Chile and Lima, Peru for analysis. Preparation included crashing core sample to 90% < 2mm and pulverizing 1,000 g of crushed material to better than 85% < 75 microns. All samples are assayed using 50 g nominal weight fire assay with AAS finish (Au-AA24), multi-element four acid digest ICP-AES/ICP-MS method (ME-MS61), and copper sulphuric acid leach with AAS finish (Cu-AA05). Where MS61 results were greater or near 10,000 ppm copper the assays were repeated with ore grade four acid digest method (Cu-OG62). QA/QC programs for 2023 RC drilling samples using internal standard samples, field and lab duplicates, standards and blanks indicate good accuracy and precision in a large majority of standards assayed.

True widths of mineralization are unknown based on current geometric understanding of the mineralized intervals.

Canadian mineral terminology and standards differ from those of other countries. The Company’s public disclosure filings highlight some of these differences.

Margarita Soil Sampling

Approximately 1-3 kg of soil material was collected on a 100 m x 100 m grid and sent to ALS Lab in Copiapo, Chile or La Serena, Chile for preparation and then to Santiago, Chile and Lima, Peru for analysis. All samples are assayed using 30 g nominal weight fire assay with AAS finish (Au-AA23) and multi-element super trace four acid digest ICP-AES/ICP-MS method (ME-MS61L). QA/QC programs for 2022-2023 soil samples using internal standard samples and duplicates, lab duplicates, standards and blanks indicate good accuracy and precision in a large majority of standards assayed.

Santa Cecilia Project

During the year ended December 31, 2023, the Company completed its inaugural drill program at Santa Cecilia, the first comprehensive drilling on the project in over 30 years. It intercepted 557 m of 0.38 g/t gold, 0.23% copper and 56 ppm molybdenum in wall rock at a depth of 442 m - 999 m. This intercept bottomed in grade and represented an 81% increase in the gold grade from historical drilling, indicating that Torq may be vectoring toward the higher-grade causative intrusion. The Company identified a number of undrilled porphyry targets with copper mineralization on surface within 1 km – 2 km of the Norte Abierto project, owned jointly by Newmont and Barrick, creating a pipeline of additional targets.

On February 13, 2024, the Company announced it had commenced drilling at Santa Cecilia on one of these undrilled porphyry targets, Pircas Norte, which has a defined geochemical anomaly below surface. Approximately 1,500 m of drilling was completed on three drill holes.

Identification of Copper Porphyry Targets

During the year ended December 31, 2023, the Company completed a 1:5000 scale geological mapping program across the project area. The results of the soil survey are based on a total of 1,880 soil samples that were collected on a 70 m by 70 m grid across the Santa Cecilia hydrothermal system and identified seven distinct porphyry targets. Significant results of gold-copper-moybdenum anomalies that are interpreted to be directly associated with porphyry mineralization were identified at both the Pircas Norte and Gemelos Norte targets in areas of extensive colluvium in the eastern area of the property and had dimensions of 750 m by 700 m and 700 m by 700 m respectively. In addition, a third target area was identified late in the field season at Filo Gemelos where an area of elevated gold and molybdenum values over an area of 450 m by 300 m.

The results from initial rock sampling programs consisted of 196 samples from the Pircas Norte and Gemelos Norte targets from the eastern region of Santa Cecilia identified mineralized porphyry bodies on surface and positively corroborated the soil geochemistry results, building confidence in the target areas that will be prioritized for future drilling. The highlights from selective rock sampling targeting porphyry-style veining included gold grades of 0.3 g/t to 0.83 g/t in banded quartz-magnetite-pyrite veinlets with copper grades ranging from 438 ppm to 0.44% at Pircas Norte and at the Gemelos Norte targets. Rock sampling targeting porphyry style veining included gold grades of 0.13 g/t to 1.49 g/t within dioritic and dacitic porphyry bodies, respectively. In addition, at Gemelos Norte, two epithermal veins sampled on the southwestern edge of the target area had gold grades of 12.05 g/t and 3.36 g/t and copper grades of 2.3% and 285 ppm, respectively. At Filo Gemelos initial rock samples of banded quartz veinlets had gold grades of up to 0.11 g/t and 0.26 g/t.

