TORO RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2011

The following management discussion and analysis ("MD&A") is prepared as of October 30, 2011 and should be read together with the audited consolidated financial statements and related notes for the year ended June 30, 2011 which are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All amounts following are expressed in Canadian dollars unless otherwise stated.

OVERVIEW AND OVERALL PERFORMANCE

The Company was incorporated under the laws of the Province of British Columbia, Canada, on June 30, 2005. The Company's common shares are listed on the Toronto Stock Exchange Venture ("TSX-V") under the symbol "TRK".

The Company is in the business of acquiring mineral properties for exploration to determine whether these properties contain economically recoverable ore reserves. The recoverability of any amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims and the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production. To date, the Company has not earned revenues and is considered to be in the exploration stage.

Morgan Peak Property

On December 31, 2009, the Company entered into a letter of intent with Minquest Inc. ("Minquest") to acquire a 100% undivided interest in the Copper Springs Property located in Arizona, USA, also known as the Morgan Peak Property (the "Morgan Peak Property"). The Morgan Peak Property is comprised of 101 unpatented mineral claims covering a total of 2020 acres. Upon execution of the letter of intent the Company paid a $10,862 (US$10,000) non-refundable deposit to Minquest.

On February 1, 2010, the Company entered into a definitive mineral property agreement with Minquest respecting the option to acquire a 100% interest in the Morgan Peak Property subject to a 3% Net Smelter Royalty (the "Morgan Peak Option Agreement").

On March 9, 2010, the Company incorporated a wholly owned subsidiary, Toro Resources Inc, ("TRI") a company incorporated in Nevada, for the purpose of holding its mineral property interests located in the United States of America. Subsequently, on March 10, 2010, the Company transferred all of its right, title and interest in and to the Morgan Peak Option Agreement to TRI.

In order to earn the interest, TRC is required to issue an aggregate of 3,000,000 shares of common stock and TRI is required to make cash payments to MinQuest totalling US$1,000,000, and incur an aggregate of US$4,300,000 in exploration expenditures as follows:

	CASH COMPENSATION (US $)	SHARE CONSIDERATION (NUMBER OF SHARES)	EXPLORATION EXPENDITURES
Upon signing the agreement	$ 20,000 (paid)	250,000 (issued)	$ -
On or before February 1, 2011	20,000 (paid)	250,000 (issued)	250,000
On or before February 1, 2012	25,000	300,000	350,000
On or before February 1, 2013	30,000	350,000	450,000
On or before February 1, 2014	40,000	400,000	500,000
On or before February 1, 2015	50,000	450,000	750,000
On or before February 1, 2016	50,000	500,000	1,000,000
On or before February 1, 2017	50,000	500,000	1,000,000
On or before February 1, 2018	715,000	-	-
	$ 1,000,000	3,000,000	$ 4,300,000

Also, TRI is required to make cash payments totalling US$665,000 to another party as follows:

	CASH COMPENSATION (US $)
Upon signing the agreement	$ 10,000 (paid)
December 5, 2010	10,000 (paid)
December 5, 2011	25,000
December 5, 2012	30,000
December 5, 2013	40,000
December 5, 2014	50,000
December 5, 2015	50,000
December 5, 2016	50,000
December 5, 2017	400,000
	$ 665,000

As at June 30, 2011, the Company had paid $62,119 (US$60,000) and issued 500,000 common shares pursuant to the terms of the Morgan Peak Option Agreement.

On September 28, 2010 the Company announced the initial mapping and aerial survey at its Morgan Peak copper project. The Company implemented an evaluation and mapping program by Dr. Warren Pratt. Dr. Pratt confirmed the presence of significant copper mineralization across an area of roughly 3 km x 0.8 km. Dr. Pratt's discovery of the Birthday Zone, an untested target with great promise, highlighted the need for more claims to be staked. An aerial survey over approximately 1500 hectares at Morgan Peak produced air photos, a topographic map with 1 m contours and an orthophotos map of the claim at a scale of 1:1000.

