

DEL TORO SILVER CORP.
Form 10-Q
September 15, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended **July 31, 2014**

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number **000-52499**

DEL TORO SILVER CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0515290

(IRS Employer Identification No.)

320 North Carson Street, Carson City, Nevada 89701

(Address of principal executive offices)

(Zip Code)

775-782-3999

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

YES NO

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

YES NO

APPLICABLE ONLY TO CORPORATE ISSUERS

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

24,988,491 common shares issued and outstanding as of September 11, 2014.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Our unaudited consolidated interim financial statements for the three and nine month periods ended July 31, 2014 form part of this quarterly report. They are stated in United States Dollars (US\$) and are prepared in accordance with United States generally accepted accounting principles.

DEL TORO SILVER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED JULY 31, 2014 (UNAUDITED) AND OCTOBER 31, 2013

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DEL TORO SILVER CORP**CONSOLIDATED BALANCE SHEETS****JULY 31, 2014 AND OCTOBER 31, 2013**

	July 31, 2014 (unaudited)	October 31, 2013 (audited)
ASSETS		
CURRENT ASSETS		
Cash	\$125	\$32,805
Prepaid expense	8,770	5,964
TOTAL CURRENT ASSETS	8,895	38,769
TOTAL ASSETS	\$8,895	\$38,769
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$19,800	\$11,220
Convertible debenture, net of unamortized discount of \$6,766 (2014) and \$58,468 (2013)	118,094	43,032
Shareholder convertible loan	1,014,040	814,249
Due to related party	23,133	18,667
TOTAL CURRENT LIABILITIES	1,175,067	887,168
COMMITMENTS AND CONTINGENT LIABILITIES		
TOTAL LIABILITIES	1,175,067	887,168
STOCKHOLDERS' DEFICIT:		
Preferred stock: 100,000,000 shares authorized, par value \$0.001 issued and outstanding: none	-	-
Common stock: 100,000,000 shares authorized, par value \$0.001 issued and outstanding: 23,348,956 (2013 - 21,763,623) shares	23,349	21,764
Additional paid-in capital	1,724,272	1,670,911
Deficit accumulated during exploration stage	(2,913,793)	(2,541,074)
TOTAL STOCKHOLDERS' DEFICIT	(1,166,172)	(848,399)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$8,895	\$38,769

See accompanying notes to financial statements.

DEL TORO SILVER CORP**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2014 AND 2013**

	For the Three Months Ended		For the Nine Months Ended	
	July 31, 2014	July 31, 2013	July 31, 2014	July 31, 2013
GENERAL AND ADMINISTRATIVE EXPENSES:				
Consulting fee	\$54,000	\$75,399	\$163,806	\$226,196
General and administrative	10,892	11,641	33,924	35,640
Mineral property costs	-	5,664	-	24,414
Professional fees	10,781	16,143	45,654	61,677
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	75,673	108,847	243,384	347,927
OTHER EXPENSES:				
Interest expense	(48,339)	(60,156)	(129,335)	(119,385)
Gain on termination of partial purchase option agreement	-	40,865	-	40,865
TOTAL OTHER EXPENSES	(48,339)	(19,291)	(129,335)	(78,520)
NET LOSS	\$(124,012)	\$(128,138)	\$(372,719)	\$(426,447)
Basic and diluted net loss per common share	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.02)
Weighted average number of basic and diluted common shares outstanding	22,913,952	19,449,069	22,149,896	18,135,486

See accompanying notes to financial statements.

DEL TORO SILVER CORP**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)****FOR THE NINE MONTHS ENDED JULY 31, 2014 AND 2013**

	For the Nine Months Ended	
	July 31, 2014	July 31, 2013
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net loss for the period	\$(372,719)	\$(426,447)
Items not requiring (providing) cash:		
Accretion of discount on convertible debenture	81,702	-
Shareholder loan issued for consulting service	153,000	153,000
Shares issued for consulting service	3,000	-
Share-based compensation	7,806	73,197
Changes in operating assets and liabilities:		
Prepaid expenses	3,194	1,253
Related party liabilities	42,474	(19,304)
Accounts payable and accrued liabilities	8,580	61,021
CASH USED FOR OPERATING ACTIVITIES	(72,963)	(157,280)
FINANCING ACTIVITIES:		
Proceeds from issuance of convertible debenture	31,500	70,000
Proceeds from (paid to) related parties	8,783	103,689
Repayment of convertible debenture	-	(23,000)
CASH PROVIDED BY FINANCING ACTIVITIES	40,283	150,689
NET DECREASE IN CASH	(32,680)	(6,591)
CASH, BEGINNING OF PERIOD	32,805	14,590
CASH, END OF PERIOD	\$ 125	\$ 7,999
NON CASH ACTIVITIES		
Shares issued for conversion of debenture	\$ 8,140	\$ 28,500
Unamortized debt discount	\$ 51,702	\$ -
Shares issued for consulting services	\$ 9,000	\$ -
SUPPLEMENTAL DISCLOSURE		
Interest paid	\$ 1,224	\$ 19,409
Income taxes paid	\$ -	\$ -

See accompanying notes to financial statements.

DEL TORO SILVER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2014

NOTE 1 – NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Del Toro Silver Corp. (the “Company”) was incorporated on January 9, 2006 as Candev Resource Exploration, Inc. under the laws of the State of Nevada and extra-provincially registered under the laws of the Province of British Columbia on August 15, 2006. Effective July 28, 2009, the Company completed a merger with its wholly owned subsidiary, Del Toro Silver Corp., a Nevada corporation which was incorporated on July 7, 2009 solely to change the Company’s name to Del Toro Silver Corp. The Company is engaged in the acquisition, exploration and development of mineral properties.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of July 31, 2014, the Company has not earned any revenue, has a working capital deficit of \$1,166,172, and an accumulated deficit of \$2,913,793. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. These factors raise substantial doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The financial statements and the related notes of the Company are prepared in accordance with generally accepted accounting principles in the United States and are expressed in US dollars. The Company’s fiscal year end is October 31.

Interim Financial Statements – These interim unaudited financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto for the year ended October 31, 2013.

The financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company’s financial position at July 31, 2014, and the results of its operations and cash flows for the nine month period ended July 31, 2014 and 2013. The results of operations for the period ended July 31, 2014 is not necessarily indicative of the results to be expected for future quarters or the full year.