Inaugural Drill Program

During the third quarter of 2023, the Company announced drill results from its first two drill holes at Santa Cecilia, which were located at the Cerro del Medio target, where a 2012 historical drill hole (CDM-12-003) intersected 925.7 m of 0.21 g/t gold, 0.27% copper and 82 ppm molybdenum within wall rock. The purpose of Torq’s two drill holes was to identify higher grade mineralization and to potentially find a causative intrusion responsible for the mineralization observed in CDM-12-003. The results from the Company’s drill holes, 23SC-DDH-001 and 23SC-DDH-002, included 476.3 m of 0.23 g/t gold, 0.22% copper and 93 ppm molybdenum at a depth of 584 m - 1,060.3 m and 557 m of 0.38 g/t gold, 0.23% copper and 56 parts ppm molybdenum at a depth of 442 m - 999 m, respectively.

Drill hole 23SC-DDH-002 was drilled to cross a prominent northeast trending structural corridor, zones of local stockwork veining and an associated gold-in-soils geochemical anomaly. It bottomed in mineralization and successfully extended the porphyry-style mineralization in wall rock by 170 m southeast and 500 m vertically, upward from the 2012 historical intercept, CDM-12-003. The intercept accomplished two goals for the Company; a significant increase in grade and confirmation of porphyry style mineralization at higher elevations that remain open upward, downward and laterally. Importantly, the increased grade observed within wall rock mineralization provides a clear vector toward the south and east and suggests the existence of a potentially higher-grade causative intrusion that has not yet been found.

Drill hole 23SC-DDH-001 was drilled to cross a prominent northeast trending structural corridor, zones of local stockwork veining and an associated gold-in-soils geochemical anomaly. It bottomed in mineralization and successfully extended the porphyry-style mineralization in wall rock 300 m east from the 2012 historical intercept, CDM-12-003. The porphyry mineralization is primarily hosted in potassically altered andesitic and sandstone basement units. No causative intrusion was encountered in this drill hole, although three phases of porphyry dykes were intercepted, demonstrating a multi-phase porphyry system.

Early 2024 Drill Program

Torq completed a drill program at Santa Cecilia that was focused primarily on the eastern region of the project, at the Pircas Norte and Gemelos Norte targets, which are situated approximately 1.5 km to the west of Norte Abierto's Caspiche deposit. The Pircas Norte target is characterized by outcropping copper porphyry mineralization and an overlapping gold, copper and molybdenum soil anomaly on surface that is approximately 600 m by 600 m with selective rock samples within a dioritic porphyry ranging between 0.3 - 0.83 g/t gold. Subsurface, the Pircas Norte target is associated with a strong magnetic response, low conductivity values, and moderate chargeability values. The magnetic anomaly and low conductivity values are interpreted to be associated with the diorite porphyry body and associated potassic alteration that is viewed on surface. Finally, the moderate chargeability values at Pircas Norte are interpreted to be the centre of a gold - copper mineralized system that is flanked by high chargeability areas which may represent a pyrite halo to the main porphyry body.

Drill discovery hole 24SC-DDH-003 intercepted 0.36 g/t gold (Au) and 0.078% copper (Cu) over 502 m from 98 m down hole, including a higher-grade interval of 0.69 g/t Au and 0.10% Cu over 20 m from 354 m down hole at Pircas Norte. The drill hole ended in mineralized intrusive diorite breccia due to logistical limitations and the reported intercept remains open. These results represent a new discovery of significant gold-copper porphyry mineralization and confirm the Company's exploration thesis for the broader Santa Cecilia project.

The second discovery hole, 24SC-DDH-005, intercepted an interval of 120 m with 1.33 g/t gold (Au), 0.096% copper (Cu) at a depth of 376 m to 496 m (end of hole) ending in mineralization. A high-grade quartz vein was included within the broader interval, which returned 2.0 m of 47.90 g/t gold from 414 m. A selective sample of a 27 cm wide quartz vein from 484.63 m assayed 39.70 g/t gold. Drill hole 24SC-DDH-005 intercepted four other zones of significant gold and copper mineralization including 118 m of 0.26 g/t gold and 0.034% copper from surface. The hole was drilled 315 m southeast East of the previously announced 502 m of 0.36 g/t gold and 0.078% copper intercept from 23SC-DDH-003 (see April 18, 2024 News Release). The reported intercepts from the Pircas Norte discovery demonstrate both the overall potential scale and grade of the mineralized body which remains open in all directions. The Company is encouraged by the results to date from the limited drilling at both Pircas Norte and Gemelos Norte and is currently planning additional drilling with a particular focus on the high-grade broad gold mineralization seen at Pircas Norte.

