



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

For the Third Quarter ended July 31, 2008

This interim Management Discussion and Analysis (“MD&A”) was prepared September 24, 2008.

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 financial statements and accompanying notes of the Company for the quarter ended July 31, 2008 (third quarter). 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 nine months ended July 31, 2008 and with the audited financial statements, and related notes, for the fiscal year ended October 31, 2007.

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. 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 is focusing its main efforts on exploring for molybdenum in British Columbia.

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 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”).

On February 12, 2008, the Company signed an option agreement (the “Mount Copeland Option Agreement”) a past producing molybdenum property located near Revelstoke, British Columbia (the “Mount Copeland Property”).

The Company also holds 100% interest in the High Rock Mineral Claim Block (gold) and the Climpy Mineral Claim both located in Island Lake, Manitoba (respectively, the “High Rock Property” and the “Climpy Property”), and Grouse Mountain (silver) near Houston, British Columbia (the “Grouse Mountain Property”).

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 River claims.

On July 8, 2005 Red Bird Resources Ltd and the Company entered the Red Bird Option Agreement for the Red Bird Property. The Company has met the commitments due as at this report date. As of May 31, 2008 the Company is 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 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 work on Red Bird Property was escalated and the camp and amenities were upgraded; environmental and safety standards improved as the facility was prepared to expedite current and future work programs. 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 km Induced Polarization and Magnetometer (IP) program conducted by Scott Geophysics and rock sampling performed. \$1.2 million was invested in the Red Bird property during the 2006 fiscal year.

The 2007 work program commenced in June, 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 latest NI 43-101 was completed January 11, 2008 is posted on SEDAR. 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 has increased by 33% while the contained molybdenum increased by 29%.

	Indicated Resource			Inferred Resource		
	Tonnes (millions)	Mo (%)	Pounds Mo (million)	Tonnes (millions)	Mo (%)	Pounds Mo (million)
2006 Resource	43.3	0.064	61.2	70.5	0.058	90.1
2007 Resource	88.2	0.061	118.6	63.4	0.055	76.9
Increase (%)	103.7		93.8	(10.1)		(14.7)

An aggressive 2008 drilling program was completed just prior to the date of this report. 5,034 meters (16,516 feet) was drilled and assay results from most of the holes are still pending from the assay office.

Highlights from reports to date are as follows:

- News Release August 14, 2008 DDH 150 0.113% Mo 0-72 meters
- News Release September 18, 2008. DDH151 0.148% Mo 14-172 meters

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 2008.

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.

Mount Copeland Property

The Mount Copeland Property featured underground production (1970-73) which produced 169,729 tonnes and recovered 2,625,073 pounds of molybdenum (0.7% recovered 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% MoS₂ (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 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

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 A. 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 shall also be entitled to a net smelter royalty of 2.75% on all minerals mined.

The consideration to be paid by Torch shall be allocated as follows below:

Payment	Status
Upon execution of the letter of intent, \$15,000.00 as a non-refundable deposit;	Paid
At the option of Torch, either: (a) \$25,000 plus 200,000 shares of Torch on or before April 28, 2008; or (b) \$10,000 on or before April 28, 2008 and \$25,000 plus 200,000 shares of Torch on or before June 30, 2008;	Paid
April 28, 2009, \$25,000.00 plus 200,000 shares of Torch;	Outstanding
April 28, 2010, \$200,000.00 plus 900,000 shares of Torch;	Outstanding
April 28, 2011, \$200,000.00.	Outstanding

Torch has the right to terminate the Mount Copeland Option Agreement at various stages of the agreement. This transaction is deemed a “Non-Arms Length” transaction. All of the consideration shall be divided by the vendors based upon their ownership percentage, with there being no finders’ fee payable.

Torch has received approval from the TSX on this transaction and has made the first option payment of \$25,000 (plus the \$10,000 paid in April to extend the option date) and 200,000 shares in June 2008. Torch was encouraged by sampling programs taken on the property in 2005 and 2007 and had an independent geologist review and compile data on the property as part of the due diligence process.

In 2008, the drill program consisted of 7 holes to a total depth of 2,164 meters (7,142 feet). Assays have not been received as at report date.

CONTRACTUAL OBLIGATIONS

The Company has minimal long term debt. Field equipment has been placed on a finance contract as this was deemed the most cost effective method of furnishing those needs at camp site. The Company has financial obligations under the Red Bird Option Agreement including a payment of \$4,000,000 due on Dec 31, 2008.

