TOACHI MINING INC.

Interim Management's Discussion and Analysis

Quarterly Highlights

Three months ended January 31, 2018

March 19, 2018

Toachi Mining Inc.

Interim MD&A - Quarterly Highlights
Three months ended January 31, 2018

This interim management's discussion and analysis - quarterly highlights ("Interim MD&A") has been prepared based on information available to Toachi Mining Inc. (formerly Ferrum Americas Mining Inc.) ("Toachi" or the "Company") as at March 19, 2018. This Interim MD&A updates disclosure previously provided in the Company's annual management's discussion and analysis ("Annual MD&A") together with previously-file Interim MD&A's, up to the date of this Interim MD&A and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and the related notes as at and for the three and six months ended January 31, 2018 (the "Interim Consolidated Financial Statements"), the Company's audited consolidated financial statements for the years ended July 31, 2017 and 2016 (the "Annual Consolidated Financial Statements"), and the Company's Annual MD&A for the year ended July 31, 2017. Both the Interim Consolidated Financial Statements and the Annual Consolidated Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. The Interim Consolidated Financial Statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Other information contained in this Interim MD&A has also been prepared by management and is consistent with the data contained in the Interim Consolidated Financial Statements. Additional information relating to the Company may be found under its profile on SEDAR at www.sedar.com or on its website at www.toachimining.com.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting.

As the Company is a Venture Issuer (as defined under under *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the evaluation, design, establishment and/or maintenance of disclosure controls and procedures ("DC&P) and/or ICFR, as defined in NI 52-109, nor has it completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost effective bases DC&P and ICFR for the issuer may result in additional risks of quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY NOTE

This document may contain or may refer to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

FINANCIAL CONDITION AND PERFORMANCE

Financial condition

During the quarter ended January 31, 2018, the Company's net assets decreased by $1,750,848, the result of a decrease in assets of $1,696,880 together with an increase in liabilities of $53,968.

Asset balances changed as follows: Cash and cash equivalents decreased by $1,726,450, the result cash used for operating activities of $1,861,335, cash used for investing activities of $4,880 and cash provided by financing activities of $139,766. Operating activities were affected by adjustments of shares-based compensation of $77,550, shares to be issued of $46,000, depreciation of $30 and net change in non-cash working capital balance of $110,517 because of an increase in amounts receivable and prepaid expenses of $24,719 and decrease in trade payables and accrued liabilities of $85,798. Cash used in investing activities was $4,880. This related to the acquisition of equipment of $4,880. Cash provided by financing activities was $139,766 for the three months ended January 31, 2018 from advance from related parties.

Corporate

On November 30, 2017, the Company transitioned the management and administration to Metaform Investments Inc. ("Metaform") from RG Mining Investments Inc. and on December 8, 2017, announced the appointment of Joseph Fazzini as the Company's Chief Financial Officer ("CFO").

On January 31, 2018, the Company appointed Alain Bureau as President and Chief Executive Officer ("CEO"), replacing Jonathan Goodman, who will transition from President and CEO to Chairman of the Board of Directors.

PROJECTS UPDATE

La Plata project

The Company has a binding option agreement with a private Ecuadorean company to earn between 60%-75% in the La Plata gold-rich copper-zinc-silver-lead volcanogenic massive sulphide project located approximately 100 km southwest of Quito, Ecuador. A first-phase exploration program began in August 2016 and as at the date of this Interim MD&A, the Company has completed approximately 17,849 metres of drilling. The majority of this drilling was completed and incorporated into a maiden 43-101 resource estimate which the company announced on September 13, 2017. Please see the following link for more details: http://www.toachimining.com/_resources/news/pr_20170913.pdf.

