



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

**For the Second Quarter Ended April 30, 2011**

This Management Discussion and Analysis (“MD&A”) was prepared June 27, 2011.

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, 2011. 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 the unaudited interim financial statements for the six month period ended April 30, 2011 and the audited financial statements of October 31, 2010.

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. Torch 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. Torch had been focusing its main efforts on exploring for molybdenum, copper and silver in British Columbia. Recently, Torch has focused its attention to REE’s (Rare Earth Elements) which has been found at its Mount Copeland Property.

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”. 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.

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). This took effect on April 23, 2010 with payment of funds and shares.

On February 9, 2009 an Option Agreement (the “Nahmint Option Agreement”) was signed on the Nahmint copper property. Nahmint hosted three past producers: the Monitor Mine (1900-1902 / 1916-1918), the Sunshine Mine and the Three Jays mine (1898-1902). This property is at tidewater on the Alberni Canal approximately 25 kilometers south-south-west of Port Alberni on Vancouver Island, British Columbia. On October 24, 2009 the Company terminated the option agreement to this property.

On April 12, 2010 an option agreement (the “Omineca Option Agreement”) was signed with a private vendor under which Torch may earn a 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 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 1,256.3 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. The data base for Phelps Dodge holes consisted of just cross sections with assay composites shown. The assays and drill hole coordinate information was all available for the Craigmont drill holes.

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 metre 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 (16,516 feet) 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.

#### Grouse Mountain Property

The Grouse Mountain Property consists of six mineral claims covering a total of 1,574.5 hectares at Grouse Mountain, British Columbia. This property was acquired in July 2007. There was no drilling done in 2008 or 2009. In response to a regional gravity survey release in 2008, Torch added two additional claims in this area. The added claims total an additional 736.7 hectares. Torch conducted multiple small programs of sampling and geophysics on this property in 2009 to evaluate the potential of this property. A small geological program was conducted in 2010.

#### 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. There was no drilling conducted in 2009.

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 has 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 analyzed, Promethium, Pm not analyzed), 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.

A work program is scheduled for September 2011.

### Omineca / Fort Elden

On April 12, 2010, the Company announced that it had signed an option agreement on the Omineca / Fort Elden Property which is comprised of 12 mineral claims covering 1,611.4513 hectares (increased to 1,836.2 hectares in 2011) 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.

The Company is planning to perform mechanized trenching of the Elden Breccia and related geochemical and geophysical anomalies within 2 km of the Breccia Zone. The Company is planning to perform mechanized trenching and diamond drilling at Fort Elden in July 2011

## **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 whose sole director and officer is Grant B. Anderson.

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 / 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	\$ 55,418	\$ 76,264
<i>Mineral Properties, Deferred exploration</i>	2,047,665	2,038,227	2,023,348	2,010,150
<i>Working Capital</i>	11,860	9,218	(23,226)	44,340
<i>Net Sales</i>	-	-	-	-
<i>Gain (Loss) before extraordinary items</i>	(64,183)	(126,302)	(109,349)	(47,108)
<i>Gain (Loss) after extraordinary items</i>	(64,183)	(126,302)	(109,349)	(47,108)
<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	3,348,099	3,384,243
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

<i>Item</i>	<i>Qtr 2 / 10 Three Months Ended Apr 30, 2010</i>	<i>Qtr 1 / 10 Three Months Ended Jan 31, 2010</i>	<i>Qtr 4 / 09 Three Months Ended Oct 31, 2009</i>	<i>Qtr 3 / 09 Three Months Ended July 31, 2009</i>
<i>Cash &amp; Cash Equivalents including short term investments</i>	\$ 10,560	\$ 108,314	\$ 130,355	\$ 22,146
<i>Mineral Properties, Deferred exploration</i>	1,980,219	1,971,219	1,961,556	2,014,545
<i>Working Capital</i>	12,882	91,628	145,029	203,455
<i>Net Sales</i>	-	-	-	-
<i>Gain (Loss) before extraordinary items</i>	(57,579)	(47,880)	(228,327)	(70,386)
<i>Gain (Loss) after extraordinary items</i>	(57,579)	(47,880)	(228,327)	(70,386)
<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>	3,292,091	3,197,703	3,233,913	3,525,948
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

*The tables are stated in 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, 2011

Total expenses for the second quarter ended April 30, 2011 were \$64,261 compared to \$57,564, an increase of \$6,697 to the comparable quarter ended April 30, 2010.

