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

Interim MD&A -

Quarterly Highlights

Three months ended April 30, 2016

June 24, 2016

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(Formerly Ferrum Americas Mining Inc.)

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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 24, 2016. This Interim MD&A updates disclosure previously provided in the Company's Annual MD&A and its first quarter and second quarter MD&A quarterly highlights, 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, 2016 and 2015 (the "Interim Consolidated Financial Statements"), the Company's audited consolidated financial statements for the years ended July 31, 2015 and 2014 (the "Consolidated Financial Statements"), and the Company's Annual MD&A for the year ended July 31, 2015. The 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. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

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 establishment and/or maintenance of disclosure controls and procedures ("DC&P) and/or ICFR, as defined in NI 52-109.

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, 2016, the Company's net assets decreased by $372,335, the result of a decrease in assets of $371,341 and an increase in liabilities of $994.

Asset balances changed as follows: Cash increased by $706 and HST recoverable by $4,357. These increases were offset by decreases in prepaid expenses of $1,404 and funds held in trust of $375,000 (see Private Placements, below). The change in the Company's cash position was the result of cash used for operating activities of $328,820, offset by cash provided from financing activities of $329,526, which included the conversion of subscription receipts of $375,000 offset by repayments to related parties of expenses and promissory notes (see *Related-party Transactions and Balances*, below).

The increase in liabilities of $994 resulted from increases in trade payables of $39,316 and accrued liabilities of $7,512, offset by the above-noted repayment of the promissory notes of $25,935 and expenses reimbursed to related parties of $19,539.

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 $372,335, the result of exploration expenditures totalling $261,279 (of which, $242,455 were expended on the La Plata project and $18,823 was accrued against obligations on the Cerro Rojo project) together with general and administrative expenditures totalling $9,854, management fees of $9,000 and consulting and professional fees of $105,171, which comprised mainly of the one-time legal and regulatory costs of the Financing (as defined below).

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). As of the completion of the option agreement, the Company does have exploration work commitments and option payments to be made over the next 4 years, as detailed in the La Plata Project section of this Interim MD&A, below.

As at April 30, 2016, the Company had a cash balance of $1,880 and a working capital deficiency of $484,489. However, on February 18, 2015, funds totalling $375,000 from the Tranche 2 Subscription Receipts were transferred to the Company upon satisfaction of the conditions regarding the purchase of the La Plata Project.

Private Placements

As disclosed in its previous Interim MD&A – Quarterly Highlights, on March 29, 2016, the Company closed on a financing (the “Financing”) totaling $471,000. Approximately $360,000 of the proceeds from the Financing were used to secure the Option (see note 7 (a) of the Interim Consolidated Financial Statements) and for other project-related costs. The remainder of approximately $111,000, was used to bolster the Company’s working capital position and to repay loans and promissory notes advanced to the Company prior to the closing of the Financing.

On June 15, 2016, the Company closed a brokered private placement financing with Beacon Securities Limited, as the lead agent and sole book-runner, together with a syndicate of agents including Primary Capital Inc. and Dundee Securities Ltd. (collectively, the “Agents”) on behalf of the Company (the “Brokered Financing“). Pursuant to the Brokered Financing, the Company issued an aggregate of 17,150,000 Units (the “Units“) at an issue price of $0.20 per Unit for aggregate gross proceeds of $3,430,000, including the partial exercise of the Agents’ option to increase the offering in the amount of $130,000. Each Unit is comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share at a price per common share of $0.30 until June 15, 2018.

Additionally, concurrent with closing of the Brokered Financing, the Company closed a non-brokered private placement (the “Non-Brokered Financing” and together with the Brokered Financing, the “June 2016 Financing“) of Units whereby the Company issued an aggregate of 2,350,000 Units at an issue price of $0.20 for aggregate gross proceeds of $470,000. Pursuant to the Financings, the Company issued an aggregate of 19,500,000 Units for aggregate gross proceeds of $3,900,000.

On closing of the 2016 Financing, the Company paid to the Agents a cash fee equal to 7% of the gross proceeds raised through the Brokered Financing and issued to the Agents compensation options (the "Agent's Options") equal to 7% of the Units issued pursuant Brokered Financing. Each Agent's Option is exercisable into one Common Share at a price of $0.20 per common share until June 15, 2018. The Company also paid to the Agents a corporate finance fee of $31,500 and 157,500 Agent’s Options.

The proceeds of the June 2016 Financing will be used to advance the budgeted work program at the La Plata project and for general working capital purposes.

La Plata Project

As noted in its previous MD&A – Quarterly Highlights dated March 29, 2016, the Company filed a National Instrument 43-101 (“NI 43-101”) report regarding the La Plata project on SEDAR on March 17, 2016. During the quarter, there have been no further updates on the La Plata project as the Company was preparing and awaiting finalization and closing of the June 2016 Financing.

Related-party transactions and balances

The 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		**Nine months ended**	
	April 30, 2016	April 30, 2015	**April 30, 2016**	April 30, 2015
	$	$	**$**	$
Management fees charged by an entity controlled by the Company's CEO and CFO	**9,000**	22,000	**9,000**	88,000
Share-based compensation for the Company's Directors, CEO and CFO	**-**	1,389	**-**	39,813
Total for period	**9,000**	23,389	**9,000**	127,813

During 9 months ended April 30, 206, the Company issued promissory notes (cumulatively, the "Promissory Notes") for $25,935 (2015 - $nil), to a director and officer of the Company. As at April 30, 2016, the Promissory Notes have been repaid in full.

During the 3 months and 9 months ended April 30, 2016, a director and officer of the Company provided interest-free, demand loans totalling $15,078 (2015 - $nil) and $15,078 (2015 - $nil), respectively, for the on-going operations of the Company. These loans have been repaid in full as at April 30, 2016.

During the 3 months and 9 months ended April 30, 2016, the Company incurred $4,461 (2015 - $nil) and $4,461 (2015 - $nil), respectively, of consulting and professional, and general and administrative expenses for which RGMI paid. The amounts due to RGMI are interest-free with no fixed terms of repayment and are due on demand. These amounts due have been repaid in full as at April 30, 2016.