TOSCA MINING CORP.

FINANCIAL STATEMENTS
(Unaudited)

AUGUST 31, 2011

TOSCA MINING CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

“Ron Shenton”
President

TOSCA MINING CORP.
BALANCE SHEETS
(Unaudited)

	August 31, 2011	November 30, 2010
ASSETS		
Current		
Cash	$ 2,941,251	$ 732,511
Receivables	16,516	9,937
Prepaid expenses	225,784	5,000
	3,183,551	747,448
Equipment (Note 3)	12,400	1,799
Mineral property interest (Note 4)	519,558	-
Deferred exploration costs (Note 4)	1,846,990	-
	$ 5,562,499	$ 749,247
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 288,971	$ 24,759
Shareholders' equity		
Capital stock (Note 5)	7,065,291	1,533,053
Contributed surplus (Note 5)	1,075,815	113,516
Subscriptions received in advance	-	138,750
Deficit	(2,867,578)	(1,060,831)
	5,273,528	724,488
	$ 5,562,499	$ 749,247

Nature and continuance of operations (Note 1)

On behalf of the Board:

"Ron Shenton" Director *"Brian Roberts"* Director

The accompanying notes are an integral part of these financial statements.

TOSCA MINING CORP.
STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(Unaudited)

	Three Months Ended		Nine Months Ended	
	August 31, 2011	August 31, 2010	August 31, 2011	August 31, 2010
EXPENSES				
Accounting and audit	$ 5,250	$ 2,500	$ 18,250	$ 13,660
Advertising and promotion	46,694	-	75,056	-
Amortization	1,030	124	2,378	372
Consulting	87,796	9,706	422,443	9,706
Interest and bank charges	1,407	224	3,746	822
Legal fees	11,834	500	43,033	65,651
Management fees	54,000	55,000	203,000	183,817
Office and general	16,488	3,571	53,006	23,699
Property evaluation costs	23,798	5,214	67,394	70,272
Shareholder communications	16,811	500	89,842	5,269
Stock-based compensation (Note 2)	-	-	749,199	42,448
Travel	28,002	-	28,002	-
Transfer agent and filing fees	5,846	4,394	79,053	17,292
	(298,956)	(81,733)	(1,834,402)	(433,008)
OTHER ITEM				
Foreign Exchange Gain	19,036	-	19,036	-
Interest income	4,555	1,050	8,619	1,050
	23,591	1,050	27,655	1,050
Loss and comprehensive loss for the period	(275,365)	(80,683)	(1,806,747)	(431,958)
Deficit, beginning of period	(2,592,213)	(507,314)	(1,060,831)	(156,039)
Deficit, end of period	$ (2,867,578)	$ (587,997)	$ (2,867,578)	$ (587,997)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.06)	$ (0.05)
Weighted average number of common shares outstanding	36,205,695	12,970,000	29,660,408	12,261,606

The accompanying notes are an integral part of these financial statements.

TOSCA MINING CORP.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended August 31, 2011	Three Months Ended August 31, 2010	Nine Months Ended August 31, 2011	Nine Months Ended August 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$ (275,365)	$ (80,683)	$ (1,806,747)	$ (431,958)
Item not affecting cash:				
Amortization	1,030	124	2,378	372
Stock-based compensation	-	-	749,199	42,448
Changes in non-cash working capital items:				
Increase in receivable	34,553	(21,149)	(6,579)	(26,296)
Increase in prepaid expenses	29,192	(5,000)	(220,784)	(5,000)
Increase in accounts payable and accrued liabilities	(46,798)	(27,283)	264,212	(25,296)
Net cash used in operating activities	(257,388)	(133,991)	(1,018,321)	(445,730)
CASH FLOWS FROM INVESTING ACTIVITIES				
Mineral property acquisition costs	(5,103)	-	(415,558)	(35,000)
Deferred exploration costs	(1,142,717)	(124,221)	(1,846,990)	(159,460)
Purchase of equipment	-	-	(12,979)	(2,295)
Net cash provided by investing activities	(1,147,820)	(124,221)	(2,275,527)	(196,755)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from the issuance of share capital	5,000	-	5,733,075	340,000
Share issuance costs	-	-	(230,487)	(49,328)
Net cash provided by financing activities	5,000	-	5,502,588	290,672
Change in cash and equivalents during the period	(1,400,208)	(258,212)	2,208,740	(351,813)
Cash and equivalents, beginning of period	4,341,459	575,538	732,511	669,139
Cash and equivalents, end of period	$ 2,941,251	$ 317,326	$ 2,941,251	$ 317,326
Cash paid during the period for interest	$ -	$ -	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -	$ -	$ -

Supplemental disclosure with respect to cash flows

The significant non-cash transactions for the nine months ended August 31, 2011 was the issue of 400,000 common shares for mineral property interest of $104,000.

