TORO RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2012

Date

The effective date of this MD&A is May 30, 2012. All dollar amounts contained herein are in reference to Canadian Dollars unless otherwise indicated.

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Toro Resources Corp. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended March 31, 2012. This MD&A was written to comply with the requirements of National Instrument 51-102 Continuous Disclosure Obligations.

This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2011, as well as the unaudited condensed consolidated interim financial statements for the three and nine months ended March 31, 2012, together with the notes thereto. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

The results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at this date, unless otherwise indicated.

As of July 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The condensed consolidated unaudited interim financial statements for the three months ended March 31, 2012, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and using accounting policies consistent with IFRS.

Readers of this MD&A should refer to "International Financial Reporting Standards" for a discussion of IFRS and its effect on the Company's financial presentation.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors.

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 totaling 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 (paid)	300,000 (issued)	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 totaling 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 (paid)
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 March 31, 2012, 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 continues its review of the possible financing alternatives available to fund this program.

Financial Results of Operations – Three Months Ended March 31, 2012

During the three months March 31, 2012, the Company is continuing its evaluation of financing alternatives.

During the three months ended March 31, 2012, the Company incurred a net loss of $44,269 (2011 - $103,567).

Total G&A expenses for the current three month period ended March 31, 2012, in the amount of $44,319 significantly less the G&A of 2011 - $74,298. Consulting fees of $15,000 were unchanged from 2011, management fees were $12,000 (2011 – $6,500, office expenses were $8,535 (2011 – $10,315), professional fees had a recovery of $7,052 compared to an expense of $10,315 in 2011), regulatory fees were $300 (2011 - $1,200), rent was $3,735 (2011 – $5,883), shareholder communications were $1,680 (2011 – $1,455), transfer agent and filing fees were $6,713 (2011 - $4,595) and travel costs were $3,867 (2011 - $7,909).

Morgan Peak exploration and acquisition costs during the nine months ended March 31, 2012 were $209,843 (2011 - $350,763).

For the nine months ended March 31, 2012, $Nil (2011 - $605,000) was received from financing activities.

As at March 31, 2012, the Company had cash of $196,628 and working capital of $212,444 (June 30, 2011 - cash of $563,033 and working capital of $516,618)

SUMMARY OF QUARTERLY RESULTS

The following table is a summary of selected financial information for the most recent eight quarterly periods:

Period ending:	Basis of Preparation	Revenues	Loss for the period $	Basic loss per share $
31-Mar-12	IFRS	Nil	(132,488)	(0.02)
31-Dec-11	IFRS	Nil	(44,269)	(0.00)
30-Sep-11	IFRS	Nil	(59,098)	(0.00)
30-Jun-11	IFRS	Nil	(126,078)	(0.01)
31-Mar-11	IFRS	Nil	(108,954)	(0.01)
31-Dec-10	IFRS	Nil	(74,298)	(0.00)
30-Sep-10	IFRS	Nil	(60,989)	(0.00)
30-Jun-10	IFRS	Nil	(85,789)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2012, the Company had cash and cash equivalents of $300,065 (June 30, 2011 - $563,033), amounts receivable of $15,055 (June 30, 2011 - $26,238), a reclamation deposit of $46,804 (June 30, 2011 - $Nil) and prepaid expenses of $7,447 (June 30, 2011 - $6,394).

As at March 31, 2012 the Company had working capital of $259,969 (June 30, 2011 - $516,618). 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 unaudited consolidated financial statements for the three and nine months ended March 31, 2012 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 March 31, 2012, 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 unaudited condensed consolidated interim financial statements for the three months ended March 31, 2012, the Company did not adopt any new accounting policies during the this period.

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

The following related party transactions were 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 parties were non-interest bearing, unsecured and had not fixed terms of repayment.

