TORO

RESOURCES CORP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

September 30, 2014

Toro Resources Corp.

Condensed Interim Consolidated Financial Statements
For the Three Months Ended September 30, 2014

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Notice

The following unaudited condensed interim consolidated financial statements of the Company for the period ended September 30, 2014 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	**September 30, 2014**	June 30, 2014
Assets			
Current assets			
Cash and cash equivalents		**$ 16,051**	$ 38,373
Amounts receivable		**10,432**	8,761
Prepaid expenses		**1,300**	2,600
		27,783	49,734
Exploration and evaluation assets	3	**10,000**	10,000
Reclamation deposit	4	**46,804**	46,804
Total assets		**84,587**	106,538
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	**461,370**	413,645
Loan payable	6	**100,000**	100,000
Total liabilities		**561,370**	513,645
Shareholder's Equity (Deficiency)			
Share capital		**2,239,766**	2,239,766
Other capital reserves		**208,951**	208,951
Deficit		**(2,925,500)**	(2,855,824)
		(476,783)	(407,107)
Total liabilities and shareholders' equity		**$ 84,587**	$ 106,538

Nature of Operations and Going Concern (Note 1)

Approved on November 27, 2014 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

Unaudited - Expressed in Canadian Dollars

	Three months ended September 30, 2014	2013
General and administrative expenses		
Consulting and management fees	**$ 45,000**	$ 45,000
Office and administration	**75**	173
Professional fees	**-**	10,145
Public relations and communications	**145**	255
Regulatory fees	**3,800**	62
Rent	**750**	750
Share-based compensation	**-**	15,099
Transfer agent	**624**	1,671
Travel	**-**	1,150
	50,394	74,305
Loss before other items	**(50,394)**	(74,305)
Other income (expense)		
Interest	**(1,250)**	-
Writedown of exploration and evaluation assets	**(18,032)**	-
Foreign exchange loss	**-**	(273)
	(19,282)	(273)
Net loss and comprehensive loss for the period	**$ (69,676)**	$ (74,578)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding	**24,198,636**	24,198,636

Toro Resources Corp.

Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

Unaudited - Expressed in Canadian Dollars

TSX.V: **TRK**

	Common Shares		Other Capital		
	Shares	Amount	Reserves	Deficit	Total
Balance as at June 30, 2013	24,198,636	$ 2,239,766	$ 187,935	$ (1,628,225)	$ 799,476
Shared based compensation	-	-	15,099	-	15,099
Net loss and comprehensive loss	-	-	-	(74,578)	(74,578)
Balance as at September 30, 2013	24,198,636	2,239,766	203,034	(1,702,803)	739,997
Shared based compensation	-	-	5,917	-	5,917
Net loss and comprehensive loss	-	-	-	(1,153,021)	(1,153,021)
Balance as at June 30, 2014	24,198,636	2,239,766	208,951	(2,855,824)	(407,107)
Net loss and comprehensive loss	-	-	-	**(69,676)**	**(69,676)**
Balance as at September 30, 2014	**24,198,636**	**$ 2,239,766**	**$ 208,951**	**$ (2,925,500)**	**$ (476,783)**

Toro Resources Corp.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited - Expressed in Canadian Dollars

TSX.V: **TRK**

	Three months ended September 30, 2014	2013
Cash used in operating activities		
Net loss and comprehensive loss for the period	**$ (69,676)**	$ (74,578)
Items not affecting cash:		
Share-based compensation	**-**	15,099
Write-down of exploration and evaluation assets	**18,032**	-
	(51,644)	(59,479)
Changes in non-cash working capital items		
Decrease (increase) in amounts receivable	**(1,671)**	15,045
Decrease in prepaid expenses	**1,300**	-
Increase in accounts payable and accrued liabilities	**47,725**	56,215
Cash used in continuing operations	**(4,290)**	11,781
Investing activities		
Exploration and evaluation additions	**(18,032)**	(16,218)
Cash used in investing activities	**(18,032)**	(16,218)
Net decrease in cash and cash equivalents	**(22,322)**	(4,437)
Cash and cash equivalents, beginning of period	**38,373**	73,550
Cash and cash equivalents, end of period	**$ 16,051**	$ 69,113

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

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 ("TSX") under the symbol "*TRK".*

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Canada and 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.

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:
2014 ($1,227,599), 2013 ($252,430), 2012 ($221,445), 2011 ($370,316), 2010 ($240,360) and 2009 ($211,360). As at September 30, 2014 the Company has cash and cash equivalents of $16,051 ($69,311 at September 30, 2013) and working capital deficiency of $486,783 (working capital of $289,964 at September 30, 2013).The accumulated deficit recorded as at September 30, 2014 is ($2,925,500) (($1,702,803) at September 30, 2013).

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, 2014. 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 November 27, 2014.

(Unaudited - Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements and title may be affected by undetected defects.

Taxco Property, British Columbia, Canada

During the year ended June 30, 2014, the Company entered into a preliminary agreement to acquire under an option agreement the Taxco property from 1002679 B.C. Ltd. The 915 hectare property is located 125 km southwest of Vanderhoof, 175 km southwest of Prince George, and approximately 150 km west of Quesnel, British Columbia. The Company commissioned an updated 43:101 report on the property in June of 2014 which has been accounted for as an acquisition cost.