On November 4, 2010 the Company announced the acquisition of an additional 56 contiguous unpatented mining claims. This new acquisition has exploration potential as well as providing more land for processing facilities if the project is placed into production. The company now controls 193 claims, totaling approximately 1457 hectares (3600 acres). The project is less than 8 kilometres (5 miles) from the Carlota Mine, owned by QuadraFNX, the Pinto Valley project, owned by BHP and the Miami Complex owned by Freeport McMoRan.

The Company has also completed an airborne photogrammetry survey. This survey has provided digital photo images to generate 2D and 3D topographic maps and orthophotos which will be used for geologic mapping, drill hole locations and resource modeling.

On August 25, 2011 the Company was issued a permit which will allow an exploration drilling program on the southern and eastern portions of the project area with 27 drill sites under a Plan of Operation.

The Company is now in the process of examining the possible financing alternatives available to fund this program.

Selected Annual Information

The summary of historical financial information for the last three fiscal years is presented below:

STATEMENT OF OPERATIONS AND DEFICIT DATA		Year Ended June 30, 2011		Year Ended June 30, 2010		Year Ended June 30, 2009
Revenues	$	NIL	$	NIL	$	NIL
Total expenses	$	370,319	$	240,360	$	68,350
Net loss	$	(370,319)	$	(240,360)	$	(211,273)
Basic and diluted net loss per share	$	(0.02)	$	(0.03)	$	(0.03)
Weighted average number of shares outstanding		19,787,687		9,685,752		6,332,938

Financial Results of Operations – Year Ended June 30, 2011

During the year ended June 30, 2011, the Company's efforts were primarily focused on the Morgan Peak property and the successful transition to a listing on the TSX-V from the CNSQ.

During the year ended June 30, 2011, the Company incurred a net loss of $370,319 comprised of general and administrative ("G&A") expenses of $370,319. This compared to a net loss in the previous year of $240,380 comprised of G&A of $240,380.

Total G&A expenses for the current year, in the amount of $370,319 were higher than the G&A of $240,380 incurred in the comparative year ended June 30, 2010. Consulting fees were $60,000 (2010 - $20,000), management fees were $32,000 (2010 – $nil), office expenses were $31,208 (2010 – $7,034), professional fees were $102,319 (2010 – $77,419), regulatory fees were $39,944 (2010 - $3,600). rent was $19,139 (2010 – $nil), shareholder communications were $9,935 (2010 – $nil), transfer agent and filing fees were $15,378 (2010 - $11,360) and travel costs were $13,371 (2010 - $2,867). These increased costs in fiscal 2011 were attributable to the increased administrative costs associated with the ongoing exploration of the Morgan Peak property and the successful transition to a listing of the Company's common shares of the TSX-V.

Morgan Peak exploration and acquisition costs during the year ended June 30, 2011 were $483,952 (2010 - $141,031).

In the current fiscal year, $605,000 (2010 - $841,500) was received from financing activities. These funds principally were from the completion of a private placement financing during the year as well as the exercise of stock options.

As at June 30, 2011, the Company had cash of $563,033 and working capital of $516,618 (2010 - cash of $691,850 and working capital of $673,611)

SUMMARY OF QUARTERLY RESULTS

The following table is a summary of selected financial information for the periods indicated:

	QUARTER ENDED			
	JUNE 30, 2011	MARCH 31, 2011	DECEMBER 31, 2010	SEPTEMBER 30, 2010
Total revenues	$ -	$ -	$ -	$ -
Net loss for the period	$ (126,078)	$ (108,954)	$ (74,298)	$ (60,989)
Basic and diluted net (loss) per share	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)

	QUARTER ENDED			
	JUNE 30, 2010	MARCH 31, 2010	DECEMBER 30, 2009	SEPTEMBER 30, 2009
Total revenues	$ -	$ -	$ -	$ -
Net loss for the period	$ (85,739)	$ (132,488)	$ (10,248)	$ (11,885)
Basic and diluted net (loss) per share	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.00)