Recent Accounting Pronouncements – The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements. Accounting Standards Update (ASU) 2014-10 applies to Development Stage Entities (Topic 915). This update impacts our financial statement presentation as it eliminates: (1) inception-to-date information on the statements of operations, cash flow and shareholder equity, (2) labeling the financial statements as those of a development stage entity, (3) disclosing a description of our development stage activities, and (4) disclosing the first year that we are no longer a development stage entity. The amendment to these disclosure requirements is effective for reporting periods after December 15, 2014, but early application is permitted, and the Company has chosen early implementation of this accounting standard for the current reporting period

Cash and Cash Equivalents – The Company considers all highly liquid investments with maturity of three months or less at the date of acquisition to be cash equivalents.

Prepaid Expenses – Prepaid expenses are expenses paid by the Company in cash or stock before they are used or consumed.

Accounts Payable and Accrued Expenses – Accounts payable and accrued expenses consist principally of amounts due to various suppliers and professional service providers.

DEL TORO SILVER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2014

Mineral Property Exploration and Development – The Company has been in the exploration stage since its inception and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties. Mineral property exploration costs are expensed as incurred. Mineral property acquisition costs are initially capitalized. The Company assesses the carrying costs for impairment under ASC 360 “Property, Plant and Equipment” at each fiscal quarter end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Due to Related Parties – Due to related parties consist principally of amounts due to officers and directors of the Company, with respect to expenditures paid by officers and directors on behalf of the Company.

Stock Based Compensation - The Company records stock-based compensation in accordance with ASC 718, “Compensation – Stock Based Compensation” and ASC 505, “Equity Based Payments to Non-Employees”, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

NOTE 3 – MINERAL PROPERTIES

Dos Naciones

On July 7, 2009, and as amended on June 25, 2010, October 21, 2010, and July 9, 2012 the Company entered into an option agreement (the “Dos Naciones Agreement”) to acquire a 50% undivided interest in the Dos Naciones Property

located in Sonora, Mexico. Under the terms of the Dos Naciones Agreement, the Company paid a purchase price of \$29,658 (Cdn \$34,000) and had an option to acquire a further 20% interest in the property. The Company was also required to issue an aggregate of 1,000,000 shares of its common stock, which shares were issued, and to provide a payment of Cdn \$800,000 by July 7, 2013. Because the Company did not pay Cdn \$800,000 by the July 7, 2013 deadline, the option agreement was no longer applicable and management did not pursue renewing the Dos Naciones Agreement.

On September 13, 2013, the Company entered into a Termination Agreement with Alta Vista Ventures Ltd. wherein the Company agreed to terminate the Option Agreement dated July 7, 2009, as subsequently amended. Pursuant to the Termination Agreement, the Company has transferred, in kind, its 50% ownership of the Dos Naciones Property to Alta Vista Ventures Ltd., such that Alta Vista Ventures Ltd. retains a 100% interest in the Dos Naciones Property.

DEL TORO SILVER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2014

Discovery Day Gold Property

The Company entered into an agreement with Bowerman Holdings, LLC (“Bowerman”) on November 14, 2011 in which it can acquire up to 75% of Bowerman’s interest in various mining claims located in Siskiyou County, California, known as the Discovery Day Gold Property. The original expected closing of the acquisition was November 30, 2013 and was modified to include three additional 90 day extensions. During the year ended October 31, 2013, the Company incurred \$5,000 in costs as part of this activity. No costs were incurred in the nine months ended July 31, 2014.

Both Patrick Fagen and Greg Painter, the Company’s two directors and officers, are indirectly majority interest holders in Bowerman Holdings LLC, as they have a direct ownership interest in Trinity Alps Resources, Inc., which is the sole member of Bowerman Holdings LLC. Collectively, Messrs. Fagen and Painter hold a majority interest in Trinity Alps Resources, Inc.

Natchez Pass

On August 31, 2012, the Company entered into a partial purchase option agreement, as subsequently amended, with Natchez Pass LLC. Subsequently, on June 6, 2013, the company entered into a purchase option termination agreement with Natchez Pass LLC wherein the company has agreed to terminate the partial purchase agreement pursuant to the following terms:

the Company has been released from all obligations under the partial purchase agreement;
the Company has been granted a 5% net smelter royalty related to all of the claims under the partial purchase agreement. Within 10 days Natchez Pass LLC will record the net smelter royalty against those claims with the Bureau of Land Management;

the Company shall be paid 5% of the gross sale price, such price to be reduced by sales commissions, closing costs, and Natchez Pass LLC's repayment of its third party debts related to the claims. The sales proceeds to the Company shall not be less than \$300,000;

the Company shall issue 2,000,000 shares of its common stock; and

Natchez Pass LLC shall retain all money paid to it under the partial purchase agreement and, upon sale of the claims to a third party, or upon the sale to a third party of a majority or greater of interest in the claims, the Company shall assign all of its rights in the net smelter royalty to Natchez Pass LLC.

The purchase option termination provided for a release from liabilities totaling \$40,865. Furthermore, the 2,000,000 shares issued in conjunction with the purchase option termination had a value of \$0.06 per share on August 5, 2013 for a total of \$120,000. The net loss incurred as of October 31, 2013 as a result of the above agreement was \$79,135, which was included in other expenses on the consolidated statements of operations. The Company has accumulated \$172,548 of net costs on the property, since inception on the agreement.

Patrick Fagen, an officer and director of the Company, is a direct minority interest holder in Natchez Pass, LLC.

DEL TORO SILVER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2014

NOTE 4 – COMMON SHARES

Year Ended October 31, 2013

On April 24, 2013, the Company issued 574,714 common shares to partially settle convertible debenture of \$10,000. On May 10, 2013, the Company issued 870,690 common shares to partially settle convertible debenture of \$10,100. On May 23, 2013, the Company issued 865,979 common shares to partially settle convertible debenture of \$8,400. On August 5, 2013 the Company issued 2,000,000 common shares to terminate the partial purchase agreement with Natchez Pass.

Nine Months Ended July 31, 2014

On May 1, 2014, the Company issued 1,085,333 common shares to partially settle convertible debenture of \$8,140. On July 17, 2014, the Company issued 500,000 common shares as compensation for consulting services rendered per the agreement signed on July 17, 2014.

NOTE 5 – SHARE PURCHASE WARRANTS

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, October 31, 2011	-	

Issued	2,000,000	0.25	
Expired	-	-	
Balance, October 31, 2012	2,000,000	0.25	
Expired	(2,000,000)	(0.25)
Balance, October 31, 2013	-	-	

As of July 31, 2014, no share purchase warrants were outstanding. The balance of share purchase warrants expired on December 6, 2012.

DEL TORO SILVER CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****JULY 31, 2014**

NOTE 6 – STOCK OPTIONS

On August 29, 2012 the Company adopted a stock option plan (the “2012 Stock Option Plan”) allowing for the issuance of stock options to acquire up to 3,000,000 common shares. As of July 31, 2014 and October 31, 2013, there were 1,000,000 shares available for issuance under the 2012 Stock Option Plan. Officers and directors have been granted 1,500,000 of the 2,000,000 granted stock options.

