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

For the Year Ended April 30, 2013

This Management Discussion and Analysis ("MD&A) was prepared June 27, 2013.

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 condensed financial statements and accompanying notes of the Company for the six month period ended April 30, 2013. 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 condensed interim financial statements for the six month period ended April 30, 2013 and the audited financial statements for the year ended October 31, 2012.

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) and on the Company's website (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. Molybdenum exploration was done preliminary with the Red Bird property and subsequently at Mount Copeland. However, from 2010 forward, Rare Earth Elements ("REE") found at the Mount

Copeland property had the Company performing additional exploration on REE. Fort-Elden, a potential huge copper property was acquired in 2010 and a drilling program was conducted during 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. 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.

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 acquire 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 now 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 by two claims, 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 six 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 centered on latitude 53°17'44" North and longitude 127°00'34" West in NTS map area 93E/6.

On July 8, 2005 Red Bird Resources Ltd and the Company entered into 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). 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 1,550 hectares. The High Rock Property consists of 9 mining claims covering 1,307 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 has been no exploration conducted in fiscal 2013. The tenures on the Climpy property tenure dates are 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_2 (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

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 during 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 increased the number of 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 have 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 processed by 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 requirement under the Option Agreement to become 100% owner of the 12 claims in Fort Elden. The tenures have been increased by two claims 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)

Item	*Qtr 2 / 13 Three Months Ended Apr 30, 2013*	*Qtr 1 / 13 Three Months Ended Jan 31, 2013*	*Qtr 4/12 Three Months Ended Oct 31, 2012*	*Qtr 3/12 Three Months Ended Jul 31, 2012*
Cash & Cash Equivalents including short term investments	$18,419	$60,348	$50,415	$12,776
Mineral Exploration and evaluation assets	3,565,562	3,559,422	3,549,862	3,547,505
Working Capital	(236,832)	(132,948)	(117,782)	(113,905)
Net Sales	-	-	-	-
Gain (Loss) before extraordinary items	(124,505)	(51,304)	(37,398)	(45,890)
Gain (Loss) after extraordinary items	(124,505)	(51,304)	(37,398)	(45,890)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Fully diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	3,677,973	3,715,170	3,710,560	3,704,014
Total Long Term Financial Liabilities	-	-	-	-

Item	*Qtr 2/12 Three Months Ended Apr 30, 2012*	*Qtr 1 / 12 Three Months Ended Jan 31, 2012*	*Qtr 4 / 11 Three Months Ended Oct 31, 2011*	*Qtr 3/11 Three Months Ended Jul 31, 2011*
Cash & Cash Equivalents including short term investments	$46,699	$120,732	$35,357	$129,815
Mineral Exploration and evaluation assets	3,538,524	3,524,104	3,505,442	3,288,390
Working Capital	(72,806)	(1,663)	(75,740)	121,315
Net Sales	-	-	-	-
Gain (Loss) before extraordinary items	(135,979)	(62,532)	(113,775)	(52,401)
Gain (Loss) after extraordinary items	(135,979)	(62,532)	(68,725)	(52,401)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Fully diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	3,729,606	3,788,701	3,726,137	3,595,565
Total Long Term Financial Liabilities	-	-	-	-

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, 2013

Total expenses for the second financial quarter ended April 30, 2013 were $124,590 compared to $136,009, for the comparable quarter ended April 30, 2012, a decrease of $11,419. The Company during this period continued to minimize expenses.

The decrease in the quarter was due to the following;

- Investor Relations expense for 2013 were $50,900 compared to $4,597 in 2012 due to an agreement with Euro Pacific.
- Office Expenses for 2013 were $1,913 compared to $7,490 in 2012
- Professional Fees for 2013 were $5,310 compared to $10,877 in 2012 primarily due to IFRS conversion and share consolidation.
- There was a property evaluation expense of $6,215 for the Driftwood property in 2012 (no expense in 2013).
- Stock based compensation decreased from $65,995 in 2012 to $25,500 in 2013. There were 1.7 million options provided to the Company's new CEO at the end of the quarter.

BASIS OF PRESENTATION AND GOING CONCERN

The condensed interim statements are unaudited and have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. The condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with our most recent annual financial statements, which were prepared in accordance with IFRS as issued by IASB.

