TOSCA MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED
AUGUST 31, 2011

INTRODUCTION

The following discussion of performance and financial condition of Tosca Mining Corp. ("Tosca" or the "Company") should be read in conjunction with the Company's unaudited financial statements and notes thereto for the three and nine month periods ended August 31, 2011 and also the audited financial statements and notes thereto for the year ended November 30, 2010. The Company's financial statements are prepared in accordance with Canadian GAAP. The Company's reporting currency is Canadian dollars unless otherwise stated. Note that additional information relating to the Company is available on SEDAR at www.sedar.com.

The date of this Management Discussion and Analysis is October 26, 2011.

FORWARD LOOKING STATEMENTS

This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the Company's capability to execute and implement its future plans. Actual results may differ materially from those projected by management. Although the Company has attempted to identify important factors that could cause the actual events or results to differ materially from those described in forward-looking statements, readers are cautioned that the foregoing list of risks and factors is not exhaustive and there may be other factors that cause events or results not to be anticipated, estimated or intended.

Forward-looking statements are based on management's estimates, beliefs and opinions on the date the statements are made. Although the Company believes that the expectations represented by such forward-looking statements and the assumptions of the Company upon which they are based are reasonable, there can be no assurance that such expectations will prove to be correct. The Company assumes no obligation except as outlined by regulatory requirements to update forward-looking statements if circumstances of management's estimates, beliefs, or opinions should change. Additional information on these and other potential factors that could affect the Company's financial results are detailed in documents filed from time to time with the British Columbia Securities Commission. Accordingly, readers should not place undue reliance on forward-looking statements. For such statements, we claim the safe harbour for forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995.

OVERVIEW

Tosca Mining Corp. as at August 31, 2011 is a Tier 2 Issuer as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange") The Company's common shares also trade on the US OTC QX Exchange under the symbol TSMNF and on the European Frankfurt Exchange under the symbol TQ4.

On August 21, 2009, the Company entered into a Mineral Property Working Option Agreement ("MPWOA") which would earn, subject to conditions, a 60% interest in certain mineral claims known as the Swift Katie property located in the Nelson Mining District, British Columbia from Valterra Resource Corporation ("Valterra"). Shortly after the start of the 2010 fiscal year, the Company received approval from the TSX Venture Exchange for the Company's Qualifying Transaction and for a private placement consisting of 9,500,000 units at $0.10 per unit for gross proceeds of $950,000. On December 3, 2009 the Company began trading on the TSX Venture Exchange under the symbol "TSQ" as a Tier 2 Mining Issuer.

Following the Completion of the Qualifying Transaction, current Directors and Officers, Don Huston, Donald Myers, Amanda B. Chow, Ian McKinnon, Nancy Ackerfeldt and Shannon May resigned as Directors and Officers of the Company and Ron Shenton, Brian Roberts, Luca Riccio and Sadek el-Alfy were appointed as Directors of the Company. James Pettit remained a Director until his resignation in April 2011 at which time Dr. David Stone was appointed as a replacement director. Ron Shenton was appointed President and Chief Executive Officer of the Company and Brian Roberts was appointed Secretary and Chief Financial Officer of the Company.

During the 2010 fiscal year, the Company actively explored the Swift Katie property and also continued to search for other advanced stage mineral projects in both North and South America.

On December 29, 2010, the Company elected to abandon the Swift Katie property and wrote off $231,361 in deferred exploration costs and $45,000 in acquisition costs.

On January 5, 2011 the Company announced that it had entered into an option agreement to purchase up to a 100% equity interest in the Secret Pass Gold property, located in Mojave County, northern Arizona. The property consists of 81 BLM claims totaling 1,620 acres (656 hectares) and one contiguous State Prospecting Permit totaling 525 acres (212 hectares). Secret Pass is located approximately 90 km southeast of Las Vegas, Nevada; 24 km west of Kingman, Arizona; and 16 km north of Oatman, a two million ounce gold camp developed in Tertiary epithermal veins.