The main exploration target of Gemelos Norte is exposed in the new access road in the Eastern flank of the main hill. It consists of a quartz banded veinlet (BQV) zone that extends about 150 m along the new road. The BQV system, hosted by rhyodacite dome, are represented by sheeted veinlets or locally stockworks of very fine veinlets (0.2 - 0.5 mm width) and thin veinlets (<2 mm width), that exhibits a subparallel arrangement, and locally multidirectional. The veinlets show orientation's NNE, NE and EW.

At the Gemelos Norte drill hole 24SC-DDH-004 intercepted 98 m of 0.18 g/t gold and 0.043% copper (Cu) were obtained at a depth of 274 m and, 10 m of 0.36 g/t Au and 0.004% Cu at a depth of 12 m (Table 2). The entire drill hole was anomalous in both copper and gold mineralization and the Gemelos Norte target remains open.

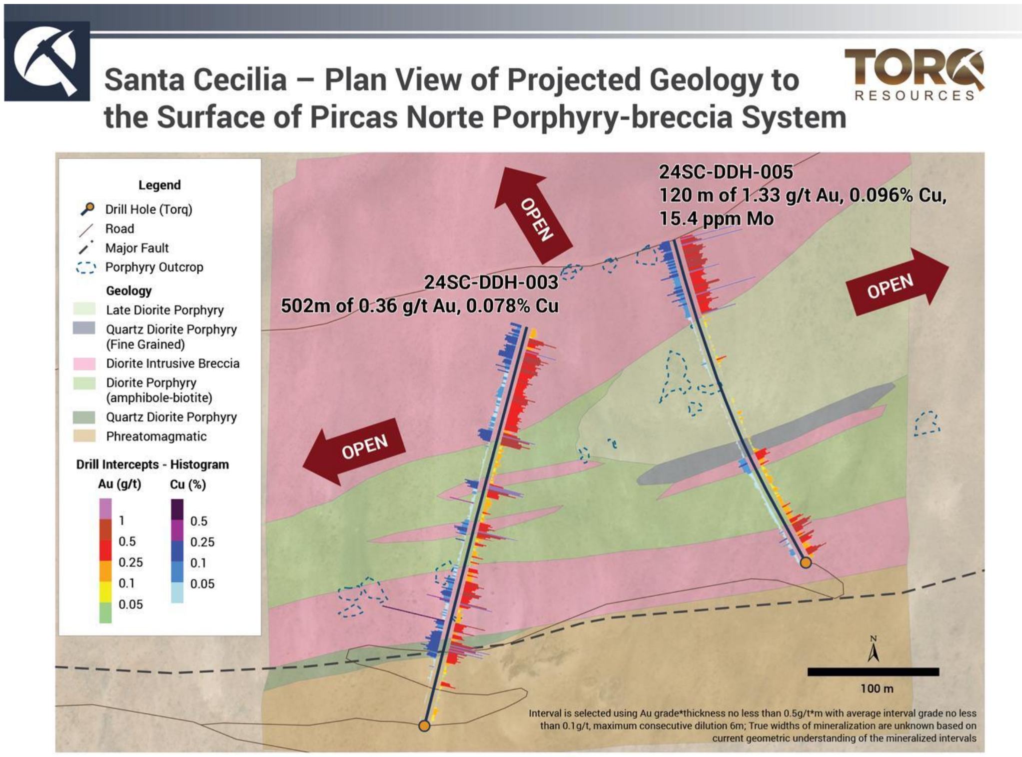

Figure 2.- illustrates the position of the discovery holes, 24SC-DDH-003 and 24SC-DDH-005 located at Pircas Norte Porphyry-breccia System.

