TOSCA MINING CORP.
ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER AND YEAR ENDED
NOVEMBER 30, 2011

INTRODUCTION

The following management discussion and analysis (MD&A) for Tosca Mining Corp. (the "Company") is for the year ending November 30, 2011 and includes information up to March 28, 2012 (the "Report Date"). The MD&A should be read in conjunction with the Company's audited financial statements and related notes to the financial statements for the period ended November 30, 2011. The Company's financial statements are prepared in accordance with Canadian GAAP, all amounts are expressed in Canadian dollars unless otherwise stated. Note that additional information relating to the Company is available on SEDAR at www.sedar.com.

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 November 30, 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, then 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.

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. On January 16, 2012, the Company announced that it had elected to abandon the Secret Pass property option and wrote off $170,134 in deferred exploration costs and $107,728 in acquisition costs.

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 November 30, 2011, US $575,000 has been paid towards the first year commitment and 400,000 common shares were issued with a fair value of $104,000. A NI 43-101 Technical Report was filed on behalf of the Company for the project and approved by the TSX Venture Exchange. A copy of the final document was filed on Sedar on November 16, 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).

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 of 2,865 meters (9,400 feet) in early July and a further 14 hole drill program of 2,865 meters (9,400 feet) which was completed on July 31, 2011.

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 November 30, 2011, the Company had received all of its assay results. Four of the holes (TMC-02 to TMC-05) tested the high grade copper zone located outside of the copper blanket. Five of the first 17 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.

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. Three 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. A formal NI 43-101 resource report was received by the Company from Mine Development Associates on February 17, 2012 and filed on Sedar on February 21, 2012. This report forms the foundation for a Preliminary Economic Assessment ("PEA") of the copper blanket expected to be completed during April 2012.

PERFORMANCE SUMMARY FOR THE YEAR ENDED NOVEMBER 30, 2011

For the year ended November 30, 2011, the Company incurred a net loss of $1,819,221 compared to a net loss of $904,792 for the previous year. As at November 30, 2011, the Company had cash of $1,854, 211 (2010 - $ 732,511) 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 year was to undertake engineering, metallurgical and assay activities related to the drill core results from the 31 hole 2011 drill program undertaken at its optioned Red Hills property in Presidio County, Texas. In addition, the Company completed its due diligence on its optioned Secret Pass property. During the year ended November 30, 2011, the Company spent a total of $3,251,369 on mineral property interests of which $277,862 was written off. Mine Development Associates of Reno, Nevada was retained to prepare the NI 43-101 compliant Technical Reports on both the Secret Pass and Red Hills properties which were filed with the TSX.

During the year, senior management reviewed a number of additional 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. The Company's quarterly results are summarized as follows:

Three Months Ended:	**November 30, 2011**	**August 31, 2011**	**May 31, 2011**	**February 28, 2011**
Net loss for the period	(12,474)	(275,365)	(1,174,252)	(357,130)
Basic/Diluted loss per share	0.00	0.01	0.04	0.02
Balance sheet data:				
Cash	1,854,211	2,941,251	4,341,459	863,365

Total assets	5,121,044	5,562,499	5,775,662	1,150,887
Shareholders' Equity	5,006,591	5,273,528	5,439,893	983,426

Three Months Ended:	**November 30, 2010**	**August 31, 2010**	**May 31, 2010**	**February 28, 2010**
Quarter	**4th (3 months)**	**3rd (3 months)**	**2nd (3 months)**	**1st (3 months)**
Net loss for the period	(472,844)	(80,683)	(121,931)	(229,344)
Basic/Diluted loss per share	0.05	0.01	0.01	0.04
Balance sheet data:				
Cash	732,511	317,326	575,538	730,146
Total assets	749,247	736,683	680,126	799,472
Shareholders' Equity	724,488	712,384	649,087	770,998

RESULTS OF OPERATIONS FOR THE YEARS ENDED NOVEMBER 30, 2011 AND 2010

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

Fourth Quarter

For the quarter ended November 30, 2011, the Company incurred a net loss of $12,474 compared to a net loss of $472,844 for the quarter ended November 30, 2010, a reduction of $460,360, primarily from $106,759 in reduced mineral property interest write-down and $310,480 of consulting fees reallocated to share issuance costs and prepaid expenses.