In addition to those related party transactions disclosed elsewhere in the financial statements the Company incurred the following transactions and balances:

a) Included in prepaid expenses is $1,450 (June 30, 2011 - $nil) in respect of rent due to a Company with a common director.

b) Included in accounts payable is $232 (June 30, 2011 - $700) due to two directors for expense reimbursement, $52,742 (June 30, 2011 - $24,076) due to a related individuals for consulting services and amounts aggregating $Nil (June 31, 2011 - $980) due to Companies with a common director.

c) During the three month period ended March 31, 2012 and 2011, the Company accrued or was charged the following amounts by directors, and companies with a common director or officer:

	THREE MONTHS ENDED MARCH 31,	
Operations	**2012**	2011
Office expenses	**$ 1,879**	$ 1,247
Rent	**3,735**	-
Travel	**2,636**	-
Management fees	**12,000**	-
	$ 20,250	$ 1,247

	THREE MONTHS ENDED MARCH 31,	
	2012	2011
Financial Position Items		
Exploration and Evaluation Costs	**$ 27,795**	$ 28,050

Key Management personnel are considered to be the President of the Company, the Vice President of Operations and the CFO as well as the President and CFO of TRI. Remuneration paid or accrued during the three months ended March 31, 2012 to the key management personnel aggregates $48,045 (three months ended March 31, 2011 - $25,188) which is included the amounts for management fees and exploration and evaluation costs above.

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 March 31, 2012. 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 completed its IFRS transition plan. The Company has completed its review of the applicable accounting policies, its analysis of the possible impacts of implementing IFRS and has implemented the conversion process of the IFRS.

The Company has applied the following optional exemptions and exceptions from full retrospective application of IFRS 1:

Mandatory exceptions to the retrospective applications of other IFRS

There are four mandatory exceptions under IFRS 1. All four exceptions were applied. There is no impact on the Company (IFRS 1 Appendix B).

Elected exemptions from full retrospective application

Share-based payment transactions (IFS 1 paragraphs D2 and D3) The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and that vest before the transition date. As a result of applying this exemption, the Company will apply the provision of IFRS 2 to all outstanding equity instruments that are unvested prior to the date of transition to IFRS. No adjustment is necessary.

Decommissioning liabilities included in the cost of property, plant and equipment (IFRS 1 paragraphs D21 and D21A) The Company has elected to apply the exemption from full retrospective application of decommissioning provisions as allowed under IFRS 1. No adjustment is necessary.

Business combinations (IFRS 1 Appendix C) The Company has elected not to retrospectively apply IFRS 3, Business Combinations, to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated. No adjustment is necessary.

Deemed costs (IRFS 1 Appendix D.6(c)). At the transition date, the Company elected to continue with the policy of measuring mineral property costs at the previous Canadian GAAP historical cost. No adjustment is necessary.

Extinguishing financial liabilities with equity instruments (IFRS 1 Appendix D.25).
IFRIC 19 provides guidance on how an entity should account for such transactions in accordance with IAS39 *Financial Instruments Recognition and Measurement* and IAS 32 *Financial Instruments Presentation.* A first time adopter may apply the transitional provision in IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* for such transaction occurring prior to the Transition date. The exemption is taken as a precaution. No adjustment is necessary.

Cumulative Translation Differences (IRFS 1 Appendix D.12).
The exemption directs that cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to IFRS; and the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRS and shall include later translation differences. The cumulative translation difference at transition is immaterial. No adjustment is necessary.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 23,448,636 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 25,283,637.

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 unaudited condensed consolidated financial statements for the three and nine months ended March 31, 2012 as well as 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 year ended June 30, 2011.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply.

(1) The mineral property interests of the Company are in the exploration stage only and consequently, exploration of the Company's mineral property interests may not result in any discoveries of commercial bodies of mineralization.

The property interests owned by the Company are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The Company's mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

(2) Government expropriation may result in the total loss of the Company's mineral property interests.
Even if the Company's mineral property interests are proven to host economic reserves of copper or other precious or non-precious metals, governmental expropriation may result in the total loss of the Company's mineral property interests without any compensation to the Company.

(3) Governmental regulation may have negative impacts on the Company.
The Company's assets and activities are subject to extensive American federal and state, laws and regulations governing various matters, including, but not limited to:

- environmental legislation and protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation;
- mining royalties;

- onerous development criteria;
- restrictions on the movement of capital into and out of United States of America which could impact the Company's ability to repatriate funds and therefore, pay dividends;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations (including the imposition of higher taxes and mining royalties which may be implemented or threatened in the United States of America) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties.

Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits against the Company based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It is difficult to strictly comply with all regulations imposed on the Company. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business; however, there is no certainty that the Company will continuously be compliant with all applicable laws. The failure to comply with all applicable laws could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

(4) Failure to comply strictly with applicable mining laws, regulations and local practices may have a material adverse impact on the Company's operations or business.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriations of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Further, the increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

(5) The exploration and future development of the Company's property interests is subject to extensive environmental laws and regulations.