Utilizing a 4 gram gold-equivalent cut-off grade, (AuEq g/t), the maiden resource was composed of Inferred Resources in the North and South Sectors of the La Mina deposit and totaled 1.9 million tonnes (Mt) grading 4.1 g/t gold, 49.4 g/t silver, 3.3 % copper, 4.5% zinc and 0.6% lead. A higher-grade subset of the La Mina resource residing in the South Sector includes 0.8 Mt grading 5.3 g/t gold, 71.1 g/t silver, 3.2% copper, 0.9% lead and 5.5% zinc. Additional information and cut-off grade sensitivity can be found in the September 13, 2017 press release.

Drilling completed subsequent to the resource cut-off date are part of an ongoing Regional Exploration focused of testing the limits of the La Mina deposit and assessing various other regional targets.

Recent Exploration Program Highlights

- Hole CMLP-17-90 intersected 5.00 metres (m) of disseminated sulphide mineralization grading 2.11 grams per tonne (g/t) gold, 6.78 g/t silver, 0.11% copper, 0.57% zinc and 0.15% lead from 86.24 m in the Regional Exploration target at Quebrada Romero Prospect.
- Hole CMLP-17-92 intersected 5.11 m grading 2.11 g/t gold, 26.17 g/t silver, 0.03% copper, 0.66% zinc and 0.39% lead from 388.9 m in the La Mina South zone.
- Hole CMLP-17-93 intersected 13.91 m grading 3.51 g/t gold, 64.24 g/t silver, 0.59% copper, 4.11% zinc and 0.85% lead from 339.43 m in the La Mina South zone, and has confirmed that the deposit extends to the East and with depth.
- A metallurgical optimization program is continuing at SGS Lakefield Research Ltd. in Canada, under the supervision of Dr. Simon Meik. Samples were sent to SGS in November with additional results expected in the coming months.
- Geophysical down-hole TEM surveys were completed in September on a 19 selected La Mina and Regional Exploration drill holes. Total surveyed core length was approximately 6,340 m.
- Toachi conducted a gravity survey on 2603 stations across the La Plata concessions with the work completed in mid-October. The Company collected gravity data which identified nine new, untested exploration targets at its La Plata.
- The gravity survey covered the La Mina deposit as well as the Central and North zone of the La Plata concessions. The processing of the geophysical surveys was recently completed with results press released on February 8, 2018 http://www.toachimining.com/_resources/news/pr_20180208.pdf
- In reviewing the survey results, the Company identified 9 priority targets comprising of coincident gravity and geochemical anomalies. These targets also correlate well with historical mapping and trenching results. As the newly defined gravity anomalies are analogous to the La Mina deposit signature, Toachi intends to follow-up on these targets in 2018.
- Local site staff have already commenced surface exploration and mapping on these targets, most notably Lisica and Lucho. Initial work has confirmed favourable stratigraphy along with extensive pyrite mineralization within mafic volcanics. Additionally, sphalerite mineralisation was observed in one sampled outcrop.

Phil Fox, MAIG, a Qualified Person as defined by NI 43-101, has reviewed and approved the contents of this Interim MD&A.

During the three months ended January 31, 2018, the Company incurred $1,223,289 in exploration expenditures for the project. Details of the expenditures are as follows:

	$
Acquisition	320,513
Administrative	116,464
Camp	84,679
Community costs	121,223
Consulting	20,828
Drilling	238,257
Environmental	19,602
General	25,698
Geology and geophysics	253,603
Legal & governmental	22,422
Total	**1,223,289**

La Plata option payment

On November 6, 2017, the Company made an option payment of US$250,000 pursuant to the Option Agreement (see note 7(a)(C)(ii) of the Interim Consolidated Financial Statements).

CAPITAL STRUCTURE

Options issued

During the three months ended January 31, 2018, 375,000 stock options were issued to participants of the Company's stock option plan. The stock options are exercisable into common shares of the Company at an exercise price of $0.22, all vesting 1/3 on date of grant; 1/3 on the first anniversary after date of grant; and 1/3 on the second anniversary after date of grant. The stock options had a grant-date fair value of $0.21 each (as calculated using the Black-Scholes option pricing model, with assumptions detailed in note 11(c) of the Interim Consolidated Financial Statements) and a term of 5 years.