The following table summarizes the continuity of the Company’s 2012 Stock Option Plan:

	Number of options	Weighted average exercise price (US \$)	Weighted average remaining contractual life (years)
Outstanding, October 31, 2013	2,000,000	0.145	
Outstanding and exercisable, July 31, 2014	2,000,000	0.145	3.12

The Company’s options vest at different periods. As such, the Company records stock-based compensation over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

Additional information regarding stock options as of July 31, 2014, is as follows:

Exercise

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Number of Options	Price \$	Vesting Date	Expiry Date	Life (in years)
575,000	0.10	9/12/2012	9/12/2017	5
505,000	0.15	3/12/2013	9/12/2017	4.5
560,000	0.15	9/12/2013	9/12/2017	4
360,000	0.20	3/12/2014	9/12/2017	3.5
2,000,000				

Compensation cost was recognized over the requisite service period that began September 12, 2012. For the nine months ended July 31, 2014, the Company recognized \$7,806 (2013 \$97,596) as compensation cost. Stock-based compensation expense was estimated using the Black-Scholes option pricing model assuming no expected dividends, a risk-free interest rate ranging from 0.42% to 0.70%, expected option life of 3.5 to 5 years and a volatility of 281%.

DEL TORO SILVER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2014

NOTE 7 – RELATED PARTY TRANSACTIONS

The Company has entered into various convertible loan agreements with related parties including officers and directors. The principal amount of the loans plus any accrued and unpaid interest shall be due and payable in full one year from the advancement date of each loan. The related parties may provide the Company with written notice of conversion at any time to exercise their rights of conversion in respect of either a portion of or the total outstanding amount of each loan plus accrued interest as of that date into shares of the Company.

On September 1, 2012 the Company entered into consulting agreements with officers and directors. Under the terms of the agreement compensation for the provision of services for the 14 months prior to the effective date shall be \$125,000 and the issuance of 1,250,000 shares of common stock of the Company. The cash portion plus any accrued and unpaid interest shall be due and payable in one full year from the date of the agreement. The officers and directors may provide the Company with written notice of conversion in respect of either a portion of or the total outstanding amount of the loan plus accrued interest as of that date into shares of the Company at the price of \$0.10 per share. The loan shall bear interest at a rate of 5% per annum.

Additionally, compensation per the agreements is \$17,000 per month. The cash portion shall continue to accrue and interest shall accrue on the unpaid balance of the cash portion at a rate of 5% per annum. The officers and directors may provide the Company with written notice of conversion of all accrued and unpaid compensation including interest, payable in common shares of the company based on the price of 80% of the average closing prices for the five trading days prior to the end of the one year term.

Additional information on these agreements as of July 31, 2014 and October 31, 2013 is as follows:

Loan Balance
Including Accrued

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Loan Agreement	Interest	
	July 31, 2014	October 31, 2013
On May 26, 2012 agreements were formalized for the advancement of \$104,000, accruing interest at 8.0%, with a conversion price of \$0.06 per share. Accrued interest as of 7/31/14 was \$11,811	\$105,070	\$101,215
On July 16, 2012 an agreement was formalized for the advancement of \$50,000, accruing interest at 8.0%, with a conversion price of \$0.08 per share. Accrued interest as of 7/31/14 was \$8,175.	58,175	55,184
On August 30, 2012 an agreement was formalized for the advancement of \$100,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$1,636.	37,010	63,591
On September 1, 2012 an agreement was entered (see consulting agreement above) totaling \$125,000, accruing interest at 5%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$11,969.	136,969	132,295
On September 1, 2012 an agreement was entered (see consulting agreement above) totaling \$17,000 per month, accruing interest at 5%, with an unknown future conversion price. Accrued interest as of 7/31/14 was \$17,915.	408,915	244,465
On September 21, 2012 an agreement was formalized for the advancement of \$15,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$2,232.	17,232	16,335

DEL TORO SILVER CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****JULY 31, 2014**

On December 11, 2012 an agreement was formalized for the advancement of \$40,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$5,243.	45,243	42,849
On June 14, 2013 an agreement was formalized for the advancement of \$35,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$3,161.	38,161	36,066
On July 19, 2013 an agreement was formalized for the advancement of \$60,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$4,958.	64,958	61,368
On August 26, 2013 an agreement was formalized for the advancement of \$60,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$4,471.	64,471	60,881
On February 27, 2014 an agreement was formalized for the advancement of \$10,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$340.	10,340	-
On March 27, 2014 an agreement was formalized for the advancement of \$3,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$84.	3,084	-
On April 17, 2014 an agreement was formalized for the advancement of \$5,000, accruing interest at 8.0%, with a conversion price of \$0.10 per share. Accrued interest as of 7/31/14 was \$116.	5,116	
On May 19, 2014 an agreement was formalized for the advancement of \$17,500, accruing interest at 8.0%, with a conversion price of \$0.025 per share. Accrued interest as of 7/31/14 was \$284.	17,784	-
On June 26, 2014 an agreement was formalized for the advancement of \$1,500, accruing interest at 8.0%, with a conversion price of \$0.02 per share. Accrued interest as of 7/31/14 was \$12.	1,512	-
Total Convertible Loans Payable to Related Parties	\$1,014,040	\$814,249

The Company is in debt to officers and directors of the Company for an additional \$23,133 and \$18,667 as of July 31, 2014 and October 31, 2013, respectively. The additional related party indebtedness is unsecured, non-interest bearing, and due on demand.

Furthermore, the Company's officers and directors have material interests in Bowerman Holdings, LLC and Natchez Pass, LLC. Activity with these entities is described in Note 3.

DEL TORO SILVER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2014

NOTE 8 – CONVERTIBLE DEBENTURES

On September 20, 2013 the Company issued a convertible debenture with a non-related party for \$50,000. Under the terms of the debenture the amount is unsecured with a stated interest rate of 8% per annum, and is due on or before September 20, 2014. The debenture is convertible into common shares of the Company commencing from the date of issuance, at a conversion price of \$0.05 per share. A total of \$7,500 of interest has been accreted for the nine months ended July 31, 2014 (2013 \$1,139) and the unamortized discount was \$1,361 as of July 31, 2014 (October 31, 2013 \$8,861) related to the intrinsic value of the beneficial conversion feature. Accrued and unpaid interest on the loan balance outstanding for the nine months ended July 31, 2014 was \$3,408.