LIQUIDITY AND CAPITAL RESOURCES

At the end of this reporting quarter, Torch reported working capital deficit of $236,832 compared to the working capital deficit on April 30, 2012 of $72,806. Cash and cash equivalents including cashable short term investments were $18,419 compared to $46,699 last year.

Subsequent to the end of the reporting quarter, the Company entered into an agreement with a certain investor to give this investor the right but not the obligation to purchase up to $900,000 over the next 12 months with discounted unit pricing. Subsequent to the reporting period, $150,000 in gross financing has been receipted.

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 Company has no off-balance sheet arrangements.

BUSINESS ACTIVITY DURING THE SECOND QUARTER

This reporting period has seen a significant change in the focus and the management of the Company. On April 28, 2013, Paul Ogilvie, former CEO of Canada Carbon Inc. was appointed as Chairman and Chief Executive Officer. William Pfaffenberger continues as the President of the Company.

Paul Ogilvie's has worked in the graphite mining space for the last five years. First with Industrial Minerals (now Northern Graphite) from 2007-2009 where he built the management and engineering team as well as working with the investment bankers to fund the company. His next project was Mega Graphite (2009-2012) which he funded and was CEO. Mega Graphite is now public. He then became CEO with Canada Carbon (2012-2013) and built an experienced team and acquired a number of graphite past producing mines.

The plan for Torch is that it will evolve into a graphite mining company by acquiring projects and looking for ways to build revenue streams by way of joint ventures, partnerships and acquisitions. As at the time of this reporting, the company has already started building an experienced graphite team.

As reported on April 30, 2013, the Company intends to acquire three to four lump graphite properties in Quebec and work to be in production within 24 months.

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

ISSUED SHARE CAPITAL:

	2013		2012	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Common				
Balance, beginning of year	38,494,993	11,272,533	34,994,993	11,056,468
Private Placement	4,250,000	45,000	3,100,000	155,000
Subscription Rec. in Advance	-	-	-	12,000
Share issue costs	-	(2,063)	-	(2,995)
Flow through shares	-	4,000	-	-
Balance, end of quarter	**42,744,993**	**11,359,470**	**38,094,993**	**11,220,473**

OPTIONS:

	2013		2012	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Balance, beginning of year	2,715,000	$0.18	2,865,000	$0.36
Granted	1,700,000	$0.10	985,000	$0.10
Expired	(160,000)	$0.32	(300,000)	$0.29
Exercised	-	-	-	-
Balance, end of quarter	**4,255,000**	**$0.14**	**3,550,000**	**$0.31**

WARRANTS:

	2013		2012	
	Number of Warrants	Weighted Avg Exercise Price	Number of Warrants	Weighted Avg Exercise Price
Balance, beginning of year	6,777,500	$0.16	4,727,500	$0.20
Issued	4,250,000	$0.07	3,100,000	$0.10
Expired	(827,500)	$0.22	-	-
Balance, end of quarter	**10,200,000**	**$0.12**	**7,827,500**	**$0.17**

RELATED PARTY TRANSACTIONS

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

	For the Year ended April 30,	
Services and reimbursement of expenses	**2013**	**2012**
Original Approach Inc. (a)	$36,540	$37,540
Salaries and benefits (b)	$18,000	$18,000
Reimbursement of expenses	$ 140	$8,595

(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.

These transactions occurred during the normal course of operations.