Previous work on the Secret Pass property was carried out by Santa Fe Pacific Gold Corporation between 1981 and 1986 and by Fisher-Watt/International Prospector between 1987 and 1991. Historical drilling by those two Companies encountered broad zones of shearing and alteration containing variable amounts of gold-bearing quartz stockworks. In addition to the two zones with identified gold mineralization, previous regional geochemical and geophysical work on the Secret Pass property outlined several follow-up targets. However, due to declining gold prices through the 1990's, no further work was undertaken on this property.

The total purchase price of the Secret Pass property is US$ 6,100,000 payable in escalating installments over a five year period. First year payments total US$100,000 (paid) 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 43-101 compliant report, the Company shall issue 500,000 of its common shares to the Seller up to a maximum of 2,500,000 shares. The property is subject to a 2% NSR.

As a component of the required due diligence, the Company undertook a full review and compilation of all historical exploration and drilling data on Secret Pass, and retained Mine Development Associates of Reno, Nevada to prepare an NI 43-101 compliant Technical Report which was filed with the TSX on April 8, 2011 and is still awaiting final approval.

On February 22, 2011, the Company signed a letter of intent to acquire a 100% interest in an advanced stage copper-molybdenum project known as "Red Hills", 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 increasing 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 has been paid towards the first year commitment of US$575,000 and 400,000 common shares were issued with a fair value of $104,000. As of August 31, 2011 an NI 43-101 Technical Report has been filed on behalf of the Company for the project and approval formally requested from the TSX Venture Exchange.

As a component of the planned exploration program at the property, the Company established a wholly owned Texas subsidiary, Red Hills Mining Corp in April 2011 and commenced a drilling program designed to prove up prior drilling results and provide required details for NI 43-101 compliant Technical Report and subsequent feasibility studies. The drilling contractor, Ruen Drilling from Idaho, completed the initial 17 hole drill program in early July and a further 11 hole drill program on July 31, 2011.

The Company completed an initial diamond drill program of 2,865 meters (9,400 feet) in 17 holes on its Red Hills project in early July. The preliminary results were sufficiently encouraging to warrant an immediate expansion of the drill program. A second phase, involving 1,500 meters (approximately 5,000 feet) of additional drilling was undertaken and finished by July 31.

The primary scope of the Phase One drill program was to verify results from historic diamond and rotary drill intercepts from the shallow copper blanket and to test for continuity and grade of the large molybdenum ("moly") system located below. As of August 31, the Company had received assay results from the first six holes (TMC-01 to TMC-06). Four of the 17 holes (TMC-02 to TMC-05) tested the high grade copper zone located outside of the copper blanket. Five of the seventeen holes were drilled through the copper blanket to depths of more than 1,000' to test the moly system. Hole TMC-01 (220', vertical) was drilled along the south western lobe of the copper blanket. It intersected two intervals of 0.23 % and 0.20% Cu from 75' to 130' and from 140' to 220' respectively.

Holes TMC-02 to TMC-05 were drilled to investigate the geometry of the high grade copper zone lying outside the boundaries of the copper blanket. Inclined hole TMC-03 (-60°, 167° azimuth, 248' depth) encountered strong chalcocite mineralization over a 70 feet interval (110' to 180') which averaged 6.71% Cu, including 14.16% Cu over 26 feet from 140 to 166 feet. The remaining 3 holes returned low copper values except for 10' of 0.79% Cu in hole TMC-02. Hole TMC-06 was collared at the site of an historic diamond drill hole (DH-35) that had assayed 0.39% Cu over 50 feet from 130' to 180'. Hole TMC-06 returned 0.45% Cu over 50 feet from 135' to 185', thus validating the historic results from this site.

Phase two of the drill program was primarily aimed at expanding the database of the copper blanket, thus allowing for a better understanding of the historic resource and the collection of representative samples for metallurgical testing. Two holes were drilled to explore for deep moly mineralization. The goal of the Company is to establish a NI-43-101 compliant resource on the shallow copper blanket, and to test metallurgical recoveries of copper and moly by year end 2011. This will form the foundation for a Preliminary Economic Assessment ("PEA") of the copper blanket.

