



**FORM 51-102F1  
TORCH RIVER RESOURCES LTD.  
MANAGEMENT DISCUSSION & ANALYSIS**

**For the Second Quarter Ended April 30, 2012**

This Management Discussion and Analysis (“MD&A”) was prepared June 28, 2012.

This MD&A of the results of operations and the financial condition of Torch River Resources Ltd. (“Torch” or the “Company”) supplements but does not form part of the unaudited interim financial statements and accompanying notes of the Company for the six month period ended April 30, 2012. Consequently, the following discussion and analysis of the financial condition and results of operations of Torch River Resources Ltd. should be read in conjunction with unaudited interim financial statements for the six month period ended April 30, 2012 and the audited financial statements for the year ended October 31, 2011.

This MD&A contains certain forward-looking information. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of Torch is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in the forward looking information made as of the date of this MD&A.

With respect to timely disclosure by Torch of data and information in general, and especially in the MD&A, materiality and material information is considered by the Company as something that would be likely to affect the Company’s share price or influence an investor’s decision whether or not to buy, sell, or hold shares once it becomes known to the public.

Additional information can be found on Torch on the SEDAR website ([www.sedar.com](http://www.sedar.com)) and on the Company’s website ([www.torchriver.ca](http://www.torchriver.ca))

## **GENERAL**

Torch is a junior resource company involved in the acquisition and exploration of property interests that are considered potential sites of economic mineralization. The Company holds a prospective exploration property portfolio in British Columbia and Manitoba and is in the process of evaluating these properties and has not yet determined whether they contain reserves that are economically recoverable. Historically, the Company focused its main efforts on exploring for molybdenum (Mo), copper and silver in British Columbia but from 2010 forward, Rare Earth Elements (“REE”) found at the Mount Copeland property have had the Company performing additional exploration on REE Fort-Elden, a potential huge copper

property was acquired in 2010 and a drilling program conducted in that year. The Company has increased its tenure size on Fort Elden and Mount Copeland and extended the expiration dates on each of the Fort Elden, Mount Copeland and the Manitoba gold properties.

Torch is a reporting issuer in Alberta and British Columbia and is a listed Tier 2 issuer on the TSX Venture Exchange, trading under the symbol “TCR” and under the Pink Sheets in the USA under the symbol “TORVF”. The Company is a venture issuer and is not required to file an Annual Information Form.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

Torch River Mines Ltd. was incorporated on June 18, 1997, by Certificate of Incorporation issued pursuant to the provisions of the *Companies Act* (Alberta) and extra-provincially registered to carry on business in the provinces of Saskatchewan, Manitoba and British Columbia.

Torch River Mines Ltd. held 100% interests in the High Rock Mineral Claim Block (gold) and the Climpy Mineral Claim both located in Island Lake Manitoba for the purpose of exploring and developing mining claims in northern Manitoba acquiring its interest in the mineral properties. Since incorporation, Torch River Mines Ltd. has acquired claims in the Island Lake area located approximately 500 kilometers northeast of Winnipeg, Manitoba, and approximately 20 kilometers from the town of Garden Hill, Manitoba.

On March 26, 2004, the Company was officially formed from the amalgamation of Tael Capital Inc. and Torch River Mines Ltd. under the *Business Corporations Act* (Alberta) under the name Torch River Resources Ltd. The amalgamation was the Company’s Qualifying Transaction for listing on the TSX Venture Exchange.

On July 8, 2005, the Company signed an option agreement with Red Bird Resources Ltd. (the “Red Bird Option Agreement”) on a mineral claim located in the central coastal region of British Columbia, 105 kilometers north of the town of Bella Coola and 140 kilometers southwest of Houston, British Columbia (the “Red Bird Property”). The Company retains a 25% undivided interest in the property which was earned as at May 31, 2008.

In July 2007, 100% interest in the Grouse Mountain Property (silver) was acquired. The Company chose to have the tenures of this property lapse and has recorded the impairment of this property as at October 31, 2011.