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Tosca Mining Corp. (the "Company") was incorporated under the *British Columbia Business Corporations Act* on May 12, 2006. The Company is engaged in the acquisition and exploration of mineral properties. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "TSQ".

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception, but has managed to complete its Qualifying transaction and raise $7,500,075 in equity. The Company needs to raise sufficient capital to fund administration expenses and future acquisitions. The inability to raise additional financing or successfully acquire a resource exploration property may impact the future assessment of the Company as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates. Significant accounts that require estimates relate to the valuation allowances for future income tax assets, useful lives of equipment, stock-based compensation, the valuation of warrants granted in private placements and impairment of mineral properties.

Stock-based compensation

The Company uses the fair value method whereby the Company recognizes the fair value of compensation costs over the vesting period for the granting of all stock options and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Red Hills Mining Corp. All intercompany balances and transactions have been eliminated upon consolidation.

Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable mineral reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amount shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. Liabilities include those liabilities related to environmental protection and rehabilitation due to environmental law or contracts. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the periods presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

Financial instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading. Receivables and prepaid expenses are classified as loans and receivables and accounts payable and accrued liabilities, are classified as other liabilities, which are measured at amortized cost.

The Company is also required to provide disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

See Note 7 for relevant disclosures.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Comprehensive income

Comprehensive income is defined as the change in equity (net assets) from transactions and other events from non owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that, in accordance with primary sources of GAAP, are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale.

New accounting standards

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. During the third quarter, the Company completed a scoping and diagnostic analysis between Canadian GAAP and IFRS as it pertains to the Companies activities. Management has identified a number of differences between Canadian GAAP and IFRS that relate to the Company but are not expected to have a material impact on the reported results and financial position of the Company.

Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning July 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

3. FURNITURE AND EQUIPMENT

	Cost	Accumulated Amortization	August 31, 2011 Net Book Value	November 30, 2010 Net Book Value
Furniture and equipment	$ 15,276	$ 2,876	$ 12,400	$ 1,799

4. INTEREST IN MINERAL PROPERTIES

During the nine months ended August 31, 2011, the Company signed an option to purchase up to 100% equity interest in the Secret Pass Gold Property, located in Mojave County, northern Arizona. The property is subject to a 2% NSR.

The total purchase price of the Secret Pass property is US$ 6,100,000 payable in escalating instalments over a five year period. First year payments will total US$100,000 and a further payment of US$750,000 is due on February 5, 2012. In addition, for every 100,000 ounces of gold reserves attributed to the property in a NI 43- 101compliant report, the Company shall issue 500,000 of its common shares to the Seller up to a maximum 2,500,000 shares. As of August 31, 2011, the Company paid the entire first year commitment of US$100,000.

During the nine months ended August 31, 2011, the Company signed an option to purchase 100% interest in the Red Hills advanced stage moly-copper project located in Presidio County, Texas. The property is subject to a 2% NSR.

The agreement involves cash payments to the sellers in the amount of US$ 10,900,000, and the issuance of 2,100,000 common shares over a five year period, while earning an equity interest. The first year commitment is US$575,000 and 400,000 shares until May 01, 2012. As of August 31, 2011, US$275,000 was paid towards the first year commitment of US$575,000 and 400,000 common shares were issued with a fair value of $104,000.

	August 31, 2011	November 30, 2010
Acquisition costs:		
Balance, beginning of period	$ -	$ -
Additions	519,558	153,000
Write-off	-	(153,000)
Balance, end of period	519,558	-
Exploration costs:		
Balance, beginning of period	-	17,155
Assay	99,196	15,770
Camp	6,060	4,300
Claim Staking	18,180	-
Drilling	1,083,503	104,028
Geological and geophysical services	380,569	81,324
Project management and professional services	252,665	3,308
Survey and mapping	5,494	-
Transportation	67,207	10,883
BC METC	(65,884)	(5,147)
Incurred during period	1,846,990	214,466
Total exploration costs	1,846,990	231,621
Write-off	-	(231,621)
Balance, end of period	1,846,990	-
Total costs	$ 2,366,548	$ -

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Issued			
Balance, November 30, 2010	17,055,000	$ 1,533,053	$ 113,516
For cash - private placement	15,024,499	5,258,575	-
Share issuance costs	-	(443,587)	-
For mineral property interests	400,000	104,000	-
For the exercise of share purchase warrants	4,055,000	608,250	-
For the exercise of stock options	50,000	5,000	-
Stock-based compensation	-	-	962,299
Balance, August 31, 2011	36,584,499	$ 7,065,291	$ 1,075,815

During the nine months ended August 31, 2011, the Company:

a) Issued 4,055,000 common shares for the exercise of share purchase warrants for cash proceeds of $608,250.

b) Issued 15,024,499 common shares for a private placement for net cash proceeds of $4,814,988.