On October 21, 2013 the Company issued a convertible debenture with a non-related party for \$51,500. Under the terms of the debenture the amount is unsecured with a stated interest rate of 8% per annum, and is due on or before July 23, 2014. Any amount of principal or interest on this debenture which is not paid when due will bear interest at the rate of 22% per annum from the due date thereof. The debenture is convertible into common shares of the Company commencing April 19, 2014 (180 days from the issuance date), at a conversion price equal to 50% of the market price on conversion date, where the market price is equal to the average of the lowest three trading prices in the prior ten trading days as of the conversion date. The conversion feature limits issuing shares of stock to 4.99% of the total issued and outstanding shares. The Company has the right to repay the note within 180 days from date of issuance, in consideration of the payment of cash equal to 120% to 145% of the outstanding balance plus accrued interest. A total of \$8,140 of the debenture was converted to common stock during the nine months ended July 31, 2014. A total of \$49,607 of interest has been accreted for the nine months ended July 31, 2014 (2013 \$1,893) and the unamortized discount was \$-0- as of July 31, 2014 (October 31, 2013 \$49,607) related to the intrinsic value of the beneficial conversion feature. Accrued and unpaid interest on the loan balance outstanding for the nine months ended July 31, 2014 was \$3,191.

On December 18, 2013 the Company issued a convertible debenture with a non-related party for \$31,500. Under the terms of the debenture the amount is unsecured with a stated interest rate of 8% per annum, and is due on or before September 20, 2014. Any amount of principal or interest on this debenture which is not paid when due will bear interest at the rate of 22% per annum from the due date thereof. The debenture is convertible into common shares of the Company commencing June 16, 2014 (180 days from the issuance date), at a conversion price equal to 50% of the

market price on conversion date, where the market price is equal to the average of the lowest three trading prices in the prior ten trading days as of the conversion date. The conversion feature limits issuing shares of stock to 4.99% of the total issued and outstanding shares. The Company has the right to repay the note within 180 days from date of issuance, in consideration of the payment of cash equal to 120% to 145% of the outstanding balance plus accrued interest. A total of \$24,596 of interest has been accreted for the nine months ended July 31, 2014 and the unamortized discount was \$5,405 as of July 31, 2014 related to the intrinsic value of the beneficial conversion feature. Accrued and unpaid interest on the loan balance outstanding for the nine months ended July 31, 2014 was \$1,561.

NOTE 9 – COMMITMENTS

The Company entered into an investor relations agreement with a consulting company on January 26, 2012. Pursuant to the agreement, the Company agreed to pay \$1,000 and issue an aggregate of 140,000 common shares during the next six months. As of July 31, 2014 40,000 shares have been issued relative to this agreement. At the time the financial statements were released, both parties have agreed to temporarily delay the agreement.

The Company entered into an investor relations agreement with a consulting company on July 17, 2014 for a term of three months. Pursuant to the agreement, the Company agreed to issue 500,000 shares of the Company's common stock within 14 business days and an additional 500,000 shares within 45 business days of the execution of the agreement. As part of the agreement the Company has agreed to compensate the consultant an amount equal to 6% of any capital raised as a result of such services.

DEL TORO SILVER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2014

NOTE 10 – SUBSEQUENT EVENTS

On August 13, 2014 the Company entered into a convertible loan agreement with a related party. The loan amount of \$4,000 has an interest rate of 8%, is payable on August 13, 2015 and is convertible at \$0.015 per share.

On August 22, 2014 the Company issued 1,139,535 common shares. The securities were issued in connection with the conversion of a portion of a \$51,500 convertible note dated October 21, 2013.

On August 29, 2014, the Company extended the closing date for the asset sale agreement with Bowerman Holdings to November 30, 2014, including three possible 90 day extensions.

On September 3, 2014, the Company issue 500,000 common shares as compensation for consulting services rendered per the agreement signed on July 17, 2014.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these and other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our consolidated unaudited financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "US\$" refer to United States dollars and all references to "common stock" refer to the common shares in our capital stock.

As used in this quarterly report, the terms “we”, “us”, “our” and “our company” mean Del Toro Silver Corp., unless otherwise indicated.

General Overview

Our company was incorporated on January 9, 2006 as Candev Resource Exploration, Inc. under the laws of the State of Nevada and extra-provincially registered under the laws of the Province of British Columbia on August 15, 2006.

Effective July 28, 2009, our company completed a merger with our wholly owned subsidiary, Del Toro Silver Corp., a Nevada corporation, which was incorporated on July 7, 2009 solely to change our company's name to Del Toro Silver Corp.

Our head office is located at 320 North Carson Street, Carson City, Nevada 89701.

Corporate History

Effective July 9, 2009, we completed the acquisition of a 50% undivided interest, and the option to acquire a further 30% interest in, the Dos Naciones Property, located in the state of Sonora, Mexico, in accordance with the terms of a property option agreement with Alta Vista Ventures Ltd. (formerly Yale Resources Ltd.) dated July 7, 2009. We allowed the option agreement, as amended, to lapse. Management did not pursue renewing the Dos Naciones Agreement and on September 13, 2013, we entered into a termination agreement with Alta Vista wherein we agreed to terminate the option agreement, as subsequently amended

In November 2011, our management announced that our company will begin to change our corporate strategy to target high grade precious metals properties, located in the western United States, that have the potential for near-term production and positive cash flow.

On November 14, 2011, we entered into an asset sale agreement with Bowerman Holdings LLC to acquire up to 75% of 100% of Bowerman's right, title and interest in and to 31 KM mining claims and 17 Raddlefinger mining claims, known as the Discovery Day Gold Property, located in Siskiyou County, California. Closing of the acquisition was scheduled to occur by May 12, 2012. Our company and Bowerman agreed to extensions of the closing date through May 31, 2013 and subsequently through August 27, 2014. Effective August 29, 2014, our company and Bowerman agreed to extend the closing of the asset sale agreement until November 30, 2014. So long as our company is not in default of the agreement, and with consent of Bowerman, we may extend the closing date for as many as three additional 90 day extensions. As of the date of this report the agreement has not closed. During the quarter ended July 31, 2014, our company incurred \$Nil in costs as part of this activity.

In consideration of a 60% interest in the Discovery Day Gold Property, we have agreed to pay to Bowerman an aggregate purchase price of \$6,525,000, payable as follows:

\$25,000 payable by December 14, 2011 (the date of the payment was extended for three additional 90 day extensions from August 31, 2014, for the closing). This agreement has not closed;

\$4,500,000 payable upon closing by execution and delivery of a promissory note and a first position deed of trust against the Discovery Day Gold Property, which secures our company's full repayment of the amount due under the promissory note; and

\$2,000,000 payable upon closing by delivery of 40,000,000 shares of our common stock at \$0.05 per share (issued to Bowerman and certain assignees of Bowerman). We have agreed to use our good faith efforts to file with the Securities and Exchange Commission a reseller prospectus registering the shares within 160 days of the closing, failing which we will be required to pay a \$10,000 fee to Bowerman in lieu of registration.

