TORO

RESOURCES CORP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE & SIX MONTHS ENDED

DECEMBER 31, 2012

(Unaudited)

Toro Resources Corp.

Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended December 31, 2012

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Notice

The following unaudited condensed interim consolidated financial statements of the Company for the period ended December 31, 2012 have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these condensed consolidated interim financial statements.

Toro Resources Corp.

Condensed Interim Consolidated Statements of Financial Position

Unaudited - Expressed in Canadian Dollars

TSX.V: **TRK**

	Note		December 31, 2012		June 30, 2012
Assets					
Current assets					
Cash and cash equivalents		**$**	**66,866**	$	140,683
Amounts receivable			**9,277**		23,329
Prepaid expenses			**867**		5,446
			77,009		169,458
Equipment			**-**		445
Exploration and evaluation assets			**892,516**		859,002
Reclamation deposit			**46,804**		46,804
Total Assets			**1,016,330**		1,075,709
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities			**103,955**		94,328
Total Liabilities			**103,955**		94,328
Shareholder's Equity					
Share capital			**2,202,266**		2,202,266
Other capital reserves			**154,910**		154,910
Deficit			**(1,444,801)**		(1,375,795)
			912,375		981,381
Total Liabilities and Shareholders' Equity		**$**	**1,016,330**	$	1,075,709

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved on March 1 , 2013 by the Directors:

" Devinder Randhawa"

Devinder Randhawa, Director

"Greg Downey"

Greg Downey, Director

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements

Toro Resources Corp.

Condensed Interim Consolidated Statements of Comprehensive Loss

Unaudited - Expressed in Canadian Dollars

TSX.V: **TRK**

	Three months ended December 31,		Six months ended December 31,	
	2012	2011	2012	2011
Expenses	**$**	$	**$**	$
Consulting and management fees	**12,000**	27,000	**24,000**	54,000
Depreciation	**-**	195	**445**	390
Office and administration	**2,020**	8,535	**7,631**	12,061
Professional fees	**12,625**	(7,052)	**16,024**	8,318
Public relations and communications	**4,303**	1,680	**5,983**	3,360
Regulatory fees	**1,300**	300	**2,600**	3,200
Rent	**4,015**	3,735	**7,900**	7,470
Transfer agent	**1,594**	6,713	**2,218**	7,698
Travel	**870**	3,867	**2,215**	7,774
	38,727	44,973	**69,016**	104,271
Loss before other items	**(38,727)**	(44,973)	**(69,016)**	(104,271)
Other items - income/(expense)				
Interest	**51**	50	**51**	50
Foreign exchange gain (loss)	**(375)**	654	**(40)**	654
	(391)	704	**11**	704
Net loss and comprehensive loss for the period	**(39,118)**	(44,269)	**(69,006)**	(103,567)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding	**23,148,636**	23,148,636	**23,148,636**	23,148,636

Toro Resources Corp.

Condensed Interim Consolidated Statements of Changes in Equity

Unaudited - Expressed in Canadian Dollars

TSX.V: **TRK**

	Note	Common Shares Shares	 Amount	Other Capital Reserves	 Deficit	Total Shareholders' Equity
Balance June 30, 2011		23,148,636	$ 2,142,266	$ 154,910	$ (1,154,350)	$ 1,142,826
Net loss and comprehensive loss		-	-	-	(103,567)	(103,567)
Balance December 31, 2011		23,148,636	2,142,266	154,910	(1,257,917)	1,039,259
Shares issued for mineral properties	5	300,000	60,000	-	-	60,000
Net loss and comprehensive loss		-	-	-	(117,878)	(117,878)
Balance June 30, 2012		23,448,636	2,202,266	154,910	(1,375,795)	981,381
Net loss and comprehensive loss		-	-	-	(69,006)	**(69,006)**
Balance December 31, 2012		**23,448,636**	**$ 2,202,266**	**$ 154,910**	**$ (1,444,801)**	**$ 912,375**

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements

Toro Resources Corp.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited - Expressed in Canadian Dollars

