



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014**

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 November 27, 2014, constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended September 30, 2014. 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 Company's condensed interim financial statements for the three months ended September 30, 2014 and the audited consolidated financial statements for the year ended June 30, 2014 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 provincial laws of British Columbia, Canada, on June 30, 2005. The Company's common shares are listed on the Toronto Venture Exchange ("TSX") 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 is considered to be in the exploration stage and has yet to earn revenues.

Taxco Property

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.

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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 is due before October 31, 2014 and issuance of 50,000 shares or cash payment of \$5,000 is due upon regulatory approval. Under the terms of the agreement, Toro 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 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 Globe-Miami. The property, which has had an active exploration history dating back to the 1950's, is comprised of 101 unpatented mineral claims covering a total of 2,020 acres.

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. The Company then 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.

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 over eight years totaling US\$665,000 to another party, through to December 2017. In December of 2013, due to unfavorable market conditions the Company negotiated a further amendment to the original agreement whereby all annual payments will fall due on the first of February and exploration expenditure commitments have been restructured so that the Company is obligated to make expenditures of \$450,000 in the 2014-2015 year. All requisite exploration expenditures have effectively been pushed forward by two years from the original agreement. Further to this, the Company has a standing agreement with the vendors to delay payments and work commitments until July 1, 2014.

On July 11, 2013, the Company entered into a letter of intent (the "Letter Agreement") whereby PBar Land and Minerals, LLC, ("PBar") upon completion of a formal option agreement (the "Option"), has the right to earn up to a 51% interest in the Morgan Peak copper project ("Morgan Peak"). PBar is private mineral exploration company located in Phoenix, Arizona. The option agreement was amended on March 18, 2014 whereby PBar remitted a us\$16,000 non-refundable deposit. Subsequent to the year ended June 30, 2014, the agreement been terminated as the terms could not be met by PBar.

As at June 30, 2014 the Company wrote down the Morgan Peak property to \$Nil and recorded a loss of \$985,356 in the year. On August 8th, 2014, the Company officially relinquished the Morgan Peak property. During the month of September, 2014, reclamation of the site was conducted to the satisfaction of the USFS at a cost of US\$3,627. The Company is expecting the imminent return of a performance bond held by the USFS.

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

As at September 30, 2014, the Company had cash and cash equivalents of \$16,051 and a working capital deficiency of \$533,587 (2013 - cash \$69,113, working capital deficiency \$289,954). During the three months ended September 30, 2014, the Company incurred a net loss of \$69,676 (2013 - \$74,578).

Total G&A expenses of \$50,394 for the three months ended September 30, 2014 showed a decrease over the comparative period ended September 30, 2013 (\$74,305). The decrease was due primarily to the recording of share based compensation expense of \$15,099 in the prior year with no expense recognized in the current period. Professional fees were \$Nil in the current period whereas the previous years' fees included expenditures as a result of the Company entering into a Letter of Intent with PBar Minerals PLC. Office expenses were less at \$75 (2012 - \$173), Morgan Peak exploration and acquisition cash costs during the three months ended September 30, 2014 were \$18,032 (2013 - \$16,218) paid for mineral claims fees as a requirement of the Morgan Peak property agreement. Regulatory fees were higher in the current period a result of the submission fees for application to the Canadian Securities Exchange.

Management continues to evaluate its' financing alternatives and to explore alternative sources of financing in the form of debt, equity or a combination thereof in what has proven to be very challenging equity markets for the resource sector in general and the junior exploration companies in particular. Management will continue to monitor spending and assess results on an ongoing basis and appropriate changes will be implemented where appropriate.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Total assets	\$ 84,587	\$ 106,538	\$ 1,077,947	\$ 1,084,148
Working capital (deficiency)	(533,587)	(463,911)	(421,054)	(363,729)
Net loss for the period	(69,676)	(1,017,412)	(58,265)	(77,344)
Basic and diluted loss per common share	(0.01)	(0.04)	(0.01)	(0.01)

Quarter Ended	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Total Assets	\$ 1,100,768	\$ 1,104,032	\$ 996,037	\$ 1,016,330
Working capital (deficiency)	(289,964)	(214,267)	(106,504)	(26,945)
Net income (loss) for the period	(74,578)	(107,379)	(82,806)	(31,918)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.01)	(0.01)

SELECTED ANNUAL INFORMATION

The Company has had the following history of annual net and comprehensive losses:
June 30, 2014 (\$1,227,599), June 30, 2013 (\$252,430), 2012 (\$221,445), 2011 (\$370,316), 2010 (\$240,360), 2009 (\$211,360).

The accumulated deficit recorded as at June 30, 2014 is (\$2,855,824) (\$1,375,795 at June 30, 2013).

For the year ended June 30,	2014	2013	2012	2011
Net loss and comprehensive loss	\$ (1,227,599)	\$ (252,430)	\$ (221,445)	\$ (370,316)
Total assets	106,538	1,104,032	1,075,709	1,221,873
Total liabilities	513,645	304,556	94,328	79,047
Shareholders equity (deficiency)	(407,107)	799,476	981,381	1,142,826
Basic and diluted loss per share	(\$0.05)	(\$0.01)	(\$0.01)	(\$0.02)

RELATED PARTY TRANSACTIONS

Compensation costs for related parties for the three months ended September 30, 2014 and 2013 are:

	September 30, 2014		September 30, 2013	
Wages and consulting fees accrued	\$	45,000	\$	45,000
Share-based payments for options granted		-		9,707
	\$	45,000	\$	54,707

Included in accrued liabilities at September 30, 2014 is \$413,280 (September 30, 2012 – \$226,280) for consulting and management 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.

OUTSTANDING SHARE DATA

No shares were issued during the three months ended September 30, 2014. As at November 27, 2014 the Company had 24,198,636 common shares issued and outstanding.

During the three months ended September 30, 2014, there were 1,800,000 incentive stock options outstanding with an exercise price of \$0.10 which expire on February 11, 2016.

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 general matters. The company no longer has any obligations due on the Morgan Peak property as previously disclosed in the condensed interim consolidated financial statements for the three months ended September 30, 2014 under note 3 - *Exploration and Evaluation Assets*.

LIQUIDITY AND CAPITAL RESOURCES

The Company is engaged in the acquisition, exploration and development of mineral properties 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 interim consolidated financial statements for the three months ended September 30, 2014 do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

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 assets 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 Note 3 of the audited consolidated financial statements for the year ended June 30, 2014.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

On July 24, 2014 the IASB issued IFRS 9 - Financial Instruments. This is the final version of the Standard and supersedes all previous versions. The Standard has a mandatory effective date for annual periods beginning on or after January 1, 2018, with earlier application permitted. This standard introduces new requirements for the impairment of financial assets measured at amortized cost and classification and measurement of financial instruments. The Company will be analyzing the possible impacts of these amendments on its future consolidated financial statements.