On February 12, 2008, the Company signed an option agreement on (the “Mount Copeland Option Agreement”) a past producing molybdenum property located near Revelstoke, British Columbia (the “Mount Copeland Property”). The Company renegotiated the Option Agreement to effect 100% of the property (subject only to a 2.75% Net Smelter Agreement). On April 23, 2010 with payment of funds and shares, the Company holds 100% of this property. The tenures have been increased to 1,886.3 hectares from the original 730.1 hectares.

On April 12, 2010 an option agreement (the “Omineca Option Agreement”) was signed with a private vendor under which Torch as of October 28, 2011 earned 100% interest in the 12 mineral claims comprising 1,611.5 hectares located in the Omineca Mining Division, Specularite Lake, B.C (the “Fort Elden Property”). The property size was expanded from 1,611.5 to 1,873.6 hectares. The Fort Elden Property is in the Babine Lake porphyry belt region of British Columbia. This region is known for its potential for large porphyry copper, copper/gold and copper/molybdenum deposits some of which having been developed as producing mines such as the Granisle and Bell Copper Mines.

## **SUMMARY OF PROPERTIES**

### Red Bird Property

The Red Bird molybdenum property consists of three mineral claims situated in the Skeena Mining Division of west central British Columbia 133 kilometers southwest of Burns Lake and 105 kilometers north of Bella Coola. The property covers an area of 1,952.7 hectares between latitudes 53°16'39” to 53°18'16” North and longitudes 126°59'10” to 127°3'39” West (Universal Transverse Mercator NAD83 coordinates 5905047 to 5908034 North and 629255 to 634234 East) in NTS map-area 93E/6. In 2006, a further 696 hectares was added to the Torch claims.

On July 8, 2005 Red Bird Resources Ltd and the Company entered the Red Bird Option Agreement for the Red Bird Property.

The Red Bird Property represents an advanced molybdenum, copper and rhenium porphyry target. Historic work completed by Phelps Dodge and Craigmont Mines Ltd. have outlined three deposits that could be developed by open pit mining methods. During August 2005, under the direction of A. Kikauka, Craigmont drill core was re-sampled and assayed for molybdenum and copper. This was done from 133 drill hole cores and over 1,400 assay samples. Sub-sets of data were also assayed for gold and rhenium. In 2006 a 1,940 meter drilling program was coordinated through ResourceEye Services Inc. with Ron Parent as the independent P. Geo. on site. Two holes were extended beyond planned depth to determine mineralization levels. There was a 7 kilometer Induced Polarization and Magnetometer (IP) program conducted by Scott Geophysics and rock sampling performed. There was \$1.2 million invested in the Red Bird property during the 2006 fiscal year. In 2007, a ten hole drill program was completed with total drilling of 2,645 meters or 8,679 feet of core. This drill program focused on the western extension of the Main Zone, an area that had never been drilled before. The 2008 program consisted of 5,034 meters of drilling and assay results were reported on receipt.

The latest NI 43-101 was completed January 11, 2008. This NI 43-101 covered the 2007 drilling program. It reported in the indicated category of Mo, 88.2 million tonnes versus 43.3 million tonnes in 2006 (an increase of 103.7%) and the contained Mo increased from 61.2 million pounds to 118.6 million pounds (93.8% increase). The offset was a reduction to the inferred category. The total tonnage of the resource at a 0.03% Mo cutoff increased by 33% while the contained molybdenum increased by 29%.

As of May 31, 2008 the Company became the legal and beneficial owner of a non-transferable 25% undivided interest in the property (as defined by the Red Bird Option Agreement which is available on the Company's SEDAR site accessed through [www.sedar.com](http://www.sedar.com)). The Company did not complete the Option Agreement to earn 100% of the property.