The \$4,500,000 secured by the promissory note and deed of trust shall accrue interest (on unpaid principal and interest) from closing at the rate of 10% interest per annum, compounded monthly. Principal and interest shall be due and payable in full on closing by way of a balloon payment equal to the amount of the entire balance then-due. We may prepay all or any part of the sum due under the promissory note any time without penalty. Delinquent payments under the note will be subject to a late fee equal to 10% of the delinquent payment amount. Subject to timely payment of the promissory note and all consideration due and payable, our company is entitled to acquire, within 48 months from closing, up to an additional 15% interest in the Discovery Day Gold Property at a rate of \$300,000 per 1%.

In addition to the \$6,525,000 aggregate purchase price, we have agreed to incur, within 36 months of the closing, not less than \$1,500,000 in exploration, development or operating expenses in respect of the Discovery Day Gold Property. Our company's work commitment shall be carried out in accordance with a joint operations agreement between our company and Bowerman, also entered into on November 14, 2011, whereby Bowerman and our company

have agreed to jointly develop the Discovery Day Gold Property through January 1, 2017.

Pursuant to the agreement, our company and Bowerman shall form a single purpose entity to serve as the sole operator of the Discovery Day Gold Property, with our company serving as manager of the entity. Subject to and upon completion of the \$1,500,000, 36-month work commitment to be financed by our company, subsequent work programs and budgets shall be determined by our company at our sole discretion, and the operating costs of the entity shall be shared by our company and Bowerman on a pro-rata basis with their respective ownership interest in the Discovery Day Gold Property. Net proceeds of the entity shall also be divided between our company and Bowerman on a pro-rata basis with their respective ownership interest in the Discovery Day Gold Property.

Bowerman's parent company has caused one of its wholly owned subsidiaries to conditionally license to the entity the use of all equipment, improvements and other items of personal property and improvements overlying the Discovery Day Gold Property. Our company shall have the option to exercise the license by paying to Bowerman a license fee of \$100,000 per year. At our company's election and sole determination, our company may pay each license fee either in cash, in common shares of our company discounted by 20% of the then-market value, or by crediting the value of the license fee toward Bowerman's financial obligation to pay its pro rata interest for work performed under the joint operations agreement, provided that Bowerman's obligation shall not accrue until our company's \$1,500,000 work commitment has been fully expended. Our company shall also have the option to buy out the licensed equipment and improvements. The entity shall be charged with maintaining, repairing, servicing, supplying, insuring and otherwise keeping in good condition through due care all of the equipment and improvements for the duration of the license.

Both Patrick Fagen and Greg Painter, our two directors and officers, are indirectly majority interest holders in Bowerman Holdings LLC, as they have a direct ownership interest in Trinity Alps Resources, Inc., which is the sole member of Bowerman Holdings LLC. Collectively, Messrs. Fagen and Painter hold a majority interest in Trinity Alps Resources, Inc.

On August 31, 2012, and as amended on September 27, 2012, our company entered into a partial purchase option agreement with Natchez Pass, LLC to acquire up to a 67.5% interest, in leasehold interests to land in Pershing County, Nevada. In order to earn the option over a five year period, our company was required to make an aggregate cash payment of \$4,005,000 to, or on behalf of, Natchez Pass and certain amounts for the work program on the Natchez Pass Property, and issue up to 5,000,000 restricted shares of common stock to Natchez Pass. If our company fully exercised the option to earn 67.5% interest, our company had an option to earn up to an additional 7.5% interest at the price of \$150,000 per point.

On June 6, 2013, we entered into a purchase option termination agreement with Natchez Pass LLC wherein we agreed to terminate the partial purchase option agreement dated August 31, 2012. Pursuant to the purchase option termination agreement, we have been released from all obligations, including all monies owed at that time, under the agreement. Our company has been granted a 5% net smelter royalty related to all the claims under the agreement and shall be paid 5% of the gross sale price which shall not be less than \$300,000. Our company issued 2,000,000 shares of our common stock and Natchez Pass shall retain all money paid to it under the partial purchase option agreement.

During the year ended October 31, 2013, our company incurred \$10,500 in mineral properties costs associated with Natchez Pass and was released from liabilities totaling \$40,865, which was included in other income on the consolidated statements of operations. Additionally the 2,000,000 shares issued were valued at \$120,000 and included in current year losses. Our company has accumulated \$172,548 of net costs on the Natchez Pass Property, since inception of the agreement.

Patrick Fagen, an officer and director of our company, is a direct minority interest holder in Natchez Pass, LLC.

Our Current Business

In November 2011, our management announced that a change of our corporate strategy from that of a junior exploration company to one which targets high grade precious metals properties, located in the western United States, with the potential for near-term production and positive cash flow. Most junior explorers and major explorers have had little interest in such properties due to permitting issues, smaller resource potential and lower projected production rates. We believe that this niche market offers many opportunities ignored or overlooked by the junior gold companies. Our new corporate strategy is to best position our company to capitalize on this opportunity and build shareholder value.

We have established five performance milestones for this strategy which include: 1) identifying and purchasing high grade prospects and/or past producers that can be cost-effectively put into production, 2) designing an efficient development plan tailored for each property, 3) obtaining the necessary operating permits, 4) validating the status of the property through an independently written Canadian National Instrument 43-101 technical report and 5) monetizing the asset either through production, a sale or joint venture. We plan to have several such high-grade mines in the development pipeline and achieving each of these milestones is expected to build significant value to each asset. Throughout the development process our company will constantly assess the monetization options available for each of the advanced properties with the intention of putting the most profitable into production ourselves and selling or optioning the others to generate additional cash flow.

Based on our experience, historically strong gold prices along with the popularity of owning physical gold has generated a significant demand in the private and international markets for turnkey, permitted, cost-effective gold producers. We intend to be the industry leader in this market and build shareholder value by diligently implementing our new corporate strategy.

In keeping with this strategy, on November 14, 2011, we entered into an asset sale agreement with Bowerman Holdings LLC to acquire up to 75% of 100% of the Bowerman's right, title and interest in and to 31 KM mining claims and 17 Raddlefinger mining claims located in Siskiyou County, California. This claim block contains 5 mines which comprised the historical Knownothing mining district and is now commonly known as the Discovery Day Gold Property. A Canadian National Instrument 43-101 Technical Report was written on the property in August 2009 and is available on our website.