The increase in this reporting quarter related to a fee of \$5,077 paid to the OTCQX. As well, an advertisement in the amount of \$1,508 was placed in a trade journal.

### Variance Analysis for the six month period ended April 30, 2011

Total expenses year to date to April 30, 2011 were \$190,579 compared to \$106,072, an increase of \$84,506 to the comparable quarter ended April 30, 2010.

The increase in this reporting quarter related stock option expenses in the first quarter of \$72,000 and fees of \$13,078 paid to the OTCQX.

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

In 2006, the Accounting Standards Board ("ACSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian Companies. The AcSB strategic plan outlines the convergence of Canadian Generally Accepted Accounting Standards (GAAP) with International Financial Reporting Standards (IFRS). In February 2008, the AcSB announced that 2011 is the changeover date for publically accountable enterprises to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. For the Company, the transition date of November 1, 2010, will require restatement of comparative amounts reported by the Company for the financial year ended October 31, 2011. Accordingly, the Company will transition from current Canadian GAPP financial reporting and commence reporting under IFRS no later than January 31, 2012, with restatement of comparative information presented. The interim periods January 31, 2012, April 30, 2012, and July 31, 2012 will be reported in accordance with IFRS.

Though IFRS uses a conceptual framework similar to Canadian GAPP, there are some significant differences on recognition, measurement and disclosure requirements. The Company is currently evaluating the impact of the transition to IFRS on its financial reporting, internal control systems and business activities and ensuring the appropriate personnel, resources, and training are in place to ensure an efficient transition.



In particular the Company is studying the impact of applying the following IFRS standards: *IFRS 1 First-time Adoption of IFRS, IFRS 6 Exploration for and Evaluation of Mineral Resources, IFRS 2 Share-based Payment, IFRS 7 Financial Instruments: Disclosures, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS 16 Property, Plant and Equipment, and IAS 24 Related Party Disclosures.*

## **LIQUIDITY AND CAPITAL RESOURCES**

At the end of this reporting period, Torch reported working capital of \$11,860 compared to the comparable quarter end, April 30, 2010 of \$12,882. Cash and cash equivalents including cashable short term investments were \$84,100 at quarter end (\$10,560 –April 30, 2010).

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. During the period, the Company completed a small private placement of 1,030,000 shares at \$0.05 for receipts of \$77,250. Subsequent to the quarter end, the Company closed a further placement for \$270,000.

Torch currently does not have credit facilities with financial institutions and does not anticipate that it will generate revenue from its activities in fiscal 2011; 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 QUARTER**

The principal focus of the Company continued to be the planning and preparation for the exploration of mineral properties in British Columbia with efforts primarily focused on the Mount Copeland claims, on which the Company acquired 100% ownership in April 2010 and the Fort Elden property which was acquired in April, 2010. Drilling programs are planned on these two primary British Columbia properties. The primary targets at Fort Elden are copper, silver and gold in a possibly large porphyry setting. As at the time of report, work crews and drillers are being mobilized to commence an exploration program in July, 2011. At Mount Copeland the targets are high grade molybdenum and rare earth minerals. A program is planned for late August, September.

