TOACHI MINING INC.
(formerly Ferrum Americas Mining Inc.)

Interim Management's Discussion and Analysis

Quarterly Highlights

Three months ended April 30, 2017

June 20, 2017

Toachi Mining Inc.
(Formerly Ferrum Americas Mining Inc.)

Interim MD&A -
Quarterly Highlights
Three months ended April 30, 2017

This interim management 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 June 20, 2017. This Interim MD&A updates disclosure previously provided in the Company's 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 interim consolidated financial statements and the related notes as at and for the three and nine months ended April 30, 2017 and 2016 (the "Interim Consolidated Financial Statements"), the Company's audited consolidated financial statements for the years ended July 31, 2016 and 2015 (the "Annual Consolidated Financial Statements"), and the Company's Annual MD&A for the year ended July 31, 2016. 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. Other information contained in this Interim MD&A has also been prepared by management and is consistent with the data contained in the 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 April 30, 2017, the Company's net assets decreased by $1,717,537, the result of an decrease in assets of $1,490,931 together with an increase in liabilities of $226,606.

Asset balances changed as follows: Cash decreased by $1,493,620, the result of cash used for operating activities of $1,610,817, offset by cash provided from the exercise of 679,000 broker warrants, raising gross proceeds of $135,800 less costs the issuance of $1,432 less net repayments to related parties of $17,171 (see *Related-party Transactions and Balances*, below). Other working capital items accounted for a decrease of $241,088 mainly the result of increased accounts payable of $243,777 at the Company's La Plata project.

Projects update

La Plata project

The Company has 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.

The Company believes historical results (as reported in its previous MD&A's) provide an indication of the potential of the property and are relevant from an on-going exploration perspective.

A first-phase exploration program began in August 2015 and as at the date of this Interim MD&A, the Company has completed approximately 12,000 metres of drilling. This is part of a 14,000 metre drill program scheduled for completion in 2017 and leading to a maiden 43-101 resource estimate in the Company's first fiscal quarter of 2018 (August to October 2017).

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Drill Program Highlights

- Hole CMLP-17-38 intersected 3.58 metres (m) of massive and disseminated sulphide mineralization grading 2.38 grams per tonne (g/t) gold, 93.3 g/t silver, 15.92% copper 2.31% zinc and 0.16% lead from 119.3 m in the La Mina North zone.
- Hole CMLP-17-45 intersected 5.42 m of massive and disseminated sulphide mineralization, grading 4.356 g/t Au, 77.34 g/t Ag, 7.48% Cu, 4.2% Zn and 0.22% Pb from a shallow depth of 69.26 min the La Mina North zone.
- Hole CMLP-17-56 intersected 10.78 m grading 6.35 g/t gold, 54.32 g/t silver, 9.64% copper, 8.70% zinc and 0.43% lead from 11.16 m in the La Mina North zone.
- A metallurgical optimization program is continuing at SGS Lakefield Research Ltd. in Canada, under the supervision of Dr. Simon Meik.
- A comprehensive geological review of historic data was completed leading to the prioritizing of nine exploration targets outside of the main La Mina deposit. These exploration targets will be the subject of an exploration drilling campaign scheduled to begin in June.

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 3 months ended April 30, 2017, the Company incurred $1,706,249 in exploration expenditures for the project. Details of the expenditures are as follows:

	$
Acquisition	-
Administrative	53,444
Assays	20,691
Camp	243,678
Community	6,347
Consulting	40,281
Drilling	1,012,144
Engineering	8,004
Environmental	43,839
General	10,330
Geologists	206,345
Legal & governmental	61,146
Travel	-
Total	**1,706,249**

Cerro Rojo project

During the quarter, the Company continued to finalize the return of the project and the sale of its wholly-owned subsidiary, Empressa Minera Yacuses S.A. ("Yacuses") to its joint venture partner.

Final documents have been prepared and are currently being reviewed by the joint-venture partner.

Capital structure

Broker options exercised

During the 3 months ended April 30, 2017, 679,000 broker options (the "Broker Options") were exercised, raising $135,800 in gross proceeds for the Company. The Broker Options had a fair value of $25,988, with such amount transferred to common shares upon issuance.

Private placement

On June 14, 2017, the Company closed a non-brokered private placement raising gross proceeds of $3,725,000 by issuing 9,312,500 common shares at $0.40 each.

The Company paid cash finder's fees of $219,750, being approximately 6% of the gross proceeds raised. It also issued 558,750 compensation warrants (the "Compensation Warrants"), being 6% of the common shares issued. Each Compensation Warrant may be exercised into one common share of the Company by the holder until June 14, 2019, at an exercise price of $0.40 per Compensation Warrant.

The Company is using the proceeds of the Financing to advance its La Plata project and for general working capital purposes.

Outstanding securities

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

Security	Number
Common shares	60,966,435
Options	2,412,000
Warrants	7,125,000
Compensation warrants	1,271,560
Total	**71,774,995**

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 $1,851,905, the result of exploration expenditures totalling $1,706,249, as noted above, together with general and administrative expenditures totalling $63,075, comprising mainly of investor relations costs of $42,941, as the Company attended the Precious Metals Summit and Cambridge House International conference. General and administrative costs were rounded out with board of director fees of $12,000. Management fees were $75,000 and consulting and professional fees were $53,708, comprising legal and regulatory fees of approximately $18,000 and approximately $36,000 for audit accruals. These costs were decreased by foreign exchange gains of $46,127.

Commitments, liquidity and capital resources

The Company does not currently have any space-rental commitments. Its head office and administration is provided by RG Mining Investments Inc. ("RGMI") as disclosed in its Annual MD&A (see "Related-party transaction and balances" section of this Interim MD&A). The Company does have exploration work commitments and option payments to be made over the next 3 ½ years, as detailed in note 7 of the Interim Consolidated Financial Statements.

As at April 30, 2017, the Company had a cash balance of $3,071,506 (July 31, 2016 - $3,088,620) and a working capital of $2,648,725 (July 31, 2016 - $2,699,786).

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	
	April 30, 2017	April 30, 2016
	$	$
Management fees charged by an entity controlled by the Company's CEO and CFO	**75,000**	9,000
Directors' fees	**12,000**	-
Share-based compensation for the Company's Directors, CEO and CFO	**-**	-
Total for period	**87,000**	9,000

During the 3 months ended April 30, 2017, consulting fees and expense reimbursements of $26,049, were paid to a company owned by a partner of a director of the Company.

During the 3-month comparative period ended April 30, 2016, a director and officer of the Company provided interest-free, demand loans totalling $15,078, for the on-going operations of the Company.