Financial Results of Operations – Fourth Quarter ended June 30, 2011

During the three months ended June 30, 2011, the Company incurred a net loss of $126,078 (2010 – $85,739) primarily as a result of increased expenses associated with the successful transition to the TSX-V listing.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2011, the Company had cash and cash equivalents of $563,033 (2010 - $691,850), amounts receivable of $26,238 (2010 - $4,425) and prepaid expenses of $6,394 (2010 - $10,000). As at June 30, 2011, the Company's current liabilities were $79,047 (2010 - $32,664). Accordingly at June 30, 2011 the Company had working capital of $516,618 (2010 - $673,611). The Company has no long-term debt or capital commitments.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing and upon its ability to attain profitable operations. The consolidated financial statements for the year ended June 30, 2011 do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2011, the Company had no off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has no significant contractual obligations or commitments with any parties respecting executive compensation, consulting arrangements, rental premises or other matters, except as disclosed in the interim financial statements.

NEWLY ADOPTED ACCOUNTING POLICIES

Other than the possible impacts arising from the recently issued accounting pronouncements as set forth in the Notes to the audited consolidated financial statements for the year ended June 30, 2011, the Company did not adopt any new accounting policies during the year ended June 30, 2011.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

RELATED PARTY TRANSACTIONS

Related party transactions were incurred in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties.

Amounts due to and from related party were non-interest bearing, unsecured and had no fixed terms of repayment.

a) Included in accounts payable is $700 (June 30, 2010 - $352) due to two directors for expense reimbursement, $24,076 (June 30, 2010 - $4,609) due to related individual for consulting services and amounts aggregating $980 (June 30, 2010 - $8,375) due to companies with a common director.

b) During the year ended June 30, 2011 and 2010, the Company accrued or was charged the following amounts by directors and companies with a common director or officer:

	Year ended JUNE 30, 2011	2010
Recorded as Administrative expenses:		
Management fees	$ 32,000	$ -
Office expenses	8,323	2,625
Professional fees	2,780	-
Rent	9,960	-
Stock based compensation	33,400	-
Travel	2,050	-
	$ 88,513	$ 2,625
Recorded as Mineral exploration expenditures	$ 155,745	$ 38,848

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the first quarter ended September 30, 2011. The Company's 2012 interim and annual financial statements for the year ended June 30, 2012 will include comparative 2011 financial statements, restated to comply with IFRS.

The Company has established an IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Phase 1 Comprising a review of its accounting policies and Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS. (Completed)

Phase 2 Comprising an in-depth analysis of the impact of those areas identified under phase one (expected for completion by November 15, 2011).

Phase 3 the implementation of the conversion process, through the preparation of the opening balance sheet as at July 1, 2011(expected for completion by November 15, 2011).

Impact of Adopting IFRS on the Company's Business

As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The Company believes that the changes identified to date are not significant and the systems and processes can accommodate the necessary changes.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS.

Upon initial adoption of IFRS, generally retrospective application of IFRS is required, effective at the end of its first annual IFRS reporting period. However, IFRS 1 does allow certain optional exemptions and mandatory exceptions to this general retrospective treatment.

The Company has reviewed the exemptions available and currently believes it will have to rely on the following exemption at its transition date of July 1, 2010.

- To apply IFRS 3 Business Combinations prospectively from the transition date, therefore not restating business combinations that took place prior to the transition date.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Company's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

1) Exploration and Evaluation Expenditures

   IFRS currently allows an entity to retain its existing accounting policies related to the exploration for and evaluation of mineral properties, subject to certain restrictions.

   The Company expects to retain its current policy of deferring exploration and evaluation expenditures until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned.

   The current policy may be subject to change as the Company progresses through its final analysis.

   At the present time, the Company has determined there are no facts or circumstances that would suggest the carrying value of the exploration and evaluation assets at transition date exceed the recoverable cost of such assets. Accordingly we do not expect that the adoption of IFRS will result in any significant change to the related line items within its financial statements.

