

**TOSCA MINING CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For The Three and Six Month Periods Ended May 31, 2013

**1.1 DATE**

This management discussion and analysis ("MD&A") prepared as of July 22, 2013, reviews and summarizes the activities of Tosca Mining Corp. ("Tosca" or the "Company") and compares the financial results for the three and six month periods ended May 31, 2013 with those of the comparable 2012 periods ended May 31, 2012. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

All amounts are stated in Canadian dollars unless otherwise indicated. The effective date of this report is July 22, 2013.

Additional information relating to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company's website at [www.toscamining.com](http://www.toscamining.com)

**Forward Looking Statements and Risks Notice**

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability, uncertainty related to the resolution of legal disputes and lawsuits; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

## **1.2 OVERALL PERFORMANCE**

Tosca Mining 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 European Frankfurt Exchange under the symbol TQ4. The Company previously was listed on the US OTC QX Exchange but delisted itself from the OTC QX Exchange, effective January 5, 2013.

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 involved 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.

On May 1, 2012, the Company announced that it had re-negotiated its 5 year option agreement to purchase the Red Hills project. Under the re-negotiated terms, Tosca has reduced its annual option payment to the vendors from \$800,000 US to \$300,000 US in 2012 and each of the subsequent two years. This defers \$1,500,000 US in payments until May 1, 2015, or a production decision, whichever comes first, which will trigger a final payment of \$2,400,000 US. As part of the new terms, Tosca was to increase the number of shares issued to the vendors from 2,100,000 to 2,800,000 over the length of the option agreement in annual increments of 600,000 shares. As of December 1, 2012, the Company had paid \$475,000 US towards the year two commitment and issued the 600,000 shares.

In February 2013, the Company abandoned its option agreement for the Red Hills property as a result of lower commodity pricing for molybdenum which made the project uneconomical. The effective date of the option cancellation was February 1, 2013.

The principal business of the Company during the quarter beginning December 1, 2012 was to work with Cimetta Engineering and Mine Development Associates related to completion of a Preliminary Economic Assessment document which was completed in draft form on December 18, 2012. As a result of management review of the draft document, the Company decided to cancel its option agreement on the Red Hills property and such cancellation was effective February 1, 2013. A form Material Change Report regarding the option cancellation was filed on February 4, 2013.

The Company has no source of revenue other than minimal amounts of interest earned on term deposits. It is likely the Company will operate at a loss unless and until it is able to put a mineral property into production. The Company will require additional financing in order to fund planned exploration expenditures and cover its general and administrative costs. The Company's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available on acceptable terms, the Company may not be able to operate its business at its maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Subsequent to the cancellation of the Red Hills option agreement, the Company has reviewed numerous other projects including mining in Europe and South America and oil/gas assets in various provinces in Canada.

The Company relies on equity financings to fund its operations. On December 20, 2012 the Company announced that it had received approval from the TSX Venture Exchange for the first tranche of a non-brokered private placement; this first tranche consisting of 7,120,000 units at a price of \$.05 per unit for gross proceeds of \$356,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one further common share at a price of \$0.10 for a period of one year and \$0.14 for a subsequent one year period. The warrants expire December 19, 2014.

At May 31, 2013, the Company's working capital was \$148,494.

On March 22, 2013 the Company announced that it would hold its Annual General Meeting on May 23, 2013, which would also be a Special Shareholder Meeting as a result of a proposed share consolidation recommendation from management. At the meeting, all resolutions were passed by shareholders including the resolution for the proposed 1 for 4 consolidation of the shares and a subsequent name change if and when needed.

At the meeting, shareholders also appointed Davidson and Company as the Company's auditors for 2013 and approved a renewal of the Company's stock option plan. The issued capital of the Company which was 44,304,499 shares issued and outstanding as of the date of the meeting, was amended to 11,076,125 shares outstanding, less fractions where applicable, following the consolidation.

The board of directors and officers for the coming year will consist of:

- Ronald Shenton, President
- Sadek El-Alfy, **Ph.D, D.I.C., BSC (Eng.)** director
- Luca Riccio, **Ph.D, P.Geo;** director and audit committee member
- David Stone, **Ph.D, P.Geo;** director and audit committee member
- Brian Roberts, **B.Comm** CFO ; director and audit committee member

Both management and the board of directors believe that the Company is at a critical stage in its growth and that its inability to finance or attract new investors is hampering the Company from taking advantage of a number of opportunities available in the current distressed market. The consolidation of its share capital will better position the Company to raise funds.

On May 31, 2013 the Company received acceptance of the share consolidation and name change approval from the TSX Venture Exchange. On that date, a Material Change Report was filed on Sedar and a news release issued announcing the share consolidation and name change authority.