### High Rock Property and Climpy Property

The High Rock Property and the Climpy Property are gold prospects in northeast Manitoba located approximately 8 kilometers apart and cover approximately 1,544 hectares. The High Rock Property consists of 9 mining claims covering 1,301 hectares and the Climpy Property consists of one claim covering 243 hectares. Torch holds a 100% interest in all claims. There was 895 feet of drilling done in 2004. Assay results range from trace to .154 oz/t of gold. Further comprehensive development in the form of bulk sampling will be required on both the Juniper Vein as well as the Main Vein to establish the economic viability of the property. There was no drilling or additional exploration done in fiscal 2011. The tenures on the Climpy property were extended to October 2035 while High Rock was extended to 2022.

### Mount Copeland Property

The Mount Copeland Property featured underground production (1970-73) which produced 171,052 tonnes of molybdenum ore and produced 1,193,222 Kg of molybdenum. The calculated head grade for this production was 0.732% Mo. When the Mount Copeland Property was in production in 1970 development work indicated 163,340 tonnes of ore at a grade of 1.83% MoS<sub>2</sub> (or 1.1 % molybdenum). The ore indicated prior to mining has been essentially extracted. The information above is included for comparison purposes only. The information is derived from the December 01, 2008 NI 43-101 Technical Report and the MINFILE Record Summary for MINFILE No. 082M 002 (Mount Copeland), B.C. Ministry of Energy, Mines and Petroleum Resources and the MINFILE Productions Detail Report, B.C. Geological Survey, B.C. Ministry of Energy, Mines and Petroleum Resources, which may be viewed at:

<http://minfile.gov.bc.ca/Summary.aspx?minfilno=082M++002>

[http://minfile.gov.bc.ca/report.aspx?f=PDF&r=Production\\_Detail.rpt&minfilno=082M++002](http://minfile.gov.bc.ca/report.aspx?f=PDF&r=Production_Detail.rpt&minfilno=082M++002)

In 2008, Mount Copeland had a 10 hole drill program of 2,878 meters completed. Two holes intersected the south limb of the Glacier Zone drag fold and produced intercepts of interest. Hole COP08-8 intersected 0.137% Mo./0.40m and 0.4156% Mo./0.30m., and hole COP08-9 intersected 0.214% Mo./2.70m., and 0.527% Mo./0.70m.

A NI 43-101 Technical Report dated December 1, 2008 was completed and posted on SEDAR on March 16, 2009. This in-depth report was done to provide an evaluation of the existing data on Mount Copeland and determine the potential of the property.

On January 5, 2010, the Company announced results of 31 samples from 7 drill holes from 2008 that were assayed for Rare Earth Elements. A further release dated March 9, 2010 provided mean average values for rare earth elements from the

31 core samples and 53 soil samples. The Company had also conducted a program the summer of 2010 whereby it conducted Rare Earth Element exploration in the area of molybdenite occurrences and exploring large bodies of granoblastic marble to test for REE mineral potential.

On September 28, 2010, the company announced highlights of 34 rock chip and 72 soil samples taken from a 1.3 X 0.6 km area centered on the property. Of the 34 total rock chip samples, 23 were taken as chip composites across widths ranging from 0.18-2.8 meters (taken at right angles to apparent strike of mineral zone to represent true width), and 11 were sub-crop, not outcrop samples (i.e. not in-situ). Rock and soil samples were shipped to Pioneer Labs for lithium borate fusion, acid dissolution and ICPMS analysis for rare earth elements (14 of 15 analysed, Promethium, Pm not analysed), trace elements, and assays for Mo and Cu for select elevated rock chip samples (geochemical analysis certificate numbers 2102718, 2102718A, & 2102718B). A total of 8 rock chip samples (COPE10AR-3, 12, 19, 20, 22, 23, 25 & 26) contain elevated rare earth elements above the high end of the detection limit, and these samples have been forwarded to ALS Chemex, N Vancouver BC, for lithium borate fusion, acid dissolution and ICPMS analysis. Further assay results were provided subsequent to the year end on November 2, 2010, November 4, 2010, November 23, 2010 and reported on January 4, 2011 receipt of a compilation report on geochemical, geological and petrographic analysis of results

In August, 2011, a total of 22 rock chip and 9 soil samples were taken from the property has shown that it contains molybdenum (Mo), REE (La, Ce, Pr, Nd, Pm, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu), yttrium (Y), zirconium (Zr), and niobium (Nb) bearing mineralization. Previous results from surface sampling in 2010 from this area returned values of 30.5% TREO (total rare earth oxides) from an 18 cm interval rock chip sample at AR20.