Red Bird Option Agreement

On July 8, 2005 Red Bird Resources Ltd. and the Company entered into the Red Bird Option Agreement on the Red Bird Property. This agreement provides the Company the sole and exclusive right and option to acquire up to and including one hundred

percent (100%) undivided interest in and to the Red Bird Property free and clear of all charges, encumbrances, claims, royalties and net profit interests of whatsoever nature except as set forth.

The cash payments to be made by Torch under the Red Bird Option Agreement are as follows:

Payment Details	Status
A non-refundable sum of \$50,000 payable on or before execution of the Option Agreement to acquire all pertinent technical and geological data relevant to the property;	Paid
The sum of \$50,000 to be paid on or before June 15, 2005;	Paid
The sum of \$200,000 to be paid on or before May 15, 2006	Paid
The sum of \$500,000 to be paid on or before May 15, 2007;	Paid
The sum of \$500,000 to be paid on or before May 15, 2008;	Paid
The sum of \$4,000,000, to be paid on or before December 31, 2008	Outstanding

The common share issuances to be made by Torch under the Red Bird Option Agreement are as follows:

Issuance Details	Status
1,000,000 Shares within fifteen (15) days of receiving approval from the TSX Venture Exchange Inc. ("Exchange") and the shareholders of the Company;	Issued
2,000,000 Shares on or before May 15, 2007;	Issued
2,000,000 Shares on or before May 15, 2008	Issued
2,000,000 Shares on or before May 15, 2009;	Outstanding
3,000,000 Shares on or before December 31, 2009.	Outstanding

Torch is also required to fund a work program under the Red Bird Option Agreement as follows:

Details of Expenditures	Status
The sum of \$150,000 for the initial work program on the Property;	Expended
The sum of \$500,000 to be paid on or before May 15, 2006;	Expended
The sum of \$750,000 on or before May 15, 2007;	Expended
The sum of \$750,000 on or before May 15, 2008.	Expended

In addition, Red Bird Resources Ltd. shall be entitled to retain a 2.50% (amended in 2006) net smelter return (“NSR”) royalty on the Red Bird Property upon transfer of the Red Bird Property to the Company.

RESULTS OF OPERATIONS

Selected Quarterly Information

The principal focus of the Company is the continued exploration and development of its Red Bird Property (molybdenum / copper / rhenium) and Mount Copeland Property (molybdenum).

The Company’s income for the quarter ended July 31, 2008 consisted solely of interest income of \$12,849.

Expenses for the quarter were \$50,843 lower than prior year. The largest reduction was the lower stock compensation expense (\$121,498) and reduced advertising (\$14,593), whereas expenses were higher in the following categories:

- Increased amortization (\$4,223) which related to additional field equipment;
- Increased Investor Relations expense of \$47,639 resulting from additional filing fees and a road show conducted in the United States;
- Expenses for the US pink sheet listing (\$14,296) and an increase in legal costs (\$15,375 thousand).

The net result from the third quarter was an income of \$60,479 versus a loss last year of \$267,320. The Company booked a \$290,000 future income tax recovery in this quarter which was the material difference to prior year results.

The Company’s status is that of a non-revenue producing exploration company. As the Company has no main source of income, losses are expected. Year to date, the Company had a reported loss of \$201,995.

Exploration on the properties is done during the May to October time period due to property access. \$687,365 has been expended to July 31, 2008 for the drill programs at the Red Bird Property and Mount Copeland Property.

SUMMARY OF QUARTERLY RESULTS

<i>Item</i>	<i>Qtr3/08 Three Months Ended July 31, 2008</i>	<i>Qtr 2/08 Three Months Ended April 30, 2008</i>	<i>Qtr 1/08 Three Months Ended Jan 31, 2008</i>	<i>Qtr 4/07 Three Months Ended Oct 31, 2007</i>
Cash & Cash Equivalents including short term investments	1,665,868	\$2,169,221	\$ 2,376,023	\$ 2,120,003
Mineral Properties, Deferred exploration	6,366,115	4,601,841	4,542,024	4,521,506
Working Capital	1,681,875	2,246,337	2,405,018	2,277,845
Net Sales	-	-	-	-
Gain (Loss) before extraordinary items	60,479	(171,678)	(90,846)	(460,362)
Loss per share	(0.00)	(0.01)	(0.02)	(0.02)
Fully diluted loss per share	(0.00)	(0.01)	(0.01)	(0.02)
Total Assets	8,515,978	7,017,851	7,151,543	7,021,419
Total Long Term Financial Liabilities	6,247	17,108	18,944	23,357