### 1.3 SELECTED ANNUAL INFORMATION

<u>For the Year ended</u>	<u>Nov. 30, 2012</u>	<u>Nov. 30, 2011</u>	<u>Nov. 30, 2010</u>
Total Revenues (interest)	\$4,347	\$25,407	\$1,445
Income or loss before discontinued operations and extraordinary items	<846,925>	<1,706,210>	<521,616>

Net Loss in total	<5,079,251>	<1,819,221>	<904,792>
--Basic and diluted loss per share	<0.14>	<0.06>	<0.06>
Total Assets	146,026	5,121,044	749,247
Total Long term Financial Liabilities	0	0	0
Cash Dividends Declared	0	0	0

Note: The Company is an exploration company, and unless otherwise noted, the loss for the year represents the general and administrative expenses, which include the estimated fair value of the stock options granted by the Company.

#### **1.4 RESULTS FROM OPERATIONS**

As at the quarter ended May 31, 2013, the Company had cancelled its Red Hills option agreement effective February 1, 2013 and was looking at other potential mineral exploration and other resource based projects.

##### **For the three month period ended May 31, 2013**

For the quarter ended May 31, 2013, the Company incurred a net loss of \$94,510 compared to a net loss of \$331,511 for the quarter ended May 31, 2012, a reduction attributed primarily to reduced consulting expenses from \$71,844 to \$9,000; reduced legal and audit expenses from \$30,534 to \$15,867; reduced investor relations expenses of \$58,796 to \$5,825; a reduction in share based compensation expenses from \$135,834 to \$nil; and reduced travel and promotion expenses from \$19,967 to \$2,090.

The reduced expenses were the result of reduced operating activities as a result of the abandonment of the Red Hills property option.

Interest income earned during the first quarter of 2013 was \$Nil compared to \$1,822 earned in the same quarter of 2012. There was a foreign exchange gain of \$444 compared to a foreign exchange gain of \$59,662 during the second quarter of 2012.

##### **For the six month period ended May 31, 2013**

For the six month period ended May 31, 2013, the Company incurred a net loss of \$277,779 compared to a net loss of \$568,284 for the period ended February 29, 2012, a reduction attributed primarily to reduced investor relations expense from \$104,220 to \$15,079; reduced stock base compensation from \$135,834 to \$nil; reduced transfer agent costs from \$29,877 to \$14,549; and reduced travel and promotion costs from \$45,952 to \$3,070. In addition consulting costs during the period were \$17,000 as compared to costs during the 2012 period of \$111,203.

The reduced expenses were the result of reduced operating activities while management fees and legal costs were directly related to activities regarding completion of the Red Hills Pre Economic Assessment report and resultant cancellation of the Company's property option agreement.

Interest income earned during the six month period of 2013 was \$Nil compared to \$4,344 earned in the same period of 2012. There was a foreign exchange gain of \$1,367 compared to a foreign exchange gain

of \$43,604 during the 2012 period. As part of the cancellation of the Red Hills option agreement, the Company wrote off \$67,680 in mineral and exploration assets during the six month period of 2013..

**Exploration** - During the six months ended May 31, 2013, the Company cancelled its Red Hills, Texas mineral property option agreement. The effective date of the cancellation was February 1, 2013. Subsequent to the year end of November 30, 2012, the Company incurred and wrote off \$67,680 in mineral and exploration assets which represent costs incurred to finalized the PEA.

## 1.5 SUMMARY OF QUARTERLY RESULTS

This financial data has been prepared in accordance with IFRS accounting principles and all figures are stated in Canadian dollars. The Company's quarterly results are summarized as follows:

<b>Three Months Ended:</b>	<b>IFRS May 31, 2013</b>	<b>IFRS February 28, 2013</b>	<b>IFRS November 30, 2012</b>	<b>IFRS August 31, 2012</b>
Net loss for the period	(94,510)	(183,269)	(4,317,772)	(193,195)
Basic/Diluted loss per share	0.01	0.00	0.12	0.00
<b>Balance sheet data:</b>				
Cash	249,	294,447	100,010	282,546
Total assets	286,133	286,133	146,026	4,456,678
Shareholders' Equity	246,612	246,612	110,440	4,440,946
<b>Three Months Ended:</b>	<b>IFRS May 31, 2012</b>	<b>IFRS February 29, 2012</b>	<b>GAAP November 30, 2011</b>	<b>GAAP August 31, 2011</b>
Net loss for the period	(331,511)	(236,773)	(12,474)	(275,365)
Basic/Diluted loss per share	0.01	0.01	0.00	0.00
<b>Balance sheet data:</b>				
Cash	472,863	1,300,647	1,854,211	2,941,251
Total assets	4,602,582	4,813,005	5,121,044	5,562,499
Shareholders' Equity	4,574,141	4,769,818	5,006,591	5,273,528

## 1.6 LIQUIDITY

At May 31, 2013, the Company had working capital of \$148,494 compared to working capital of \$102,246 as at November 30, 2012. Accounts payable and accrued liabilities at May 31, 2013 were \$44,132. In December 2012, the Company closed a private placement financing in the gross amount of \$356,000.

