

TORQ RESOURCES INC.

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STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. “**Venture Issuer**” is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Director and NEO Compensation

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two most recently completed financial years ended December 31, 2020 and December 31, 2019. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*”.

At December 31, 2020 the NEOs of the Company were Shawn Wallace, Executive Chair, Michael Kosowan, President and CEO, Stacy Rowa, CFO, and Elizabeth Senez, interim CFO. Directors of the Company who were not NEOs during both financial years were Ivan Bebek, Steve Cook and Jeffrey Mason.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Shawn Wallace ⁽¹⁾ Executive Chair and Director	2020	118,968	Nil	Nil	Nil	Nil	Nil
	2019	90,000	Nil	Nil	Nil	Nil	90,000
Michael Kosowan ⁽²⁾ CEO and Director	2020	226,071	Nil	Nil	Nil	994	227,066
	2019	240,000	Nil	Nil	Nil	1,949	241,949
Stacy Rowa ⁽³⁾ CFO	2020	43,301	Nil	Nil	Nil	4,415	47,716
	2019	36,563	Nil	Nil	Nil	Nil	36,563
Elizabeth Senez ⁽³⁾ Interim CFO	2020	36,607	Nil	Nil	Nil	1,190	37,798
Ivan Bebek ⁽¹⁾ Director	2020	8,968	Nil	Nil	Nil	Nil	8,968
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Steve Cook Director	2020	15,000	Nil	Nil	Nil	Nil	15,000
	2019	15,000	Nil	Nil	Nil	Nil	15,000
Jeffrey Mason Director	2020	15,000	Nil	Nil	Nil	Nil	15,000
	2019	15,000	Nil	Nil	Nil	Nil	15,000

Notes:

- (1) Mr. Wallace has been a director of the Company since May 12, 2011. As of March 2, 2017, Mr. Wallace was appointed Co-Chairman of the Board together with Ivan Bebek. As of November 24, 2020, Mr. Wallace was appointed Executive Chair.
- (2) Mr. Kosowan was appointed President and CEO on March 2, 2017.
- (3) Ms. Rowa was appointed CFO of the Company effective April 1, 2019. Ms. Senez was appointed as interim CFO for a 14-month period effective from July 1, 2020 to cover for Ms. Rowa while on parental leave starting August 1, 2020. Ms. Rowa resigned as CFO on April 6, 2021.

External management companies

During the fiscal years ended December 31, 2020 and 2019, none of the executive officers or the directors of the Company were providing services to the Company as employees of an external management company.

Stock Options and Other Compensation Securities

The Company has a share option plan dated for reference August 12, 2011, as amended and restated August 14, 2015, which plan was last approved for continuation at the Company's AGM held August 19, 2020. See "*Particulars of Matters to be Acted upon*" for details of the share option plan.

The following table sets forth details of all previously granted and outstanding option-based awards outstanding and includes all options granted to NEOs and directors of the Company during the most recently

completed financial year ended December 31, 2020. Other than the options granted in 2020, no other share-based awards were issued during the same financial year.

Compensation Securities								
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (#/%)	Date of issue or grant (dd/mm/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (dd/mm/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Shawn Wallace Executive Chair and Director	Options	600,000 ⁽²⁾ / 8.76%	30/08/17	\$0.85	\$0.75	\$0.70	30/08/22	Nil
Michael Kosowan President, CEO and Director	Options	600,000 ⁽²⁾ / 8.76%	30/08/17	\$0.85	\$0.75	\$0.70	30/08/22	Nil
Stacy Rowa CFO	Options	75,000 ⁽²⁾ / 1.10% 250,000 ⁽³⁾ / 3.65%	30/08/17 01/04/19	\$0.85 \$0.50	\$0.75 \$0.425	\$0.70 \$0.70	30/08/22 01/04/24	Nil 50,000
Elizabeth Senez Interim CFO	Options	150,000 ⁽⁴⁾ / 2.19%	25/06/20	\$0.66	\$0.57	\$0.70	25/06/25	6,000
Ivan Bebek Director	Options	600,000 ⁽²⁾ / 8.76%	30/08/17	\$0.85	\$0.75	\$0.70	30/08/22	Nil
Steve Cook Director	Options	187,500 ⁽²⁾ / 2.74%	30/08/17	\$0.85	\$0.75	\$0.70	30/08/22	Nil
Jeffrey Mason Director	Options	187,500 ⁽²⁾ / 2.74%	30/08/17	\$0.85	\$0.75	\$0.70	30/08/22	Nil