Climate related risks

The Company recognizes the impact of climate change on weather patterns in its recently acquired projects. The Company's projects 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 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 relatively low 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 Santa Cecilia, the Company was able to carry out field activities including the inaugural drill campaign at Santa Cecilia up until the winter season commenced in early June.

The Company is taking extensive measures to prioritize safe access to the two projects for all personnel 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 Santa Cecilia project, with the access limitations and closing for the winter seasons due to their weather conditions.

<u>EXPLORATION PLANS</u>

The Company is currently working on a phase IV drill program for the Margarita Project, which is expected to take place in the 2025 subject to financing.

At Santa Cecilia, with the results of two campaigns, the Company will begin planning a follow-up drill program in the second half of 2024 subject to financing.

SUMMARY OF QUARTERLY RESULTS

The following table shows results from the previous eight fiscal quarters:

Period ending	Interest income	Net loss	Comprehensive loss	Net loss per share
	$	$	$	$
September 30, 2024	**4,472**	**1,688,073**	**1,641,869**	**0.01**
June 30, 2024	10,614	2,051,916	2,036,674	0.02
March 31, 2024	46,738	4,683,150	4,631,953	0.04
December 31, 2023	20,569	3,189,011	3,248,040	0.03
September 30, 2023	76,440	4,777,697	4,925,206	0.04
June 30, 2023	132,044	6,129,807	5,962,894	0.06
March 31, 2023	145,585	5,115,124	5,133,750	0.05
December 31, 2022	137,196	3,349,939	3,300,462	0.03

The summary of last eight quarters reflects significant losses as the Company began surface exploration at the projects which were optioned during 2021. The net losses are higher in the periods where drill programs took place such as Q1 and Q2 2023 where the Company completed its in inaugural drill program at the Santa Cecilia Project. To support these activities during Q1 and Q2 2023 there were increases in fees, salaries and other employee benefits; office and administration costs; as well as marketing and investor relations. The losses decreased during Q3 2024 as the Company was not drilling at Santa Cecilia and Margarita during this period. In addition, during Q3 2024 the Company enacted significant cash conservation measures, including a 50% pay-cut for all salaried North American senior executives and reduced spending on discretionary marketing.

PERFORMANCE

	Q3 2024	Q3 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Operating expenses				
Exploration and evaluation expenses	**856,344**	3,662,447	**5,403,770**	11,526,137
Fees, salaries and other employee benefits	**280,414**	572,216	**978,518**	2,307,615
Impairment of mineral property interests	**-**	-	**438,891**	-
Legal and professional fees	**100,556**	111,457	**281,802**	385,628
Marketing and investor relations	**29,293**	283,681	**315,500**	940,094
Office and administration	**101,773**	178,032	**381,004**	517,370
Project investigation	**6,370**	25,116	**41,146**	94,460
Regulatory and transfer agent	**23,803**	27,637	**76,300**	90,138
	1,398,553	4,860,586	**7,916,931**	15,861,442
Other expenses (income)				
Accretion expense	**86,543**	84,303	**237,326**	235,047
Foreign exchange loss (gain)	**138,919**	(149,482)	**128,946**	92,194
Gain on sale of equipment	**(1,559)**	-	**(1,559)**	-
Interest expense	**59,301**	56,713	**171,493**	168,288
Interest income	**(4,472)**	(76,440)	**(61,824)**	(354,069)
Net loss from equity investment	**10,788**	2,017	**31,826**	19,727
Net loss	**1,688,073**	4,777,697	**8,423,139**	16,022,629
Other comprehensive loss (income)				
Currency translation differences	**(46,204)**	147,509	**(112,643)**	(778)
Comprehensive loss	**1,641,869**	4,925,206	**8,310,496**	16,021,851
Net loss per share:				
Basic and diluted	**0.01**	0.04	**0.06**	0.15

Q3 2024 compared to Q3 2023

The net loss decreased to $1,688,073 compared to $4,777,697 in the prior year comparable period. The primary drivers of this decrease in net loss were as follows:

- Exploration and evaluation expenses decreased to $856,344 compared to $3,662,447 in the prior year comparable period due to the Company conducting drilling exploration programs at the Santa Cecilia and Margarita projects in Q3 2023, while for Q3 2024 the Company was not drilling on either of its projects.
- Fees, salaries and other employee benefits decreased to $280,414 compared to $572,216 in the prior year comparable period primarily due to a decrease in administrative services following the completion of the drilling program at the Santa Cecilia Project, managements cash conservation measures including a 50% pay-cut for all salaried North American senior executives and a reduction in share-based compensation expense.
- Marketing and investor relations decreased to $29,293 compared to $283,681 in the prior year comparable period primarily due to management's cash conservation efforts and a reduction in the share-based compensation expense.