As described in the Company's news release dated March 2, 2011, the project consists of a large molybdenum porphyry system overlain a by a copper (chalcocite) enrichment blanket developed below the oxide-sulphide transition zone. Eighty eight holes were drilled on the property between 1955 and 1972. This work led to the identification of a non-43-101 compliant resource of 17 million tons grading 0.35 Cu% with associated moly mineralization in the shallow copper blanket. The previous activity also led to the discovery of a linear trend of high grade copper mineralization defined by three vertical holes which included 33.55 metres of 9.09 % Cu. Based on historic drilling, the molybdenum mineralization occurs within a horseshoe shaped area measuring 1,000 m x 200 m and is open in two directions and at depth. Although many of the holes drilled in the molybdenum system were stopped in mineralization at shallow depths, the deeper holes were mineralized throughout (e.g. hole Duval 07: 642 meters @ 0.076% Mo).

PERFORMANCE SUMMARY FOR THE QUARTER ENDED AUGUST 31, 2011

For the quarter ended August 31, 2011, the Company incurred a net loss of $275,365 ($.01 loss per share) compared to a net loss of $80,683 ($.01 loss per share) for the previous year's similar quarter. As at August 31, 2011, the Company had cash of $2,941,251 for use to meet its operating and capital commitments for at least the next 12 months.

Exploration and Development

The principal business of the Company during the quarter was to undertake exploration activities related to its optioned Secret Pass property in Arizona and Red Hills property in Presidio County, Texas. During the quarter, we spent a total of $1,142,717 on Red Hills deferred exploration costs. Mine Development Associates of Reno, Nevada was retained to prepare an NI43-101 compliant Technical Report on the property which has been filed with the TSX.

During the quarter, senior management reviewed a number of other potential mineral property acquisitions and a number were, and are, in various stages of negotiations regarding potential agreements.

SUMMARY OF QUARTERLY RESULTS

This financial data has been prepared in accordance with Canadian generally accepted accounting principles and all figures are stated in Canadian dollars.

Financial results:	**August 31, 2011**	**May 31, 2011**	**February 28, 2011**	**November 30, 2010**
Quarter	**3rd (3 months)**	**2nd (3 months)**	**1st (3 months)**	**4th (3 months)**
Net loss for the period	(275,365)	(1,174,252)	(357,130)	(660,551)
Basic/Diluted loss per share	0.01	0.04	0.02	0.05
Balance sheet data:				
Cash	2,941,251	4,341,459	863,365	732,511
Total assets	5,562,499	5,775,662	1,150,887	749,247
Shareholders' Equity	5,273,528	5,439,893	983,426	724,488

Financial results:	**August 31, 2011**	**May 31, 2011**	**February 28, 2011**	**November 30, 2010**
Quarter	**3rd (3 months)**	**2nd (3 months)**	**1st (3 months)**	**4th (3 months)**
Net loss for the period	(80,683)	(121,931)	(229,344)	(78,262)
Basic/Diluted loss per share	0.01	0.01	0.04	0.04

Balance sheet data:				
Cash	317,326	575,538	730,146	669,139
Total assets	736,683	680,126	799,472	768,012
Shareholders' Equity	712,384	649,087	770,998	695,940

RESULTS OF OPERATIONS FOR THE QUARTERS ENDED AUGUST 31, 2011 AND 2010

The review of the results of operations for the quarter ended August 31, 2011 should be read in conjunction with the Company's financial statements and related notes for the comparable quarter ended August 31, 2010 and the annual audited statements for the year period ended November 30, 2010.

For the quarter ended August 31, 2011, the Company incurred a net loss of $275,365 ($.01 loss per share) compared to a net loss of $80,683 ($.01 loss per share) for the quarter ended August 31, 2010. As at August 31, 2011, the Company had cash of $2,941,251.