Options issued subsequent to quarter end

On February 2, 2018, the Company issued an aggregate of 1,050,000 stock options to eligible participants of the Company's stock option plan. The stock options are exercisable into common shares of the Company at an exercise price of $0.22 all vesting at 1/3 on date of grant; 1/3 on the first anniversary after date of grant; and 1/3 on the second anniversary after date of grant. The stock options have a five-year term to maturity.

Compensation shares issued

On November 24, 2017, the Company approved the issuance of 200,000 common shares with a deemed value of $0.23 per share, or $46,000 to the past president and chief executive officer of the Company. The 200,000 common shares were issued on February 6, 2018.

OUTSTANDING SECURITIES

As at the date of this Interim MD&A, the Company's capital structure is as follows:

Security	Number
Common shares	61,166,435
Options	5,437,000
Warrants	8,362,750
Compensation warrants	592,560
Total	**75,558,745**

PERFORMANCE

The Company's operations are not generally subject to seasonal variations. The timing of exploration activities is influenced primarily by the availability of funds and the identification of suitable exploration targets, however, due to either their location or nature the exploration of some properties may be restricted during certain times of the year due to climatic conditions.

Loss for the quarter totalled $1,874,398, the result of exploration expenditures totalling $1,223,289, as noted above, together with general and administrative expenditures totalling $82,207; management fees of $274,250, investor relations of $125,965, share-based compensation of $77,550 and consulting and professional fees of $97,033. These costs were partially offset by foreign exchange gains of $5,926.

COMMITMENTS, LIQUIDITY AND CAPITAL RESOURCES

The Company's commitment with Metaform for office space rental in the amount of $5,000 per month ended during the quarter. The Company does have exploration work commitments and option payments to be made over the next 3 years, as detailed in note 7 of the Interim Consolidated Financial Statements.

As at January 31, 2018, the Company had a cash balance of $1,155,959 (July 31, 2017 - $4,859,334) and working capital of $657,473 (July 31, 2017 - $4,445,499).

RELATED-PARTY TRANSACTIONS AND BALANCES

The Interim Consolidated Financial Statements include the following balances and transactions with directors and/or officers of the Company and/or entities related to or controlled by them:

	Three months ended	
	January 31, 2018	January 31, 2017
	$	$
Management fees charged by an entity controlled by the Company's CEO and CFO	**128,250**	112,500
Severance payment to past president and CEO	**100,000**	-
Directors' fees	**12,000**	12,000
Share-based compensation for the Company's directors, CEO and CFO	**77,550**	-
Office rent	**7,168**	-
Shares to be issued to past president and CEO	**46,000**	
Total for period	**370,968**	124,500

As at January 31, 2018, the balance of $108,937 (July 31, 2017 - $nil) is due to entities controlled by the Company's CEO and CFO for management fees and the balance of $30,829 (July 31, 2017 - $20,637) is due to directors of the Company for reimbursable travel expenses. The associated expenses have been reflected in the table above while any balances due have been reflected in Trade Payables and Accrued Liabilities.

SUBSEQUENT EVENTS

(i) On February 2, 2018, the Board of Directors of the Company approved the grant of an aggregate of 1,050,000 stock options to eligible participants of the Company's stock option plan. The options are exercisable into common shares of the Company at an exercise price of $0.22. The options vest at 1/3 on date of grant; 1/3 on the first anniversary after date of grant; and 1/3 on the second anniversary after date of grant. The options have a five-year term to maturity.

(ii) On February 6, 2018, the Company issued the approved 200,000 common shares to the past President and CEO of the Company.

(iii) On February 20, 2018, the Company's common shares began trading on the OTCQB Venture Market in the United States under the symbol "TIMGF".