TSX.V: **TRK**

	Three months ended December 31, 2012	Three months ended December 31, 2011	Six months ended December 31, 2012	Six months ended December 31, 2011
Cash flows used in operating activities				
Net loss and comprehensive loss for the period	**$ (39,118)**	$ (44,469)	**$ (69,006)**	$ (103,567)
Items not affecting cash:				
Depreciation	**-**	195	**445**	390
	(39,118)	(44,274)	**(68,561)**	(103,177)
Changes in non-cash working capital items:				
(Increase) decrease in amounts receivable	**16,514**	15,902	**14,052**	11,183
(Increase) in prepaid expenses	**2,750**	(1,053)	**4,579**	(1,053)
Increase (decrease) in accounts payable and accrued liabilities	**(812)**	(17,280)	**9,627**	(11,605)
Cash used in continuing operations	**(20,666)**	(46,705)	**(40,303)**	(104,652)
Investing activities				
Property and equipment purchased	**-**	1,550	**-**	-
Exploration and evaluation additions	**(14,084)**	(93,087)	**(33,514)**	(158,316)
Reclamation Deposit	**-**	47,396	**-**	-
Cash used in investing activities	**(14,084)**	(44,141)	**(33,514)**	(158,316)
Net decrease in cash and cash equivalents	**(34,751)**	(90,846)	**(73,817)**	(262,968)
Cash and cash equivalents, beginning of period	**101,617**	390,911	**140,683**	563,033
Cash and cash equivalents, end of period	**$ 66,866**	$ 300,065	**$ 66,866**	$ 300,065

1. NATURE OF OPERATIONS AND GOING CONCERN

Toro Resources Corporation, (the "Company", "TRC") is a company incorporated under the Business Corporation Act of British Columbia, Canada. The registered office of the Company is 700-595 Howe Street, Vancouver, British Columbia, V6C 2T5. The principle address and records office of the Company is 700-1620 Dickson Ave., Kelowna, British Columbia, V1Y 9Y2. The Company's shares are publically listed on the TSX-Venture exchange under the symbol "*TRK".*

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in the United States of America ("USA"). The Company presently has no proven or probable reserves and on the basis of information to date, it has yet to determine whether these properties contain economically recoverable ore reserves, consequently the Company considers itself to be an exploration stage company.

These condensed interim consolidated financial statements have been prepared by management on a going concern basis with the assumption that the Company will continue for the foreseeable future and will be able to meet its obligations to continue operations. Management has carried out an assessment of the going concern assumption and concludes that the continued operations of the Company are dependent upon equity financing and/or joint venturing project development as primary sources of funding. (see Note 12 Subsequent Events)

The realized values of net assets may be significantly different from carrying values shown and these consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

The Company has had the following history of annual net and comprehensive losses: June 30 2012 ($221,445), 2011 ($370,316), 2010 ($240,360) and 2009 ($211,360). The accumulated deficit recorded as at December 31, 2012 is ($1,444,801) ($1,257,917 at December 31, 2011). As at December 31, 2012 the Company has cash and cash equivalents of $66,866 ($322,567 at December 31, 2011) and working capital deficiency of ($26,945) (working capital of $259,609 at December 31, 2011).

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS-34") as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2012. The annual statements include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies and the use of judgements and estimates are presented in Notes 3 and 4 of the annual statements. These policies, judgements and estimates have been consistently applied in the preparation of these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements have been prepared in Canadian dollars on a historical cost basis except for certain financial instruments which are measured at fair value. They include the 100% wholly owned U.S. subsidiary Toro Resources Inc. ("TRI")

The issuance of these financial statements has been authorized by the Board of Directors on March 1, 2013.

(Unaudited - Expressed in Canadian Dollars) TSX.V: TRK

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED

The IASB issued the following pronouncements that are effective for years beginning January 1, 2013 or later and may affect the Company future financial statements;

IAS 1 – *Presentation of Financial Statements*
IAS 24 – *Related Parties Disclosures*
IFRS 7 - *Financial Instruments: Disclosures*
IFRS 10 – *Consolidated Financial Statements*
IFRS 12 – *Disclosures of Interests in Other Entities*
IAS 12 – *Deferred Tax*
IAS 28 – *Investments in Associates*
IFRS 9 – *Financial Instruments*
IFRS 11 – *Joint Arrangements*
IFRS 13 – *Fair Value Measurement*

These new and revised accounting standards have not yet been adopted by the Company. The process of assessing the impact of these standards on the financial statements has yet to be completed.