The Company is actively looking for a new project which will be financed by the issue of new equity from private placements or existing cash.

During the three month period ended May 31, 2013, cash flows from operating activities resulted in net cash used of \$73,727 as compared to \$176,753 used in the comparable period in 2012. Principal reasons for the net difference were a reduced quarterly loss from \$331,511 to \$94,510 in 2013; a reduction of \$135,834 in stock based compensation between the two periods; and a reduction in prepaid expenses from \$41,958 to \$6,011;

Cash used in investing activities for the three month period ended May 31, 2013 was \$716 as compared to \$651,031 spent in the comparable quarter in 2012 primarily from the reduced activity in exploration work carried on the Red Hills project.

Net cash flows from financing activities during the current quarter was \$nil as compared to \$nil in the comparable 2012 period.

The resultant change in cash position during the three month period ended May 31, 2013 was a decrease of \$74,443 as compared to a decrease of \$827,784 for the comparable quarterly period in 2012.

During the six month period ended May 31, 2013, cash flows from operating activities resulted in net cash used of \$180,448 as compared to \$508,140 used in the comparable period in 2012. Principal reasons for the net difference were a reduced quarterly loss from \$568,284 to \$277,779 in 2013; a reduction of \$135,834 in stock based compensation between the two periods; and a reduction in prepaid expenses from \$36,357 to \$15,139.

Cash used in investing activities for the six month period ended May 31, 2013 was \$63,999 as compared to \$873,208 spent in the comparable quarter in 2012 primarily from the reduced activity in exploration work carried on the Red Hills project.

Net cash flows from financing activities during the current six month period was \$319,441 as compared to \$nil in the comparable 2012 period, principally due to the net proceeds from the December private placement of \$319,441.

The resultant change in cash position during the six month period ended May 31, 2013 was an increase of \$74,994 as compared to a decrease of \$1,381,348 for the comparable six month period in 2012.

## **1.7 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 May 31, 2013, the Company's shareholders' equity was \$152,102 (November 30, 2012 \$110,440). 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.

## 1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors, except for guarantees.

## 1.9 RELATED PARTY TRANSACTIONS

The Company conducted the following transactions with related parties during the **three** months ended May 31, 2013:

### Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

	May 31, 2013	November 30, 2012
Companies controlled by directors of the Company	\$7,925	\$ 5,600

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

### Key management personnel compensation

	Six months ended	
	May 31, 2013	May 31, 2012
Deferred exploration costs	\$ 24,949	\$ 169,205
Management fees	108,457	118,000
Rent	2,500	-
Stock-based compensation	-	46,995
	\$ 135,906	\$ 334,500

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.

## 1.10 FOURTH QUARTER-N/A

## 1.11 PROPOSED TRANSACTIONS-N/A

## 1.12 CRITICAL ACCOUNTING ESTIMATES

As at May 31, 2013, the Company's financial statements reflect an asset "Exploration and Evaluation Assets" with a balance of \$Nil. The Company has determined its Red Hills, Texas property contains ore reserves that are not economically recoverable after review of a draft Preliminary Economic Assessment document. As a result, the Company's option to acquire the property was cancelled effective February 1, 2013 and all related costs and interests written off as at year end on November 30, 2012.

Effective December 1, 2010 the Company converted from Canadian Generally Accepted Accounting Principles (“GAAP”) to International Financial Reporting Standards (“IFRS”).

### **1.13 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 January 1, 2011. The disclosures concerning the transition from pre-changeover Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) to IFRS are provided in Note 15 of the Company's audited financial statements for the year ending November 30, 2012.

#### ***New accounting standards not yet adopted***

##### ***New standard IFRS 9 “Financial Instruments”***

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. This new standard is effective for annual periods beginning on or after January 1, 2013.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

##### ***New standard IFRS 10 “Consolidated Financial Statements”***

This new standard will replace IAS 27 “Consolidated and Separate Financial Statements”, and SIC-12 “Consolidation – Special Purpose Entities”. Concurrent with IFRS 10, the IASB issued IFRS 11 “Joint Ventures”; IFRS 12 “Disclosures of Involvement with Other Entities”; IAS 27 “Separate Financial Statements”, which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 “Investments in Associates and Joint Ventures”, which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013.

##### ***IFRS 11 - Joint Arrangements***

IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31: Interests in Joint Ventures and SIC 13: Jointly Controlled Entities - Non-Monetary Contributions by Venturers. This new standard is effective January 1, 2013 with earlier application permitted.

##### ***IFRS 12 - Disclosure of Interests in Other Entities***

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. This new standard is effective January 1, 2013 with earlier application permitted.