In addition to the expenses listed above, other expense items which increased a noticeable amount as compared to the 2010 quarter were as follows: accounting and audit for $53,710 as compared to $20,500 in the prior year comparable quarter, consulting fees for $43,006 as compared to nil in the prior year quarter, and shareholder communications of $115,849 compared to nil in the 2010 quarter.

Interest income earned during the fourth quarter of 2011 was $16,393 compared to $395 earned in the same quarter of 2010. Foreign exchange gain was $54,524 compared to nil during the fourth quarters of 2011 and 2010 respectively. The Company received $65,884 in tax recovery from the British Columbia Mining Tax Credit for qualified Canadian Exploration Expenses incurred on the Swift Katie property during the fourth quarter of 2011 compared to nil in the prior year quarter.

Specific area comments are as follows- accounting and audit costs increased as a result of incorporating our US subsidiary and retaining accounting services in El Paso to handle accounting and tax filing at that location, plus increased complexity in our annual operations requiring increased audit review input. Consulting fees included contract employees, European communication services firm billings and financial consulting services fees regarding our further planned financing strategy.. These increased costs resulted from expanded listings in the US (OTC QX) and in Frankfurt Germany. Shareholder communication costs increased again as a result of expanded listings in the US and Europe and requirement to service investors in those areas.

For the Twelve Month Period ended November 30, 2011

For the year ended November 30, 2011, the Company incurred a net loss of $1,819,221 ($.06 loss per share) compared to a net loss of $904,792 ($.06 loss per share) for the 2010 year period. As at November 30, 2011, the Company had cash of $1,854, 211 (2010 - $ 732,511).

The increase of $914,429 in net loss is due to an increase in most of our expense areas as a result of greatly expanded operations in our property exploration activities, our US subsidiary setup and subsequent drilling operations. Specific expense areas that altered significantly between the two years were accounting and audit for $71,960 as compared to $34,160 in the prior year primarily as a result of accounting services at our US subsidiary location in El Paso, Texas, an increase from $9,706 to $169,450 in consulting fees primarily related to increased services provided regarding management participation in European and US financing presentations, an increase from $16,601 to $49,749 in office and general expenses resulting from expanded office overhead, an increase from $238,817 to $255,500 in management fees, an increase from $5,269 to $205,691 in shareholder communications again as a result of increased operations expansion and an expanded shareholder base and increased listings on the US OTC QX exchange and on the Frankfurt exchange in Germany, an increase from $84,386 to $749,199 in stock based compensation being primarily the fair value of stock options granted during the year, transfer agent and filing fees increased to $80,625 from $18,958 in 2010 as a direct result of listing fees, private placement activity and warrant exercises in December 2010, and an increase from $13,449 to $98,670 in travel and promotion during the year as a result of our attendance in European and Toronto trade shows and investor specific meeting activities.

Property evaluation costs decreased $70,272 from fiscal year 2010. We did, however, realize $73,560 in foreign exchange gains during the 2011 year period as well as $25,407 in interest income and $65,884 in British Columbia Mining Tax Credits tax recovery from Canadian Exploration Expenses incurred on the Swift Katie property. Other areas of non-significant changes between fiscal year 2011 and fiscal year 2010 were an increase in amortization from $496 to $3,407, an increase in interest and bank charges from $1,449 to $4,584 and a decrease in legal fees from $28,053 to $17,375.

Financial Data for the Three Most Recently Completed Financial Years

For the Year ended	Nov. 30, 2011	Nov. 30, 2010	Nov. 30, 2009
Total Revenues (interest)	$25,407	$1,445	$22
Income or loss before discontinued operations and extraordinary items	<1,706,210>	<521,616>	<78,284>
Net Loss in total	<1,819,221>	<904,792>	<78,262>
--Basic and diluted loss per share	<0.06>	<0.06>	<0.04>
Total Assets	5,121,044	749,247	768,012
Total Long term Financial Liabilities	0	0	0
Cash Dividends declared	0	0	0

Specific area comments are as follows- accounting and audit costs increased as a result of incorporating our US subsidiary and retaining accounting services in El Paso to handle accounting and tax filing at that location, plus increased complexity in our annual operations requiring increased audit review input. Consulting fees included contract employees, European communication services firm billings and financial consulting services fees regarding our further planned financing strategy. These increased costs resulted from expanded listings in the US (OTC QX) and in Frankfurt Germany. Shareholder communication costs increased again as a result of expanded listings in the US and Europe and requirement to service investors in those areas.