The Property is subject to a royalty in favor of 1002679 B.C. Ltd. equal to a 3% Net Smelter Royalty (NSR), one half of which may be purchased for a cash payment of $250,000. A non-refundable cash payment of $2,500 and issuance of 50,000 shares or cash payment of $5,000 is due upon regulatory approval. Under the terms of the agreement, TRC will hold 100% beneficial interest in the Taxco Property by making cash payments, issuing shares and carrying out exploration work as per the following anniversary dates:

End of Year	Cash Payment	Shares Issued	Expenditures
1	$ 10,000	100,000	$ 50,000
2	20,000	150,000	100,000
3	50,000	200,000	250,000
	$ 80,000	450,000	$ 400,000

Morgan Peak, Arizona, USA

On December 10, 2009, the Company entered into a letter of intent with MinQuest Inc. to acquire a 100% undivided interest in the Morgan Peak Property in Arizona, USA, comprising 102 unpatented mineral claims covering a total of 2,020 acres. On March 10, 2010, the Company assigned all its rights and obligations pursuant to the mineral contract to its wholly-owned subsidiary, TRI, a company incorporated in Nevada.

At June 30, 2014, the Company wrote down the Morgan Peak property to $Nil and recorded a write-down of $985,356 in the year. The property was relinquished on August 18, 2014.

4. RECLAMATION DEPOSIT

During the year ended June 30, 2012, the Company was required to post a reclamation deposit in the amount of $46,804 (US$45,900) with the USDA Forest Service in order to continue its exploration of the Morgan Peak property. The reclamation deposit is being held in term deposits with varying rates of interest. The deposit is expected to be refunded in the coming weeks as the reclamation of the Morgan Peak property has been completed to the satisfaction of the USDA Forest Service. The Company has no further constructive or contingent liabilities arising from environmental or reclamation costs.

(Unaudited - Expressed in Canadian Dollars)

5. 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 three month period ended September 30, 2014.

c) Stock Options:

The Company has a share-holder approved 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 reserved for issuance may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any one individual.

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 TSX. Options have a maximum term of five years. As at September 30, 2014, there were 1,800,000 options outstanding, exercisable at $0.10 per share with an expiry date of March 13, 2016.

No stock options were issued or exercised in the three month period ended September 30, 2014.

6. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the three months ended September 30, 2014 and 2013 are as follows:

		September 30, 2014		September 30, 2014
Wages and consulting fees accrued for key management personnel	**$**	**45,000**	$	45,000
Share-based expense for options granted to key management personnel		**-**		9,709
	$	**45,000**	$	54,709

Included in accounts payable and accrued liabilities at September 30, 2014 is $413,280 (September 30, 2013 - $226,280) for consulting fees owing to officers and companies controlled by officers. Also included in accrued liabilities is $3,974 for rent owing to a company with related directors and executives. 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.

On April 26, 2013, the Company announced it had secured an interim loan of $100,000 with interest of 5% per annum, calculated monthly, from RD Capital Inc., a company controlled by Dev Randhawa, Chairman and CEO. The short term financing ensures that the Company can meet its current commitments on the Company's Morgan Peak Copper Project. On May 21, 2013 the Company issued 400,000 loan bonus shares to RD Capital Inc. valued at $0.05 per share. As of September 30, 2014, the Company has accrued interest charges of $7,500 on the loan.

(Unaudited - Expressed in Canadian Dollars)

7. SEGMENTED INFORMATION

The Company operates under one business segment being the exploration of mineral property interests operating in two geographical locations; Canada and the USA. The loss from operations for the periods ended September 30, 2014 and 2013 are considered to be solely related to this segment. Total assets by geographic area are as follows:

	September 30, 2014		September 30, 2013
	Canada	**USA**	USA
Exploration and evaluation assets	$ 10,000	$ -	$ 983,157
	$ 10,000	**$ -**	$ 983,157

8. 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.

Currently the Company controls two contiguous Mineral Titles Online ("MTO") claims covering approximately 915 hectares (2,261 acres) located 125km south of Vanderhoof, British Columbia on the Nechako Plateau. The Company does not generate any revenue, and accordingly will be dependent in the future upon external financing to fund future exploration programs and its administrative costs. The Company will raise additional amounts as needed.

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

The Company considers the items included in the statements of changes in 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.

9. 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 levels are:

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, 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 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 GST recoverable from the Canada Revenue Agency. 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		**September 30, 2014**		September 30, 2013
Cash and cash equivalents	1	**$**	**16,051**	$	69,113
Amounts receivable and prepaids	3		**10,432**		1,694
		$	**26,483**	$	70,807

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 September 30, 2014, the Company held cash of $16,051 (September 30, 2013 - $69,113) GST receivable of $10,432 (September 30, 2013 - $1,694) and had current liabilities of $718 (June 30, 2013 - $23,491). 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 related parties which have no fixed terms and 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 records transactions in 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. For the period ended September 30, 2014, the Company has no cash balance in USD, thus there is no risk. 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.