YTD 2024 compared to YTD 2023

The net loss decreased to $8,423,139 compared to $16,022,629 in the prior year comparable period. The primary drivers of this decrease in net loss were as follows:

- Exploration and evaluation expenses decreased to $5,403,770 compared to $11,526,137 in the prior year comparable period due to the Company conducting its inaugural drill program at the Santa Cecilia project in 2023 and the phase III drilling program at Margarita, the phase II program for Santa Cecilia conducted in 2024 was more targeted, resulting in a significant reduction in exploration and evaluation activities during the current period. In addition, there was a significant reduction in share-based compensation expense allocated to exploration and evaluation expenses in YTD 2024.
- Fees, salaries and other employee benefits decreased to $978,518 compared to $2,307,615 in the prior year comparable period primarily due to a decrease in administrative services following the completion of the drilling program at the Santa Cecilia Project, management's cash conservation measures, including a 50% pay cut for all salaried North American senior executives and a significant reduction in share-based compensation expense which fell from $1,137,058 to $150,712 following a significant option grant to directors, officers and employees in the prior year comparable period.
- Marketing and investor relations decreased to $315,500 compared to $940,094 in the prior year comparable period primarily due to management's cash conservation efforts and a reduction in the share-based compensation expense.
- Legal and professional fees decreased to $281,802 compared to $385,628 in the prior year comparable period primarily due to the additional costs incurred in Q1 2023 as the Company filed its Shelf Prospectus with the securities commissions in each of the provinces and territories of Canada.

Partially offsetting the decrease in net loss were:

- Impairment of mineral property was $438,891 compared to $nil in the prior year comparable period as the Company fully impaired its Andrea Project following the relinquishment of its rights to the option agreement announced on March 25, 2024.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's primary sources of liquidity are equity issuances, the Loan Facility and the Loan. The funds are used to finance working capital, explore mineral properties and to make certain annual payments to ensure that all the Company's mineral properties remain in good standing. As at September 30, 2024, the Company had a working capital deficit of $4,706,433 (December 31, 2023 - $114,845) which included cash of $35,962 (December 31, 2023 - $487,970). The Company's current liabilities consist of accounts payable and accrued liabilities of $2,638,462 as at September 30, 2024 (December 31, 2023 - $1,198,982).

A summary of the Company's cash position and changes in cash is as follows:

	YTD 2024	YTD 2023
	$	$
Cash used in operating activities	**(5,650,493)**	(14,062,491)
Cash used in investing activities	**(323,551)**	(170,598)
Cash provided by financing activities	**5,533,287**	5,571,198

Cash used in operating activities decreased to $5,650,493 from $14,062,491 in the prior year comparable period. The lower cash outflow was the result of a significant decrease in exploration and evaluation activities and administrative services associated with the completion of the drilling program at the Santa Cecilia Project.

Cash used in investing activities was $323,551 compared to $170,598 in the prior year comparable period. The increase in the cash outflow is due to lower interest income following lower average savings accounts balances in the current period offset by proceeds received from the sale of equipment in the current period.

Cash provided by financing activities decreased to $5,533,287 from $5,571,198 in the prior year comparable period due to lower proceeds from private placements offset by the $300,000 draw down on the Loan Facility.

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.

Capital resources

Goldfields Loan

On October 21, 2024, the Company completed the first draw down on the Goldfields Loan for US$600,000 ($830,100) to make an option payment of US$600,000 ($830,100) on the Santa Cecilia Project.

On October 28, 2024, the Company completed the second draw down on the Goldfields Loan for US$345,000 ($479,550), the proceeds will be used to advance the exploration and development of the Santa Cecilia Project in accordance with programs approved by Gold Fields.