On March 3, 2011, the Company announced a non-brokered private placement of up to 14.3 million units at a price of $.35 per unit to raise gross proceeds of up to $5.0-million. Each unit consists of one common share and one non-transferable share purchase warrant, with each warrant to entitle the holder to purchase one common share for a period of one year at a price of 45 cents per share. On March 28, 2011, the Company completed the non-brokered private placement for 15,024,499 units at $0.35 per unit for gross proceeds of $5,258,575. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant can be converted into one common share at an exercise price of $0.45 until March 28, 2012.

In connection with the closing of this private placement, the Company paid finder's fees consisting of $203,442 in cash and issued 882,392 finder's share purchase warrants with a fair value of $213,100. Each share purchase warrant can be converted into one common share at an exercise price of $0.45 until March 28, 2012.

c) Issued 50,000 common shares for the exercise of stock options for cash proceeds of $5,000.

d) Issued 400,000 common shares for mineral property interests of $104,000.

Shares held in escrow

The escrow agreement provides for the release of shares from escrow on the basis of 10% upon completion of the Qualifying Transaction and the remaining escrow shares will be released in 6 equal tranches (15%) every six months thereafter. In addition, on January 15, 2010, the Exchange approved the early release of 180,000 escrow shares held by original directors and officers who are no longer part of the post-Qualifying Transaction management team. Including the 10% release upon completion of the Qualifying Transaction, a total of 1,322,000 shares have now been released from escrow and a total of 918,000 shares remain in the escrow pool.

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd)

Stock options and warrants

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years and vest at the discretion of the board of directors.

Share purchase warrant and incentive stock option transactions are summarized as follows:

	Share Purchase Warrants			Stock Options		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Outstanding, November 30, 2010	6,945,000	$	0.15	1,350,000	$	0.10
Granted	15,906,841		0.45	2,260,000		0.42
Cancelled	(2,890,000)		0.15	-		-
Exercised	(4,055,000)		0.15	(50,000)		0.10
Outstanding, August 31, 2011	15,906,841	$	0.45	3,560,000	$	0.30
Number currently exercisable	15,906,841	$	0.45	3,560,000	$	0.30

The following share purchase warrants were outstanding at August 31, 2011:

Number of Shares	Exercise Price	Expiry Date
15,906,841	$ 0.45	March 28, 2012

The following incentive stock options were outstanding at August 31, 2011:

Number of Shares	Exercise Price	Expiry Date
1,300,000	$ 0.10	December 2, 2012
760,000	$ 0.27	December 29, 2013
1,500,000	$ 0.50	March 31, 2016
3,560,000		

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd)

Stock options and warrants (cont'd)

Stock-based compensation

During the nine months ended August 31, 2011, the Company granted a total of 2,260,000 stock options to directors and consultants. Each stock option is exercisable into one common share at an average price of $0.42 per share on or before March 31, 2016. The stock options were determined to have a fair value of $749,199 and was recognized in the statement of operations, comprehensive loss and deficit. Management determined the fair value using the Black-Scholes option pricing model with the assumptions as noted below.

	2011	2010
Risk-free interest rate	**1.90 - 2.77%**	1.59%
Dividend yield	**0%**	0%
Volatility factor	**95% - 100%**	101%
Expected option life	**3 - 5 Yrs.**	3 Yrs.

6. RELATED PARTY TRANSACTIONS

The Company conducted the following transactions with related parties during the nine months ended August 31, 2011:

a) Paid or accrued management fees of $203,000 (August 31, 2010 - $183,817) to companies controlled by directors.

b) Paid or accrued deferred exploration costs of $254,228 (August 31, 2010 - $21,433) to companies controlled by directors.

c) Incurred stock based compensation expense of $478,814 (August 31, 2010 - $35,844) to four directors.

Related party transactions other than stock based compensation have been recorded at their exchange amount, which is the amount agreed to by the related parties.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of receivables and accounts payable and accrued liabilities, approximate their fair value because of the short-term nature of these instruments and cash is valued using a level 1 fair value measurement.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is limited to amounts held in banking institutions. The Company believes these risks to be remote.

Liquidity risk

Liquidity risk includes the risk that, as a result of operational liquidity requirements, there will not be sufficient funds to settle a transaction on the due date; the Company will be forced to sell financial assets at a price less than fair value; or the Company may be unable to settle or recover any part of a financial asset. At August 31, 2011, the Company had a cash balance of $2,941,251 (November 30, 2010 - $732,511) and current liabilities of $288,971 (November 30, 2010 - $24,759).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances. At August 31, 2011, the Company had $2,200,000 in short-term guaranteed investment certificates.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at August 31, 2011, the Company had cash of US$164,986 and liabilities of US$252,253 relating to the Red Hills advanced stage moly-copper project located in Presidio County, Texas.

(c) Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

8. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the identification, acquisition, exploration and development of mineral property interests. Capital is comprised of the Company's shareholders' equity. As at August 31, 2011, the Company's shareholders' equity was $5,273,528 (November 30, 2010 - $724,488). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.