Notes:

- (1) The last day of trading of the fiscal year was December 31, 2020 and the closing price of the Common Shares was \$0.70 each.
- (2) Options granted on August 30, 2017.
- (3) Options granted on April 1, 2019.
- (4) Options granted on June 25, 2020.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by any director or NEO of the Company during the financial year ended December 31, 2020.

Employment, Consulting and Management Agreements

During the Company's fiscal year ended December 31, 2020 and to the date of this Circular, the Company has no contracts with its current non-independent directors and NEOs. The Company also has an independent contractor agreement with Daniel McCoy, effective March 14, 2017.

Oversight and Description of Director and NEO Compensation

Elements of the Compensation Program

Torq is a junior exploration company with no revenues from mineral producing operations. Its business activities include investigating and acquiring mineral properties and conducting exploration programs, in some instances relying on funding from exploration partners. As a result, the Board must consider not only the financial situation of Torq at the time of determining executive compensation, but also the estimated

financial situation of Torq for both mid-term and long-term projections. An element of executive compensation that is available to Torq is the issuance of stock options, which do not require cash disbursement by Torq.

The general function of the Compensation Committee is to assist the Board in carrying out its responsibilities related to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers, and evaluating the performance of officers generally and in light of the Company's annual goals and objectives.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for senior management of the Company although the Compensation Committee guides it in this role. The Compensation Committee reviews peer market information on executive compensation levels as compiled by the Company's management.

Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar junior exploration mining companies, to recognize and reward executive performance consistent with the success of the Company's business and to achieve certain objectives, including to:

- (i) attract and retain experienced and talented mining executive officers;
- (ii) inspire excellence in the performance of executive officers; and
- (iii) align shareholder and executive officer interests.

The Company relies solely on the discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation. The Company did not engage compensation consultants to determine the NEOs' compensation during the year ended December 31, 2020 or in previous years.

Because the Company is currently a junior venture exploration company and much of the compensation paid to NEOs and directors is in the form of equity compensation, the Compensation Committee has not considered the implications of the risks associated with the Company's compensation policies and practices. When the Company's financial position improves and the size and value of its market capital increases accordingly, the Compensation Committee will consider a risk assessment commensurate with the Company's market position.

The Company's compensation policies do not specifically discuss whether NEOs and directors are allowed to purchase financial instruments designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by the NEO or director of the Company.

Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, such as those reports available on SEDAR. Comparable companies included but were not limited to: Bear Creek Mining Corporation, Discovery Silver Corp. and Amarc Resources Ltd. The Company's peer group was determined by identifying other mining issuers listed on the TSXV with comparable market capitalizations.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and

milestones and sufficient cash resources being available for the grant of bonuses. The Board considers the approval of executive bonuses as recommended by the Compensation Committee. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

During the fiscal year ended December 31, 2020, no bonus incentive compensation was accrued or paid.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The number and terms of options granted are determined by the Board.

The Compensation Committee has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Given the evolving nature of the Company's business as a mineral exploration and development company, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above while accommodating the requirements of the Company's other financial obligations.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or connection with retirement.

Actions, Policies, Decisions made following the December 31, 2020 Financial Year End

On April 7, 2021 the Company announced it had issued stock options to purchase in aggregate 1,455,000 Common Shares at CDN\$0.77; 420,000 of which were granted to Officers and reporting insiders of the Company, each expiring in five years from the date of grant. Options granted to Officers and reporting insiders of the Company were: 200,000 to Elizabeth Senez, Interim CFO, and 220,000 to Waldo Cuadra, General Manager – Chile, Torq Resources Chile SpA ("Torq Chile"). Mr. Cuadra is an executive employee and an officer of Torq Chile, a wholly owned subsidiary of the Company, and he is a reporting insider of the Company.