The claim block is owned and controlled 100% by Trinity Alps Resources, Inc. with a 2% NSR production royalty payable to Patrick Fagen, president of Trinity Alps. Both Patrick Fagen and Greg Painter, our two directors and officers, are indirectly majority interest holders in Bowerman, as they have a direct ownership interest in Trinity Alps, which is the sole member of Bowerman. Collectively, Messrs. Fagen and Painter hold a majority interest in Trinity Alps.

This property exemplifies our company's strategy to acquire historical high grade, near term production properties with relatively low operating costs. Our company plans to put the mine back into production in the very near future and commence exploration efforts to better define the resources of the other mines on the property and the entire Knownothing district.

Closing of the acquisition was scheduled to occur by May 31, 2013. Pursuant to the terms of the asset sale agreement, the closing date was extended by both parties through August 27, 2014. Effective August 31, 2014, our company and Bowerman agreed to three additional 90 day extensions for the closing date. This agreement has not closed. We have also granted permission for Bowerman to entertain third party purchase offers for the claims, any sale of which would be subject to our approval, and include compensation to us for a buyout of our rights under the agreement.

On March 15, 2013, we signed a joint venture partnership terms agreement with Noble Mining Inc. with respect to the acquisition of a toll milling facility in the western United States. Pursuant to the terms of the agreement, Noble Mining would provide financing of up to \$6,000,000 for the acquisition, development, permitting and operating capital for the toll milling partnership. Our company would be responsible for securing and delivering the toll milling facility through the necessary permitting requirements in order to process ore, locating mining customers that will contract with the toll mill to process ore, and managing day to day operations of the toll mill. Under the agreement, once both parties successfully executed their respective roles and responsibilities, Noble Mining and our company would share ownership and profits from the toll mill in a 50/50 split and partner together with respect to the acquisition of mines that they become aware of through servicing the toll mill customers. The joint venture partnership terms agreement was to terminate 180 days from March 15, 2013 and Noble Mining extended the term until April 9, 2014. Our company has decided not to renew this agreement.

On July 17, 2014, we entered into a consulting agreement with Daniel T. Cook, for performing services in the area of investor marketing on behalf of our company.

Pursuant to the terms of the agreement Mr. Cook will receive the following compensation:

1. 500,000 restricted shares of our company's common stock within 14 business days of the execution of the agreement; (issued)
2. 500,000 restricted shares of our company's common stock within 45 business days of the execution of the agreement; (issued)
3. Finder's fees payable within 7 days of receipt of money by our company from any capital raised or financial arrangements resulting from facilitation by Mr. Cook equal to 6% of money received by our company.

The agreement is for a term of three months, which may be cancelled at any time by either party in writing.

Plan of Operation

Our plan of operation is to continue to evaluate, and if warranted close on the acquisition of our interest in the Discovery Day property, following which, in conjunction with our partners, we intend to carry out rehabilitation and exploration work on our Discovery Day property in order to ascertain whether it possesses additional commercially exploitable quantities of gold, silver, and other metals. We intend to primarily rehabilitate the mine workings in order that operations can re-commence, as well as explore for additional gold, silver, and copper. We will not be able to determine whether or not the Discovery Day property contains a further commercially exploitable mineral deposit, or reserve, until appropriate rehabilitation and exploratory work is done and an economic evaluation based on that work indicates economic viability.

Cash Requirements

We anticipate that we will incur the following expenses over the next twelve months:

Expense Item	Cost
Ongoing professional expenses associated with our company being a reporting issuer under the Securities Exchange Act of 1934	100,000
General and administrative expenses	50,000
Mineral property expenses	215,000
Total Expenses	\$365,000

In addition to the above expense items, as we proceed with the Discovery Day Property, we shall incur the following additional costs:

On or before date of closing of the asset sale agreement with Bowerman, our company will pay Bowerman \$25,000 pursuant to the current agreement. Additionally, during the subsequent 12 months from the closing, we anticipate spending an aggregate of \$190,000 in the associated categories for operations at the Discovery Day property:

- \$20,000 for Mine Safety and Health Administration (MSHA) and Cal-OSHA safety compliance;
- \$25,000 for underground rehabilitation;
- \$15,000 for environmental permitting compliance;
- \$35,000 for equipment costs;
- \$25,000 for fuel;
- \$20,000 for supplies; and
- \$50,000 for general and administrative items.

Trinity Alps, the parent company to Bowerman, has informed us that it has spent in excess of \$160,000 (unaudited) since June 10, 2013, to prepare the Discovery Day mine for operations.

As July 31, 2014 we had cash of \$125.

Based on the above estimate of \$365,000 for our expenses for the next twelve months we do not have enough funds to proceed with our plan of operation over the next twelve months. Note that this amount does not include any funds that may be required under the terms of our agreement regarding the Discovery Day Property. We plan to rely on equity financing in order to raise any additional funds necessary to pursue our plan of operation and to fund our working capital deficit in order to enable us to pay our accounts payable and accrued liabilities. We currently do not have any arrangements in place for the completion of any equity financings and there is no assurance that we will be successful in completing any equity financings.

Results of Operations

The following discussion of our results of operations should be read in conjunction with our unaudited consolidated financial statements for the three and nine month periods ended July 31, 2014 which are included herein.

Our operating results for the three and nine month periods ended July 31, 2014 and 2013 are summarized as follows:

	Three Months Ended		Nine Months Ended	
	July 31, 2014	2013	July 31, 2014	2013
Revenue	Nil	Nil	Nil	Nil
Operating Expenses	75,673	108,847	243,384	347,927
Other Expenses	48,339	19,291	129,335	78,520
Net Loss	\$(124,012)	\$(128,138)	\$(372,719)	\$(426,447)

Revenues

We have not earned any revenues to date. We do not anticipate earning revenues from our planned mineral operations until such time as we enter into commercial production of mineral properties we may acquire from time to time, and of which there are no assurances.

Expenses

Our expenses for the three months and nine months ended July 31, 2014 and 2013 are outlined in the table below:

	Three Months Ended		Nine Months Ended	
	July 31, 2014	2013	July 31, 2014	2013
Consulting	\$54,000	\$75,399	\$163,806	\$226,196
General and administrative	10,892	11,641	33,924	35,640
Mineral property expense	Nil	5,664	Nil	24,414
Professional fees	10,781	16,143	45,654	61,677
Interest expense	48,339	60,156	129,335	119,385
Gain on termination of partial purchase option agreement	Nil	(40,865)	Nil	(40,865)
Total	\$124,012	\$128,138	\$372,719	\$426,447

General and Administrative Expenses

The \$4,126 decrease in our operating expenses for three month period ended July 31, 2014 compared to July 31, 2013 was primarily due to decreases in consulting fees, mineral property expenses and professional fees. The \$53,728 decrease in our operating expenses for nine month period ended July 31, 2014 compared to July 31, 2013 was primarily due to decreases in consulting fees, general and administrative expense, mineral property expenses and professional fees.