On November 14, 2024, the Company completed the third draw down on the Goldfields Loan for US$527,000 ($737,800), the proceeds will be used to advance the exploration and development of the Santa Cecilia Project in accordance with programs approved by Gold Fields.

August 26, 2024 Loan Facility draw down

On August 26, 2024, the Company drew down $300,000 and issued 3,750,000 share purchase warrants exercisable at $0.08 per common share of the Company until July 11, 2025. The Company allocated $265,148 of the draw down to the loan facility based on its estimated fair value and $34,852 to the share purchase warrants being the residual amount. The funds were used for working capital purposes.

August 26, 2024 private placement

On August 26, 2024, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $85,000 through the issuance of 850,000 units at a price of $0.10 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole share purchase warrant is exercisable into one common share at an exercise price of $0.15 per common share until August 26, 2025. The Company attributed fair value of $68,000 of the gross proceeds to share capital and a residual value of $17,000 to the warrants issued. The Company incurred no share issuance costs in connection with the closing of the second tranche of the private placement. The funds were used for working capital purposes.

July 2, 2024 private placement

On July 2, 2024, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $464,530, through the issuance of 4,645,300 units at a price of $0.10 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole share purchase warrant is exercisable into one common share at an exercise price of $0.15 per common share until June 27, 2025. The Company attributed fair value of $418,077 of the gross proceeds to share capital and a residual value of $46,453 to the warrants issued. In connection with the private placement, the Company incurred cash issuance costs of $15,028 and issued 108,000 non-transferable finders' warrants with a fair value of $3,452. Each finders' warrant is exercisable at a price of $0.10 per common share and expires on July 27, 2025. The funds were used for working capital purposes.

January 4, 2024, public and private placement

On January 4, 2024, the Company closed a public and private offering (the "Offering") and issued 23,206,860 units at a price of $0.23 per unit for gross proceeds of $5,337,578. Each unit consists of one common share and one share purchase warrant exercisable at $0.30 per common share with 17,528,600 exercisable until January 4, 2027 and 5,768,260 exercisable until January 4, 2029. The Company attributed $5,337,578 of the gross proceeds to share capital and a residual value of $nil to the warrants issued. The Company incurred issuance costs of $601,671 comprised of cash issuance costs of $488,789 and finders' warrants with a fair value of $112,882. The Company issued 1,084,814 finders' warrants exercisable at a price of $0.23 per common share with an expiry date of January 4, 2026.

A summary of net proceeds is as follows:

	Proceeds
	$
Units issued at $0.23 per unit	5,337,578
Unit Issuance costs	(488,789)
Net proceeds	4,848,789
Actual use of proceeds:	
Margarita option payment	(472,920)
Santa Cecilia Project	(3,043,291)
Margarita Project	(732,578)
General working capital	(600,000)
Funds remaining as at September 30, 2024	**-**

Future option payments

A summary of scheduled option payments on mineral property interests are as follows:

	Margarita Project	Santa Cecilia Project	Total
	US$	US$	US$
2025	1,500,000	1,000,000	2,500,000
2026	2,200,000	3,000,000	5,200,000
2027	2,500,000	5,000,000	7,500,000
2028	-	15,000,000	15,000,000

RELATED PARTY TRANSACTIONS

a) Related party transactions with UMS Canada

A summary of the Company’s transactions with UMS Canada, the Company’s 25% equity investment is as follows:

	Q3 2024	Q3 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Exploration and evaluation expenses	**2,797**	128,727	**235,193**	449,800
Fees, salaries and other employee benefits	**52,845**	135,173	**218,973**	563,450
Legal and professional fees	**5,450**	3,708	**21,538**	12,005
Marketing and investor relations	**-**	50,728	**90,538**	148,698
Office and administration	**75,325**	84,593	**241,360**	388,715
Project investigation	**-**	728	**76**	9,684
Unit issuance costs	**253**	-	**264**	1,204
	136,670	403,657	**807,942**	1,573,556

As at September 30, 2024, included in the Company’s accounts payable and accrued liabilities was $381,316 (December 31, 2023 - $175,417) and in prepaid expenses and deposits was $268,879 (December 31, 2023 - $298,609) relating to transactions with UMS Canada. 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 repayment.