The increase of $194,682 in net loss is due to an increase from $500 to $$11,834 in legal fees, an increase from $nil to $28,002 in travel costs during the quarter, increased administration, and printing and office costs from $3,571 to $16,488; increased consulting costs incurred during the quarter in the amount of $87,796 compared to $9,706 in the comparable period in 2010: and an increase of $46,694 in advertising and promotion costs both in North America and in Europe. Property evaluation costs increased over the comparable quarters from $5,214 to $23,798 as a direct result of the diligence expenses related to Secret Pass and Red Hills. Shareholder communication costs increased from $500 to $16,811 as a result of our expanded shareholder base and our listings on the Frankfurt and OTCQX exchange. We did, however, realize $19,036 in foreign exchange gains during the quarter.

Deferred exploration costs during the quarter were $1,142,717 as compared to $124,221 in the comparable 2010 quarter. Mineral property acquisition costs during the quarter were $109,103 compared to $Nil for the same quarter in 2010.

During the quarter, cash flows from operating activities resulted in net cash used in the current quarter of $257,388 as compared to $133,991 in the 2010 quarter. Principal reasons for the difference were an increase in the corporate loss of $275,365 in the current quarter as compared to $80,683 in the prior year quarter, and an increase in accounts payable and accrued liabilities from $27,283 to $46,798.

Cash outflows from investing activities were $1,142,820 in the current quarter as compared to $124,221 in the 2010 quarter- principally due to deferred exploration costs during the quarter of $1,142,717 as compared to $124,221 in the 2010 comparable quarter; and expenditures of $5,103 for mineral property acquisition costs as compared to $Nil in the 2010 period.

The resultant change in cash position during the quarter ended August 31, 2011 was a decrease of $1,400,208 as compared to a decrease of $258,212 at the end of the comparable 2010 quarter.

Quarterly Revenue

Currently, the Company does not generate any operating income. The Company's sole source of income is interest income earned on its cash. Interest income of $4,555 was earned during the quarter ended August 31, 2011 (August

31, 2010- $1,050). As at August 31, 2011, the Company had 36,584,499 common shares issued and outstanding; 3,560,000 incentive stock options and 15,906,841 share purchase warrants currently exercisable.

FINANCIAL CONDITIONS, LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company does not derive any revenues from operations at this time. Since inception, the Company's activities have been funded through equity financings and management expect that it will continue to be able to utilize this source of financing until it ultimately develops cash flow from operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

At August 31, 2011, the Company had working capital of $2,894,580 (November 30, 2010 - $722,689) which included cash of $2,941,251 (November 30, 2010 - $732,511). The addition of cash was a result of receipt of $5,502,588 in net proceeds from a private placement transaction which closed on March 30, 2011 in the prior quarter and the exercise of stock options and share purchase warrants during December 2010. Management believes it has sufficient working capital with which to proceed with recommended work programs on its planned properties as well as cover all needed working capital requirements.

Financing Activities

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.

Capital Resources

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.

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 43-101 compliant 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 had 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	$ -

On July 18, 2011 the Company announced that it had completed an initial diamond drill program of 2,865 meters (9,400 feet) in 17 holes on its Red Hills Texas project. The drilling program was carried out by Ruen Drilling of Idaho, using a wire- line rig and NQ core recovery. The core boxes are transported to Marfa, Texas, where Tosca maintains a secure office/warehouse facility. The core undergoes geotechnical and geological logging by Tosca geologists. Sample intervals are designated and the core is split in half using a rock saw. Half of the core is left in the boxes and the other half is bagged and shipped to Skyline Assayers and Laboratories ("Skyline") in Tucson, Arizona to be analyzed for Cu and Mo using ICP/OES. Skyline is an ISO/17025 accredited laboratory. Skyline monitors quality control through the introduction of blanks, standards and duplicates. In addition, Tosca's employees routinely insert blanks and standards in the sample stream.