2) Impairment of (Non-financial) Assets

   IFRS, like Canadian GAAP, requires an assessment at each reporting date as to whether there are indicators of impairment of deferred exploration and evaluation costs. The factors considered under IFRS are quite similar to Canadian GAAP, but there are differences.

   IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of deferred exploration costs will be changed to reflect these differences, however the Company does not expect this change will have an immediate impact to the carrying value of its assets. The Company will perform impairment assessments as at the Transition Date in accordance with IFRS.

3) Share-based Payments

For stock options granted to non-employees Canadian GAAP requires the value of goods or services received (and the corresponding increase in equity) to be measured based on the fair value of the consideration received, or the fair value of the equity instrument, whichever is more reliably measured.

IFRS requires that for transactions with non-employees the fair value of the goods and services received are measured directly at their fair value on the date the Company obtains the goods or the counterparty renders the services.

Under IFRS the recording of stock based compensation is only permitted using the graded vesting method. The Company adopted the grade vesting method for stock based compensation recorded during the year ended June 30, 2010.

4) Foreign Currency

IFRS requires that the functional currency of the Company and its subsidiaries be determined separately. The Company has determined that the functional currency of Toro Resources Corp will be the Canadian dollar and the functional currency of Toro Resources Inc. ("TRI") will be the US dollar. The Company will continue to report its financial results using the Canadian dollar.

Under Canadian GAAP foreign exchange gains or losses arising upon the translation of TRI into the reporting currency are taken to the statement of loss in the period incurred. IFRS requires such foreign exchange translation adjustments to be recorded as part of equity as foreign currency translation reserves.

5) Asset Retirement Obligations (Decommissioning Liabilities)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences, however the Company does not expect this change will have an immediate impact to the carrying value of its assets as the Co currently has no legal or constructive reclamation obligations on any of its properties.

6) Property and Equipment

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

As at the date of transition the Company holds no significant property and equipment that requires recognition and measurement under IAS 16 – Property, Plant and Equipment.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

The Company's Management Discussion and Analysis for the 2011 interim periods and the year ended June 30, 2011 will include updates on the progress of the transition plan, and, to the extent known, further information regarding the impact of adopting IFRS on key line items in the annual financial statements.

The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending September 30, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending September 30, 2011 will also include fiscal 2011 financial statements for the comparative period, adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position as at July 1, 2010.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 23,148,636 common shares issued and outstanding, and no shares were held in escrow, 1,450,000 incentive stock options outstanding and 1,835,001 share purchase warrants resulting in a fully diluted share capital of 24,983,637.

OTHER INFORMATION

Additional Disclosure for Venture Issuers without significant revenue

The Company has not had significant revenue from operations since its incorporation on June 30, 2005.

Reference is made to the audited consolidated financial statements for the year ended June 30, 2011 for the applicable details of significant changes to the Company's financial position during the years ended June 30, 2011 and 2010.

RISKS AND UNCERTAINTIES

The Company is subject to all of the risks inherent to an exploration stage company, such as limited capital, mineralized material, lack of manpower and possible cost overruns associated with our exploration programs. The Company's financial success will be dependent upon the extent to which it can discover mineralization or acquire properties and the economic viability of developing its properties. The development of mineral resources involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Developing mineral deposits is subject to various risks and is dependent on a number of criteria, including the deposit size, grade, proximity to infrastructure, as well as commodity prices. If we do not establish reserves, the Company may be required to curtail or suspend our operations.

The Company competes with many companies possessing greater financial resources and technical facilities than itself. The market prices of precious and base metals are volatile and are affected by numerous factors beyond the Company's control. These factors include international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, increased production due to improved mining and production methods and economic events. All the Company's operating cash flow must be derived from external financing. Actual funding may vary from what is planned due to a number of factors including the progress of exploration and development of its current properties. Should changes in equity market conditions prevent the Company from obtaining additional financing, the

Company may need to review its exploration properties and prioritize project expenditures based on funding availability.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements; and (ii) the unaudited interim financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of: (i**)** controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL INFORMATION

Additional information related to the Company is available from SEDAR at www.sedar.com.