The Company's exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and protected species. The Company's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Company's ability to explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations and to the extent possible, create social and economic benefit in the surrounding communities. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's financial condition.

(6) The Company may not be able to obtain or renew permits that are necessary to its operations.

In the ordinary course of business, the Company is required to obtain and renew governmental permits for existing operations and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing the necessary governmental permits is a complex and timeconsuming process involving numerous jurisdictions and often involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the exploration or development of the Company's mineral properties, which could adversely impact the Company's operations.

(7) The Company has no significant source of operating cash flow and failure to generate revenues in the future could cause the Company to go out of business.

The Company has no revenues from ongoing operations and has recorded losses since inception. Based upon current plans, the Company expects to incur operating losses in future periods due to continuing expenses associated with the holding and exploration of the Company's mineral property interests. The Company has limited financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon the Company being able to:

- locate a profitable mineral property;
- generate revenues in excess of expenditures; and
- reduce exploration and administrative costs in the event revenues are insufficient.

Additional funds raised by the Company through the issuance of equity or convertible debt securities will cause the Company's current shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Company's common shareholders. There is no certainty the Company will be able to raise funds in the event it needs to do so.

The Company does not have any contractual restrictions on its ability to incur debt and accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain covenants, which would restrict the Company's operations.

(8) The mineral exploration industry is intensely competitive in all its phases and the Company competes with many companies possessing greater financial resources and technical facilities.

The mineral exploration industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical abilities than itself for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates and global or regional consumption patterns, speculative activities, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

(9) Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may not either discover minerals in sufficient quantities or grade or may not have the necessary required funds.

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the Canadian Institute of Mining (CIM) Guidelines.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify commercial operation and the funds required for development may not be obtained on a timely basis. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological
formations. In addition, the grade of mineral ultimately mined may differ from that indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

(10) The lack of available infrastructure may adversely affect the Company's operations and profitability.

Mining, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's projects will be
commenced or completed on a timely basis, if at all; the Company's operations will achieve anticipated results; or the construction costs and ongoing operating costs associated with the development of any of the Company's advanced stage exploration projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

(11) The Company currently has limited insurance covering its assets or operations and as a consequence, could incur considerable costs.

Mineral exploration involves risks which, even with a combination of experience, knowledge and careful evaluation, mineral exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has very limited commercial liability insurance and does not presently intend to increase its liability insurance. As a result of having limited insurance, the Company could incur significant costs that could have a materially adverse effect upon its financial condition and even cause the Company to cease operations. To date, the Company has not experienced any material losses due to hazards arising from its operations.

(12) The Company's mineral property interests may be subject to prior unregistered agreements or transfers and as such title to some of the Company's mineral property interests may be affected.

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of or options to acquire an interest in its mining properties and has conducted limited investigations of legal title to each such property, the mining properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

(13) The price of copper, base and precious metals has fluctuated widely in recent years and may adversely affect the economic viability of any of the Company's mineral properties.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of copper and other precious and non-precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation, currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of copper, base and precious metals and therefore, the economic viability of any of the Company's mining properties, cannot be accurately predicted but may adversely affect the Company's operation and its ability to raise capital.

(14) The business of exploration for minerals involves a high degree of risk; as a result, few properties that are explored are ultimately developed into producing mines.

The Company's exploration activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated. The operations of the Company may be disrupted by a variety of risks and hazards which may be beyond the control of the Company. These risks include, but are not limited to, labour disruptions, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment and consultants or other experts. In addition, the Company may be unable to acquire or obtain such things as water rights and surface rights which may be critical for the continued advancement of exploration activities on its mineral property rights.

(15) The possible issuance of additional shares may impact the value of the Company's common shares.

The Company is authorized to issue an unlimited number of common shares without par value. The Company may issue more common shares in the future. Sales of substantial amounts of common shares (including shares issuable upon the exercise of stock options, the conversion of notes and the exercise of warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

(16) The Company's future performance is dependent on key personnel. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company's business.

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and its board of directors. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company currently does not carry any key person insurance on any of its executives or directors. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

(17) The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar.

The Company's exploration and development expenditures are predominantly in U.S. dollars,
and any future equity financing raised is expected to be predominantly in Canadian dollars. The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar, and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.

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 and IFRS. 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.