Subsequent sampling has extended the Marble Breccia zone to at least a 300 meter strike length. The average of samples taken in this zone is 1.2% REE's. This area will be the main target of the Company's next drill program. Particular attention will focus on the area surrounding rock chip sample AR22. Assays of .25% Neodymium, .04% Yttrium and .008% Dysprosium are of particular interest as these elements are proving to be in very short supply over the next decade. The Marble Breccia ridge gossan appears to be 50 meters thick with an upper layer of some 5 to 10 meters of possible significant REE enrichment.

In 2010 the Company acquired a 100% interest in the Mount Copeland property. Subsequent to the initial Mount Copeland option agreement the Company has increased the property claims from two to eight. These eight claims now cover a total of 1,886.296 hectares.

### Fort Elden

On April 12, 2010, the Company announced that it had signed an option agreement on the Fort Elden Property which is comprised of 12 mineral claims covering 1,611.4513 hectares located at Specularite Lake, B.C. The mineral claims are located 100 km west of Fort St. James, BC. This region is known for its potential

for large porphyry copper, copper/gold and copper/molybdenum deposits some of which having been developed as producing mines such as the Granisle and Bell Copper Mines.

On April 26, 2010, the Company reported results of fieldwork carried out on the Elden Breccia where a total of 41 soil samples (at 50 m spacing), and 164 magnetometer readings (at 12.5 m spacing), were taken along 2.1 km of east-west trending grid lines. Geochemical highlights (based on Pioneer Laboratories Inc, geochemical analysis certificate 2102609).

Additional work which included detailed geological mapping, geochemical sampling and magnetometer geophysical surveys was conducted in 2010.

On February 8, 2011, the Company reported it received a compilation report which has been filed with the British Columbia Mineral Tenure Branch.

A total of 1,500 meters of drilling was completed in August, 2011 and 750 split core samples (2 m intervals) were taken from 6 drill holes (collared in a 400 X 150 m area) located at the north end of the Elden Breccia mineral zones. Split core samples were shipped to Pioneer Labs, Richmond, BC. The results from these 6 drill holes indicate copper-silver bearing mineralization is widespread, and molybdenum bearing mineralization is confined to DDH 2 and 3, located in the west portion of the 250 X 100 m area where drill holes were collared. There are some elevated chromium and vanadium values associated with hornblende gabbro host rock. DDH 4 intersected 2 m @ 0.38 g/t Au (at 114-116 m depth), and there were 4 other >0.1 g/t Au intersections in DDH 1,3,4 & 5, but generally the Au values >0.1 g/t Au Further diamond drilling is planned to evaluate the extent of porphyry style Cu-Mo-Ag bearing mineralization located on Fort-Elden breccia zone.

On October 28, 2011 Torch fulfilled its drilling commitment and share offer under the Option Agreement to become 100% owner of the 12 claims in Fort Elden. The tenures have been increased to 1,873.63 hectares.

## **TRANSACTIONS WITH RELATED PARTIES**

### **Mount Copeland Option Agreement**

On February 14, 2008 Torch announced that it had signed the Mount Copeland Option Agreement. The vendors of the Mount Copeland Property are William E. Pfaffenberger, President, CEO and a director of Torch, J. John Kalmet, Andris Kikauka and Multiplex Enterprises.

The consideration to be paid by Torch under the Mount Copeland Option Agreement shall be up to \$475,000.00 in cash, 1,300,000 shares of Torch and a work program to be carried out by Torch on the Mount Copeland Property at a cost of approximately \$500,000.00. The vendors are entitled to a net smelter royalty of 2.75% on all minerals mined.