Mineral property interest costs as at November 30, 2011 were $3,153,936 as compared to $nil as at November 30, 2010 due to the 2010 year end write down of $384,621 as a result of the abandonment of the Swift Katie property option. In addition, during the year ended November 30, 2011 the Company abandoned the Secret pass property and wrote off $277,862 in mineral property interest costs.

During the year, cash flows from operating activities resulted in net cash used of $862,077 as compared to $447,960 in 2010. Principal reasons for the difference were an increase in the corporate loss of $1,819,221 in the current year as compared to $904,792 in the prior year, an increase of $664,813 in stock-based compensation and a decrease in mineral property interest write offs from $384,621 in 2010 to $277,862 in 2011.

Cash outflows from investing activities were $3,264,348 in 2011 as compared to $251,761 in 2010 - principally due to mineral property interest costs of $3,251,369 as compared to $254,613 in 2010.

Cash inflows from financing activities were $5,248,125 in 2011 as compared to $763,093 in 2010 primarily from the issuance of common stock for a private placement completed in the net amount of $5,490,605, the exercise of share purchase warrants and the exercise of stock options.

The resultant change in cash position during the year ended November 30, 2011 was an increase of $1,121,700 as compared to an increase of $63,372 for the 2010 year.

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 $25,407 was earned during the year ended November 30, 2011 compared to $1,445 earned during the year ended November 30, 2010.

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 November 30, 2011, the Company had working capital of $1,841,284 (2010 - $722,689) which included cash of $1,854,211 (2010 - $732,511). The addition of cash was a result of receipt of $5,490,605 in net cash proceeds from a private placement transaction which closed on March 30, 2011 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 $0.45per 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 $445.922 in cash and issued 882,392 finder's share purchase warrants with a fair value of $213,100. In addition, there was 39,028 in additional share issuance costs. Each share purchase warrant can be converted into one common share at an exercise price of $0.45 until March 28, 2012.

In addition, in December 2010, the Company issued 4,055,000 common shares for the exercise of share purchase warrants for cash proceeds of $608,250.

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 November 30, 2011, the Company's shareholders' equity was $5,006,591 (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 year ended November 30, 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 installments 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. I 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 November 30, 2011, the Company had paid the entire first year commitment of US$100,000. Subsequently, the Company elected to abandon its Secret Pass option agreement and announced the abandonment by news release on January 16, 2012.

During the year ended November 30, 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 November 30, 2011, the Company had paid the first year commitment of US$575,000 and 400,000 common shares issued with a fair value of $104,000.

During the fourth quarter of 2011, the following announcements were made regarding assay results disclosure on the Red Hill property:

--On September 08, 2011, the Company announced that it had received assay results for seven holes (TMC-8 to TMC-14) from the phase 1 diamond drill program and the results of the seven holes are summarized below and their location is shown in the accompanying drill plan. All holes are vertical except for TMC-8 (-60 °, 265° azimuth)

--On September 29, 2011, the Company announced it had received assay results for three additional holes (TMC-7: TMC-15 and 16) which 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 are summarized and their location can be found on the company's website at http://www.toscamining.com/i/maps/drillplan.jpg.

--On October 27, 2011, the Company announced it had received assay results for two additional holes (TMC-17 and TMC-18) with the results summarized and their locations shown in the drill plan located at http://www.toscamining.com/i/maps/drillplan.jpg.

The results of Tosca's drilling to date generally validate historic holes previously drilled to define the copper-molybdenum cap. In addition, Tosca's holes drilled to date to test the underlying molybdenum system show strong continuity and good molybdenum grades over wide intervals.

--On November 27, 2011, the Company announced it had received assay results for the remaining 13 holes from its phase two diamond drill program carried out at the Red Hills project. The results of holes TMC -19 to 31 are summarized and their locations found at www.toscamining.com/i/maps/drillplan.jpg.

Dr. Luca Riccio, Ph.D, P.Geo. a director and qualified person as defined by National Instrument 43-101, has verified the technical content of this Management Discussion and Analysis.

SHARE CAPITAL, OPTIONS, AND WARRANTS

During the twelve months ended November 30, 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 $445,922 in cash and issued 882,392 finder's share purchase warrants with a fair value of $213,100. In addition, there was $39,028 in additional share issuance costs . 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.