SUBSEQUENT EVENTS

- On May 7, 2013, the company announced a non-brokered private placement of 2,500,000 units (the "Units") at a price of $0.03 per unit for gross proceeds of approximately $75,000 (the "Offering"). Each Unit will consist of one (1) common share ("Common share") in the capital of the Company and one (1) Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase on Common Share of the Company for a period of two (2) years from the closing of the Offering at an exercise price of $0.05 in year 1 and $0.10 in year 2. The company will pay a finder's fee of 8% of the aggregate gross proceeds arising therefrom, including upon the future proceeds from the exercise of any Subscription Rights will be paid to Euro Pacific Canada Inc. In addition, the finder will receive such number of on non-transferable warrants, (the "Compensation Warrants") equal to 8% of the total number of common shares issued in connection with the Offering. Each Compensation Warrant will be exercisable at a price of $0.10 per Common Share for a period of 24 months from the closing date of the offering.
- In conjunction with the above offering, the Company entered into an agreement with a certain investor to give the investor the right ("Subscription Right") but not the obligation to purchase up to $825,000 in additional units for the next 12 months at an issue price that is a 20% discount from the 30 calendar day volume weighted average price of the stock, subject to the pricing requirements of the TSX Venture Exchange Corporate Finance Manual. The investor may exercise any or all of the Subscription Right at any time but each month, the Subscription Right with respect to the $75,000 of the Subscription Right expires. Each Subscription Right is comprised of one (1) common share and one (1) common share purchase warrant ("Subscription Warrant"). Each Subscription Warrant will entitle the holder to purchase one common share at an exercise price that is a 20% premium to the 30-day volume weighted average price of the stock. The Subscription Warrants can be exercised at any time on or before the 24-month anniversary of the subscription date, subject to the TSX Venture Exchange Corporate Manual. The warrants and the Subscription Rights are non-voting and may not be exercised if their exercise would result in the investor holding over 9.9% of the outstanding common shares.
- On May 16, 2013, the Company announced that it had closed the first of the series of private placements. The closing comprised of 2,142,857 Units at price of $0.035 per Unit for gross proceeds of $75,000. Each Unit consisted of one (1) common share in the capital of the Company and one (1) common share purchase warrant. Each Warrant entitles the holder to purchase on common Share of the Company for a period of two (2) years from the closing of the Offering at an exercise price of $0.05 in year 1 and $0.10 in year 2. The Company paid an arm's length finder, a finder's fee of 8% of the proceeds in cash and compensation warrants. Each Compensation Warrant entitled the holder to purchase one Common Share of the company for a period of two (2) years from the closing of the Offering at an exercise price of $0.10.
- The Company also advised that in compensation payable to Mr. Ogilvie under

a consulting agreement entered into on April 28, 2013, Mr. Paul Ogilvie as the Chairman and Chief Executive Officer of the Company was granted 1.7 million options under the Company's stock option plan. The options have a five year term and are exercisable at a price of $0.10 per share and vest over a six month period. Subject to the approval of the TSX Venture Exchange, Mr. Ogilvie is to receive 3,500,000 bonus shares at a deemed value of $0.05.

- On May 21, 2013 the Company announced that it had entered into an arm's length agreement to acquire the past producing Walker lump graphite mine. The acquisition terms set out a payment of 5,500,000 shares on the closing, $5,000 payment on signing the term sheet, $45,000 August 30th, 2013 and a further 5,000,000 shares one year from the anniversary of the closing. The Walker acquisition is subject to the approval of the TSX Venture Exchange.
- On May 27, 2013, the company announced the second of a series of a non-brokered private placement of 2,500,000 units (the "Units") at a price of $0.03 per unit for gross proceeds of approximately $75,000 (the "Offering"). Each Unit will consist of one (1) common share ("Common share") in the capital of the Company and one (1) Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase on Common Share of the Company for a period of two (2) years from the closing of the Offering at an exercise price of $0.05 in year 1 and $0.10 in year 2. The company will pay a finder's fee of 8% of the aggregate gross proceeds arising therefrom, including upon the future proceeds from the exercise of any Subscription Rights will be paid to Euro Pacific Canada Inc. In addition, the finder will receive such number of on non-transferable warrants, (the "Compensation Warrants") equal to 8% of the total number of common shares issued in connection with the Offering. Each Compensation Warrant will be exercisable at a price of $0.10 per Common Share for a period of 24 months from the closing date of the offering.
- On June 3, 2013, the Company announced that it had closed the second offering and placed 2,500,000 Units at a price of $0.03 per Unit for gross proceeds of $75,000. Each Unit consisted of one (1) common share in the capital of the Company and one (1) common share purchase warrant. Each Warrant entitled the holder to purchase one Common Share of the Company for a period of two (2) years from the closing of the Second Offering at an exercise price of $0.05 in year 1 and $0.10 in year two. The Company also paid the arm's length finer a finder's fee of 8% of the proceeds in cash and compensation warrants equal to 8% of the common shares issued. Each Compensation Warrant entitled the holder to purchase on Common Share of the Company for a period of two (2) years from the closing of the Offering at an exercise price of $0.10.
- On June 13, 2013, the Company announced that the agreement to acquire the past producing Walker lump graphite mine is now binding, but remains subject to the approval of the TSX Venture Exchange.
- The Company also announced on the same date three new senior management executives to the team, these being Paul Cooper, Chief Operating Officer, Mark Burack, Vice President Business Development and Peter Smith, Vice President, Sales and Marketing.

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

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 and on the Company's website www.torchriver.ca.