As described in the Company's news release dated March 2, 2011, the Red Hills project consists of a large molybdenum porphyry system overlain a by a copper (chalcocite) enrichment blanket developed below the oxide-sulphide transition zone. Eighty eight holes were drilled on the property between 1955 and 1972. This work led to the identification of a non-43-101 compliant resource of 17 million tons grading 0.35 Cu% with associated moly mineralization in the shallow copper blanket. The previous activity also led to the discovery of a linear trend of high grade copper mineralization defined by three vertical holes which included 33.55 metres of 9.09 % Cu. Based on historic drilling, the molybdenum mineralization occurs within a horseshoe shaped area measuring 1,000 m x 200 m and is open in two directions and at depth. Although many of the holes drilled in the molybdenum system were stopped in mineralization at shallow depths, the deeper holes were mineralized throughout (e.g. hole Duval 07: 642 meters @ 0.076% Mo).

The preliminary results are sufficiently encouraging to warrant an immediate expansion of the drill program. A second phase, involving 1500 meters (approximately 5000 feet) of additional drilling is now underway. The primary scope of the Phase One drill program was to verify results from historic diamond and rotary drill intercepts from the shallow copper blanket and to test for continuity and grade of the large molybdenum system located below.

To date the Company has received assay results from the first six holes (TMC-01 to TMC-06). Four of the 17 holes (TMC-02 to TMC-05) tested the high grade copper zone located outside of the copper blanket. Five of the seventeen holes were drilled through the copper blanket to depths of more than 1,000' to test the moly system. Hole TMC-01 (220', vertical) was drilled along the south western lobe of the copper blanket. It intersected two intervals of 0.23 % and 0.20% Cu from 75' to 130' and from 140' to 220' respectively.

Holes TMC-02 to TMC-05 were drilled to investigate the geometry of the high grade copper zone lying outside the boundaries of the copper blanket. Inclined hole TMC-03 (-60°, 167° azimuth, 248' depth) encountered strong chalcocite mineralization over a 70 feet interval (110' to 180') which averaged 6.71% Cu, including 14.16% Cu over 26 feet from 140 to 166 feet. The remaining 3 holes returned low copper values except for 10' of 0.79% Cu in hole TMC-02. Hole TMC-06 was collared at the site of an historic diamond drill hole (DH-35) that had assayed 0.39% Cu over 50 feet from 130' to 180'. Hole TMC-06 returned 0.45% Cu over 50 feet from 135' to 185', thus validating the historic results from this site.

Phase two of the drill program is primarily aimed at expanding the database of the copper blanket, thus allowing for a better understanding of the historic resource and the collection of representative samples for metallurgical testing. Two holes will also be drilled to explore for deep moly mineralization.

The goal of the Company is to establish a NI-43-101 compliant resource on the shallow copper blanket, and to test metallurgical recoveries of copper and moly by year end. This will form the foundation for a Preliminary Economic Assessment ("PEA") of the copper blanket.

The core from the first six holes of the current drill program were logged in Marfa and sent to Skyline Labs for sampling and cutting under the supervision of M3 Engineering of Tucson, AZ, and Mine Development Associates of Reno, NV. M3 and MDA are working with Tosca in the development and implementation of the 2011 drill program and metallurgical testing programs and will be involved in the upcoming PEA.

SHARE CAPITAL, OPTIONS, AND WARRANTS

	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 from 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.

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		

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet financing arrangements.

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.

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.

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.

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. Below are some of the significant IFRS accounting policies the Board of Directors have chosen as part of this transition, during the fourth quarter the Company will draft up example IFRS financial statements and notes for review by the Board.

Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Future Income Taxes

<u>Current income tax:</u>
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Canadian taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability") and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

Impairment of Assets

The carrying amount of the Company's long-lived assets (which include property, plant and equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are included in the determination of net loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation and amortization rates applicable to each category of property, plant and equipment are as follows:

Class of property, plant and equipment	**Depreciation rate**
Motor vehicles	30% declining balance
Computer equipment	30% declining balance
Exploration and office equipment	20% declining balance

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Share-Based Payments

The Company operates an employee and a non-employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of the options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, qualifying expenditures for refundable and non-refundable tax credits, timing of receipt of refundable tax credits, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

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.