The following activities were announced during the six month period ended April 30, 2011;

- On November 2, 2010, the Company reported further values of REE's on Mount Copeland.
- On November 4, 2010, the Company reported REE's registering above 5% on Mount Copeland
- On November 19, 2010, the Company announced the closing of its non-brokered private placement for 1,250,000 non flow through units at \$0.08 for gross proceeds of \$100,000. Each unit includes one Common Share warrant exercisable at a price of \$0.12 for a period of twenty-four months from the date of closing.
- On November 23, 2010, the Company reported re-assays of REE's registering above 26% on Mount Copeland.
- On January 4, 2011, the Company announced receipt of a compilation report on the geochemical, geological and petrographic analysis of results for the 100% owned Mount Copeland property.
- On February 8, 2011 the Company advised that it had placed a new Fort Elden compilation report and power point presentation on the Company's web site.
- On April 19, 2011, the Company announced that the Fort Elden property had been expanded from 1,611.5 to 1,836.2 hectares. Rock chip sample analysis was also reported.

## **SUBSEQUENT EVENTS**

- On May 27, 2011, the Company announced the closing of its non-brokered private placement for 5,400,000 shares at a price of \$0.05 per unit for a total of \$270,000. This comprised of 3,400,000 flow through units and 2,000,000 non flow through unites. The flow through units carried one-half warrant per share and the non flow through units a full warrant. Each full warrant entitles the holder to purchase one Common Share of the corporation at an exercise price of \$0.10 for a period of twenty four (24) months from the closing of the Offering.

## **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 other than those described in the circular. 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**

As of April 30, 2011 the company had 62,552,657 common shares issued and outstanding. There are 68,307,657 commons shares on a fully diluted basis.

## ISSUED SHARE CAPITAL:

At April 30, 2011 the Company's issued share capital was as follows:

	2011		2010	
	Number of shares	Amount	Number of shares	Amount
<b>Common Shares</b>				
Balance, beginning of year	60,272,657	10,458,308	54,692,657	10,212,972
Mount Copeland Option payment			1,480,000	74,000
Private Placement March 31, 2010			2,000,000	100,000
Private placement, November 19, 2010	1,250,000	100,000		
Warrants exercised				
Options exercised				
Shares issued for property				
Share issue costs		(5,647)		(3,519)
Flow-through shares				
Private Placement February 4, 2011	1,030,000	77,250		
Private Placement				
<b>Balance, end of quarter</b>	<b>62,552,657</b>	<b>10,629,911</b>	<b>58,172,657</b>	<b>10,383,453</b>

On November, 2010 the Company closed a private placement of 1,250,000 units at a price of \$0.08 per unit for gross proceeds of \$100,000. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant is entitles the holder to purchase one Common share of the Company at an exercise price of \$0.12 for a period of twenty four months from the closing of the offering.

On February 4, 2011, the company closed a private placement for 1,030,000 units at a price of \$0.075 per unit for gross proceeds of \$77,250. 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.

## OPTIONS:

	2011		2010	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Outstanding start of year	5,200,000	\$0.20	3,970,000	\$0.25
Granted	800,000	\$0.10		
Expired			(600,000)	\$0.24
Exercised				
<b>Outstanding, end of quarter</b>	<b>6,000,000</b>	<b>\$0.19</b>	<b>3,370,000</b>	<b>\$0.25</b>

A total of 800,000 options were granted year to date to directors and officers.

WARRANTS:

	2011		2010	
	Number of Warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
Outstanding start of year	4,100,000	\$0.10	3,368,363	\$0.27
Issued	1,655,000	\$0.10	2,000,000	\$0.15
Expired			(500,000)	(0.15)
Exercised				
<b>Outstanding, end of quarter</b>	<b>5,755,000</b>	<b>\$0.10</b>	<b>4,868,363</b>	<b>\$0.23</b>

**RELATED PARTY TRANSACTIONS**

During the quarter, the Company incurred charges from directors. The total related party transactions for the year by financial statement category are summarized as follows:

	2011	2010
Management Fees	\$ 9,000	\$ 9,000
Travel and promotion	-	-
Stock compensation	-	-
General meetings	-	-
	<b>\$ 9,000</b>	<b>\$ 9,000</b>

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.

**APPROVAL**

The Audit Committee of the Board of Directors appointed by the Board and consisting of two 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).