The Company issues options to certain UMS Canada employees including key management personnel of the Company. During the three and nine months ended September 30, 2024, the Company recognized share-based compensation expense of $1,060 and $45,438, respectively (2023 - $113,924 and $709,819, respectively) in respect of stock options granted to UMS Canada employees.

b) Key management compensation

Key management personnel are those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions with key management is as follows:

	Q3 2024	Q3 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Exploration and evaluation expenses	**54,843**	156,995	**322,622**	438,425
Fees, salaries and other employee benefits (1)	**105,675**	146,900	**392,447**	533,063
Share-based compensation	**4,175**	220,404	**108,881**	1,378,364
	164,693	524,299	**823,950**	2,349,852

(1) During the three and nine months ended September 30, 2024, included in fees, salaries and other employee benefits was a total of $29,972 and $96,494, respectively (2023 - $36,547 and $99,160, respectively) paid to the Company's directors and officers for services rendered during the period.

On January 4, 2024, in connection with the Offering, three directors of the Company purchased an aggregate of 575,000 units in the Offering for gross proceeds of $132,250.

On July 2, 2024, two directors of the Company purchased an aggregate of 1,500,000 units in the first tranche of the private placement for gross proceeds of $150,000.

On August 26, 2024, one directors of the Company purchased an aggregate of 850,000 units in the second tranche of the private placement for gross proceeds of $85,000.

As at September 30, 2024, accounts payable and accrued liabilities contain amounts due to key management personnel of $366,529 (December 31, 2023 - $nil). The amounts have no specified terms of repayment and are due upon demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at September 30, 2024 and as at the MD&A date.

PROPOSED TRANSACTIONS

The Company had no proposed transactions as at September 30, 2024 and as at the MD&A date other than the Earn-In Option as disclosed in the Corporate Highlights and Mineral Property Interests sections.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINITY

The Company's significant accounting judgements and sources of estimation uncertainty are disclosed in the notes to the Company's Annual Financial Statements.

FINANCIAL RISK MANAGEMENT

As at September 30, 2024, the Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities and loan facility; all of these financial instruments are classified as and 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.

The Company is exposed to certain financial risks by its financial instruments. The risk exposures and their impact on the Company's financial statements are summarized below:

a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk through accounts payable and accrued liabilities as well as the loan facility. 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, 2024, the Company had cash of $35,962 (December 31, 2023 - $487,970 to settle accounts payable and accrued liabilities of $2,638,462 (December 31, 2023 - $1,198,982) and loan facility of $2,471,611 (December 31, 2023 - $1,969,137) with contractual maturities of less than one year. The Company will be required to raise additional funding to meet its financial obligations in the near term. There is no assurance that the necessary financing will be available in a timely manner or on terms acceptable to the Company. The Company assesses liquidity risk as high.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash, deposits and amounts receivable. 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) Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

A summary of the Company's financial assets and liabilities that are denominated in the US dollar and the Chilean peso as at September 30, 2024, expressed in Canadian dollars is as follows:

	USD	CLP
	$	$
Financial assets		
Cash	66	27,543
Amounts receivable	-	16,318
Financial liabilities		
Accounts payable and accrued liabilities	(103,872)	(1,611,083)
Net financial liabilities	**(103,806)**	**(1,567,222)**

A 10% increase or decrease in the US dollar and Chilean peso exchange rates relative to the Companies and its subsidiaries' functional currencies would result in an impact of approximately $184,516 to the Company's loss and comprehensive loss.

OUTSTANDING SHARE DATA

A summary of the Company's issued and outstanding securities is as follows:

	September 30, 2024	MD&A Date
	#	#
Common shares	139,070,290	139,070,290
Share purchase options	6,220,000	6,220,000
Share purchase warrants	51,248,707	51,248,707
	196,538,997	**196,538,997**

RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2023 and 2022 as on SEDAR+ at www.sedarplus.ca.

DISCLOSURE CONTROLS AND PROCEDURES

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

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The Financial Statements have been prepared by management in accordance with IFRS Accounting Standards and in accordance with accounting policies set out therein.

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

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

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.sedarplus.ca under the Company's profile.

On behalf of the Board of Directors,

"Shawn Wallace"
Shawn Wallace
Chief Executive Officer and Chair
November 19, 2024