4. RECLAMATION DEPOSIT

During the year ended June 30, 2012, the Company delivered a USD$45,900 reclamation deposit to the USDA Forest Service for the continue exploration of the Morgan Peak property. The deposit is refundable upon completion of satisfactory reclamation of the current permitted areas.

5. EXPLORATION AND EVALUATION ASSETS

	MORGAN PEAK PROPERTY	
	SIX MONTHS ENDED DECEMBER 31, 2012	**YEAR ENDED JUNE 30, 2012**
Acquisition costs		
Balance, beginning of period	$ **264,208**	$ 153,035
Additions	**9,911**	111,173
Balance, end of period	**274,119**	264,208
Deferred exploration and evaluation costs		
Balance, beginning of period	**594,794**	471,948
Assessments and fees	**15,747**	27,012
Consulting and engineering	**5,459**	73,935
Drilling	**-**	-
Field and travel	**334**	14,431
Office	**-**	5,931
Reports and maps	**-**	-
Storage	**2,065**	1,537
Balance, end of period	**618,397**	594,794
Total deferred exploration and evaluation assets	$ **892,516**	$ 859,002

Morgan Peak, Arizona, USA

On December 10, 2009, The Company entered into a letter of intent ("LOI") with MinQuest Inc. ("MinQuest") to acquire a 100% comprising 102 unpatented mineral claims covering a total of 2,020 acres. The Company paid MinQuest a $10,862 (US$10,000) non-refundable deposit upon execution of the LOI.

On February 1, 2010, the Company entered into a definitive mineral property agreement (amended June 6, 2012) with MinQuest in respect to the LOI subject to a 3% Net Smelter Returns Royalty ("NSR"). At that time, the non-refundable deposit paid became part of the amount due upon signing the agreement. Subsequently, the Company assigned all its rights and obligations pursuant to the mineral contract to its wholly owned subsidiary, TRI, a company incorporated in Nevada, on March 10, 2010.

In order to earn the full interest, the Company 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 between 2011 and 2018.

The Company, through its' subsidiary TRI is obliged to make payment totalling US$665,000 to the underlying property vendors over the course of the years ending in 2007. Due to market conditions in 2012, the Company, in agreement with the vendors, restructured the current payment structure from a single payment to one over a period of six months.

During the year ended June 30, 2010, the Company staked a further 28 claims, and during the year ended June 30, 2011, a further 68 claims were staked contiguous to the main property. At June 30, 2012, 8 of the staked claims remained active, during the six month period ended December 31, 2012 the Company has allowed the remaining staked claims to lapse.

6. SHARE CAPITAL AND RESERVES

a) Authorized:

Unlimited voting common shares without par value
Unlimited non-voting preferred shares with a par value of $1 each (none issued)

b) Issued and Outstanding - Common Shares:

No Common shares were issued during the six month period ended December 31, 2012.

During the year ended June 30, 2012, the Company issued 300,000 common shares pursuant to the Morgan Creek mineral property agreement with a fair value of $60,000.

c) Stock Options:

The Company has a stock option plan that provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any individual.

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The exercise price of stock options is determined by the board of directors of the Company at the time of grant and may not be less than the closing market price of the Company's shares on the day immediately prior to the award date, less any discount which may be permitted by the exchange on which the Company is listed. Options have a maximum term of five years.
As at December 31, 2012, stock options were outstanding was as follows:

NUMBER OF OPTIONS	EXERCISE PRICE PER SHARE	NUMBER EXERCISABLE AT DECEMBER 31 2012	EXPIRY DATE
1,000,000	$ 0.10	1,000,000	March 4, 2015
200,000	$ 0.18	200,000	June 3, 2015
50,000	$ 0.18	50,000	August 31, 2015
200,000	$ 0.20	250,000	March 23, 2016
1,450,000		1,450,000	

A summary of changes in stock options for the six month period ended December 31, 2012 and the year ended June 30, 2012 is presented below:

	SIX MONTHS ENDED December 31, 2012		YEAR ENDED JUNE 30, 2012	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of year	**1,450,000**	**$ 0.13**	1,450,000	$ 0.13
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Balance, end of year	**1,450,000**	**$ 0.13**	1,450,000	$ 0.13

Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

7. RELATED PARTY TRANSACTIONS

During the period ended December 31, 2012 the Company identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the six months ended December 31, 2012 and 2011 are as follows:

	December 31, 2012	December 31, 2011
Wages and consulting fees paid to key management personnel	$ 24,000	$ 24,000

Included in accounts payable at December 31, 2012 is $91,280 - (December 31, 2011 - $40,320) for consulting fees owing to officers and companies controlled by officers. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(Unaudited - Expressed in Canadian Dollars)

8. SEGMENTED INFORMATION

The Company operates under one business segment being the exploration of mineral property interests operating in two different geographical locations; Canada and the United States of America ("USA"). The loss from operations for the periods ended December 31, 2012 and 2011 are considered to be solely related to this segment.

Total assets by geographic area are as follows:

	December 31, 2012		December 31, 2011	
	Canada	**USA**	Canada	USA
Property and Equipment	**$ -**	**$ -**	$ 835	$ -
Exploration and Evaluation Assets	**-**	**892,516**	-	778,815
	$ -	**$ 892,516**	$ 835	$ 778,815

9. CAPITAL DISCLOSURES

The Company was formed for the purpose of acquiring exploration and development stage natural resource properties. The determination of the Company's capital structure is subject to the Board of Directors who make adjustments based on funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Directors have not established quantitative return on capital criteria for capital management.

In August 2012 the Company reduced its holdings of mining claims by 83 claims. Currently the Company controls 110 mining claims, totaling approximately 850 hectares (2100 acres) located in Gila County, Arizona and does not generate any revenue, and accordingly the Company will be dependent in the future upon external financing to fund future exploration programs and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and to seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential provided it has adequate financial resources to do so. The Directors review their capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in the statement of shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

(Unaudited - Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS-7 Financial Instruments: Disclosures establishes a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: inputs other than quoted direct prices included in Level 1 that are observable for the asset or liability, either directly(i.e. as prices) or indirectly (i.e. derived from prices): and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable and payable and accrued liabilities, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

Cash and cash equivalents and short-term investments are designated as held for trading and therefore carried at fair value, with the unrealized gain or loss recorded on the statement of comprehensive loss. The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

a) Credit Risk

The Company's credit risk is primarily attributable to cash, short-term investments and amounts receivable. Cash and short-term investments are held with reputable financial institutions. Financial instruments included in amounts receivable consist primarily of HST recoverable from the Canadian government. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

	Class Level		**December 31, 2012**		December 31, 2011
Cash and Cash Equivalents	1	**$**	**66,866**	$	300,065
Amounts Receivable and Prepaids	3		**10,144**		22,502
		$	**77,010**	$	322,567

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2012, the Company held cash of $66,866 (June 30, 2012 - $140,683) HST receivable of $9,277 (June 30, 2012 - $23,329) and had current liabilities of $103,955 (June 30, 2012 - $94,328). The Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms with the exception of amounts owed to executives and directors which are non-interest bearing.

c) Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar ("CAD$").

The Company holds a 100% interest in its subsidiary TRI, which operates in the USA and has records transactions US dollars ("USD$"). As a result, the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising on such transactions in the period are recorded in operations for the year. Changes in the value of USD against the CAD affect the costs of operations and resultant capital expenditures. The Company primarily maintains its cash balances in CAD and exchanges currency on an as needed basis thereby reducing the exchange risk on cash balances. The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

11. SUBSEQUENT EVENTS

On February 11, 2013, (revised February 25, 2013) the Company announced a non-brokered private placement financing to sell, on a best-efforts basis, a minimum of $1 million up to a maximum of $2 million in common shares units at a price of five cents per common share unit. Each common share unit consists of one common share and one common share purchase warrant, with each whole warrant exercisable at ten cents for a period of one year. A cash finders' fee of 6 percent of the gross proceeds raised in the offering may be paid. The net proceeds of the financing will be used to advance the development of the Morgan Peak Property and for general working capital.

Subsequent to the period ended December 31, 2012, 545,000 stock options were relinquished and 1,400,000 stock options at $0.10 were granted on February 25, 2013 to employees and executives.