Professional Fees

Professional fees include our legal, accounting and auditing expenses incurred in connection with the preparation and audit of our financial statements and additional fees that we pay to our legal counsel. Our professional fees decreased by \$5,362 during the three month period ended July 31, 2014. Our professional fees decreased by \$16,023 during the nine month period ended July 31, 2014. The decrease was mostly due to less mineral property activity.

Consulting Expenses

Our consulting expenses decreased by \$21,399 during the three month period ended July 31, 2014 due primarily to no stock option expense during this period. Our consulting expenses decreased by \$62,390 during nine month period ended July 31, 2014 due to a decreased stock option expense during this period.

Liquidity and Capital Resources

Working Capital

	As of	As of	Percentage
	July 31,	October	Increase /
	2014	31,	(Decrease)
		2013	
Current Assets	\$8,895	\$38,769	\$ (77%)
Current Liabilities	\$1,175,067	\$887,168	\$ 32 %
Working Deficit	\$(1,166,172)	\$(848,399)	\$ 37 %

Cash Flows

	Nine Month Period Ended July 31, 2014	Nine Month Period Ended July 31, 2013	Percentage Increase / (Decrease)	
Cash used in Operating Activities	\$(72,963)	\$(157,280)	\$ (54)%
Cash provided by Financing Activities	\$40,283	\$150,689	\$ (73)%
Cash provided by (used in) Investing Activities	Nil	Nil	\$ Nil	%
Net Decrease in Cash	\$(32,680)	\$(6,591)	\$ 396	%

We anticipate that we will incur approximately \$365,000 in operating expenses, including professional, legal and accounting expenses associated with our reporting requirements under the Exchange Act during the next twelve months. As of July 31, 2014 we had cash of \$125. Accordingly, we will need to obtain additional financing in order to complete our business plan.

Cash Used for Operating Activities

We used cash in operating activities in the amount of \$72,963 during the nine month period ended July 31, 2014 and \$157,280 during the nine month period ended July 31, 2013. Cash used in operating activities for both periods was funded by cash from financing activities. The \$84,317 decrease in cash used in the nine month period ending July 31, 2014 was primarily due to less cash paid for consulting, professional services and interest expense.

Cash Provided by Financing Activities

We generated cash of \$40,283 from financing activities during the nine month period ended July 31, 2014 compared to cash generated of \$150,689 by financing activities during the nine month period ended July 31, 2013. The \$110,406 decrease in cash generated in the current period is due to a \$94,906 change in related party financing from 2014 to 2013 and \$15,500 less in net borrowing from outside parties as a result of decreased operating expenses.

Going Concern

The financial statements accompanying this report have been prepared on a going concern basis, which implies that our company will continue to realize our assets and discharge our liabilities and commitments in the normal course of business. Our company has not generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of our company as a going concern is dependent upon the continued financial support from our shareholders, the ability of our company to obtain necessary equity financing to achieve our operating objectives, and the attainment of profitable operations. As of July 31, 2014, our company has accumulated losses of \$2,913,793 since inception. We do not have sufficient working capital to enable us to carry out our stated plan of operation for the next twelve months.

Due to the uncertainty of our ability to meet our current operating expenses and the capital expenses noted above in their report on the financial statements for the year ended October 31, 2013, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

Basis of Presentation

The financial statements and the related notes of our company are prepared in accordance with generally accepted accounting principles in the United States and are expressed in US dollars. Our company's fiscal year end is October 31.

Interim Financial Statements

These interim unaudited financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with our company's audited financial statements and notes thereto for the year ended October 31, 2013.

The financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly our company's financial position at July 31, 2014, and the results of its operations and cash flows for the nine month period ended July 31, 2014 and 2013. The results of operations for the period ended July 31, 2014 is not necessarily indicative of the results to be expected for future quarters or the full year.

Mineral Property Exploration and Development

Our company has been in the exploration stage since our inception and has not yet realized any revenues from our planned operations. We are primarily engaged in the acquisition and exploration of mining properties. Mineral

property exploration costs are expensed as incurred. Mineral property acquisition costs are initially capitalized. Our company assesses the carrying costs for impairment under ASC 360 “Property, Plant and Equipment” at each fiscal quarter end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Due to Related Parties

Due to related parties consist principally of amounts due to officers and directors of our company, with respect to expenditures paid by officers and directors on behalf of our company.

Stock Based Compensation

Our company records stock-based compensation in accordance with ASC 718, “Compensation – Stock Based Compensation” and ASC 505, “Equity Based Payments to Non-Employees”, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

Recent Accounting Pronouncements

Our company has implemented all new accounting pronouncements that are in effect and that may impact our financial statements and found that Accounting Standards Update (ASU) 2014-10 applies to Development Stage Entities (Topic 915), which will have an impact on its financial position or results of operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company”, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Management’s Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president (our principal executive officer) and chief financial officer (our principal financial officer and principal accounting officer) to allow for timely decisions regarding required disclosure.

As the end of the quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president (our principal executive officer) and chief financial officer (our principal financial officer and principal accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president (our principal executive officer) and chief financial officer (our principal financial officer and principal accounting officer) concluded that our disclosure controls and procedures were not effective in providing reasonable assurance in the reliability of our reports as of the end of the period covered by this quarterly report.

Changes in Internal Control over Financial Reporting

During the period covered by this report there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We know of no material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. Risk Factors

As a “smaller reporting company”, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mining Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit

Exhibit Number	Description
(3)	Articles of Incorporation and Bylaws
3.1	Articles of Incorporation (incorporated by reference to our Form SB-2 Registration Statement filed on January 22, 2007)
3.2	Bylaws (incorporated by reference to our Form SB-2 Registration Statement, filed on January 22, 2007)
3.3	Articles of Merger (incorporated by reference to our Current Report on Form 8-K, filed on August 19, 2009)
(10)	Material Contracts
10.1	Asset Sale Agreement between our company and Bowerman Holdings, LLC dated November 14, 2011 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on November 21, 2011)
10.2	Joint Operations Agreement between our company and Bowerman Holdings, LLC dated November 14, 2011 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on November 21, 2011)
10.3	Investor Relations and Consulting Agreement between our company and Stock Signal IR and Consulting Group dated January 26, 2012 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 2, 2012)
10.4	Amendment #3 to Option Agreement between our company and Yale Resources Ltd. dated July 9, 2012 (incorporated by reference to our Current Report on Form 8-K filed on July 9, 2012)
10.5	Convertible Loan Agreement between our company and Greg Painter dated May 26, 2012 (incorporated by reference to our Current Report on Form 8-K filed on May 29, 2012)