### ***New standard IFRS 13 “Fair value measurement”***

This new standard replaces the fair value measurement guidance currently included in various other IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements. IFRS 13 is effect for annual periods beginning on or after January 1, 2013.

### ***IAS 1 - Presentation of Financial Statements***

The IASB issued amendments in June 2011 to IAS 1, to: (a) require companies to group together items within other comprehensive income (loss) (“OCI”) that may be reclassified to the statement of loss; and (b) require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendments also reaffirm existing requirements that items in OCI and income or loss should be presented as either a single statement or two separate statements. The amended standard is effective for annual periods beginning on or after July 1, 2012.

### ***IAS 12 - Income Taxes***

IAS 12 addresses the recovery of underlying assets. This amendment is effective January 1, 2012 with earlier application permitted.

### ***IAS 27 - Separate Financial Statements***

IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9. This new standard is effective January 1, 2013 with earlier application permitted.

### ***IAS 28 - Investments in Associates and Joint Ventures***

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This amendment is effective January 1, 2013 with earlier application permitted.

## **1.14 FINANCIAL INSTRUMENTS AND OTHER 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 impairment has arisen.

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

## **Risk Assessment**

The Company is exposed in varying degrees to a variety of financial instrument related risks as follows:

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

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. This risk is managed by using major banks that have a high credit quality financial institution as determined by rating agencies. The Company is not exposed to credit risk on recoverable taxes, as these are due from the Government of Canada.

### ***Liquidity risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at May 31, 2013, the Company had a cash balance of \$175,004 (November 30, 2012 - \$100,010) to settle current liabilities of \$44,132 (November 30, 2012 - \$35,586). To maintain liquidity, the Company is continually investigating financing opportunities. There can be no assurance these efforts will be successful in the future. All of the Company's financial liabilities are subject to normal trade terms.

### ***Market risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

### ***Interest rate risk***

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at May 31, 2013 and November 30, 2012, the Company did not have any significant interest rate risk.

The Company had no interest rate swap or financial contracts in place as at May 31, 2013 and November 30, 2012.

### ***Capital Management***

The Company identifies capital as the items included in shareholders' equity. The Company raises capital through private and public share offerings and related party loans and advances. Capital is managed in a manner consistent with the risk criteria and policies provided by the board of directors and followed by management. All sources of financing and major expenditures are analyzed by management and approved by the board of directors.

The Company's primary objectives when managing capital is to safeguard and maintain the Company's financial resources for continued operations and to fund expenditure programs to further advance mineral property interests.

The Company is meeting its objective of managing capital through detailed review and due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to maintain sufficient resources.

The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditure and the scope of operations during periods of commodity pricing decline and economic downturn.

There were no changes in the Company's approach to capital management during the six months ended May 31, 2013.

The Company is not subject to any externally imposed capital requirements.

## Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide assurance that all relevant information is gathered and reported to the senior management, which includes the Company's President and its Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As of May 31, 2013, the President and the Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures as defined in *National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings*, of the Canadian Securities Administrators and have concluded that such disclosure controls and procedures are effective.

## 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 in accordance with *National Instrument 52-109*. These internal controls over financial reporting were effective as at May 31, 2013. There have been no changes in these controls during the first quarter of 2012-2013 which have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## Other MD&A Required Information

Additional information on the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company's website at [www.toscamining.com](http://www.toscamining.com)

At the commencement of the quarter on March 1, 2013, Company had 44,304,499 common shares issued. The Company had 1,813,000 stock options outstanding, with exercise prices ranging from \$0.10 to \$.27, a weighted average exercise price of \$0.18 and a weighted average life of 2.25 years. During the first quarter of 2013, the Company closed a private placement financing in the gross amount of \$356,000 for which it issued 7,120,000 common shares and 7,120,000 two year, share purchase warrants with exercise prices of \$0.10 in year one and \$0.14 in year two.

At a May 23, 2013 Shareholder meeting, shareholders approved a resolution for a 1 for 4 consolidation of the shares. The issued capital of the Company which was 44,304,499 shares issued and outstanding as of the date of the meeting, was amended to 11,076,125 shares outstanding, less fractions where applicable, following the consolidation. Formal approval of the share consolidation was received from the TSX Venture Exchange on May 31, 2013.

Summary of outstanding share data as of July 22, 2013:

		Price
Issued shares	11,076,125	
Options	440,750	\$0.96
Warrants	1,780,000	\$0.40
Fully Diluted	13,289,375	

## **SUBSEQUENT EVENTS**

**none**

To the shareholders of TOSCA MINING CORP.

## **MANAGEMENT COMMENTS**

The unaudited interim financial statements of Tosca Mining Corp. for the three months ended May 31, 2013 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      July 22, 2013

/s/ Ron Shenton

Ron Shenton,  
President