DISCLOSURE CONTROLS AND PROCEDURES

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and the Management Discussion and Analysis (MD&A) as at August 31, 2011. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's President and the Chief Financial Officer are responsible for establishing and maintaining the Company's internal controls over financial reporting. These internal controls were effective as of August 31, 2011. There has been no change in the issuer's internal control over financial reporting that occurred during the issuer's first quarter that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

RISK FACTORS

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

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.

SUBSEQUENT EVENTS

Subsequent to August 31, 2011, the Company announced and/or undertook the following:

On September, 08, 2011 the Company announced that it had received assay results for seven holes (TMC-8 to TMC-14) from the 2,865 metre (9,400 ft.) phase 1 diamond drill program carried out at the Red Hills project. All holes were vertical except for TMC-8 (-60 °, 265° azimuth).

The results of the shallow holes (TMC 9, 10, 11 and 13) corroborate the presence of a copper blanket with accompanying molybdenum mineralization located immediately below the oxide zone. The grades range from 0.21% Cu and 0.05% Mo over 38.1 m (125ft) in hole TMC-13 to 0.80% Cu and 0.067% Mo over 56.4 m(185 ft) in hole TMC-11. The grades and thicknesses encountered to date in the 2011 drill program are generally comparable to those found in adjoining historic holes.

The deep holes (TMC-8, 12 and 14) point to the existence of a deep molybdenum porphyry characterized by wide, well mineralized intercepts: 198.1 m (650ft) of 0.074% Mo in hole TMC-8, 290.8 m (954ft) of 0.071% Mo in hole TMC-12 and 210.3 m (690ft) of 0.085% Mo in hole TMC-14. The Company commented that the results demonstrate and verify the continuity of the shallow copper-molybdenum blanket.

On September 29, 2011 the Company announced by way of news release that it had received assay results for three additional holes (TMC-7: TMC-15 and 16) from the 2,865 metre (9,400 ft.) phase 1 diamond drill program carried out at the Red Hills Molybdenum-Copper project.

The three drill holes were analyzed for total copper, molybdenum (Mo) and a suite of elements including rhenium (Re), a rare and one of the most expensive industrial metals, often associated with Mo. The results of the three holes were summarized and their location can be found on the Company's website at http://www.toscamining.com/i/maps/drillplan.jpg.

TMC 15-16 are vertical holes. TMC-7 is an inclined hole (-50 °, 260° azimuth). Results of the last hole of Phase 1 and of the 14 holes of Phase 2 drilling are pending. Luca Riccio, PhD, P.Geo and a director of the Company commented that the high rhenium concentrations found in holes TMC-15 and TMC-16 are intriguing since higher rhenium values tend to correlate with higher molybdenum values. In these two holes we find that high rhenium occurs within intervals averaging 0.02 to 0.03% Mo. A comprehensive investigation on the distribution of rhenium at Red Hills is being undertaken to assess its overall distribution and economic significance.

About Rhenium:
Rhenium (Re) is a rare element that is added to high-temperature superalloys. The main application is in platinum-rhenium catalysts, used primarily in producing lead-free, high-octane gasoline and jet engine components. Rhenium is one of the most expensive industrial minerals, currently selling for $ 4,575 /Kg.

To the shareholders of TOSCA MINING CORP.

MANAGEMENT COMMENTS

The unaudited financial statements of Tosca Mining Corp. for the period ended August 31, 2011 and all information contained in this financial report have been approved by the Company's Board of Directors.

The Company complies with its TSX Venture Exchange listing agreement. The Company maintains rigorous systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the assets are correctly accounted for and protected.

Vancouver, BC October 26, 2011

/s/ Ron Shenton
Ron Shenton,
President