The consideration paid by Torch was as follows:

## Payment

- Upon execution of the letter of intent, \$15,000.00 was paid as a non-refundable deposit;
- \$25,000 plus 200,000 shares of Torch prior to April 28, 2008;
- On April 28, 2009, a further \$25,000.00 plus 200,000 shares of Torch was paid;
- On April 23, 2010, the Company paid \$100,000.00 and issued 1,480,000 shares of Torch based on an amending agreement reported on February 25 and,
- March 24, 2010 and acquired 100% interest in the property;

## CONTRACTUAL OBLIGATIONS

The Company does not carry any long term debt.

## SELECTED QUARTERLY INFORMATION (Eight Quarter history)

<i>Item</i>	<i>Qtr 2/12 Three Months Ended Apr 30, 2012</i>	<i>Qtr 1 / 12 Three Months Ended Jan 31, 2012</i>	<i>Qtr 4 / 11 Three Months Ended Oct 31, 2011</i>	<i>Qtr 3/11 Three Months Ended Jul 31, 2011</i>
<i>Cash &amp; Cash Equivalents including short term investments</i>	\$46,699	\$120,732	\$35,357	\$129,815
<i>Mineral Exploration and evaluation assets</i>	3,538,524	3,524,104	3,505,442	3,288,390
<i>Working Capital</i>	(72,806)	(1,663)	(75,740)	121,315
<i>Net Sales</i>	-	-	-	-
<i>Gain (Loss) before extraordinary items</i>	(135,979)	(62,532)	(113,775)	(52,400)
<i>Gain (Loss) after extraordinary items</i>	(135,979)	(62,532)	(68,725)	(52,400)
<i>Loss per share</i>	(0.00)	(0.00)	(0.00)	(0.00)
<i>Fully diluted loss per share</i>	(0.00)	(0.00)	(0.00)	(0.00)
<i>Total Assets</i>	3,729,606	3,788,701	3,726,137	3,595,565
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

<i>Item</i>	<i>Qtr 2 / 11 Three Months Ended Apr 30, 2011</i>	<i>Qtr 1 / 11 Three Months Ended Jan 31, 2011</i>	<i>Qtr 4 / 10 Three Months Ended Oct 31, 2010</i>	<i>Qtr 3 / 10 Three Months Ended Jul 31, 2010</i>
<i>Cash &amp; Cash Equivalents including short term investments</i>	\$ 84,100	\$ 76,036	\$ 55,601	\$ 76,264
<i>Mineral Exploration and evaluation assets</i>	3,184,698	3,505,443	3,160,381	3,161,350
<i>Working Capital</i>	11,860	9,218	(23,228)	44,340
<i>Net Sales</i>	-	-	-	-
<i>Gain (Loss) before extraordinary items</i>	(64,183)	(126,302)	(109,349)	(47,109)
<i>Gain (Loss) after extraordinary items</i>	(64,183)	(126,302)	(94,702)	(47,109)
<i>Loss per share</i>	(0.00)	(0.00)	(0.00)	(0.00)
<i>Fully diluted loss per share</i>	(0.00)	(0.00)	(0.00)	(0.00)
<i>Total Assets</i>	3,385,267	3,381,033	3,348,100	3,384,244
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

The tables are stated in Canadian dollars. These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

## RESULTS OF OPERATIONS

### Variance Analysis for the three month period ended April 30, 2012

Total expenses for the second financial quarter ended April 30, 2012 were \$136,010 compared to \$64,261, to the comparable quarter ended April 30, 2011, an increase of \$71,749.