<i>Item</i>	<i>Qtr 3/07 Three Months Ended July 31, 2007</i>	<i>Qtr 2/07 Three Months Ended April 30, 2007</i>	<i>Qtr 1/07 Three Months Ended Jan 31, 2007</i>	<i>Qtr 4/06 Three Months Ended Oct 31, 2006</i>
Cash & Cash Equivalents including short term investments	\$ 2,839,554	\$ 2,761,461	\$ 236,049	\$ 129,033
Mineral Properties, Deferred exploration	3,034,035	2,458,845	2,457,201	2,469,218
Working Capital	2,649,460	2,706,496	273,455	19,110
Net Sales	-	-	-	-
Gain (Loss) before extraordinary items	(267,320)	27,379	(51,061)	(17,657)
Loss per share	(0.02)	0.01	(0.01)	(0.00)
Fully diluted loss per share	(0.02)	0.00	(0.01)	(0.00)
Total Assets	6,353,626	5,389,156	2,915,464	2,846,031
Total Long Term Financial Liabilities	44,396	44,396	44,396	45,589

The above table is 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.

LIQUIDITY AND CAPITAL RESOURCES

At the end of the third quarter of fiscal 2008, Torch reported working capital of \$1,681,875 (\$2,705,956 – fiscal 2007) and cash & cash equivalents including cashable short term investments of \$1,665,868 (\$2,765,585 – fiscal 2007). Short term investments consist only of cashable Guaranteed Investment Certificates that are placed with a major Canadian bank. The company anticipates that the working capital amount at the end of the third quarter of fiscal 2008, combined with the \$107,900 private placements received in September, 2008 will be sufficient to support the completion of the drilling programs at Red Bird and Mount Copeland as well as the administrative operations of the Company.

Torch currently does not have credit facilities with financial institutions and does not anticipate that it will generate revenue from its activities in fiscal 2008; therefore it will rely on its ability to obtain equity financing for operations. The Company received Flow Through Private Placements totaling \$960,521 (\$299,991, \$200,000, \$460,530), \$145,000 from the purchase of warrants and \$70,900 from the purchase of options during the first nine months of the year. 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.

During the quarter ended July 31, 2008, the Company granted a total of 750,000 options to Directors, Officers and Consultants to acquire common shares of Torch, comprising 370,000 options dated May 30, 2008 priced at \$0.16 and 380,000 options dated July 29, 2008 at a price of \$0.12.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

WORK PLAN 2008

The Company planned and effected a more aggressive drill program for 2008 than previous years with a budgeted work program of \$ 1.7 million on the Red Bird Property in 2008. The overall cost for the program will total approximately \$ 1.5 million.

The 2008 drilling was directed at near surface higher grade mineralized targets in the original Main Zone and deeper targets west of that Zone and in the SE and SW Zones. The plan was to assess the property to increase confidence of potential starter pit areas.

The deep extension of the Main zone was drilled to hopefully increase the indicated resource. Eighteen drill pads have been recommended (14 on the Main Zone, 2 on the SE Zone and 2 on the SW Zone for a total of 7,000 m (22,960 ft.) of diamond drilling in holes from 200 to 500 m deep. Most holes were vertical, and some holes will be inclined -60 to -70 degree dip (from horizontal). A smaller Longyear 28 drill rig was used to drill from 2 proposed helicopter access sites located 150-200 m above the upper road (Main Zone East). These 2 helicopter access sites are at 1595 m. A larger Longyear 38 drill rig was used to drill 12 holes from the Main Zone upper road at 50 m spacing, and 2 holes on SW Zone, and 2 holes on SE Zone.

A total of 16,516 feet (5,034 meters) comprising 14 holes were drilled

A drill program of 8,000 feet of diamond drilling was planned for the Mount Copeland Property. That program targeted the possible extension of molybdenum mineralization mined from 1970 to 1973. A budget of \$600,000 was set for the 2008 program and with costs expected to run within plan. This drill program commenced in July and was completed at the end of August. A total of 7,142 feet (2,164 meters) were drilled.

MARKET INFORMATION ON MOLYBDENUM

The current price of molybdenum is \$32 - \$34 per pound in the oxide form. Demand for molybdenum is forecast to increase by 4% to 6% per year for the next ten years. Demand for molybdenum was 440,000,000 pounds in 2007. The current forecasted increase in demand will mean that at least one new major mine (20,000 to 25,000 pounds per year) will need to be started each year if this increase in demand is to be met.

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 at July 31, 2008 the company had 52,050,457 common shares issued and outstanding. There are 71,764,483 commons shares on a fully diluted basis. In the most recently completed quarter, the Company issued 6,923,380 common shares, 2,551,663 common share purchase warrants and 750,000 options to purchase common shares.

APPROVAL

The Audit Committee of the Board of Directors appointed by the Board and consisting of three independent directors, 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.