

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Torq Resources Inc. (“**Torq**” or the “**Company**”)
1630-1177 West Hastings Street
Vancouver, BC
Canada
V6E 2K3

2. Date of Material Change

September 15, 2022.

3. News Release

A news release with respect to the material change referred to in this report was disseminated via Canada Newswire on September 15, 2022 and filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

On September 15, 2022, Torq completed the issuance to Gold Fields Atacama Holdings Ltd. (“**Gold Fields Investor**”), a wholly owned subsidiary of NYSE listed international gold mining company, Gold Fields Limited (“**Gold Fields**”), of 15,000,000 common shares of Torq (the “**Private Placement Shares**”) at a price of \$1.00 per share on a private placement basis (the “**Private Placement**”).

5.1 Full Description of Material Change

The Private Placement was completed pursuant to an investment agreement dated September 6, 2022 between Torq and the Gold Fields Investor (the “**Investment Agreement**”). Further to the Investment Agreement, Torq completed the issuance of the Private Placement Shares to the Gold Fields Investor on September 15, 2022 for gross proceeds to Torq of \$15,000,000.

Under the Investment Agreement, Torq has granted to the Gold Fields Investor the following rights, and the Gold Fields Investor will have the following obligations, each subject to the terms and conditions of the Investment Agreement:

- for as long as the Gold Fields Investor owns at least 7.5% of the issued and outstanding Common Shares, subject to its top-up rights, and for so long as the Gold Fields Investor has not delivered a Standstill Termination Notice (as defined below) (the “**Strategic Investor Period**”), or until the occurrence of certain other termination events described below, the Gold Fields Investor will have a right to participate (the “**Participation Right**”) in any future issuance by the Company of its Common Shares or convertible securities (“**Equity Securities**”) (subject to certain exceptions described below) on the same terms offered to other subscribers in order to maintain its pro rata interest in the Common Shares (calculated on a partially diluted basis (the “**Investor Percentage**”) immediately prior to any such issuance, subject to compliance with its standstill obligations set out below and as outlined in the

Investment Agreement. The Participation Right will terminate upon the earlier of (i) the first sale by the Investor of any of the Private Placement Shares, (ii) the second anniversary of the second instance of the Gold Fields Investor's failure to exercise the Participation Right, (iii) the first instance of the Gold Fields Investor's failure to exercise the Participation Right following a change in control of Gold Fields, and (iv) the delivery by the Gold Fields Investor of a Standstill Termination Notice (as defined below). The Participation Right will not apply to issuances of Equity Securities (i) under Torq's equity compensation plans; (ii) in connection with acquisitions, (iii) upon the exercise of currently outstanding convertible securities, (iv) upon the exercise of conversion of future convertible securities in respect of which the Gold Fields Investor has not exercised its Participation Right, and (v) issuances of Equity Securities to all of Torq's Common Shareholders on a *pro rata* basis (each, a "**Non-Financing Issuance**"), but these issuances will be subject to the top-up rights described below.

In addition, the Participation Right includes the following rights of the Gold Fields Investor:

- in the event that Torq proposes to issue Equity Securities during the term of the Participation Right to another mining company (other than the Gold Fields Investor or its affiliates) which would result in such other company having an interest in the Common Shares (calculated on a partially diluted basis) exceeding the Investor Percentage of the Gold Fields Investor, the Gold Fields Investor will have the right to increase its Investor Percentage to match that of such other company for a limited period of 10 Business Days from delivery of notice by purchasing additional Equity Securities as part of the offering. In the event the Gold Fields Investor exercises this right, the maximum number of shares permitted to be owned by the Gold Fields Investor under the standstill described below will thereafter be automatically increased if necessary to such undiluted percentage as is held by the Gold Fields Investor immediately after exercising such right; and
- a top-up right during the term of the Participation Right to subscribe for additional Common Shares so as to maintain the Investor Percentage of the Gold Fields Investor in the event of dilutive Non-Financing Issuances not subject to its Participation Right described above, which top-up right is exercisable (i) annually during the month of November, and (ii) on an accelerated basis within 20 business days from the public disclosure of events of dilution which would individually or in the aggregate reduce Investor Percentage by more than 5% of the then issued and outstanding Common Shares;
- during the Strategic Investor Period, the Gold Fields Investor will have a right to appoint two out of four nominees on a technical advisory panel (the "**Advisory Panel**") comprised of Gold Field Investor and Torq representatives to review and provide input to Torq on its exploration and development program. Under the Investment Agreement, the Advisory Panel is to be the primary forum for the exchange of information between Torq and the Gold Fields Investor regarding the exploration and development of and activities on Torq's properties. The Advisory Panel will provide reports, recommendations and advice to Torq's technical committee with respect to the exploration and development of the Torq properties. The recommendations of the Advisory Panel will not be binding on Torq, Torq's Technical Committee or Torq's board of directors;