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- 10.6 Convertible Loan Agreement between our company and Patrick Fagen dated May 26, 2012 (incorporated by reference to our Current Report on Form 8-K filed on May 29, 2012)
- 10.7 Convertible Loan Agreement between our company and Patrick Fagen dated July 16, 2012 (incorporated by reference to our Current Report on Form 8-K filed on July 20, 2012)
- 10.8 2012 Stock Option Plan (incorporated by reference to our Current Report on Form 8-K filed on August 30, 2012)
- 10.9 Convertible Loan Agreement between our company and Patrick Fagen dated August 30, 2012 (incorporated by reference to our Current Report on Form 8-K filed on September 5, 2012)
- 10.10 Partial Property Option Agreement between our company and Natchez Pass LLC dated August 31, 2012 (incorporated by reference to our Current Report on Form 8-K filed on September 6, 2012)
- 10.11 Consulting Agreement between our company and Greg Painter dated September 1, 2012 (incorporated by reference to our Current Report on Form 8-K filed on September 5, 2012)

Exhibit Number	Description
10.12	Consulting Agreement between our company and Patrick Fagen dated September 1, 2012 (incorporated by reference to our Current Report on Form 8-K filed on September 5, 2012)
10.13	Convertible Loan Agreement between our company and Patrick Fagen dated September 21, 2012 (incorporated by reference to our Current Report on Form 8-K filed on September 26, 2012)
10.14	Securities Purchase Agreement between our company and Asher Enterprises, Inc. dated October 10, 2012 (incorporated by reference to our Current Report on Form 8-K filed on October 25, 2012)
10.15	Convertible Loan Agreement between our company and Patrick Fagen dated December 11, 2012 (incorporated by reference to our Current Report on Form 8-K filed on December 12, 2012)
10.16	Partial Purchase Option Agreement, Second Amendment between our company and Natchez Pass LLC dated January 15, 2013 (incorporated by reference to our Current Report on Form 8-K filed on January 16, 2013)
10.17	Securities Purchase Agreement between our company and Asher Enterprises, Inc. dated February 12, 2013 (incorporated by reference to our Current Report on Form 8-K filed on March 1, 2013)
10.18	Convertible Promissory Note between our company and Asher Enterprises, Inc. dated February 12, 2013 (incorporated by reference to our Current Report on Form 8-K filed on March 1, 2013)
10.19	Letter of Intent between our company and Noble Mining Inc. dated March 15, 2013 (incorporated by reference to our Annual Report on Form 10-K filed on February 11, 2014)
10.20	Securities Purchase Agreement between our company and Asher Enterprises, Inc. dated April 2, 2013 (incorporated by reference to our Current Report on Form 8-K filed on April 8, 2013)
10.21	Convertible Promissory Note between our company and Asher Enterprises, Inc. dated April 2, 2013 (incorporated by reference to our Current Report on Form 8-K filed on April 8, 2013)
10.22	Extension Agreement between our company and Bowerman Holdings, LLC dated May 31, 2013 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on May 31, 2013)
10.23	Purchase Option Termination Agreement between our company and Natchez Pass LLC dated June 6, 2013 (incorporated by reference to our Current Report on Form 8-K filed on June 12, 2013)
10.24	Convertible Loan Agreement between our company and Patrick Fagen dated June 14, 2013 (incorporated by reference to our Current Report on Form 8-K filed on June 19, 2013)
10.25	Convertible Loan Agreement between our company and Patrick Fagen dated July 19, 2013 (incorporated by reference to our Current Report on Form 8-K filed on July 26, 2013)
10.26	Termination Agreement between our company and Alta Vista Ventures Ltd. dated September 13, 2013 (incorporated by reference to our Current Report on Form 8-K filed on September 16, 2013)
10.27	Securities Purchase Agreement between our company and Asher Enterprises Inc. dated October 21, 2013 (incorporated by reference to our Current Report on Form 8-K filed on October 31, 2013)
10.28	Convertible Promissory Note between our company and Asher Enterprises, Inc. dated October 21, 2013 (incorporated by reference to our Current Report on Form 8-K filed on October 31, 2013)
10.29	Securities Purchase Agreement between our company and Asher Enterprises Inc. dated December 18, 2013 (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2013)
10.30	Convertible Promissory Note between our company and Asher Enterprises, Inc. dated December 18, 2013 (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2013)
10.31	Convertible Loan Agreement between our company and Greg Painter dated February 27, 2014 (incorporated by reference to our Current Report on Form 8-K filed on March 6, 2014)
10.32	Convertible Loan Agreement between our company and Greg Painter dated March 27, 2014 (incorporated by reference to our Current Report on Form 8-K filed on March 27, 2014)
10.33	Convertible Loan Agreement between our company and Patrick Fagen dated April 17, 2014 (incorporated by reference to our Current Report on Form 8-K filed on April 22, 2014)
10.34	

Convertible Loan Agreement between our company and Patrick Fagen dated May 19, 2014 (incorporated by reference to our Current Report on Form 8-K filed on May 21, 2014)

Exhibit Number	Description
10.35	Convertible Loan Agreement between our company and Patrick Fagen dated June 26, 2014 (incorporated by reference to our Current Report on Form 8-K filed on June 27, 2014)
10.36	Consulting Agreement with Daniel T. Cook dated July 17, 2014 (incorporated by reference to our Current Report on Form 8-K filed on July 21, 2014)
10.37	Convertible Loan Agreement between our company and Patrick Fagen dated August 13, 2014 (incorporated by reference to our Current Report on Form 8-K filed on August 18, 2014)
(14)	Code of Ethics
14.1	Code of Ethics (incorporated by reference to our Quarterly Report on Form 10-QSB filed on September 19, 2007)
(31)	Rule 13a-14(a) / 15d-14(a) Certifications
31.1*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of the Chief Executive Officer
31.2*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of the Chief Financial Officer
(32)	Section 1350 Certifications
32.1*	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Chief Executive Officer
32.2*	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Chief Financial Officer
(99)	Additional Exhibits
99.1	Audit Committee Charter (incorporated by reference to our Annual Report on Form 10-K filed on January 29, 2009)
101**	Interactive Data Files
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEL TORO SILVER CORP.

Date: September 15, 2014 /s/ *Greg Painter*

Greg Painter

Chief Executive Officer, President, Secretary, Treasurer and Director
(Principal Executive Officer)

Date: September 15, 2014 /s/ *Patrick Fagen*

Patrick Fagen

Chief Financial Officer and Director
(Principal Financial Officer and Principal Accounting Officer)