Outstanding Share Data

As at the date of this report March 27, 2012, the Company has 36,584,499 issued and outstanding shares; 3,040,000 outstanding stock options and 15,906,841 outstanding share purchase warrants.

Stock-based compensation

During the year ended November 30, 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 year ended November 30, 2011:

a) Paid or accrued management fees of $255,500 (November 30, 2010 - $238,817) to companies controlled by directors.
b) Paid or accrued mineral property interest costs of $334,564 (November 30, 2010 - $23,125) to companies controlled by directors.
c) Incurred stock based compensation expense of $478,814 (November 30, 2010 - $71,256) 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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Adoption of International Financial Reporting Standards

On February 13, 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canada's current generally accepted accounting principles ("GAAP") for publicly accountable profit-orientated enterprises for interim and annual financial statements effective December 1, 2011.

The following is the timeline of the Company's key activities in its conversion plan:

Initial analysis of key areas for which changes to accounting policies may be required.	Completed Q3 2011.
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes of those with accounting policy alternatives.	Completed Q3 2011.
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Completed Q3 2011.
Review of IFRS and GAAP differences with auditor.	In progress
Final determination of changes to accounting policies and choices to be made with respect to first-time adoptions alternatives.	Completed Q4 2011.
Education and training of key finance personnel	Ongoing.
Prepare IFRS Financial Statements, including first-time adoption reconciliations.	In progress.

To date, management has identified a number of differences between Canadian GAAP and IFRS that relate to the Company, many of which are not expected to have a material impact on the reported results and financial position of the Company. Most adjustments required on transition to IFRS will be made retrospectively under IFRS 1 against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. Set out below are the most significant areas, management has identified to date, where changes in accounting policies may have the highest potential impact on the Company's consolidated financial statements

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

Current income tax:

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.

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
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.

Conclusion

The Company expects to meet the changeover date of December 1, 2011, requiring the restatement to IFRS for comparative purposes of amounts for the quarters ending February 28, 2011, May 31, 2011, August 31, 2011 and the year ending November 30, 2011.

Based on management's assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain more detail than those required under Canadian GAAP and, therefore, will result in more lengthy note references. The Company is continuing to assess the level of presentation and disclosures required to its 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 November 30, 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 November 30, 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 November 30, 2011, the Company had a cash balance of $1,854,211 (November 30, 2010 - $732,511) and current liabilities of $114,453 (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 November 30, 2011, the Company had $1,500,000 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 November, 2011, the Company had cash of US$168,580 and liabilities of US$12,847 relating to the Red Hills 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 November 30, 2011, the Company announced and/or undertook the following:

On February 24, 2012, the Company announced that a total of 718,000 incentive stock options had been granted to directors, employees, officers and consultants at a price of $0.23 per share and expiring five years from the date of the grant.

On February 22, 2012 the Company announced receipt of a NI 43-101 Resource estimate report and also Metallurgical results for its Red Hills copper-molybdenum project in Texas. The Report was prepared by Mine Development Associates ("MDA") of Reno, Nevada and is the first publically reported, NI43-101compliant mineral resource estimate for the Red Hills Deposit, located in Presidio County, Texas. The MDA report also summarizes the results of a metallurgical study completed by METCON Research in Tucson, Arizona. The mineralization of interest at Red Hills occurs within a porphyry molybdenum deposit and near surface copper.

A complete copy of the NI 43-101 for Red Hills Projects is available on SEDAR and also filed on the OTC-QX website.

On January 13, 2012 the Company announced that it has filed a form NI 43-101 Resource Estimate Report for its Red Hills, Texas copper-moly project on SEDAR and also filed the document on the OTC-QX website. The June 10, 2011 Report was prepared by Mine Development Associates of Reno, Nevada. In addition, the Company announces that it has elected not to proceed with its option to acquire the Secret

Pass project in Mohave County, Arizona. The Company's Board of Directors have also approved the cancellation of a total of 520,000 stock options which were set earlier in 2011 at a price of $0.50.

To the shareholders of TOSCA MINING CORP.

MANAGEMENT COMMENTS

The audited financial statements of Tosca Mining Corp. for the period ended November 30, 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 March 28, 2012

/s/ Ron Shenton

Ron Shenton,

President