TORO
RESOURCES CORP

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

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") as prepared at March 1, 2013, constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended December 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, 2012, as well as the unaudited interim financial statements for the six months ended December 31, 2012 together with the notes thereto. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

Statements in this report that are not historically based fact are forward looking statements involving known and unknown risks and uncertainties which could cause actual results to vary considerably from these statements. Readers are cautioned not to place undue reliance on forward-looking statements. 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". Additional information regarding the Company and its activities is available on SEDAR at www.sedar.com, and also on the Company's web site at www.tororesources.com, or by requesting further information from the Company's head office located in Kelowna, British Columbia, Canada.

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 and the ability of the Company to obtain necessary financing by way of joint venture, equity financing, option agreements or by other means required to complete the development of the properties and upon future profitable production. To date, the Company has no earned revenues and is considered to be in the exploration stage.

Morgan Peak Property

Located in Arizona, USA, the Morgan Creek Property is situated in the Tonto National Forest accessible directly from highway 60 in Gila County, a short distance from the historic mining community of Miami-Globe. In proximity of several major producing mines with high grade billion ton reserves, it has had an active exploration history dating back to the 1950's.

On December 31, 2009, the Company entered into a letter of intent with MinQuest Inc. ("MinQuest") to acquire a 100% undivided interest in the Morgan Peak Property. The 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 USA.

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 100% 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 over an eight year period through to February 2018. In addition, if the price of copper exceeds US$3.90/lb. for a period of 20 consecutive business days between February 1, 2013 and February 1, 2014, the Company shall within 60 days fund a drilling program of US$150,000.

On June 6, 2012, the Company negotiated an amendment to the original agreement whereby the deadline for the 2012-2013 exploration expenditures of $450,000 was extended by one year to February 1, 2014 resulting in a required total of $950,000 in exploration expenditures in the 2013-2014 period. The Company is also required to make annual cash payments totaling US$665,000 to another party over eight years, through to December 2017. With the agreement of MinQuest, the payment and share consideration due on February 1, 2013 has been deferred until May 1, 2013.

As at December 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 project. The Company implemented an evaluation and mapping program by Dr. Warren Pratt who 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 kilometers (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 for an exploration drilling program on the southern and eastern portions of the project area with 27 drill sites under a Plan of Operation. The program is to begin in the third quarter of fiscal year 2013.

SELECTED ANNUAL INFORMATION

For the year ended June 30,	2012	2011	2010[1]
Net loss and comprehensive loss	**$ (221,445)**	$ (370,316)	$ (240,360)
Total assets	**1,075,709**	1,221,873	847,306
Total liabilities	**94,328**	79,047	32,664
Shareholders Equity	**1,039,259**	1,142,826	814,642
Basic and diluted loss per common share	**($0.01)**	($0.01)	($0.01)

[1] Prepared in accordance with Canadian GAAP

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	**December 31, 2012**	September 30, 2012	June 30, 2012	March 31, 2012
Total Assets	**$ 1,016,330**	$ 1,055,995	$ 12,926,512	$ 13,971,269
Working capital (deficiency)	**(26,945)**	26,084	1,539,622	2,466,176
Net income (loss) for the period	**(716,730)**	(30,327)	(66,970)	(51,108)
Basic and diluted loss per common share	**(0.01)**	(0.01)	(0.01)	(0.01)

Quarter Ended	December 31, 2011	September 30, 2011	June 30, 2011[1]	March 31, 2011[1]
Total Assets	$ 14,428,114	$ 15,049,304	$ 14,812,925	$ 14,407,439
Working capital	3,999,653	6,427,919	8,359,467	10,090,332
Net income (loss) for the period	(44,269)	(59,098)	(126,078)	(108,954)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.01)	(0.01)

[1] Prepared in accordance with Canadian GAAP

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

During the six months ended December 31, 2012, the Company incurred a net loss of $69,006 (2011 - $103,567). References to 2011 in the comparative content are for the six months ended December 31, 2012.

Total G&A expenses of $69,016 for the six months ended December 31, 2012 were significantly less than the $103,567 for the comparative period ended December 31, 2011 reflecting the reduced mineral project activity during the current period. Office expenses were $7,631 (2011 – $12,061), professional fees were $16,024 (2011 - $8,318), regulatory fees were $2,600 (2011 - $3,200), rent was $7,900 (2011 – $7,470), shareholder communications were $5,983 (2011 – $3,360), transfer agent and filing fees were $2,218 (2011 - $7,698) and travel costs were $2,215 (2011 - $7,774). Morgan Peak exploration and acquisition cash costs during the six months ended December 31, 2012 were $33,514 (2011 - $158,316). As at December 31, 2012, the Company had cash of $66,866 and a working capital deficiency of $26,945 (December 31, 2011 - cash of $140,683 and working capital of $259,609).

During the six months ended December 31, 2012, the Company continued its evaluation of financing alternatives within the very challenging equity markets for junior exploration companies in the resource sector. 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. 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.

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.

OUTSTANDING SHARE DATA

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 resulting 2,255,000 incentive stock options outstanding with exercise prices from $0.10 to $0.20 per share. As at March 1, 2012 the Company had 23,448,636 common shares issued and outstanding and a fully diluted share capital of 25,703,636 as at March 1, 2013.

LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration and evaluation company and has yet to determine whether its properties contain mineral resources that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets, including acquisition costs and related exploration and evaluation costs, are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. The Company expects to rely upon equity financing and/or joint venturing project development as primary sources of funding. 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 condensed interim consolidated financial statements for the nine months ended December 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.

As at December 31, 2012, the Company had cash and cash equivalents of $66,866 (December 31, 2012 - $300,065), amounts receivable of $9,277 (December 31, 2011 - $15,055), and prepaid expenses of $867 (December 31, 2011 - $7,447. The Company had a working capital deficiency of $26,945 (working capital December 31, 2011 - $259,609).

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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with IAS 3 requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Accounts that require significant estimates as the basis for determining the stated amounts include exploration and evaluation expenditures and share-based compensation. The assessment of any impairment of exploration and evaluation assets is based on the estimated recovery of future exploitation or sale where the activities have not reached a stage which permits a reasonable assessment of existence of reserves. Share-based compensation expense is calculated using Black-Scholes valuation model which requires significant judgment as to considerations such as stock option lives and stock volatility.

SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies is included in Notes 3 and 4 of the audited financial statements for the year ended June 30, 2012.

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 12 – *Deferred Tax*
IAS 24 – *Related Party Disclosures*	IAS 28 – *Investments in Associates*
IFRS 7 - *Financial Instruments: Disclosures*	IFRS 9 – *Financial Instruments*
IFRS 10 – *Consolidated Financial Statements*	IFRS 11 – *Joint Arrangements*
IFRS 12 – *Disclosures of Interests in Other Entities*	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 that these standards will have on the financial statements and the decision on whether to early adopt has not yet been completed.