The increase in the quarter was due to the following;

- Stock Compensation expense in the current quarter of \$65,995 (April 30, 2011 - \$NIL),
- Property evaluation on the Driftwood Magnesite LOI for a total cost of \$6,215
- A decrease of \$3,071 in Investor Communications due to fewer News Releases
- An increase of \$3,134 to Professional fees, primarily due to IFRS conversion

## **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

The April 30, 2012 condensed interim statements are unaudited and have been prepared in accordance with International Accounting Standard (“IAS”) *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”). These are the Company’s first International Reporting Standards (“IFRS”) condensed interim financial statements and IFRS 1 *First Time Adoption of IFRS* has been applied as they are part of the period covered by the Company’s first IFRS financial statements for the year ending October 31, 2012. The condensed interim financial statements do not include all of the information required for full annual financial statements. The condensed interim financial statements were approved by the Board of Directors on June 28, 2012.

Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”). Canadian GAAP differs from IFRS in several areas and accordingly, the significant accounting policies applied in the preparation of these condensed interim financial statements are set out below and have been consistently applied to all periods presented except in instances where IFRS 1 either requires or permits an exemption.

These condensed interim financial statements should be read in conjunction with the Company’s 2011 annual financial statements. The explanation of how the transition to IFRS has affected the reported financial position, operations and comprehensive loss, and cash flows of the Company is provided in the accompanying financial statements. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending October 31, 2012 could result in restatement of these condensed interim financial statements, including the adjustments recognized on transition to IFRS.

## **LIQUIDITY AND CAPITAL RESOURCES**

At the end of this reporting period, Torch reported working capital deficit of \$72,806 compared to the working capital on April 30, 2011 of \$11,860. Cash and cash equivalents including cashable short term investments were \$46,699 compared to last year (\$84,100 –April 30, 2011).

It is the intent of the Company to continue to balance cash against any share dilution through the issuance of private placements. Additional equity financing will be garnered on a planned basis to ensure sufficient cash to effectively operate the Company. The Company completed a \$155,000 private placement on January 27, 2012 and subsequent to the quarter end on May 29, 2012 closed a \$24,000 flow through private placement.

Torch currently does not have credit facilities with financial institutions and does not anticipate that it will generate revenue from its activities during the next year; therefore it will rely on its ability to obtain equity financing for operations.

Management anticipates that it will be able to raise sufficient capital to further explore and develop its properties and carry out its projects in the future. The

Company, however, cannot provide any assurance that equity financing will be available on terms and conditions acceptable to the Company.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation has no off-balance sheet arrangements.

## **WORK CONDUCTED DURING THE SECOND QUARTER**

The focus of the Company during the quarter was primarily to plan for the upcoming exploration year, determine projects that could bring short term returns to the Company and arrange equity financing to support some immediate exploration and evaluation projects.

The Company strengthened its Board of Directors by bringing in Dr. Don MacIntyre Ph.D., P.Eng., as a new director. Dr. MacIntyre has been a registered Professional Engineer with the British Columbia Association of Professional Engineers and Geoscientists since 1979. He was with the Geological Survey Branch (“GSB”) of the British Columbia Ministry of Energy and Mines as a project geologist. Over a 25 year career with GSB, Dr. MacIntyre was responsible for a number of geological mapping and mineral deposit projects mostly in northern British Columbia. Areas included the Gataga SEDEX district of the Northern Rockies, the Tatshenshini district of the St. Elias Range and the Tahtsa Lake, Smithers and Babine Lake districts of Central British Columbia.

On March 27, 2012, the Company announced that it had entered into a Letter of Intent to purchase 100% of the Driftwood Magnesite Property located in central British Columbia. After the due diligence evaluation, and subsequent to the reporting quarter, the Company decided not to follow through on the project.

## **RISK AND UNCERTAINTIES**

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible.

The principal activity of the Company is mineral exploration and it is inherently risky. Exploration is also capital intensive and the Company currently has no source of income. Only the skills of its management in the mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

## **SHARES ISSUED AND OUTSTANDING**

On November 28, 2011, the Company consolidated its 69,989,989 old common shares, exchanging two (2) old common shares for one (1) new common share

resulting in 34,994,993 new common shares outstanding. All share numbers in this report reflect post consolidation numbers.