- the Gold Fields Investor has agreed not to sell or otherwise dispose any of the Private Placement Shares:
 - until after the date that is the one-year anniversary of closing, or
 - to any purchaser that is in the business of exploration for, or development or commercial production of, mineral deposits or providing streaming and/or royalty financing for persons in such business.

In respect of sales after the one-year anniversary of closing, the Gold Fields Investor has agreed to co-operate with the Company to identify a Company-nominated purchaser in the event the Gold Fields Investor desires to dispose of any Common Shares. The restrictions on disposition described above (the “**Restrictions on Disposition**”) will apply during the Strategic Investor Period.

- a covenant not to vote against or withhold from voting for management’s proposed nominees for election to the Company’s board of directors, or other matters comprising annual shareholder meeting business or which are otherwise in the ordinary course of business, including any approval, ratification or confirmation of any security based compensation arrangement which has been conditionally approved by the TSX Venture Exchange. The voting agreements will apply during the Strategic Investor Period (the “**Voting Agreement**”);
- a right of first refusal with respect to Torq’s Santa Cecilia project during the Strategic investor Period in the event that Torq intends to sell, enter into a joint venture with respect to, or otherwise dispose of an interest in the Santa Cecilia project (the “**Right of First Refusal**”).

Under the Investment Agreement, the Gold Fields Investor is subject to standstill agreements which include the agreement not acquire Common Shares in excess of a maximum threshold of 15.05% of the issued and outstanding Common Shares (subject to increase in the event the Investor’s Percentage is increased above 15.05% pursuant to an exercise of the Participation Right to match the investment of another mining company, as described above) and other customary restrictions (the “**Standstill Agreement**”). The Standstill Agreement will terminate on the earlier to occur of the following:

- the Investor’s Percentage dropping below 7.5%, subject to the exercise of its top-up rights;
- the date that a person or group publicly announces their intention to commence a change of control transaction or an asset transfer involving 50% or more of Torq’s assets, or Torq announces the approval of the Torq board to such a transaction; and
- a Torq insolvency event.

In addition, if the Company publicly releases the results of a preliminary feasibility study or feasibility study (within the meaning of those terms as defined in National Instrument NI 43-101 - *Standards of Disclosure for Mineral Projects*) (an “**Economic Study**”) with respect to Torq’s Santa Cecilia Project, the Gold Fields Investor may elect to deliver a notice to the Company to the effect that the standstill period will terminate 60 days following the date of the notice (a “**Standstill Termination Notice**”). Upon the Gold Fields Investor’s election to deliver a Standstill Termination Notice to the Company:

- the Standstill Agreement will terminate sixty days following the date of the Standstill Termination Notice;
- the Participation Right will terminate;
- the Advisory Panel will be dissolved;
- the Restrictions on Disposition will no longer apply;
- the Voting Agreement will no longer apply;
- the Right of First Refusal will no longer apply.

The Company has agreed to use a minimum of \$12,500,000 of the subscription proceeds for exploration and development activities in respect of Torq's Santa Cecilia project and \$2,250,000 for exploration and development activities in respect of Torq's Margarita project. During the Strategic Investor Period, Torq has agreed to diligently and in good faith take steps towards and pursue the completion and public release of an Economic Study with respect to the Santa Cecilia project. Torq will primarily use the proceeds for drilling at its Santa Cecilia gold-copper project in Chile's Maricunga belt, as well as for drilling at Torq's Margarita IOCG project in Chile's Coastal Cordillera belt.

The Company has not granted any board representation or specific joint venture rights to the Gold Fields Investor pursuant to the Investment Agreement.

The foregoing summary of the Investment Agreement is a summary only and is qualified in its entirety by reference to the Investment Agreement, a copy of which has been filed under Torq's SEDAR profile on www.sedar.com. Investors are encouraged to read the full text of the Investment Agreement.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information, contact Elizabeth Senez, Chief Financial Officer of Torq at 236-558-7168.

9. Date of Report

September 20, 2022.