On January 27, 2012, the Company closed a private placement of 3,100,000 units at a price of \$0.05 per unit for gross proceeds of \$155,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one Common share of the Company at an exercise price of \$0.10 for a period of twenty-four months from the closing of the offering. This has brought the total number of Common shares to 38,094,993. The Company also has 7,827,500 warrant units and 2,818,000 options outstanding.

There were no additional shares or warrants issued during the three month period ended April 30, 2012.

#### ISSUED SHARE CAPITAL:

At April 30, 2012 the Company's issued share capital was as follows:

	2012		2011	
	Number of shares	Amount	Number of	Amount
<b>Common</b>				
Balance, beginning of year	34,994,993	11,056,468	30,136,329	10,541,885
Private Placement	3,100,000	155,000	1,140,000	177,250
Subscription Rec. in Advance	-	12,000	-	-
Share issue costs	-	(2,995)	-	(5,647)
<b>Balance, April 30, 2012</b>	<b>38,094,993</b>	<b>11,220,473</b>	<b>31,276,329</b>	<b>10,713,488</b>

#### OPTIONS:

	2012		2011	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Balance, beginning of year	2,865,000	\$0.38	2,600,000	\$0.39
Granted	985,000	\$0.10	400,000	\$0.20
Expired	(300,000)	\$0.29	-	-
Exercised	-	-	-	-
<b>Balance, April 30, 2012</b>	<b>3,550,000</b>	<b>\$0.31</b>	<b>3,000,000</b>	<b>\$0.37</b>

## WARRANTS:

	2012		2011	
	Number of Warrants	Weighted Avg Exercise Price	No. of warrants	Weighted Avg Exercise Price
Balance, beginning of year	4,727,500	\$0.20	2,050,000	\$0.20
Issued	3,100,000	\$0.10	827,500	\$0.20
<b>Balance, April 30, 2012</b>	<b>7,827,500</b>	<b>\$0.16</b>	<b>2,877,500</b>	<b>\$0.20</b>

## RELATED PARTY TRANSACTIONS

During the quarter, the Company incurred charges from directors and officers. The total related party transactions for the first quarter of this financial year are summarized as follows:

<b>Services and reimbursement of expenses</b>	<b>Three months ended April 30,</b>	
	<b>2012</b>	<b>2011</b>
Original Approach Inc. (a)	17,400	17,400
Salaries and benefits (b)	9,513	9,000
Reimbursement of expenses	1,717	1,482

- (a) Key management personnel compensation. Original Approach Inc. is a private company controlled by the Chief Financial Officer.
- (b) Key management personnel compensation.

These transactions occurred during the normal course of operations and were measured at the exchange amount that is the amount established and accepted by the parties.

Included in the meetings expenses are reimbursements made to directors for expenditures on behalf of the company.

These transactions occurred during the normal course of operations.

## SUBSEQUENT EVENTS

- On May 29, 2012, the Company closed a non-brokered private placement of 400,000 flow through shares at a price of \$0.06 per share for gross proceeds of \$24,000.
- On May 29, 2012, the Company also announces its decision, after conducting a full due diligence program, not to pursue the Option on the Driftwood Magnesite Property located in central British Columbia.

## **APPROVAL**

The Audit Committee of the Board of Directors appointed by the Board and consisting of three directors, two being independent has reviewed this document pursuant to its mandate and charter. The Board of Directors of Torch River Resources Ltd. has approved the disclosure contained in the MD&A.

This MD&A is available on the Company's SEDAR site accessed through [www.sedar.com](http://www.sedar.com)

## **FORWARD LOOKING STATEMENTS**

The MD&A contains certain forward looking statements, except for historical information. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements expressed or implied by these forward looking statements to vary.

Actual results could differ materially from those currently anticipated due to any number of factors, including such variables as new information regarding potential mineral reserves, changes in demand for and commodity prices of molybdenum, legislative, environmental and other regulatory approval or political changes.

## **OTHER REQUIREMENTS**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website [www.torchriver.ca](http://www.torchriver.ca).